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

No. RS(S)/51/2013/7701/1/11904 New Delhi, Dated: 30.07.2013

DGM (Marketing-FP)-Railways,
M/s Steel Authority of India Limited,
Central Marketing Organization,
Ispat Bhawan,
40, Jawahar Lal Nehru Road,
KOLKATA-700 071.

Dear Sirs,

Sub: Contract No. RS(S)/51/2013/7701/1/11904 dated 30.07.2013 for supply of Mild Steel Structurals.

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With reference to your offer and other references detailed in Clause 6 below, this is to advise you that the President of India is pleased to accept your offer to the extent of quantities, specifications and prices shown in Clause 9. This Contract is issued on the terms and conditions detailed hereunder:

2. Contract No.	RS(S)/51/2013/7701/1/11904 dated 30.07.2013
3. Purchaser	Executive Director, Railway Stores (S), Railway Board, on behalf of President of India.
4.Name & Address of the supplier	M/s Steel Authority of India Limited, Central Marketing Organization, Ispat Bhawan, 40, Jawahar Lal Nehru Road, **KOLKATA-700 071.**
5. Purchaser's Reference	i) Ministry of Railways, (Railway Board)'s Tender No. IS-177 opened on 17.09.2012.
6. Contractor Offer and other References	(i) Offer No. SAIL/CD/IS/177/2012 dated 17.09.2012. (ii) SAIL/CD/IS-177/2012 dated 08.07.2013.
7. Inspecting Authority	Mill's certiticate.
8. Paying Authority.	FA& CAO (RBC), Eastern Railway, Kolkata will maintain the account and arrange all payments against the contract.

9. **Particulars of Order:**

SN	TSN	Item	Size (in mm.)	Specification	Qty. (in MTs.)	Basic rate in (₹/MT) Excl.ED/ ST	Value Excl.ED/ST (₹)
1.	2	ANG	50x50x6	2062E 250A(Fe410w) Cu	860	38,240	3,28,86,400
2.	3	ANG	65x65x6/8	2062E 250A(Fe410w) Cu	1,253	35,800	4,48,57,400
3.	4	ANG	75x75x6/8/10	2062E 250A(Fe410w)Cu	3,159	36,900	11,65,67,100
4.	5	ANG	90x90x8/10/12	2062E 250A(Fe410w) Cu	475	35,700	1,69,57,500
5.	6	ANG	100x100x8/10/12	2062E 250A(Fe410w) Cu	1,408	36,700	5,16,73,600
6.	7	ANG	130x130x10/12	2062E 250B(Fe410w)	101	37,700	38,07,700
7.	8	ANG	150x150x10/12/16/20	2062E 250A(Fe410w) Cu	116	38,900	45,12,400
8.	11	CHN	75x40	2062E 250A(Fe410w) Cu	203	38,900	78,96,700
9.	12	CHN	100x50	2062E 250A(Fe410w) Cu	6,247	36,900	23,05,14,300
10.	13	CHN	125x65/66	2062 E 250A(Fe410w) Cu	370	36,100	1,33,57,000
11.	14	CHN	150x75/76	2062E 250A(Fe410w) Cu	736	37,900	2,78,94,400
12.	16	CHN	200x75/76	2062E 250C (Fe 410) Cu	216	37,900	81,86,400
13.	17	CHN	250x82	2062E 250A(Fe410w) Cu	2,668	36,700	9,79,15,600
14.	18	CHN	300x90/92	2062E 250A(Fe410w) Cu	1,442	37,500	5,40,75,000
15.	19	CHN	400x100	2062E 250A(Fe410w) Cu	430	38500	1,65,55,000
				Total	19,684		72,76,56,500

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

9.2 The contract prices are FOR station of dispatch.

9.3 The contract prices are firm and will not be subject to any variation on any account whatsoever.

9.4 The validity of the running contract is for twelve months from the date of issue of the Contract.

10. **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.

10.1 **Total quantity**: 19,684 MTs (Nineteen thousand six hundred eighty four MTs only)

10.2 **Total value**: Rs. 72,76,56,500/- (₹ Seventy two crores seventy six lakhs fifty six thousand and five hundred only) excluding Excise Duty & VAT.

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

11. **Excise duty**: Excise duty will be reimbursed by the purchaser at actuals as prevailing at the time of supply within the original contractual delivery period against

documentary evidence. The current prevailing rate of Excise duty is 12% + 3% cess on Excise Duty. Excise Duty on freight claimed by SAIL may also be allowed against documentary evidence.

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 Rs.----------i.e.----------% on Rs.---------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 Rs. --------- 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/VAT**: VAT will be reimbursed extra as applicable at the time of supply within the original contractual delivery period, present rate being 5%. VAT wherever applicable on freight is also allowed.

The Purchaser will not, however, be responsible for the payment of VAT 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/VAT 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 C.S.T/VAT Registration No. is ----------. Our State S.T./VAT Registration No. is----------"

13. **CENVAT:**

13.1 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."

13.2 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.

14. **Place of Manufacturing**: The material is to be manufactured in your works at, Bhilai, Durgapur, ISP.

15. **Octroi Duty**: The Railways will reimburse Octroi Duty in case the concerned Municiple Authority does not accept exemption certificate. Local levy of 0.1% on invoice value in case of material transported by road from Bhilai Plant and local levy of 1% on road dispatches originating from Odisha for M/s SAIL is also allowed. State Entry tax is also allowed.

16. **Inspection**:- The material shall be inspected in terms of clause 1300 of the IRS Conditions of Contract, by the Inspecting Authority mentioned in para 7 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.

(iii) Mill's certificate may be accepted for all items except items at Sl. No. 13, 17, 18 & 19. For items at Sl. No. 13, 17, 18 & 19, raw materials (input materials) from SAIL plants shall be supplied to their authorized conversion agents having BIS licence for rolling the particular section who shall roll the same into finished products. The challan-cum-invoice shall be issued by SAIL. The BIS test certificate shall be issued by the conversion agent. The entire rolling process and testing process will be supervised by RITES.

17. **Consignee & Dispatch Instructions**:

17.1 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) except for item S.No.7 (Special Steel) of statement 'B' and tolerance as intimated by Director RS (I&S), Railway Board, Kolkata shall be permitted. The Running Contract will be valid for twelve months from the date of issue of the Running Contract.

17.2 **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 authorized to send the material by Road, as feasible.

17.3 **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	Rate (₹/MT per km)
Upto 300 Km.	3.63
301 to 600 Km.	3.41
601 to 1000 Km.	3.08
1001 Km and above	2.42

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 Rs/MT/Km.
BR= Basic rate
ODP= Original diesel price at Kolkata as on 17.09.2012 i.e. ₹ 50.61 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 last ruling price of diesel. It is further mentioned that these freight charges would be all inclusive of local taxes/duties, if any. Delivery of material from stockyard to ultimate destination, the applicable minimum charges for 75 Kms. is allowed.

17.4 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.

17.5 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.

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

18. **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.

18.1 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.

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

19. **PAYMENT TERMS**:

19.1 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>**

a) 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.

19.2 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."

19.3 No payment will be released by the Paying Authority unless it receives the Performance Guarantee Bond as per para 24 below.

20. **DELIVERY PERIOD**: Delivery of material to commence within 45 days from the date of order and the minimum rate of supply will be 1,500 MTs per month.

20.1 Director RS/I&S/Kolkata will place supply orders against this Running Contract during its currency.

20.2 Director RS (I&S), Kolkata should review regularly and decide the priority for the supplies.

20.3 Considering that while placing supply orders in multiple tranches against these Running Contracts, sometimes minimum tonnage required for rolling 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 these Running Contracts. 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, in which cases priorities for earlier placed orders may be shifted downwards.

20.4 Delivery Period will be reckoned from the date of supply order.

20.5 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.

21. **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.

22. **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.

23. **Marking**: Marking will conform to Clause 13 of the Specification No. IRS:M-44-97. As per RDSO's letter No.MC/STL dated 18.9.2000 and 11.12.2001, all the products should bear distinct mark made by ink printing with indelible ink.

24. **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 13 of the Instructions to the Tenderers in respect of Tender No.IS-177 of 2012. 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 13 of the Instructions to Tenderers in respect of tender No.IS-177 of 2012 in this regard.

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

26. The contract is also governed by the Indian Railways Standard Conditions of Contract, general and special conditions as mentioned in the tender document, terms of invitation to Tender and Instructions to Tenderers in respect of Tender No. IS-177

of 2012 and conditions in the offer form to the extent they do not contradict the terms and conditions contained in the preceding paragraphs.

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

28. 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, and each and every page initialed should be returned to the undersigned for record within 15 days of receipt of contract.

Yours faithfully,

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

No. RS(S)/51/2013/7701/1/11904

New Delhi, Dated: 30.07.2013

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)/51/2013/7701/1/11904

New Delhi, Dated: 30.07.2013

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
Railway Board.