

WEST CENTRAL RAILWAY**Purchase order**

**HEAD QUARTER OFFICE
ENGG. BRANCH, 2nd FLOOR,
NEAR INDIRA MARKET,
JABALPUR.**

Dt.21.03.2012.

No.WCRTP2011182/ CMS X-ing 1:12,60Kg/351

M/s. VAE VKN INDUSTRIES PVT.LTD-DELHI
24/5 Sri Ram Road, Civil Lines, Delhi,
Delhi , India - 110054

Dear Sirs,

Sub: Tender for manufacture and supply of (i) CMS X-ing-1:12,60Kg. RDSO Drg No. T-4220 (with latest Alt.) (ii) CMS X-ing-1:8.5,60Kg. RDSO Drg No. T-4967 (with latest Alt.) (iii) CMS X-ing-1:8.5,52Kg. RDSO Drg No. T-4867 (with latest Alt.) (iv) CMS X-ing-1:12,52 Kg. RDSO Drg No. T-4734 (with latest Alt.)

Ref: - (i) Your Acceptance letter No-VAE VKN/WCR/CMS/2011-12/354 date 05.01.12.

For and on behalf of the President of India, the Principal Chief Engineer West Central Railway is pleased to award you this contract under Indian Railway Standard Conditions of contract as amended up to date from time to time, special conditions incorporated in the tender documents and other terms & conditions shown here under:-

Full description of Stores CMS X-ing 1:12, (60 Kg) on PSC sleepers to Drg. No. RDSO/T-4220 with latest alteration complete with fittings as listed in drawing excluding Fish Plates, Fish Bolts, GR Pads, Metal/GFN Liners, and ERCs & Check Rails.

2. Quantity, Consignee, Rate & Total cost: as shown below.

Item	Consignee SSE/ P.way /Store/...	Offered Quantity (Sets.)	Basic Rate (₹)	*ED (₹)	*CST /VAT (₹)	Freight (₹)	**All inclusive unit rate (₹).	Total Cost (₹)
1	2	3	4	5	6	7	8	9
CMS X-ing-1:12,60Kg. RDSO Drg No. T-4220 (with latest Alt.)	BPL	88	196400.00	Extra @ 10.3%	Extra @ 5%	Inclusive	227313.58	20003595.04
	KTT	48					227356.60	10913116.80
Total:-								30916711.84
Total cost Rs. 3,09,16,711.84 only (Rs.Three Crores Nine lakh Sixteen thousand Seven hundred Eleven & paise eighty four only)								

***ED and CST/VAT will paid on submission of documentary evidence. ED & CST have been calculated on the rate after deducting Railway Freight from base rate. It is as per Item no.1 of the instructions for quoting the rates of section-III of tender document.**

****Calculated on Railway Freight of ₹930 & ₹658 respectively for BPL & Kota.**

3. **Bill Passing Officer** Dy. Chief Engineer (TP) WCR (HQ) JBP.
4. **Bill Paying Officer** FA & CAO WCR, JBP.
5. **Name of Work** **Tender for manufacture and supply of (i) CMS X-ing-1:12,60Kg. RDSO Drg No. T-4220 (with latest Alt.) (ii) CMS X-ing-1:8.5,60Kg. RDSO Drg No. T-4967 (with latest Alt.) (iii) CMS X-ing-1:8.5,52Kg. RDSO Drg No. T-4867 (with latest Alt.) (iv) CMS X-ing-1:12,52 Kg. RDSO Drg No. T-4734 (with latest Alt.)**
6. **Terms of Delivery** FOT destination. The material will be delivered by road/rail up to the depot of consignee.
7. **Delivery Period** Full ordered qty. to be supplied within the period of 12 months Delivery shall commence after 3 months from issue of P.O. i.e up to 20.03.2013.
8. **Inspection** The inspection shall be done by RDSO at manufacturer's works before dispatch as per the latest RDSO Drawings and IRS Specifications with latest alterations. The firm has to arrange all facilities for inspection at their works.
9. **Taxes**
 - (i) Excise duty: - Extra @ 10.3% *
 - (ii) Sales Tax: - Extra @ 5.0% *
 - (iii) Freight: - Inclusive
 - (iv) *ED and CST/VAT will paid on submission of documentary evidence. ED & CST have been calculated on the rate after deducting Railway Freight** from base rate. It is as per Item no.1 of the instructions for quoting the rates of section-III of tender document.
** Railway Freight calculated in ₹930 & ₹658 respectively for BPL & Kota respectively.
 - (v) Modvat: - All Modvat credits available on inputs on the date of opening will be fully retained by the supplier but any increase/ decrease that take place during the currency of the contract in Modvat on inputs will be on purchaser's account.
10. **Payment** 100% payment for each lot/consignment will be made after issue of R.O. on complete receipt of material against original inspection certificate along with delivery Challan duly verified by the consignee and counter signed by the Gazetted Officer of the concerned unit for each delivery subject to deduction of any amount for which the contractor is liable under this contract or any other contract.
11. **Statutory levies** Any taxes and duties other than Sales tax/VAT, Excise duty and Octroi levied as statutory duties comes under this category of taxes i. e. new impost. These taxes will be reimbursed subject to submission of documentary evidence in respect of payment made by the supplier. However, this will not be reimbursed during extended delivery period.
12. **Price Variation Clause** Applicable as per formula enclosed in annexure – H
13. **Unloading** Unloading of the materials duly inspected and passed by the inspection agency will be done by the consignee at the consignee's depot from the firm's trucks.
14. **EMD** The firm is RDSO approved, hence exempted from remitting EMD as per clause No. 2.1.2 of additional special condition.

- 15 **Security Deposit for safety items** As per clause no. 2.2.3. of “Additional special condition of contract for manufacturing and supply” the security deposit/performance Guarantee of amount Rs. 10,00,000/- in the form of Demand draft, FDR deposit or BG in favour of FA&CAO/WCR/JBP, is to be deposited within 14 days from the receipt of Advance Acceptance letter for issuing vetted P. O. The security deposit/performance guarantee shall be valid for a minimum period 60 days beyond the date of completion of all contractual obligation of store. Firm has submitted BG No-796BGG1200001dt.02.01.12 of Rs.10 Lakhs issued from Deutsche Bank AG,ECE House 28, Kasturba Gandhi Marg, New Delhi. Validity is up to 28.02.13.
16. **Octroi** Necessary Octroi exemption certificate will be issued however if any “Octroi charges are leviable that will be payable by the supplier.
- 17 **Transit Insurance** The purchaser will not pay separately for transit insurance and the supplier will be responsible till the entire stores contracted delivered in good condition at destination (consignee).
- 18 **IRS Condition of Contract** The firm has submitted tender documents through IREPS duly digital signed and hence accepted IRS condition of contract up to date.
- 19 **Option to vary the ordered quantity** As mentioned in Additional special condition of contract No.10.
- 20 **Force Majeure Clause** Railway’s Standard Force Majeure Clause, as per tender schedule shall be Applicable.
- 21 **Penalty clause** The penalty clause regarding supply of defective material, mentioned vides clause-25 and 26 of “Instructions to Tenderers” in the tender schedule will be applicable.
- 22 **Rejection at destination** Irrespective of the inspection carried out by the nominated inspection authority and passing of the inspected stores, the consignee shall have the right to verify the quality of each consignment at his end, reject the defective supplies and seek replacement within 15 days after due notice in writing. The defective goods shall be lifted by the suppliers and matching replacement arranged at their cost with maximum period of 4 weeks from the date of such notice sent by the consignee.
23. Allocation Chargeable Head mentioned in Indent.

S.N.	Qty in sets	Indent No. & Date	Consignee	Allocation
1	88*	54410382 dtd 18.02.11	BHOPAL	DRF 213142-04
	*Out of 103 sets of indented quantity 88 sets is included in this purchase order			
2	48**	44283026 dt.16.03.11	KOTA	04-211-28
	** Out of 56 sets of indented quantity 48 sets is included in this purchase order			

24. The conditions quoted by Firm and Railway's remarks thereon are as below:-

1	Delivery Period: - Shall commence after Receipt of technically and commercially clear order and not against receipt of letter of acceptance or counter offer. However, the Delivery shall commence after three months from the date of receipt of technically and commercially clear order and shall be completed in nine months thereafter. No pro rata supplies shall be made on monthly basis and entire supply shall be made within the quoted delivery period.	Accepted.
2	Delivery schedule- Shall commence after Receipt of technically and commercially clear order and not against receipt of letter of acceptance or counter offer. However, the Delivery shall commence after three months from the date of receipt of technically and commercially clear order and shall be completed in nine months thereafter. No pro rata supplies shall be made on monthly basis and entire supply shall be made within the quoted delivery period.	

DA: - Annexure H

Yours faithfully

(Dinesh Chand)

Dy. CE (TP)

For and on behalf of President of India

PRICE VARIATION CLAUSE

(i) The increase/ decrease in the price of items quoted for material and wage escalation would be governed by the following formula :-

$$P1 = P0/100 (10 + 40 \times S1/S0 + 50 \times L1/L0) - Ma$$

Where,

PI = Escalated/de-escalated price.

P0 = Accepted Basic Rate

S1 = The Index No. of wholesale price in respect of items “Iron and Semis and “Ferro Alloys”

Compiled by Economic Adviser, Ministry of industry website <http://eaindustry.nic.in> for the calendar month three months prior to the call for inspection of the material. For instance, the material offered for inspection Jan 2011, the index No. of Oct. 2010 will be applicable.

S0 = The above wholesale price index for “Iron and Semis and Ferro alloys” as per Economic Adviser, Ministry of industry website <http://eaindustry.nic.in> for the month in which tender was opened.

L1 = The All India consumer price Index for industrial workers compiled by Labour bureau. Ministry of Labour web site <http://labourbureau.nic.in> for the calendar month three months prior to the call for inspection of the material. For instance the material offered for inspection in Jan.2011 the index No. of Oct.2010 will be applicable.

L0 = The All India consumer price Index for industrial workers compiled by Labour bureau. Ministry of Labour web site <http://labourbureau.nic.in> for the month in which tender was opened.

The component of Iron and Semis and Ferro Alloys for working out the composite index is as follows:

Iron and semis 0.919

Ferro alloys 0.080

Ma = Variation in MODVAT to be passed on to purchaser (as per MODVAT formula).

(ii) In case of P1 is greater than P0. the difference P1 minus P0 shall constitute the amount due to the contractor towards escalation on cost of wage and material otherwise the difference P0 minus P1 shall constitute the amount to be recovered from the contractor as de-escalation.

(iii) If the deliveries are not made according to the Schedule and are delayed owing to any circumstances whatsoever and escalation in wage and material take place, such increase will not be admitted unless specifically agreed to at the time of granting extension in the delivery schedule.

(iv) The decision of the President of India in regard to wage and material escalation under this clause shall be final and not be subject matter of legal dispute or arbitration.

(B) MODVAT: (This is in addition to the MODVAT/ CENVAT Clause 5.5 of additional conditions of contract at Annex. G)

(i) The accepted contract rate is net of all MODVAT/CENVAT credits available to the firm on the date of opening of tender. All MODVAT/CENVAT credits available on inputs on the date of opening of tender will be fully retained by the supplier, in addition to the contract rates. Any variation in

MODVAT/CENVAT after opening of tender and during the currency of the contract will be to the purchasers account. Till such time as the admissibility of the MODVAT remains confined to those inputs that were taken into account on the date of opening of tender, the variation in MODVAT that will accrue to the purchaser will be worked out as per the following formula –

$$Ma = 40 \times (PO/100) \{ (S1/S0 \times (E1/100) - (E0/100) \}$$

Where,

Ma = Variation in Modvat to be passed on to the purchaser (as per clause no 5.5 of additional special condition of contract at Annexure –G).

PO = Accepted Basic Rate.

S1 = The Index No. of wholesale price in respect of items “Iron and Semis” and “Ferro Alloys” Compiled by Economic Adviser, Ministry of industry website <http://eaindustry.nic.in> for the calendar month three months prior to the call for inspection of the material. For instance, the material offered for inspection Jan.2011, the index No. of Oct.2010 will be applicable.

SO = The above wholesale price index for “Iron and Semis and Ferro alloys” as per Economic Adviser, Ministry of industry website <http://eaindustry.nic.in> for the month in which tender was opened.

E1= Percentage Excise Duty rate as prevalent during the month just three the months prior to the call of inspection.

E0= Percentage Excise Duty rate at the time of opening of tender.

(ii) The suppliers will submit the following certificates with each bill.

“We certify that no additional duty set offs on the goods supplied by us have accrued under the MODVAT/CENVAT in force on the date of supply after we submitted our quotations and submitted the present bill”.

In the event of MODVAT/CENVAT credit being extended by the Government of India to more items that already covered, the contractor should advise the purchaser about the additional benefits accrued, through a letter containing the following certificate or any variation thereof as may be considered necessary by individual Railway Administration.

“We hereby declare that we can avail additional duty set offs as per latest MODVAT scheme in force now and we hereby give reduction ofper MT and agree to revise the prices indicated in the order. The current ED of% is payable on this reduced price. Therefore, we request you to amend the order accordingly.”

Yours faithfully

**(Dinesh Chand)
Dy. CE (TP)**

For and on behalf of President of India