GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

No. 2013/RS(I)/874/17/1750 Rail Bhavan, New Delhi-110001, Dated: 05.08.2013

M/s Timken India Limited,
Shrachi Tower,
686, Anandapur Kasba,
Ist Floor, Block C & D,
Bye Pass, RB Connector Junction,
Kolkata - 700 107.

Dear Sirs,

Sub: Contract No. 2013/RS(I)/874/17/1750 dated 05.08.2013 for manufacture and supply of Grease Seal for application on AAR Standard Class 'E'(6"x11") Bearing used on CASNUB bogies of freight stock.

Ref: (i) Tender No.2013/RS(I)/874/1(TC) opened on 01.05.2013.
(ii) Your offer No. TIL/AR/G.Seals/2013 dated 1.05.2013.
(iii) Counter Offer No. 2013/RS(I)/874/17/1750 dated 25.07.2013
(iv) Your acceptance letter No. NIL dated 29.07.2013.

Ministry of Railways (Railway Board), on behalf of the President of India, acting through the Executive Director, Railway stores (S), are pleased to place an order on you for manufacture and supply of Grease Seal as per details given hereunder:

PARTICULARS OF THE ORDER:

Description	RDSO Specification	Qty. in Nos.	Price (₹) inclusive of ED @ 12.36% & VAT @ 5%
PL No. 38037452 Grease Seal for AAR Standard Class 'E'(6"x11") Bearings used on CASNUB bogies of freight stock.	RDSO specification No. WD-50-MISC-2007 of October 2007 or latest amendment, if any.	2,79,735	262.00

Note: i) Material should be strictly supplied as per RDSO specification.
ii) Brand: Timken Part No. K86861 Grease Seal manufactured by M/s Fenner (India) Ltd.

TOTAL VALUE OF THE CONTRACT: ₹ 7,32,90,570.00 (₹ Seven crores, thirty two lakhs, Ninety thousand, five hundred and seventy) only inclusive of ED @ 12.36% and VAT @ 5%.

1.1 Excise Duty and VAT will be reimbursed at actuals as applicable at the time of dispatch against documentary evidence, present rate being ED 12.36% and VAT 5%. For

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interstate supplies, CST @ VAT will be applicable. Similarly for intrastate supplies, VAT net of input tax credit of seller's State will be applicable.

1.2 CENVAT: The prices as mentioned above are net and inclusive of CENVAT and other set offs as are currently applicable. The supplier shall pass on such additional duties as set offs to the purchaser as may become available in future during the currency of the contract, in respect of all the inputs used in the manufacture of the final product on the date of supply under CENVAT scheme by way of reduction in prices.

2.0 OTHER LOCAL TAXES / OCTROI: Any other local taxes like Entry Tax or Octroi will be on purchaser's account, if exemption certificates issued by the consignee are not acceptable to the concerned authorities.

3.0 Packing, freight charges upto the destination and insurance will be borne by the contractor.

4.0 TERMS AND CONDITIONS: The contract shall be governed by Indian Railway Standard Conditions of the Contract in so far as these are not inconsistent with the conditions mentioned here.

4.1	**PLACE OF DELIVERY:**	F.O.R. - DESTINATION
4.2	**PLACE OF MANUFACTURE:**	Fenner (India) Ltd., Plot No. 4 & 22, Phase-IV, IDA, Patancheru-502319.
4.3	**PAYING AUTHORITY:**	FA & CAO,(RBC) Kolkata, Eastern Railway Kolkata.

5.0 OPTION: The purchaser reserves the right to increase / decrease the ordered quantity by 30% of the ordered quantity during the currency of the contract. Delivery period for the increased quantity will be extended suitably.

6.0 You should submit relevant drawings for final approval to RDSO before the commencement of the production.

6.1 The contractor shall provide without any extra charges all materials, equipment, tools, labour for test of every kind which the purchaser, or his nominee may consider necessary for any test/examination which he or his nominee shall require to be made on the contractor's premises and contractor shall pay all cost attendant thereof.

6.2 No commercial / technical deviations are permitted.

7.0 DELIVERY: supplies will commence within 60 days of receipt of commercially and technically clear order. Monthly rate of supply will be 40,000 Grease Seals. Supplies will be completed within 8 months from the date of receipt of contract.

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7.1 The above delivery schedule is subject to purchaser's right to increase / decrease the monthly rate of supply.

7.2 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:

> Liquidated damages and not by way of penalty, a sum of 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 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.

7.3 Upper limit for recovery of Liquidated Damages in Supply Contracts will be 10% (ten percent) of value of delayed supplies irrespective of delays, unless otherwise provided, specifically in the contract.

7.4 MODE OF DISPATCH: By Road and the following conditions will be applicable:

i) Transit risk insurance cover while the materials are in the course of transit from the works of the firm to the consignee would be at the cost of the firm.

ii) Date of delivery at destination will be date of receipt of material by consignee.

iii) Freight upto destination will be borne by the firm.

7.5 Copies of dispatch particulars of all the consignment along with copies of inspection certificate should be sent to this office.

7.6 Monthly progress report of supplies should be submitted indicating supplies made during the month, cumulative supplies upto the month & quantity outstanding. The progress report should reach this office by 7th of every month.

7.7 Consignee particulars will be issued separately.

8.0 **TERMS OF PAYMENT**: Subject to recoveries, if any, under the liquidated damages clause 0702 of the IRS Conditions of the Contract will be made as under:

> "90% payment will be made against proof of inspection and receipted challan issued by Gazetted Officer of the consignee and balance 10% after Receipt Note and acceptance of the material in good condition by the consignee."

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9.0 PAYMENT AND MAINTENANCE OF ACCOUNTS: Paying Authority indicated in Para 4.3 will maintain account and arrange all the payments in terms of clause 2300 and 2302 of the Indian Railway Standard Condition of the Contract.

10.0 SECURITY: The contractor shall deposit as security a sum equal to 10% of the total value of the contract subject to ceiling of ₹ 20,00,000/- (₹ Twenty lakhs) only with the paying authority. In case this is done through a Bank Guarantee Bond, it should be in a format approved by the Paying Authority and a Photostat copy should be sent to this office.

11.0 GUARANTEE / WARRANTY: The Grease Seal shall be guaranteed for satisfactory performance for a period of 48 months from the date of delivery at ultimate destination or 36 months from the date of commissioning, whichever is earlier. The guarantee shall cover design, material, workmanship etc. as per clause 11 of RDSO specification WD-50-MISC-2007.

11.1 In the event of any claim under the Warranty / Guarantee Clause, recovery can be made from any outstanding dues against this contract or any other contract in respect of which, the president of India is the Purchaser.

12.0 INSPECTION: Director General, RDSO, Manak Nagar, Lucknow or his authorized representative 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.

12.1 The cost of the test at Government Test House or other institutions will be on Contractor's account.

12.2 Any developmental charges will also be to contractors account for developing this item.

13.0 The inspection will be carried out as per RDSO's technical specification and inspection procedure and testing schedule to be decided by RDSO in consultation with the contractor.

13.1 The inspection of Grease Seal during various stages of manufacture as well as complete assembly shall be carried out by Director General/RDSO or their authorized representatives.

14.0 The field trial performance of the Grease Seal, if any, will be monitored and evaluated by RDSO.

15.0 To maintain control on quality, the contractor will furnish two copies of their Quality Assurance Plan (QAP) to facilitate periodic quality audits by inspecting Agency.

16.0 It will be the responsibility of the Contractor to supply the complete equipment as per specifications and ensure the performance when fitted. He will also be responsible for providing all assistance at the time of installation and testing of equipment.

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17.0 The contract is issued by order and in the name of the President of India.

18.0 Two copies of the contract are enclosed. One copy of the contract duly signed by the Contractor or on his behalf by his duly authorized representative with each page initialed be returned within 15 days from the date of issue of this contract to the Executive Director, Railway Stores (Steel), Ministry of Railways (Railway Board), Rail Bhavan, New Delhi endorsing a copy of the same to the Paying & Inspecting Authorities.

Yours faithfully,

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

No. 2013/RS(I)/874/17/1750 dated: 05.08.2013
Copy to:-

1. FA&CAO (RBC), Eastern Railway, Kolkata (with 2 spares). Payment may be arranged only on receipt of unqualified acceptance from the firm and against submission of bills supported by the Original Inspection Certificate inscribed with the words "Copy For Payment" from RDSO and on proof of delivery/receipt.
2. Dy. C&AG (Railways), Room No. 224, Rail Bhavan, New Delhi.
3. Director of Audit, Eastern Railway, Kolkata.
4. A/Cs.IV(BO), RS(B), RS(T), F(S)I, M(N) & Dev. Cell Branches of Railway Board.

for financial Commissioner/Railways

No. 2013/RS(I)/874/17/1750 dated: 05.08.2013
Copy to:-

1. Controller of Stores, All Indian Railways.
2. Chief Mechanical Engineers, All Indian Railways.
3. Director General, RDSO, Manak Nagar, Lucknow (with 2 spares).
4. Executive Director/Standard (Wagon), RDSO, Manak Nagar, Lucknow.
5. Executive Director (QA), RDSO, Manak Nagar, Lucknow.
6. Director (I&L), RDSO, 1st floor, New Annexe Building, Western Railway, Mumbai-400020. Inspection may be undertaken only after receipt of unqualified acceptance from the firm and to inscribe the words "COPY FOR PAYMENT" on the original copy of the certificate and on all others "COPY NOT FOR PAYMENT".

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