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

No.2011/RS(WTA)-466/Axles/874/1 New Delhi, dated : 21.02.2012

M/s Jinxi Axle Co Ltd.,
No.5, North Lane, Heping North Road
TAIYUAN,Shanxi,
P.R. China.

Through: M/s Locofina,
E-120, LGF,
Saket, New Delhi-110 017.

Dear Sirs,

Sub :-	Contract No.2011/RS(WTA)-466/Axles/874/1 dated 21/02/2012 against Global Tender No. WTA-466 opened on 09.06.2011 for procurement of 16.25 Tonnes axle Rough Turned for BG coaches.

This is in continuation of this office advance letter of acceptance No.2011/RS(WTA)-149/Tender/466 dated 22.11.2011 and your offers/subsequent letters detailed in para 4 (b) below, it is hereby advised that the President of India is pleased to place the following contract subject to terms and conditions detailed below:

2.	Purchaser	The President of India.
3.	Name & address of Contractor	M/s Jinxi Axle Co Ltd., No.5, North Lane, Heping North Road TAIYUAN,Shanxi, P.R. China.
4 (a)	Purchaser's references	This Ministry's global tender No. WTA-466 opened on 09.06..2011 and advance letter of acceptance No.2010/RS(WTA)-149/Tender/466 dated 22.11..2011.
4(b)	Contractor's offer/subsequent letter nos. & date :	i) Your original offer No.INDIA/RAIL/TEN/2011/AXLE dated 25.05.2011. ii) Your letter No.Jinxi-WTA-466 dated 16.08.2011 alongwith Indian Agents letters No.2011/RB/466 dated 11.08.2011. iii) Your Indian Agent's letters No.2011/RB/466 dated 15.09.2011 and 08.12.2011.

5.(a) Particulars of the order:

Item No.	Description	Specification	Qty. (Nos.)	Unit FOB Rate in US dollar (exclusive of agency commission)	Total FOB value (exclusive of agency commission)
1.	16.25 Tonnes axle Rough Turned for BG coaches to Drg.No.CG-K6015 alt.1	IRS R-16/95 with 2 amendments*	6000	US $ 530	US$ 3,180,000
		Total:	6000		US$ 3,180,000

*Axles should be strictly as per contract specifications.

Total FOB Value of Order: – (TOTAL F.O.B. VALUE (exclusive of agency commission) – US DOLLAR THREE MILLION ONE HUNDRED EIGHTY THOUSANDS ONLY)

Note: The Purchaser also reserves the rights to take C&F supplies at the unit C&F rate of US$ 554 per axle (exclusive of agency commission)

5(b) **Price**: The above prices are firm & fixed and will not be subject to variation on any account.

5(c) **Option Clause** : The Purchaser reserves the right to increase/decrease the ordered quantity by a maximum of 30% at the same rates, terms and conditions under the option clause, which if required will be exercised during the currency of the contract.

5(d) The FOB prices are exclusive of Agency Commission @ US$ 13 (USD thirteen only) per axle to be paid in non-convertible Indian Rupee to your Indian Agents, M/s Locofina, E-120, LGF, Saket, New Delhi-110017 on the basis of TT buying rate of exchange of US $ 1 = Rs.52.01 (Rupees fifty two and paise one only) ruling on the date of issue of advance letter of acceptance i.e. 22.11.2011 as quoted by State Bank of India. The agency commission shall be paid as per provisions laid down in clause 3.3 of Instructions to Bidders (Bid Documents, Part-II) and shall not be subject to any variation in the rate of foreign exchange.

6. **Specification and Drawing**: The axles shall be manufactured and supplied in accordance with the drawing and specification given in clause 5(a) above.

7(a) **Terms of delivery:-** FOB Xingang Sea Port

7(b) **Port of Loading:** Xingang Sea Port (China)

8. **Port of Discharge**: As per details given in Annexure I (enclosed).

9. **Country of Origin of Goods**: China

9(a) **Place of Manufacture**: M/s Jinxi Axle Co Ltd.,
No.5, North Lane, Heping North Road
TAIYUAN, Shanxi, P.R. China.

10. **Delivery Schedule**: Delivery of axles shall commence in two months and to be completed in four months from the date of order/opening of Letter of Credit.

11(a) **Port Consignee**: As given in the Annexure I (copy enclosed)
(b) **Ultimate Consignee**: As shown in the Annexure I (copy enclosed).

12(i) **Marking**: Stamping (Branding) on axles will be done strictly in accordance with contract specification/drawing.

a) For manufacturer's name code, you shall stamp words JC
b) Code for the particular contract to be followed in this case shall be W466.

12(ii) **Colour Marking**: With reference to clause-12.1(c) of the Bid Documents, part-II Section-II (General Conditions of the contract), distinguishing colour marking is to be made as under:-

Colour	Drawing No.
Two Red & two white Stripes	CG-K6015 alt.1

The stripe indicated above should be prominently displayed on the wheels in a prominent place to enable the same to be segregated instantaneously.

13. **Inspection**: The inspection will be carried out by the General Manager (QA)/ RITES Limited, QA Division, 1, Sector-29, Gurgaon-122 001 (India) or his authorized representative at the cost of the Purchaser in terms of clause 21 of General Conditions of Contract (Section – II) of Bid Documents Part – II. RITES should undertake inspection of axles strictly as per contract specification.

The contractor shall afford all facilities to the Indian Government Inspector to inspect the stores at all stages of manufacture. At least four weeks notice must be given to the Indian Govt. Inspector and Purchaser to enable them to arrange necessary inspection. The inspector nominated by the Purchaser shall have full powers at every stage of progress to inspect the materials at such intervals as he/they may deem fit and to reject any of the materials which do not conform to specifications of the contract and his/their decision on every question of intent and meaning of specifications shall be final and conclusive. Inspection and acceptance will be final at the Contractor's works and rejection if any shall be at the Contractor's cost subject to the provisions contained in the warranty clause.

14. **Shipping Arrangements:** Shipping arrangements will be made by the Shipping Coordination Officer, Shipping Co-ordination & Chartering Division, Ministry of Shipping, New Delhi (Fax No.011 23718614 or 23719520 – E-mail : aso3@nic.in) to whom adequate notice of not less than six weeks, about the readiness of cargo for shipment should be given by the contractor from time to time for finalizing the shipping arrangements. A copy of the said notice should also be endorsed to the Executive Director, Railway Stores(P), Railway Board, New Delhi failing which any extra expenditures incurred by the Purchaser on account of variation in the rate of custom duty, foreign exchange, freight, insurance etc. shall be to the contractor's account.

14.1 The bills of lading should be drawn giving shipper and consignee address as under:-

Shipper: Government of India, Ministry of Railways, (Railway Board) New Delhi.

Consignee: As given in Annexure-I (enclosed).

14.2 Two non-negotiable copies of each of the bills of lading should be forwarded to the Secretary, Shipping Co-ordination Committee, Ministry of Shipping & Transport, Chartering Wing, Parivahan Bhawan, New Delhi after shipment of each consignment is effected.

14.3 Attention of the contractor is specifically drawn to clause 13-PACKING of the Bid Documents Pt.II, Instructions to Bidders & Clause 13-PACKING of the Bid Documents Pt.II, General Conditions of the contract (enclosed). The wheels will have to undergo arduous transportation before reaching their destination and will have to be stored and handled in tropical climate conditions (including monsoons) before they are put into actual use. It is, therefore, imperative that packing for every item is decided by taking into consideration, inter-alia the above vital factors, so as to protect the wheels from such conditions.

14.4 The contractor should despatch bills of lading and all other shipping documents to the port consignees by reputed Courier service immediately after shipment with a view to ensure the receipt of the documents well in advance of the arrival of the cargo at the Indian Ports. The contractor should also despatch simultaneously a complete set of shipping documents including a copy of non-negotiable Bill of Lading to the Executive Director, Railway Stores(P), Railway Board, Govt. of India, New Delhi-110001(India). Cargo particulars should be furnished in the prescribed proforma in triplicate.

15. **Insurance:** The stores ordered against the contract will be insured for marine risk against FPA open cover taken by the Port Consignee. To enable the insurer to issue individual policies against each shipment, the contractor shall within 24 hours of the date of the shipment, forward the insurance closing particulars, as in form DDGI-15 (Specimen attached as annexure-C) to the Port Consignees and also the Insurance Co. named below:-

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Name of the Insurance Co.	Policy No.
M/s National Insurance Company Ltd., Direct Agent Branch, B-11, Vardhman Plaza, IInd floor, Sector-16, NOIDA-201301 Telephone 91 120 2516081 Fax No. 91 120 2516082 E mail dro.ii@nic.co.in	Policy No.2011/F(S)/1/IS/1 Dated 24.3.2011 Open Cover (basic) for bulk consignments ICC(B)

15.1 The above insurance cover number should invariably be mentioned in all communications with the insurance company.

16(a) **Payment:** Payment will be made through irrevocable unconfirmed Letter of Credit which will be opened in your favour by FA&CAO(RBC), Eastern Railway, Kolkata. Letter of Credit will be made operative only on receipt of (a) contract copies duly signed accepting the same and (b) performance bank guarantee as per clause 17 (b) of the contract and other documents as specified at 16(b) (i) to (ix) below.

16(b) 90% of the FOB value of the stores less agency commission and the amount recoverable towards liquidated damages as per clause 17 of Sec II, General Conditions of Contract, Bid Documents Part-II, for delay in shipment, will be payable on proof of inspection and shipment within 30 days of receipt of shipping documents covering shipment of the stores to the Indian ports and other documents as specified hereunder:-

i) Two copies of negotiable cum original Bill of Lading.
ii) One copy of the invoice and shipping specification (claim copy).

iii) Inspection Certificate issued by RITES/Gurgaon or his authorized representative.

iv) A certificate that one copy of the negotiable bill of lading along with shipping documents, specification, description and weight of the materials and shipping marks have been forwarded to the Port Consignee by a reputed courier to ensure clearance of materials without delay and without incurrence of any wharfrent.

v) Signed invoice quoting letter of credit number, date and contract No.2011/RS(WT...)-466/Wheels/874/1 dated ...1/01/2012.

vi) A certificate that the insurance closing particulars as per Clause 15 of the contract have been furnished to the insurance company as well as port consignees.

vii) Certificate that the amounts claimed are correct in terms of the contract.

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viii) Certificate that th shipment has been made in time as per schedule laid down for the respe ive instalments in clause 10 of the contract or alternatively a certific te that the invoice has been drawn up duly deducting the liquidated damages for delay in shipment of the respective instalment.

ix) Certificate that acceptable performance bank guarantee has been submitted in terms of clause 17 (b) of the contract.

16(c) Balance 10% payments will be made after receipt of materials in India through L.C subject to submission of documents as specified in clause 16(b) (i) to (ix) and a warranty bank guarantee with adequate validity for 10% value of the contract (as per format enclosed as Annexure 11 of Section-IV of Bid Documents Part-II) from State Bank of India or any other Indian nationalized bank or any scheduled commercial foreign Bank branches operating in India governed by Reserve Bank of India guidelines or foreign Bank duly countersigned by a nationalised Indian bank, to cover the warranty obligations of the contract for period of warranty (as per clause-10 of Bid Documents Part-II, Section-III) as also for recovery of liquidated damages (as per provision contained in clause 17 of Bid Documents Part-II, Section-II), as well as any loss that might be suffered by the Purchaser due to any breach of any of the conditions stipulated in the Bid Documents attached. Please note that warranty bank guarantees shall also serve the purpose of satisfying IR's claims in any other contract in accordance with conditions of Tender.

16(d) While claiming the payment, the contractor shall present invoices duly deducting the liquidated damages for delay in delivery of wheels with reference to the schedule stipulated in clause 10 of the contract. For this purpose, contractor shall work out the liquidated damages in accordance with clause 17 of the attached Bid documents Pt-II, Section-II of conditions of contract.

16(e) The agency commission indicated in clause 5(d) of contract shall be paid to M/s Locofina, E-120, LGF, Saket, New Delhi-110017 as per provisions laid down in clause 3.3 of Instruction to Bidders (Section I, Bid documents Pt.II).

16(f) The above payments shall be subject to the deduction of any amount for which the contractor is liable under this contract.

17(a) **Beneficiary's Bank Name**: The letter of credit may be established with Bank of Communications Co. Ltd., Shanxi Provincial Branch No.35, Jiefang Road, Taiyuan, China.

Account No	141006011463000006454
Swift Code:	COMMCNSHTYN

17(b) **Performance Bank Guarantee**: In terms of provisions contained in Clause-20 of Section- II of Bid Documents Part-II, performance bank guarantee No. 0480311FG0017456 dated 08.12.2011 for USD 325,800 (US Dollar Three Hundred Twenty Five Thousand Eight Hundred only) executed by State Bank of India New Delhi, valid up to 30.09.2013 and claim period till 31.03.2014, has been received and is forwarded to FA&CAO(RBC), Eastern Railway, Kolkata for making the

Letter of Credit operative. The performance bank guarantee shall remain in full force and in effect during the period that will be taken for satisfactory performance and fulfilment in all respects of the contract. As and when an amendment is issued to the contract extending the delivery period, the Contractor, shall, within fifteen (15) days of receipt of such an amendment furnish an amendment to the Performance Bank Guarantee rendering the same valid for the additional corresponding period.

18. No import license is required for their import as the same is covered under OGL. No DGTD clearance is needed as these are not banned items.

19. Other terms & conditions of the contract as detailed in Bid Documents (copy enclosed) which are an integral part of the order.

20. Six copies of the contract are sent herewith. Four copies duly initialed on each page and signed in full on this sheet in token of your acceptance may be returned within 15 days to the purchaser for record.

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

Yours faithfully,

(SANJEEV MISRA)
DIRECTOR, RAILWAY STORES(F)
RAILWAY BOARD
FOR & ON BEHALF OF PRESIDENT OF INDIA.

ENCL: 1. Bid Documents.
2. Proforma for the Insurance Closing Particulars (Annexure-C).
3. Annexure-'I'

No.2011/RS(WTA)-466/Axles/874/1 New Delhi, dated 31/01/2012

Copy to:-

The FA&CAO(RBC), Eastern Railway, Calcutta **(Paying Authority).** - He may please arrange to establish the Letter of Credit at an early date subject to receipt of acceptable Performance Bank Guarantee in terms of clause 17(b) above under advice to the Board. Implementation of Clause-16(b) (viii) and clause 16 (d) through the Letter of Credit should be ensured if there is delay in delivery of axles with reference to schedule stipulated in clause 10 of contract.
FA&CAO/CR, Mumbai/NER, Gorakhpur/NFR, Guwahati/SR, Chennai/SCR, Secunderabad/SER, Kolkata/SWR, Hubli/WCR, Jabalpur/WR, Mumbai/NR, New Delhi/RCF, Kapurthala/ECoR, Bhubaneshwar.NWR/Jaipur.
Principal Director of Audit/CR, Mumbai/NER, Gorakhpur/NFR, Guwahati/SR, Chennai/SCR. Secunderabad/SER, Kolkata/SWR, Hubli/WCR, Jabalpur/WR, Mumbai/NR,NewDelhi/RCF,Kapurthala/ECoR, Bhubaneshwar.NWR/Jaipur.
AD(Railways), Rail Bhavan, New Delhi.

For FINANCIAL COMMISSIONER/ RAILWAYS

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No.2011/RS(WTA)-466/A ·es/874/1 New Delhi, dated 01/02/2012

Copy to:-

1. The Controller of Stores/CR, NER, NFR, SR, SCR, SER, SWR, WCR, WR, NR, RCF, ECoR and NWR.
2. The Director General / Carriage Dte(.) / RDSO /Lucknow.
3. The Secretary, Shipping Coordination & Chartering Division, Ministry of Shipping (Chartering Wing), Parivahan Bhavan, Sansad Marg, New Delhi-110001 w.r.t. your letter No.SC-5011/138/2011-ASO-III dated 16.12.2011.
4. The Controller of Stores (Shipping), Central Railway, Mumbai (Port Consignee). It may be ensured that the freight payable does not exceed US $ 1100 per teu (inclusive of BAF) plus isps US $ 10 per teu plus THC at both ends.
5. The Executive Director, Enforcement Directorate, Ministry of Finance, Loknayak Bhawan, Khan Market, Lodi Road, New Delhi-110 003.
6. The General Manager (QA), RITES Limited, QA Division, 1, Sector-29, Gurgaon-122 001 (India) along with a copy of relevant drawing and specifications. Inspection may be done strictly as per contract.
7. M/s. M/s National Insurance Company Ltd., Direct Agent Branch, B-11 Vardhman Plaza, IInd floor, Sector-16, NOIDA-201301.
8. FS-III Branch, Railway Board.
9. DDF(S)-I.

(RAJ SINGH)
JOINT DIR./RLY.STORES(E&S)
RAILWAY BOARD

ENCL: AS ABOVE.

I/We accept the order on conditions stipulated therein for and on behalf of M/s. Jinxi Axle Co Ltd., No 5, North Lane, Heping North Road TAIYUAN,Shanxi, P.R. China.

WITNESS ---------- SIGNATURE ----------

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DATE ---------- ----------

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No. DDG, 1-15

ANNEXURE – 'C'

M/S. NATIONAL INSURANCE COMPANY LIMITED

INSURANCE CLOSING PARTICULARS

(To be completed and sent in duplicate)

Number of open Cover	:
Number of packages including whether crates, cases, bundles or loose and description of material	:
Mark and numbers	:
Place of despatch	:
Port of Loading	:
Name of Vessel	:
Bill of Lading No. and date	:
Particulars of Deck Cargo whether under deck or on Deck	:
Port of discharge/Destination/Country of Import	:
If goods are to be railed/road hauled to the interior indicate final destination/site	:
Amount of which insurance is required on goods	:
Purchase order No. and Date	:

N.B. This form may be considered as a specimen copy and this is meant for the guidance of clients in advising details of shipments for Insurance Policy Documents. It is not necessary that the details should be given in this very form only. What is required is that details of shipments as per this form should be communicated to the Insurance Company.

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Annexure-I

Consignee Particulars in respect of Contract No.2011/RS(W)-466/Axles/874/1 dated 21/01/2012 placed on M/s Jinxi Axle Co Ltd., No.5, North Lane, Heping North Road, TAIYUAN, Shanxi, China.

Item & Drawing No.	Total PO Qty	Port Consignee		Ultimate Consignee		Indent No. & date	Chargeable Head
		Qty	To	Qty	To		
16.25 Tonnes axle Rough Turned for BG coaches to Drg.No.C G-K6015 alt.1	6000	6000	The Controller of Stores (Shipping), Central Railway, Mumbai.	253	Dy. Chief Materials Manager (CWE)/Central Railway, Matunga.	(i) No.11100045 dt.31/03/11 for 253	16271281
				820	Dy. Chief Materials Manager/ Northern Railway/ Jagadhari.	(i) No.07091073700054 dt.06/01/10 for 820 Qty.	Stores Suspense-7100
				310	Dy. Chief Materials Manager/Depot/North-East Railway, Gorakhpur	No.22/2010/4826.4162/1/2/965 dt.19/11/10 for 310 Qty.	2071 2808 voted
				179	Assistant Materials Manager(C)/ Western Railway/Lower Parel/Mumbai.	(i) No.S/23-10-3710-8-40000 dt.27/06/11 for 179 Qty.	3002 0098
				254	Assistant Materials Manager/Depot/ Rail Coach Factory,	No.05-01163.10190008 dt.27/12/10 for 254 Qty.	3712 4500 stock
				63	Dy.CMM/Dibrugargh(Assam),N.F. Rly.	No.37/10/0992/9/00022 dt.13/09/10 for 402 Qty.	207102890
				1382	Dy.CMM/LW/PERAMBUR -189 NOS Dy.MM,S.Rly,Golden Rock=331 nos Dy.CMM/CW/Perambur= 862 nos	No.WTA-104/10/0055/7 dt.03/09/10 for 1382 Qty.	1620 7124
				871	Dy.CMM/C&W, S.C.Rly. Lalaguda	No.3010.11.20 dt.21/02/11 .	2071 2808 Voted
				202	Dy.CMM/DSL/Kharagpur, S.E.Rly., Kharagpur	No.20101244.4.000000.036 dt.19/07/10 for 202 Qty.	1620 7128
				445	i) SMM/(M&G Depot)/ Ashokapuram Mysore, SWR=175 ii) SMM/Mechanical Stores Depot/ Hubli=270	No.02/30/10/1234/7/00016 dt.16/08/2010.	2071 2808 voted
				240	Dy.CMM –D (CRWS),W.C.Rly, Bhopal	No.30100001 dt.22/07/10 for 240 Qty.	1627 1211 voted
				621	Dy.MM/NWR/ Jodhpur = 177 nos SMM/D/BGC/NWR, Ajmer = 444 nos.	No.3010.1045.7 dt. Nil for 621 Qty.	2071 2409
				360	Dy.CMM/D/Mancheswar, ECoRly, Mancheswar	No.03101630 dt.30/03/11 for 360 Qty.	3001 7105
Total	6000	6000		6000			

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