GOVERNMENT OF INDIA (BHARAT SARKAR)
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)
(RAILWAY BOARD)

No.2016/RS (PF&EC)/951/CSB/6 New Delhi, dated 12.04.2016.

M/s. Raneka Industries Limited,
Plot No. 15, 16 & 17, Sector -III,
Sagore, Pithampur,
Distt. Dhar (MP)- 454774.

Dear Sirs,

Sub: Contract No.2016/RS (PF&EC)/951/CSB/6 dated 13.4.2016 for manufacture and supply of Cast Steel Bogies for CONCOR's Container Flat wagons.

Ref: (i) E-Tender No.2015CSB1TC for procurement of cast steel bogies for CONCOR's container flat wagons opened on 06.08.2015
(ii) Your E-Bid dated 06.08.2015.
(iii) Counter offer No.2015/RS(PF&EC)/951/CSB/1 TC dated 31.03.2016.
(iv) Your Acceptance NoRIL/KJ/MK/16-17 dated 06.04.2016.

The President of India acting through the Executive Director, Railway Stores (S), Ministry of Railways (Railway Board) is pleased to place an order on you for manufacture & supply of 300 nos. Cast Steel Bogies for CONCOR's container flat wagons as per details given hereunder:-

1.0 DESCRIPTION, SPECIFICATION AND RATE OF ITEM

Description	Specification	Quantity ordered	Rate (per bogie)
Cast Steel Bogie for 'CONCOR' low platform bogies containers 'CONCOR' Flat Wagons BG including Brake Gear Assembly complete together with Centre Pivot TOP, Centre Pivot Pins, Retainer Ring, side Bearer, Elastomeric Pads & Allied component .	RDSO's specification No. CONTR – LCCF-20 (C) 96 (Revision - 2 of Dec. 2006 with amendment No. 1 of February, 2010) with latest amendments, if any.	300 Nos.	₹2,24,014.52/- (Rs. Two Lakh Twenty Four Thousand Fourteen and paisa fifty two only) per bogie. Inclusive of ED @ 6%, VAT/CST @ 5% and freight @ 12,500/- per bogie.

Note:

(i) Bogies have to be supplied strictly as per RDSO's specification mentioned above.

(ii) Centre Pivot top, centre pivot pin, retainer ring, shackle lock, lock pin for shackle, 4 mm dia, split pin for lock pin, rubber bonded washer for centre pivot, top side bearer liner, shims 3 mm thick & 1 mm thick and bolt M16 with nut, spring washer and 4 mm split pin for side bearer are to be supplied separately in advance much before supply of bogies.

(iii) Bogies are to be supplied with wide jaw side frames for fitting wide jaw Adapters.

(iv) Supplies should be made in matched sets with 80% of total quantity consisting of Draw Bar End bogies and the balance 20% of CBC End bogies for each consignee in each installment. Out of 300 nos. bogies, 60 nos. bogies suitable for CBC end and balance 240 nos. bogies suitable for draw bar end of BLC wagons need to be supplied in accordance with the relevant detail drawings referred from RDSO's specification mentioned above.

(v) Drawings may be obtained directly on payment from RDSO, Lucknow

(vi) The components viz. wheel-sets, bearings, wide jaw adapters, side frame key, side frame key bolts with nuts, spring washers and split pin (Item Nos. 4, 6, 7, 8 & 9 of RDSO's drg. No. CONTR-9404-S/2, Alt.7 indicated under clause 2 (scope of supply) in RDSO's specification NO. LCCF-20(C)-96 (Rev.2 of Dec. 2006), item No.17 (Retainer bolt and nut) of drg. No. CONTR-9404-S/2, Alt. 7 and item No.8 (24 mm diameter rivets for fixing center pivet top) of drg. No. CONTR-9404-S/8, Alt.11 referred in RDSO's specification mentioned above need not be supplied.

1.1 Value of the contract: Total value of the contract is Rs.6,72,04,356/- (Rupees Six Crore Seventy Two Lakh Four Thousand Three Hundred Fifty Six only). This is inclusive ED @ 6%, VAT/CST @ 5% and freight of Rs.9,000/- per bogie.

2.0 COMPOSITE WAGES/MATERIAL/INPUTS ESCALATION/DE-ESCALATIONS.

2.0.1 The price is subject to changes arising from the variation in wages and materials. The wage and material Escalation./De-escalation shall be determined as per Formula given at Annexure-A.

2.0.2 The verification of escalation claims will be done by the Paying Authority, on the basis of published indices. Paying Authority will send a copy of verified claim to the Railway Board.

2.1 MANNER OF SUBMISSION OF WAGES/ESCALATION/DE-ESCALATION CLAIM.

The contractor shall submit the escalation/de-escalation claims for wages and materials to the Paying Authority by the end of the month following the month in which bogies were offered for inspection. In the event of contingencies like delay in receipt of price indices etc., the Paying Authority may, at his discretion, allow up to a maximum of one month additionally for submission of escalation/de-escalation claims. In the event of contractor's failure to submit escalation/de-escalation claims for materials in the manner as aforesaid, the Paying Authority shall be at liberty to stop further payment till submission of all escalation/de-escalation claims as per schedule.

2.2 Quantity Ordered : 300 nos. cast steel bogies for CONCOR's flat wagons.

2.3 Consignee : WM/WP/GOC, Southern Railway.

2.4 F.O.R : Ex Works

2.5 Place of Manufacture : Plot No. 15, 16 & 17, Sector-III, Sagore, Pithampur, Distt. Dhar, MP – 454774.

2.6. Paying Authority : FA&CAO, Southern Railway, Chennai.

2.7 TERMS OF PAYMENT:

(i) 95% payment for the stores or each consignment thereof will be made against inspection certificate and proof of dispatch. For dispatch of material by road, it is the challan of the supplier duly certified by the consignee Gazetted Officer towards receipt of consignee's end will constitute the proof of dispatch for the purpose of payment.

(ii) Balance 5% payment will be made or receipt and acceptance of stores by the consignee, signified by granting of Receipt Note. In other words, balance 5% payment shall be made against Receipt Note.

3.0 DELIVERY:

3.0.1 Supplies to commence within 5 months of issue of contract and to be completed @ 150 nos. bogies per quarter.

3.0.2 The delivery of the stores is subject to liquidated damages as per clause 0702 of IRS Conditions of Contract and Railways' Standard *Force Majeure* clause, which is as under :

Force Majeure means an event beyond the control of the supplier and not involving the supplier's fault or negligence and which is not forseeable. 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 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 days 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 any 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.

3.0.3 In case of failure on the part of supplier to arrange supplies as per the delivery schedule/ installments fixed in advance, save force majeure conditions or delays attributable to Purchaser, the purchaser reserves the right to levy Liquidated Damages which shall be levied as under:-

3.0.4 Liquidated Damages and not by way of penalty, a sum equivalent to 2% (Two percent) of the price of any stores (including elements of taxes, duties, freight etc.) which the contractor has failed to deliver within the delivery period fixed for delivery in the contract or as extended for each month or part of a month during which the delivery of such stores may be in arrears where delivery thereof is accepted after expiry of the aforesaid period, subject to a maximum of ten percent of value of the delayed supplies.

3.0.5 However, the Ministry of Railways reserves the right to regulate the off-take of bogies as well as to re-fix the terminal date of delivery.

3.0.6 Material will be dispatched by road on door delivery and freight pre-paid basis. Road freight indicated above is inclusive of service tax on road freight, if any.

3.1 QUALITY ASSURANCE PLAN (QAP)

You will get your Quality Assurance Plan (QAP) approved by RDSO before commencement of supply against this contract.

4.0 EXCISE DUTY:

The price mentioned above is inclusive of Excise Duty @ 6%. However, the liability of the purchaser to reimburse Excise Duty, is limited to such sums as may be found legally due and payable in respect of contracted goods and documentary evidence. The price shown in Para 1 above is after taking into account the CENVAT benefits available as on the date of offer.

The supplier/contractor should add the following clauses in the bill:

'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 quotations and submitted the present bill.'

In the event of CENVAT credits being extended by the Government of India to more items than already covered on higher set-offs than envisaged at the time of offer for the same items have become available, the firm should advise the purchaser about the additional benefits accrued to them through a letter containing the following certificate or any variant thereof as may be considered necessary by Railway Administration.

'We hereby declare that we have availed of the additional duty set offs as per latest CENVAT scheme in force now and we have given a reduction of Rs.___ per unit and agreed to revise the prices indicated in the order. The current ED at the rate of__ % is payable on this reduced prices.

4.1 CST/VALUE ADDED TAX :

The price mentioned above is inclusive of CST/Value Added Tax @ 5%. The contractor shall unconditionally pass on the applicable input tax credit under the relevant VAT Act availed on inputs used in the manufacture of the finished product. The contractor while claiming the payment for bogies shall furnish the following certificate to the Paying Authority:

" We hereby declare that additional set offs/input tax credit to the tune of ₹ ---------- has accrued and accordingly the same is being passed on to the purchaser and to that effect the payable amount may be adjusted."

4.2 Any statutory increase in Excise Duty and Value Added Tax within the originally stipulated delivery period will be to purchaser's account. The purchaser will however, not be responsible for payment of Excise Duty and Value Added Tax by you under misapprehension of law.

4.3 No Octroi duty is payable. However, Octroi exemption certificate will be issued by the consignee, if required.

4.4 Other taxes like Entry tax, Exit tax etc. will be borne by the firm and will not be reimbursed by the Purchaser.

5.0 PAYMENT AND MAINTENANACE OF ACCOUNTS : Paying Authority indicated in para 2.6 will maintain accounts and arrange all the payments in terms of para 2300 of the IRS Conditions of Contract.

6.0 PACKING : The material shall be despatched by the contractor in packed condition as per clause 1800 of IRS condition of contract to the respective consignee indicated at Para 2.3 above.

7.0. SECURITY DEPOSIT:

7.1 The contractor shall, as per clause 0500 of the IRS Condition of Contract, deposit with the Chief Cashier of a Zonal Railways, a sum equal to 10% of the total value of the stores for which the tender has been accepted, subject to a maximum of ₹10,00,000/- (Rs. Ten lakh only) for contracts valuing upto Rs.10 crores and Rs.20,00,000/-(Rs. Twenty lakh only) for contract valuing above Rs.10 crores as Security Deposit for the due fulfilment of the contract.

7.2 The Security Deposit may be made in any of the following manners:

(a) Deposit in Cash
(b) Government Securities to be valued at 5% below the market value.
(c) Deposit receipt of any Nationalized Bank.
(d) Guarantee Bonds executed by any Nationalized Bank.
(e) Demand Draft of any Nationalized Bank.
(f) A deposit in Post Office Savings Bank.
(g) National Savings Certificate.
(h) Defence Deposits.
(i) National Defence Bond.
(j) Bonds of IRFC & KRCL.

The payment of security deposit in the form of pay order/demand draft should be made in favour of FA&CAO/Sr. DFM. Deposits in the Post Office Saving Bank should be hypothecated by the depositor to the Financial Adviser and Chief Accounts Officer of the Railway and pass book will remain in the custody of the Chief Cashier.

When deposits are made in Government Securities, it should be seen that all accrued interest to the debit on the G.P. Notes is duly collected by depositors prior to the G.P. Notes being endorsed to the Financial Adviser and Chief Accounts Officer. There should be at least two blank pages on the G.P. Notes after the last endorsement by the depositor. These are necessary to enable further endorsement by the Railway to the Reserve Bank of India.

In case of endorsement signed 'PER BEARER' 'FOR' power of attorney is necessary duly registered and such endorsement need to be certified by the Public Department, Office of the Reserve Bank of India with their rubber stamp before G.P. Notes are delivered to the Railways.

8.0 INSPECTION :

Director General, RDSO, Lucknow or his nominee will be the inspecting authority for the purpose of this contract. At least four weeks' notice must be given to the inspecting authority to enable them to arrange inspection. The cost of test at Government Tests House or other institutions will be to the contractor's account.

9. OPTION CLAUSE : The Purchaser reserves the right to increase/ decrease the ordered quantity up to 30% of the ordered quantity during the currency of the contract. In case of increase in quantity, it will be on the same price and terms and conditions with suitable extension in delivery period.

10.0 TERMS AND CONDITIONS:

The contract shall be governed by the IRS Conditions of Contract in so far as these are not inconsistent with the conditions mentioned elsewhere in the contract.

10.1 No commercial and technical deviations are permitted.

11.0 Warranty/Guarantee : Unless otherwise stated in the tender schedule/ tender specification, the warranty/ guarantee shall be as specified in the IRS conditions of the contract i.e. 30 months from the date of supply or 24 months from the date of commissioning whichever is earlier. The offer of firm quoting Warranty/ Guarantee in deviation of tender schedule will be summarily rejected. Suppliers shall ensure that the materials are invariably stamped with manufacturers name and month & year of manufacture as may be detailed in drawing/ specification of material to enable correct reckoning of warranty.

11.1 Firm will submit BG of 10% of the contract value to cover their warranty obligation with their paying authority.

12. A copy of dispatch documents should be sent to the purchaser. Details of dispatches made in a month should be furnished to the purchaser by 7th of following month indicating the cumulative supplies made upto the month and quantity outstanding.

13.0 ACKNOWLEDGEMENT: Please convey your unqualified acceptance addressed to the President of India through Executive Director Railway Stores(S), Ministry of Railways (Railway Board), New Delhi endorsing copies of the same to the Paying and Inspecting Authorities within 15 days from the date of issue of this contract.

Yours faithfully,

(R.L. Bharadwaj)
Director, Railway Stores (W)
Railway Board
for and on behalf of the President of India

No.2016/RS (PF&EC)/951/CSB/6 New Delhi, dt.13.04.2016

Copy to:

1. FA&CAO, Southern Railway, Chennai. Payment may be made only after receipt of unqualified acceptance from the firm and against original inspection certificate inscribed with the word `copy for payment'. The amount of this work will be charged against Southern Railway's Indent No. 44/15/5002 dated 17.02.2015. You are also advised to recover actual road freight charges from CONCOR for transportation of these bogies by road.
2. ADAI (Railways), 9-Deen Dayal Upadhyaya Marg, New Delhi. (5 spares).
3. The Director of Audit, Southern Railway, Chennai.

for Financial Commissioner/Railways

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Copy forwarded to:

1. Director General, RDSO, Manak Nagar, Lucknow-226 011.
2. Director, Wagon (I&L), RDSO, Kolkata. He may undertake inspection and to inscribe the words `copy for payment' on the original copy of inspection certificate (2 spares).
3. Controller of Stores, Southern Railway, Chennai.
4. Dy. CMM/M, Southern Railway, Chennai - Indent reference No. 44.15.5002 dated 17.02.2015.
5. M/s CONCOR, CONCOR Bhavan, C-3, Mathura Road, Apollo Hospital, New Delhi.
6. ADAI (Railways) Room No.224, 2nd Floor, Rail Bhavan, Railway Board, New Delhi.
7. Acs.I(BO), RS(B), F(S)III, RS(T) branches of Board's office.

(R.L. Bharadwaj)
Director, Railway, Stores (W),
Railway Board.

Annexure 'A'

COMPOSITE MATERIAL AND WAGES ESCALATION FORMULA WITH BASE MONTH MAY, 2015.

The increase/ decrease in the price of item quoted for material and wage escalation would be governed by the following formula:

$$P_1 = \frac{Po}{100}\left(25 + 23 \times \frac{I_1}{I_0} + 22 \times \frac{S_1}{S_0} + 30 \times \frac{L_1}{L_0}\right)$$

Where,

P_1= Escalated/ de-escalated price

P_0= Base price.

I_1 = The Index number of wholesale prices in respect of items 'Iron and Semis' Base 2004-05 compiled by Economic Adviser to the Government of India for the calendar month, one month prior to the call for Inspection of the materials. For instance, materials offered for inspection in April, 2015, the Index number of March,2015 will be applicable.

I_0 = The above wholesale price index for 'Iron and Semis' applicable for Base month.

S_1 The Index number of whole sale prices in respect of items "Steel Flat" 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 materials. For instance, materials offered for inspection in April, 2015, the Index number of March, 2015 will be applicable.

S_0 = The above wholesale price index for 'Steel Flat' applicable for Base month.

L_1 = All India Consumer price index for Industrial workers compiled by Labour Bureau, Ministry of Labour for calendar month one month prior to the call for inspection of the materials. For instance materials offered for inspection in April, 2015, the index number of March, 2015 will be applicable.

L_0 = All India Consumer Index Industrial workers applicable for Base Month.

2. In case P_1 is greater than P_0, the difference P_1 minus P_0 shall constitute the amount due to the contractor towards escalation on cost of wages and material. Otherwise, the difference P_0 minus P_1 shall constitute the amount to be recovered from the contractor as de-escalation.

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