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

****

No.2012/RS(WTA)-473/Wheels/874/1 New Delhi, dated 12/10/2012

M/s Taiyuan Heavy Industry Co. Ltd.
No.53, YUHE Street,
WANBAILIN DISTRICT,
TAIYAUN CITY, Shanxi Province,
China.

Through: M/s A.N. Trading Co.,
28-C, Satish Mukherjee Road, Kolkata – 700 026.

Dear Sirs,

Sub:-	Contract No.2012/RS(WTA)-473/Wheels/874/1 dated 12/10/2012 for procurement of Solid Forged Wheels (Rolled size-Rough Turned) for BG EMU Motor & Trailor coaches against global tender No.WTA-473 opened on 07/06/2012.
Ref:-	i)Your original offer No.TYH/01/473/12/01 dated 25/04/2012 forwarded through your Indian Agents letter No.ANTC/RB/WHEEL.01 dated 07/06/2012, and ii)Your letter No.TYHI/WTA-473/2012/01 dated 11/07/2012 through your Indian Agents letter No.ANTC/WTA473/2012/01 dated 12/07/2012. iii)Your Indian Agent letter No.ANTC/WTA/473/2012/01 dated 21/09/12.

This is in continuation of this office advance letter of acceptance No.2012/RS(WTA)-149/Tender/473 dated 13/09/2012 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 the terms and conditions detailed below:-

2.	Purchaser	The President of India
3.	Name & address of Contractor	M/s Taiyuan Heavy Industry Co. Ltd. No.53, YUHE Street, WANBAILIN DISTRICT TAIYAUN CITY, Shanxi Province, China.
4(a)	Purchaser's references	This Ministry's Global Tender No.WTA-473 opened on 07/06/2012 and advance letter of acceptance No.2012/RS(WTA)-149/Tender/471 dated 13/09/2012.
4(b)	Contractor's offer No. & date:	i)Your original offer No.TYH/01/473/12/01 dated 25/04/2012 forwarded through your Indian Agents letter No.ANTC/RB/WHEEL.01 dated 07/06/2012, and ii)Your letter No.TYHI/WTA-473/2012/01 dated 11/07/2012 through your Indian Agents letter No.ANTC/WTA473/2012/01 dated 12/07/2012. iii)Your Indian Agent letter No.ANTC/WTA/473/2012/01 dated 21/09/12.

5.(a) Particulars of the order:

Item No. of Tender	Description	Specification	Qty. (in nos.)	Net Unit F.O.B. Rate (in US$) (exclusive of agency commission)	Total F.O.B. value (in US$) (exclusive of agency commission)
1.	Solid Forged Wheels (Rolled size-Rough Turned) for BG EMU Motor & Trailor Coaches to Drawing No.RDSO Sketch No.K-4004 alt.3.	IRS-R-19 of 1993 (Part II) – Rev.3 of March, 2006) with corrigendum No.1 of July 2006, corrigendum No. 2 of July, 2008, corrigendum No.3 of June, 2009 Corrigendum No.4 of April, 2010.	10000	US$ 690	US$ 6,900,000
Total			**10000 Nos.**		**US$ 6,900,000**

Total F.O.B. Value of Order: – (TOTAL F.O.B. VALUE (exclusive of agency commission) – (US DOLLAR SIX MILLION NINE HUNDRED THOUSANDS ONLY).

Note: The Purchaser also reserves the rights to take C&F (CFR) supplies of wheels at the unit C&F rate of US$ 720 (US Dollar Seven Hundred Twenty Only) per wheel (exclusive of agency commission) as quoted by you against this contract and contract can be converted into C&F basis during the currency of contract.

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

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

5(d) **Agency Commission**: The FOB contract prices are exclusive of Agency Commission @ US$ 30 (USD Thirty only) per wheel to be paid in non-convertible Indian Rupee to your Indian Agent M/s A.N. Trading Co., 28-C, Satish Mukherjee Road, Kolkata – 700026 on the basis of TT buying rate of exchange of US$ 1 = Rs.54.89 (Rupees fifty four and eighty nine paisa only) ruling on the date of issue of advance letter of acceptance i.e. 13/09/2012 as quoted by State Bank of India, Overseas Branch, New Delhi. 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 wheels 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 Seaport (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 Taiyuan Heavy Industry Co. Ltd.
No.53, YUHE Street, WANBAILIN DISTRICT,
TAIYAUN CITY, Shanxi Province, China.

10. **Delivery Schedule**: Delivery of wheels shall commence in two months from the date of opening of Letter of Credit and to be completed in six months thereafter.

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

a) For manufacturer's name code, you shall stamp words TZ.
b) Code for the particular contract to be followed in this case shall be W473.

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.
One Green Stripe	No.RDSO Sketch No.K-4004 alt.3

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 manufacturer's premises 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 wheels strictly as per contract specifications.

The contractor shall afford full 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 Co-ordination 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: M/s Taiyuan Heavy Industry Co. Ltd.,
No.53, YUHE Street, WANBAILIN DISTRICT TAIYAUN CITY
Shanxi Province, China acting on behalf of 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 16-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:-

Name of the Insurance Co.	Policy No.
M/s National Insurance Company Ltd. (Direct Agent Branch) Scope Minar, North Tower, Core 2, 11th Floor, Laxmi Nagar, District Centre, Delhi- 110 092. Telephone No. 91 011 22426923 - 22440674 Fax No. 91 011 22022041 - 22455181 E mail anilk.singh@nic.co.in Vijay.kumar@nic.co.in	Policy No.2012/F(S)/1/IS/1 dated 20/03/2012 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 and 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 through LC 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 General Manager (QA), RITES Ltd., QA Division, 1, Sector-29, Gurgaon-122 001 (India) 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.2012/RS(WTA)-473/Wheels/874/1 dated 12/10/2012.

(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.
(viii) Certificate that the shipment has been made in time as per schedule laid down for the respective instalments in clause 10 of the contract or alternatively a certificate 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 through LC within 90 days of receipt of goods at an Indian Port of discharge subject to submission of documents as specified in clause 16(b) (i) to (ix) and a warranty bank guarantee for 10% value of the contract with adequate validity (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 A.N. Trading Co., 28-C, Satish Mukherjee Road, Kolkata – 700026 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 China,Taiyuan Gulou Sub-Branch, China.

Account No.	144201527476
Swift Code:	BKCHCNBJ680

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.003GM08122650001 dated 21/09/2012 for USD 720,000 (US Dollars Seven Hundred Twenty Thousand Only) executed by YES Bank Ltd., New Delhi valid upto 31/08/2014 and claim period till 28/02/2015 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.2012/RS(WTA)-473/Wheels/874/1 New Delhi, dated 12/10/2012

Copy to:-

1. 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 wheels with reference to schedule stipulated in clause 10 of contract.

2. FA&CAOs / CR, Mumbai / ER, Kolkata / SER, Kolkata / SR, Chennai / SCR, Secunderabad / NWR, Ajmer / RCF, Kapurthala / ICF, Chennai.

3. Principal Director of Audit / CR, Mumbai / ER, Kolkata / SER, Kolkata / SR, Chennai / SCR, Secunderabad / NWR, Ajmer / RCF, Kapurthala / ICF, Chennai.

4. ADAI(Railways), Rail Bhavan, New Delhi.

For FINANCIAL COMMISSIONER / RAILWAYS

No.2012/RS(WTA)-473/Wheels/874/1 New Delhi, dated 12/10/2012

Copy to:-

1. The Controller of Stores / CR, Mumbai / ER, Kolkata / SER, Kolkata / SR, Chennai / SCR, Secunderabad / NWR, Ajmer / RCF, Kapurthala / ICF, Chennai.
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-15011/306/2012-ASOIII dated 03/10/2012.
4. The Controller of Stores (Shipping) / Central Railway / Mumbai. It may be ensured that the freight payable does not exceed USD 1430 per teu plus ISPS US$ 10 per container plus THC at both ends on freight collect basis.
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) alongwith copy of relevant drawing and specifications.
7. Dy.CMM / Matunga / Central Railway / Mumbai
8. Dy.CMM / HLR / Eastern Railway / Kolkata
9. Dy.CMM / DSL / KGP / South Eastern Railway / Kolkata
9. Senior Material Manager / D / KPA / Eastern Railway / Kolkata
10. Dy.CMM / Carriage Workshop / Perambur / Southern Railway / Chennai
11. Sr.Material Manager / ECS / Moula-Aly (MLY) / South Central Railway / Secunderabad
12. AMM / LS / Ajmer / North Western Railway / Ajmer

13. Dy.CMM / Depot / Sheel / Rail Coach Factory / Kapurthala

14. Dy.CMM / Sheel Depot / Integrated Coach Factory / Chennai

15. M/s National Insurance Company Ltd., Direct Agent Branch, Scope Minar, North Tower, Core 2, 11th Floor, Laxmi Nagar, District Centre, Delhi – 110 092.

16. M/s A.N. Trading Co., 28-C, Satish Mukherjee Road, Kolkata – 700 026.

17. DDF(S)-I.

18. FS-III Branch, Railway Board.

(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 Taiyuan Heavy Industry Co. Ltd., No.53, YUHE Street, WANBAILIN DISTRICT TAIYAUN CITY Shanxi Province, China.

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

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

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 indicating whether crates, cases, bundles or loose and description of materials	:
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 in India/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.

Annexure

CONSIGNEE PARTICULARS IN RESPECT OF CONTRACT NO.2012/RS(WTA)-473/WHEELS/874/1 DATED 12/10/2012 PLACED O M/S TAIYUAN HEAVY INDUSTRY CO. LTD., NO.53, YUHE STREET, WANBAILIN DISTRICT, TAIYAUN CITY SHANXI, CHIN PROVINCE FOR PROCUREMENT OF SOLID FORGED WHEELS (ROLLED SIZE-ROUGH TURNED) FOR BG EMU MOTOR TRAILOR COACHES.

Item No. of Tender & Drawing No.	Total Qty. ordered	Port Consignee	Ultimate Consignee		Indent No. & date	Chargeabl Head
			Qty.	To		
1. Solid Forged Wheels (Rolled size-Rough Turned) for BG EMU Motor & Trailor Coaches to Drawing No.RDSO Sketch No.K-4004 alt.3.	10000 nos.	The Controller of Stores (Shipping) / Central Railway / Mumbai.	1696 nos.	Dy.CMM(CWE) / Matunga / Central Railway	No.11102150 dated 25/02/2011 (for 1696 nos.)	1627128
			1388 nos.	i) Dy.CMM / HLR / Eastern Railway ii) Senior Material Manager / D / KPA / Eastern Railway	i)No.44.10.1010.9.00759 dt.25/04/11 (for 1288 nos.) ii)No.09.09.6023.900917 dt.21/02/12 (for 200 nos.)	7120 2645131
			400 nos.	Dy.CMM / DSL / KGP / South Eastern Railway	No.31111347.4.000000.037 dt.30/08/11 (for 1051 nos.)	1620712
			1137 nos.	Dy.CMM / Carriage Workshop / Perambur / Southern Railway	i)No.WTA/21/11/0682 dt.30/08/11 (for 521 nos.) ii)No.WTA/Exp.Indt./21/10/0682 dt.16/07/12 (for 716 nos.)	1620712
			186 nos.	Sr.Material Manager / ECS / Moula-Aly (MLY) / South Central Railway / Secunderabad	No.30112340 dt.21/12/11 (for 186 nos.)	2071280
			36 nos.	AMM / LS / Ajmer / North Western Railway	No.30112035 dt.nil (for 36 nos.)	2071240

			828 nos.	Dy.CMM / Depot / Sheel / Rail Coach Factory / Kapurthala	i)No.05700912.10190006 dt.27/12/10 (for 384 nos.) ii)No.056110205.1119005 dt.08/06/11 (for 544 nos.)	Vetted
			4329 nos.	Dy.CMM / Sheel Depot / Integrated Coach Factory / Chennai	i)No.ICF/02/10/1004/4004/EMUW/ 2012-2013/S dt.21/12/10 (for 1234 nos.) ii)No.ICF/02/12/1058/4002/EMUW /2013-14/S dt.19/04/12 (for 3195 nos.)	P71109001 P71119001
	10000 nos.	**Total**	**10000 nos.**			