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

No. RS(S)/51/2015/7701/11/11926 **New Delhi, Dated: 12 .08.2015**

M/s BRG Iron & Steel Co. Pvt. Ltd.,
Godrej Waterside, Suite 402/403/404,
Plot No 5, Block DP, Sector-V,
Salt Lake City,
Kolkata – 700091.

DEVELOPMENTAL ORDER

Dear Sirs,

Sub: Contract No. RS(S)/51/2015/7701/11/11926 dated 12 .08.2015 for supply of Stainless Steel Sheets/Plates.

******

With reference to your offer and other references detailed below, Executive Director, Railway Stores(S), on behalf of President of India is pleased to accept your offer to the extent of quantities, specifications and prices shown in Clause 10. This Running Contract is issued on the terms and conditions detailed hereunder:

2. Contract No.	RS(S)/51/2015/7701/11/11926 dated 12 .08.2015
3. Purchaser	Executive Director, Railway Stores (S), Railway Board, on behalf of President of India.
4. Name & Address of the supplier	M/s BRG Iron & Steel Co. Pvt. Ltd., Godrej Waterside, Suite 402/403/404, Plot No 5, Block DP, Sector-V, Salt Lake City, Kolkata – 700091.
5. Purchaser's Reference	(i) Ministry of Railways, (Railway Board)'s Tender No. 2014IS186 opened on 16. 04.2015 (ii) Advance Acceptance No. RS(S)2014/747/7 dated 31.07.2015.
6. Contractor offer and other references	(i) Offer No. Nil dated 16. 04.2015. (ii) Your letter No. BRG/RB/IS186/02 dated 04.08.2015.
7. Place of Manufacturing	The material is to be manufactured in your works at Angul, Dhenkenal, Odisha.
8. Inspecting Authority	M/s RITES of the Eastern Region.
9. Paying Authority	FA&CAO (RBC), Eastern Railway, Kolkata will maintain the account and arrange all payments against the contract.

10. **Particulars of Order:**

Stainless Steel Sheets/Plates

SN	TSN	Thickness range (MM)	Width range (MM)	Specification	Quantity (in MTs.)	Basic rate excluding ED/ST (₹/MT)	Total Basic value (₹)
1.	SSO3	3-8	1000 - 1250	IRS M-44/97	2,594	62,149.00	16,12,14,506.00
2.	SSO4	10-60	700 – less than 1000	IRS M-44/97	1,386	62,749.00	8,69,70,114.00
3.	SSO5	10-60	1000 - 1250	IRS M-44/97	1,146	62,749.00	7,19,10,354.00
Total					**5,126**		**32,00,94,974.00**

(i) Surface Finish:

For various thickness of hot rolled sheets/plates, following surface roughness value shall be maintained:

Thickness	Surface Roughness Values
3-10 mm	: 8 μ max
> 10-12 mm	: 10 μ max
> 12-16 mm	: 14 μ max
>16-25 mm	: 25 μ max
>25 mm	: 30 μ max

For cold rolled sheets surface roughness values shall be as per Para 11.2 of specification No. C-K 201 and finish grade shall be 2B, as per the tender specification.

(ii) Tolerance in Sizes:

Tolerance shall conform to ASTM A 480 as per Para 11.1 of specification No. IRS: M-44/97 for hot rolled sheets/plates. Tolerance on thickness for 5-8 mm thick hot rolled sheets/plates shall be in the limit +0.5 mm to -0.2 mm. For other plate thickness, tolerance shall be as per ASTM A 480. For cold rolled sheets dimensional tolerance shall be as per Para 10 of specification No.C-K 201.

10.1 **(i) Total Quantity**: 5,126 MT (Five thousand one hundred twenty six MT).

(ii) Value of the Contract: Total basic value of contract is ₹ 32,00,94,974/- (Rupees Thirty two crore ninety four thousand nine hundred seventy four) only. Total value including ED @ 12.5% and VAT @ of 5% is ₹ 37,81,12,188/- (Rupees Thirty seven crore eighty one lakh twelve thousand one hundred eighty eight) only.

(iii) Supply Tolerance: +/- 5% tolerance in quantities (item-wise) will be allowed against each supplies.

11. **Excise Duty:** Excise Duty is reimbursable by the purchaser as per actual against documentary evidence. The current prevailing rate of Excise Duty is 12.5%.

11.1 The Purchaser will not be responsible for payment of Excise Duty by the seller under misapprehension of law. The liability of the Purchaser to reimburse Excise Duty 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. The claim for excise duty on each bill should be supported by the following certificates:

(i) "The rate of Excise Duty is -------% ad valorem. The Excise Duty at present legally leviable in this case is ₹----------i.e.----------% on ₹----------being the unit value of the stores as assessed by the Controller of Excise---------area."

(ii) "Certified that the Excise Duty charged on this bill is not more than what is legally leviable and payable under the provision of the relevant Act or Rules made thereunder."

(iii) "Certified that the amount of ₹----------claimed as Excise Duty in this bill is in accordance with the provisions of the Rules in all respects and that the same has been actually paid to the Excise Authorities in respect of the stores covered by the Bill."

(iv) "Certified that Excise Duty has not been paid on the element of freight from the place of removal to the place of delivery.

12. **Sales Tax**: CST/VAT will be reimbursed as applicable, against documentary evidence at the time of supply. Current rate is 5%.

12.1 The Purchaser will not, however, be responsible for the payment of Sales Tax made by the contractor under misapprehension of Law. Declaration as per proforma given below should be recorded on the Bills while claiming payments.

"Certified that the sales tax as claimed in this bill is legally payable by us and has been paid/will be paid by us to the Sales Tax authorities. Our CST/VAT Registration No. is ----------
Our State ST/VAT Registration No. is----------"

13. **Statutory Variation:** Any Statutory variation during original currency of the contract will be on purchaser's account.

14. **CENVAT:**

14.1 The prices are inclusive of CENVAT benefits. The contractor will pass on to the Purchaser such additional duties as set-offs as may become available in future in respect of all the inputs used in the manufacture of the final product

on the date of the supply under the CENVAT scheme by way of reduction of prices and advise the Purchaser accordingly. The bill for payment should be accompanied by the following certificate to be furnished by the contractor:

> "We certify that no additional duty set offs on the goods supplied by us have accrued under the CENVAT scheme in force on the date of supply after we submitted our quotation and submitted the present bills."

14.2 The following certificates shall also be furnished by the contractor to the Paying Authority:

(i) Quarterly Certificate from the Suppliers/Mills Director/Manager/Accountant against each contract to the effect that no refund of Excise Duty already reimbursed to the contractor by the Paying Authority, against contract No.---------dated----------has been obtained by them during the quarter ending----------.

(ii) Suppliers/Mill's statutory auditor's certificate once a year as to whether any refunds have been obtained by the contractor or not in the preceding financial year after the annual audit of his accounts, also indicating the details of such refund, if any, this certificate should contain a reference to all Rate/Running Contracts held by the contractor and as many copies should be furnished as the number of contracts to which it relates.

15. **Octroi Duty**: Octroi Duty exemption certificate will be given by the respective consignees to the Seller in respect of the material dispatched by road to enable the Seller getting exemption from payment of Octroi Duty or to seek reimbursement of the same paid, from the concerned municipal authorities. In case the concerned municipal authorities do not accept the said exemption certificate, the Octroi Duty shall be borne by the Purchaser.

16. **State Entry Tax:** Payment of State Entry Tax may be decided on the basis of final decision in the matter pending in Hon'ble Supreme Court of India. Till such time, Entry Tax may not be paid. However, in case of decision of Hon'ble Court in favour of West Bengal Govt., the same will be paid under the provision of SVC.

17. **Inspection**: The material shall be inspected in terms of clause 1300 of the IRS Conditions of Contract, by the Inspecting Authority mentioned in Para 8 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.

18. **Consignee & Dispatch Instructions**:

18.1 The consignee particulars along with thickness, width and length of the material shall be intimated by Director (I&S), Railway Board, Kolkata.

18.2 No deviations in width and length (i.e. size) and tolerance as intimated by Steel cell, Kolkata shall be permitted.

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

18.4 **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 freight or calculated as per following rate schedule, whichever is lower, may be reimbursed.

Slab	Rate (₹/MT) per Km.
Upto 300 Km.	2.75
301 – 600 Km.	2.40
601 – 1000 Km.	2.12
1001 Km. and above	1.89

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

$$RUR = BR + BR\left(0.3 \frac{(RDP-ODP)}{ODP}\right)$$

Where
RUR = Revised Updated Rate in ₹/MT/Km.
BR= Basic Rate
ODP= Original Diesel Price at Kolkata as on 16.04.2015 i.e. ₹ 52.08 per litre.
RDP = Revised Diesel Price at Kolkata applicable on date of dispatch.

For price variation calculation, the ruling HSD price in Kolkata will be taken and varied when the Diesel Price has decreased or increased by more than ₹ 1.00 (one) only as compared to the Diesel Price at Kolkata as on the date of opening the tender 16.04.2015 i.e. ₹52.08 per litre. It is further mentioned that these freight charges would be all inclusive of local taxes/duties and inclusive of Service Tax if any.

18.5 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. Issue of Inspection Certificate will be considered sufficient for this purpose. 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.

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

18.7 The Purchaser reserves the right to alter consignee particulars, width and length requirements of material as and when the necessity arises.

19. **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.

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

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

20. **PAYMENT TERMS**:

(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) <u>For dispatches by rail to Wagon/Coach manufacturers:</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 receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.

20.1 Payments against this contract will be made by the Paying Authority on submission of Bills by the Contractor as follows:

(1) Original Railway Receipt.
(2) Certificate that certified copy of the Railway Receipt has been dispatched to consignees by Registered Post.
(3) Certificate that the Invoice has been correctly prepared in accordance with the terms of the contract.
(4) Original copy of Inspection certificate issued by the Inspecting Authority.
(5) Certificate as prescribed in Para 15.1 above.

<u>Note:</u> *Documents at (1) & (2) above will be applicable only for rail dispatches.*

20.2 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 RR Nos.----------dated----------and covered by Inspection Certificate No----------dated----------. I/We hold myself/ourselves personally responsible for the correctness of this statement."

20.3 No payment will be released by the Paying Authority unless it receives the Performance Guarantee Bond as per Para 27 below.

21. **DELIVERY PERIOD**: Supplies to commence within 45 days from the date of supply order and minimum monthly rate of supply will be 2,000 MT. In case any supply order is placed for a quantity less than the minimum quantity indicated above, minimum time allowed for supply after commencement period will be one month in such cases.

21.1 Director (Iron & Steel)/Kolkata will place supply orders against this Running Contract during its currency. Supply orders can be placed till last date of validity of the contract.

21.2 Delivery Period will be reckoned from the date of Supply Order.

21.3 DRS(I&S), Railway Board, Kolkata is authorized to decide the priorities for the supplies.

21.4 Considering that while placing supply orders in multiple tranches against running contract, sometimes minimum tonnage required for rolling in a particular width/thickness combination 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 extend the delivery period in such cases without any LD within the overall validity of the contract. Such situations may also come in way if the quantity ordered is less than a lorry load or to cater to urgent requirement of any particular consignee.

21.5 In other case, DRS (I&S), Railway Board, Kolkata is authorized to extend the Delivery Period against the supply order with LD &DC.

21.6 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.

22. **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, explosion, epidemics, quarantine restrictions, strikes, lock outs 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 supplier to perform its obligation under its contract 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 day of occurrence of such event with reasonable evidence thereof. Unless otherwise directed by the purchaser 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 purchase organisation only. In such a situation the purchase organisation is to take up with the supplier on similar lines as above for further necessary action.

23. **ARBITRATION:**

(a) In the event of any question, dispute or difference arising under these conditions or any special conditions of contract, or in connection with this contract (except as to any matters the decision of which is specially provided for by these or the special conditions) the same shall be referred to the sole Arbitration of a Gazetted Railway Officer appointed to be the arbitrator, by the General Manager in the case of contracts entered into by the Zonal Railways and Production Units, by any Member of the Railway Board, in the case of contracts entered into by the Railway Board and by the head of the organizations in respect of the contracts entered into by the other organizations under the Ministry of Railways. The Gazetted Railway Officer to be appointed as Arbitrator however will not be one of those who had an opportunity to deal with the matters to which the contract relates or who in the course of their duties as Railway servant have expressed views on all or any of the matters under dispute or difference. The award of the Arbitrator shall be final and binding on the parties to this contract.

(b) In the event of the Arbitrator dying, neglecting or refusing to act or resigning or being unable to act for any reason, or his award being set aside by the Court for any reason, it shall be lawful for the authority appointing the Arbitrator to appoint another arbitrator in place of the outgoing arbitrator in the manner aforesaid.

(c) It is further a term of this contract that no person other than the person appointed by the authority as aforesaid should act as Arbitrator and that if for any reason that is not possible, the matter is not to be referred to Arbitration at all.

(d) The Arbitrator may from time to time with the consent of all the parties to the contract enlarge the time for making the award.

(e) Upon every and any such reference, the assessment of the cost incidental to the reference and award respectively shall be in the discretion of the Arbitrator.

(f) Subject as aforesaid, the Arbitration and Conciliation Act, 1996 and the rules thereunder and any statutory modifications thereof for the time being in force shall be deemed to apply to the Arbitration proceeding under this clause.

(g) Work under the contract shall, if reasonably possible continue during the arbitration proceedings and no payment due to or payable by the President of India shall be with held on account of such proceedings.

(h) The venue of arbitration shall be the place from which the acceptance note is issued or such other place as the arbitrator as his discretion may determine.

(i) In this clause the authority, to appoint the arbitrator includes, if there be no such authority, the officer who is for the time being discharging the functions of that authority whether in addition to other functions or otherwise.

24. **The Running Contract is subject to the following terms & conditions:**

24.1 The validity of the running contract is 12 months from the date of issue of the contract and can be extended with mutual consent between the parties.

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

24.3 The contract prices are subject to Price Variation Clause as per Annexure 'A' enclosed with base month as February, 2015.

24.4 The contract prices are FOR station of dispatch – Angul, dhenkenal, Odisha.

25. **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.

26. **Marking:** Marking will conform to Clause 13 of the Specification No. IRS: M-44-97. All the products should bear distinct mark made by ink printing with indelible ink.

27. **PERFORMANCE GUARNTEE BOND:** The seller shall furnish Performance Guarantee Bond 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.2014IS186. The original should be deposited with the paying authority and a Photostat copy of the same should be sent to the purchaser. Validity of the bond should be as per clause 9.5 of the Tender Document. The seller shall ensure full compliance of the provisions of clause 9 of the General Tender Conditions in respect of tender No. 2014IS186 in this regard.

28. The contract will be governed by Indian Railways Standard Conditions and terms and conditions of Tender Document to the extent they do not contradict the terms and conditions contained in the preceding paragraphs.

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

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

Yours faithfully,

Encl: Annexure 'A' (1 page)

(Shiv Shanker)
Dy. Director, Railway Stores (Steel)-I
Railway Board
For and on behalf of the President of India.

No. RS(S)/51/2015/7701/11/11926 **New Delhi, Dated: 12 .08.2015**

Copy to:

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

For Financial Commissioner/Railways

No. RS(S)/51/2015/7701/11/11926 **New Delhi, Dated: 12 .08.2015**

Copy to:

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

(Shiv Shanker)
Dy. Director, Railway Stores (Steel)-I
Railway Board

ANNEXURE 'A'

PRICE VARIATION CLAUSE – BASE MONTH: February, 2015.

1. The increase/decrease in the price of materials quoted/ supplied against this tender would be governed by the following Price Variation formula:

$$P_1 = \frac{P_o}{100}\left(25 + 9 \times \frac{FC_I}{FC_o} + 66 \times \frac{MS_1}{MS_o}\right)$$

Where,

P_1 = Escalated/de-escalated price.

P_o = Base Price.

FC_1 = The index number of whole sale prices in respect of items "Ferro Chrome" Base 2004-05 compiled by Economic adviser to the Govt. of India for the calendar month, one month prior to the call for inspection of the material. For instance material offered for inspection in July, 2015 the Index number for the month June, 2015 will be applicable.

FC_o = Whole sale price index for "Ferro Chrome" applicable for the Base month.

MS_1 = The index number of whole sale prices in respect of items "Melting Scrap" Base 2004-05 compiled by Economic adviser to the Govt. of India for the calendar month, one month prior to the call for inspection of the material. For instance material offered for inspection in July, 2015 the Index number for the month June, 2015 will be applicable.

MS_o = Whole sale price index for "Melting Scrap" applicable for the Base month

2. In case P_1 is greater than P_o, the difference P_1 minus P_o shall constitute the amount due to the contractor towards escalation on account of Price Variation. Otherwise, the difference P_o minus P_1 shall constitute the amount to be recovered from the contractor as de-escalation.

3. The decision of the President of India in regard to wage and material escalation under the clause shall be final and not be subject to legal dispute or arbitration.