By Fax (Fax No.0731-3018491)

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

No.2012/RS (PF&EC)/951/CSB/2 TC New Delhi, dated 25 .09.2013

M/s Siena Engineering Pvt. Ltd.,
303, Navneet Plaza, 5/2, Old Palasia,
Indore-452018(M.P.).

Dear Sirs,

Sub: Contract No.2013/RS (PF&EC)/951/CSB/7 dated 25 .9.2013 for manufacture and supply of cast steel bogies for CONCOR's Container Flat wagons.

Ref: (i) E-Tender No.2012CSB2TC for Procurement of Cast Steel Bogies for CONCOR's Container Flat wagons.
(ii) Your - Bid No. 2326673 dated 28.1.2013
(iii)Your letter No. SEPL/PTR/2013-14/SA/2012CSB2TC dated 28.8.13.
(iv) Board's counter offer of even No. dated 5.9.2013
(v) Your acceptance No. SEPL/PTR/2013-14/SA/9534 dated 12.9.2013.

The President of India acting through the Director, Railway Stores (Wagon), Ministry of Railways (Railway Board) is pleased to place an order on you for manufacture & supply of 200 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) FOR station of dispatch**
Cast Steel Bogies for 'CONCOR' low platform bogie container 'CONCOR' Flat Wagons BG including Brake Gear Assembly complete together with Centre Pivot TOP, Centre Pivot Pin, 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.	200 Nos..	Rs.2,38,866.08 (Rs.Two Lakh Thirty Eight Thousand Eight Hundred Sixty Six and Paise eight only) per bogie (inclusive of ED @ 12.36%, VAT/CST @ 5% and freight @Rs.11000/- per bogie).

Note:

(i) Bogies have to be supplied strictly as per RDSO's specification mentioned above. No technical deviations are acceptable.

(ii) Out of 200 nos. bogies, 40 nos. bogies suitable for CBC end and balance 160 nos. bogies suitable for Draw Bar end of BLC wagons need to be supplied in accordance with the relevant drawings referred from RDSO's specification mentioned above.

(iii) Supplies should be made in matched sets with 80% of total quantity consisting of draw bad end and balance 20% of CBC end bogies.

1.1 Value of the Contract: Total value of the contract is Rs. 4,77,73,216.00 (Rupees Four crore Seventy Seven lakh Seventy Three Thousand Two Hundred Sixteen only),inclusive of ED+Cess on ED @ 12.36%, VAT/CST @ 5% and freight of Rs.11,000/- 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 upto 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	:	200 nos. cast steel bogies for CONCOR's flat wagons. The Purchaser reserves the right to increase/decrease the ordered quantity upto 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.
2.3	Consignee	:	Golden Rock Workshop, Southern Railway.
2.4	FOR	:	Destination
2.5	Place of Manufacture	:	Plot No.18A & 22, Sector-3 (Sagore) Pithampur, Distt. Dhar (M.P.)
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. For rail dispatch, clear ad unqualified RR/PWB may be considered as the proof of dispatch.

(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 Supply of bogies will commence within 2 months of receipt of order and completed in 8 months**.**

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.

3.0.3 In case of failure on the part of supplier to arrange supplies as per the delivery schedule 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.

3.1 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 prices mentioned above are inclusive of Excise Duty @ 12.36% plus 3% Cess on Excise Duty. However, the liability of the purchaser to reimburse Excise Duty and surcharge thereof, if any, is limited to such sums as may be found legally due and payable in respect of contracted goods and against 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 VALUE ADDED TAX :

The prices mentioned above are inclusive of 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 Rs.---------- 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.

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 33dispatched 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 Rs.10,00,000/- (Rs. Ten lakh only) for contracts valuing upto Rs.10 crores and Rs.20,00,000/-(Rs. Twenty lakhs 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 paid in any of the following manner:

(i) In the form of deposit receipts, Pay Orders, Demand Drafts and Guarantee Bonds of the State Bank of India or any of the Nationalised or scheduled commercial Banks, Bonds of Indian Railway Finance Corporation and RRCL Bonds.

(ii) Government securities at 5% below the market value.

(iii)Deposit in the Post Office Saving Bank.

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.

9.0 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.

9.1 No commercial deviations are permitted.

10.0 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.

11.0 ACKNOWLEDGEMENT: Please convey your unqualified acceptance addressed to the President of India through Executive Director, Railway Stores (Steel), Ministry of Railways (Railway Board), New Delhi endorsing copies of the same to the Paying and Inspecting Authorities as well as to Chief Materials Manager (BI), Eastern Railway, Kolkata 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.2012/RS(PF&EC)/951/CSB/2/ TC New Delhi, dt. 25 .9.2013

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. 44125024 dated 24.7.2012.. You are also advised to recover actual road freight charges from CONCOR for transportation of these bogies by road.

2. ADAI (Railways), Mathura Road, New Delhi. (5 spares).

3. The Director of Audit, Eastern Railway, Kolkata.

For Financial Commissioner/Railways

No.2012/RS(PF&EC)/951/CSB/2/ TC New Delhi, dt. .9.2013

Copy forwarded to:

1. Director General, RDSO, Manak Nagar, Lucknow-226 011.

2. Director, Wagon (I&L), RDSO, Lucknow. He may undertake inspection only after receipt of unqualified acceptance from the firm 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/C&W, Southern Railway, Ayanavaram, Chennai. Indent reference No. 44125024 dated 24.7.2012.

5. M/s CONCOR, CONCOR Bhavan, C-3, Mathura Road., Apollo Hospital, New Delhi.

6. Acs.I(BO), RS(B), F(S)I, 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 OCTOBER, 2012.

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, 2012, the Index number of March,2012 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, 2012, the Index number of March, 2012 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, 2012, the index number of March, 2012 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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