

**WEST CENTRAL RAILWAY**

HEAD QUARTER OFFICE  
ENGG. BRANCH, 2<sup>nd</sup> FLOOR,  
NEAR INDIRA MARKET,  
JABALPUR  
Dated : 12.05.2014

**PURCHASE ORDER**

No. WC RTP2012254/G J/516

M/s SRINIVASA

**Enterprises Hyderabad**  
**14/173, Sarvodayanagar, Meerpet**  
**Hyderabad, Andhra Pradesh-500097**  
Phone No. – 08415-245246  
Cell No. – 09949111022  
Fax No. – 07569194908

Dear Sirs,

**Sub:-** Tender No. WC RTP2012254 dated 04.12.12 opened on 23.01.13 for Manufacture & Supply of Glued Joint 52 Kg Drg. No. T- 5361 as per IRS manual for fabrication of glued insulated rail joints (1998) corrigendum no. 5 of 2012.

**Ref:-** Your acceptance letter no. nil received on 03.03.2014.

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:-

1.	<b>Full description of Stores</b>	Manufacture & Supply of Glued Joint 52 Kg Drg. No. T- 5361 as per IRS manual for fabrication of glued insulated rail joints (1998) corrigendum no. 5 of 2012.
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**2. Quantity, Consignee, Rate & Total cost: as shown below.**

Item No.	Description of Item	Consignee-SSE P. way Depot) Store	Qty. (Nos.)	Basic Rate (₹ /no.)	E D Extra @	CST/ VAT Extra @	Freight (₹ /no.)	All Inclusive Rate (₹ /no.)	Total cost (₹)
1.	Glued Joint 52 Kg Drg. No. T-5361 as per IRS manual for fabrication of glued insulated rail joints (1998) corrigendum no. 5 of 2012.	JBP	677	8050.00	Nil	5%	2309.50	10762.00	72,85,874.00
<b>Total</b>									<b>72,85,874.00</b>
<b>₹ Seventy Two lakh Eighty Five Thousand Eight Hundred Seventy Four only.</b>									

**\*CST/VAT will be reimbursed on submission of documentary evidence.**

D P will commence from 01.04.2014 or date of issue of P.O whichever is later.

3. **Bill Passing Officer** Dy. Chief Engineer (TP) WCR (HQ) JBP.
4. **Bill Paying Officer** FA & CAO WCR, JBP.
5. **Name of Work** Manufacture & Supply of Glued Joint 52 Kg Drg. No. T- 5361 as per IRS manual for fabrication of glued insulated rail joints (1998) corrigendum no. 5 of 2012.
6. **Terms of Delivery** FOT/FOR destination. The material will be delivered by road up to the depot of consignee.
7. **Delivery Period** Full ordered qty. to be supplied with the period of 09 **months** after issue of P.O. Predelivery will be permitted. Each installment of delivery of quantity will constitute a separate contract.  
Ist installment of 50% quantity in 05 months i e up to 11.10.2014  
II<sup>nd</sup> installment of 50% quantity in 04 months i e up to 11.02.2015
8. **Inspection** The inspection shall be done by RITES 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: Nil  
(ii) Sales Tax /VAT: Extra @ 5%  
(iii) 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, Excise duty and Octroi levied as statutory duties 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** PVC will be applicable as per clause No. 8 of additional special condition 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. **Issue of Rails** As per clause no. 6 of schedule requirement, new rails for the fabrication of Glued Joint, against B. G. or cash deposit will be issued to the contractor/firm, duly Ultrasonic tested for fabrication purpose from the nearby Flash Butt welding plant/Depot i.e. Flash Butt welding plant at Meerut (Northern Railway), Gonda (N. E. Railway), Tatanagar (S.E. Railway), Moulali (S.C. Railway), Santragachi Depot (S.E. Railway), Arkkonam (S. Railway), Sabarmati (W. Railway) or from Bhilai steel plant, Bhilai.
- The firm/contractor will have to make his own arrangements for the loading, unloading and transportation of rails, from the locations mentioned above in S.N. 6.0 to their workshop/ premises at their own cost. The rails will be supplied in full rail length of 13 meters only. No extra payment will be admissible to the party on this account.

New rails for manufacturing of Glued Joint will be issued within 7 days, from the date of receipt of Glued Joints by the consignee against the rails issued in previous lot/from the date of request of the firm.

The firm should note that no cutting with any type of gas is to be done during the process of fabrication of Glued Joints.

The finished Glued Joints will be inspected by RITES and certificate issued for the same by the inspecting authority should be sent along with the dispatch of finished Glued Joints. *Firm should stencil the finished Glued Joints 52 kg with their firm's name and month/year and serial number directly punching by metal punch on joints.*

In case of rejection of Glued Joint or rails or rails getting damaged at work, the cost of such rails shall be recovered at the price of new rails prevailing at the time of issue of rails or the price of rails prevailing at the time of rejection whichever is higher, in addition to usual codal charges.

Any additional rails required by the contractor due to fabricated Glued Joints being rejected or due to damage/failure during fabrication will be recouped by the railway at the expense of the contractor.

Excess rails lifted /received by the contractor and not utilized due to modification of the contract or because of any other reason should be returned to the railway as per the directions of purchaser.

During execution of work, if any rails supplied free of cost by the Railways get damaged by the contractors, the cost of the rails plus handling charges @ 12% there of shall be recovered from the contractor. The recoupment of damaged quantities of rails will be made by the Railway on request from the contractor.

The minimum length of each Glued Joint will be 6.5 meters. From each rail of 13.00 meter long, 2 nos. of Glued Insulated Rail Joints are to be manufactured. For each lot of supply of Glued Joints, the contractor shall specify the length of each Glued Joint supplied in the Inspection Certificate and also to the consignee.

The contractor has to give the accountal of all Rails received and used for fabrication. Railways will supply free of cost rails in quantity equal to the net requirements for the Glued Insulated Rails Joints (i.e. rail of 13.00 Metre for 2 nos. of Glued Joints). The contractor during manufacture of Glued Insulated Rail Joints shall keep the accountal of details of rails received from Railways and rails utilized for manufacturing of Glued Insulated Rail Joints of such rails. The contractor shall return rails i.e. cut rails, full rails if not utilized and damaged rails etc. to the respective consignee of Railways at own cost.

If the contractor does not return the unutilized quantity of cut rails, full rails and damaged glued joint rails lying in their custody against a particular lot, the value of such rails shall be deducted while releasing free supply rails in subsequent lots of rails by the railways to cover the exact amount of BG submitted by the contractor.

The contractor shall return the unutilized quantity of cut rails, full rails and damaged glued joint rails etc. periodically to the respective consignees of West Central Railways, otherwise the cost of such unutilized rails including handling charges @ 12% thereof will be recovered from the bills of the contractor or the BG submitted will be encashed forthwith.

**15 Bank Guarantee**

A minimum amount of Bank Guarantee (B.G.) or Cash deposit of value equivalent to 25% of cost of the total rails required in the P.O. at the price of new rails or Rs. 50 lakhs which ever is less prevailing at the time of issue of rails should be furnished for the issue of rails at a time within 01 month from the date of issue of Purchase Order. B.G. should be made valid up to delivery period + one month, on stamp paper of **Rs. 250/-**.

In case the BG is not submitted within 01 month, Railway may take action to cancel the contract or any part thereof and to purchase or authorize the purchase of the stores at the risk and cost of the contractor and in that even the provision of clause 0702 of IRS conditions of contract shall apply as far as applicable.

**16 PULL OUT  
RESISTANCE  
TEST**

The joints utilized for pull out test becomes unfit for laying on main lines and points and crossings. After conducting test on such joints, the joints shall be dismantled and cut pieces of rails will be handed over to the consignees. The cost of transportation of these rails is to be borne by the firm and no freight charges will be admissible. The released fishplates, bolts and nuts from such waste joints shall be the property of the contractor. He will be paid 52% of the accepted basic rate for tested joint to compensate labour and wastage etc. no taxes will be paid on these pull out joints.

**17 Guarantee**

1. The Contractor guarantees that the stores which he supplies shall be manufactured fully in accordance with specifications. In all cases, the Contractor guarantees that its design shall strictly follow the “as made” detailed drawing with such modifications as are notified in respect of each type.
2. The contractor further guarantees that the stores shall be free from defects in material and workmanship provided that the Contractor’s liability in this respect shall be limited to arranging the necessary replacement of the defective supplies free of any charge only to the extent that such replacements are attributable to or arise from faulty workmanship or material or in the manufacture of the stores. All replacements shall be made free of cost at destination. If the Contractor so desires, the replaced stores can be taken over by him for disposal as he deems fit, within a period of three months from the date of receipt of replacement of stores. At the expiry of this period no claim whatsoever shall lie on the Purchaser.
3. The guarantee herein contained shall not apply to any material which shall have been repaired or altered by the Purchaser, or on his behalf in any way so as to affect its strength, performance or reliability or any part due to misuse, negligence or accident. The guarantee herein contained shall expire in respect of each item of stores on the expiry of 18 months from the date of its delivery or 12 months from the date of its placing in service which ever is earlier, except in respect of defects notified to the Contractor prior to the expiry of such date.
4. All replacements that the Purchaser shall call upon the Contractor to deliver this guarantee shall be delivered by the Contractor promptly and satisfactorily.
5. Any approval or acceptance by the Purchaser of the stores or of the materials incorporated therein shall not in any way limit the Contractor’s liability hereunder.
6. The decision of the Purchaser in regard to Contractor’s liability under this guarantee shall be final and conclusive.

- 18 EMD** As per clause no. 2.1.2 (A) (iii) the firm is on RDSO's approved list of manufacture and supply of Glued Joint 52 Kg Drg. No. T- 5361 as per IRS manual for fabrication of glued insulated rail joints (1998) corrigendum no. 5 of 2012, hence not required to deposit EMD.
- 19 Security Deposit for safety items** You have submitted bank guarantee No. 108114IG Per 0003 dated 21.02.2014 for valuing Rs. 7,28,600/- (**Seven lakh Twenty Eight Thousand Six Hundred only**) validity up to 19.08.2014 issued by Andhra Bank SME Branch, Uppal, Hyderabad-39. As per clause no. 2.2.4 of "Additional special condition of contract for manufacturing and supply" 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.
- 20 Octroi** Necessary Octroi exemption certificate will be issued however if any "Octroi charges are leviable that will be payable by the supplier.
- 21 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).
- 22 IRS Condition of Contract** The firm has submitted tender documents duly signed and hence accepted IRS condition of contract up to date.
- 23 Option to vary the ordered quantity** As mentioned in special condition No.10 of additional special condition contract
- 24 Force Majeure Clause** Railway's Standard Force Majeure Clause, as per tender schedule shall be Applicable.
- 25 Penalty clause** The penalty clause regarding supply of defective material, mentioned vides clause-27 and 28 of "Instructions to Tenderers" in the tender schedule will be applicable.
- 26 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.
- 27 Allocation** Chargeable Head mentioned in Indent.

S N	Indents No.	Date	Indent Qty. (in nos.)	Allocation	P.B./Law Book item No. of 2014-15	Fund available 2014-15	Page no. of original indent
1	2	3	4	5	6	7	8
1	M Sch. No. 17 (CP-9)	27.04.12	360	21314104/21314204/ 21314304	PB - 343	CP-83	401/12-13
2	M Sch. No. 16 (CP-8)	20.04.12	*317	21314104/21314204/ 21314304	PB - 340	CP-83	400/12-13
<b>Total</b>			<b>677</b>				
<i>*317 nos. quantity has been considered out of total indented quantity 416 nos.</i>							

The contract shall be governed by Indian Railway Standard Conditions of contract (latest revision) with amendments, Invitation to tender and Instructions to Tenderers, Additional Special conditions and Instructions for quoting the Rates and other conditions incorporated in the subject tender document which will form part of the agreement. The conditions modified have been covered above.

DA: - Annexure H

**Your's faithfully**

**(K. K. Pali)**

**Dy. CE (TP)**

**For and on behalf of President of India**

(Part of Annexure-‘G’ clause 8 of additional special conditions)

Tender No. WCRTTP2012254 dated 04.12.12 opened on 23.01.13

**PRICE VARIATION CLAUSE**

- (A) (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 & 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 May 2006, the index No. of Feb 2006 will be applicable.

**S0** = The above wholesale price index for “Iron & 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 May 2006 the index No. of Feb. 2006 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 Steel and Ferro Alloys for working out the composite index is as follows:

**Iron & Semis 0.976**

**Ferro alloys 0.024**

**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 4.0 of additional conditions of contract at Annex. H)

- (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. 4 of additional special condition of contract at Annexure –H).

**Po** = Accepted Basic Rate.

**S1** = The Index No. of wholesale price in respect of items “Iron & 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 May 2006, the index No. of Feb 2006 will be applicable.

**So** = The above wholesale price index for “Iron & 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 of .....per 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.”

**(K. K. Pali)**

**Dy. CE (TP)**

**For and on behalf of President of India**