

GOVERNMENT OF INDIA/ भारत सरकार
MINISTRY OF RAILWAYS/ रेल मंत्रालय
(RAILWAY BOARD)

No. RS(S)/51/2024/7701/06/11972

New Delhi, Dated: 01.04.24

**General Manager Marketing(SS),
M/s Steel Authority of India Limited,
18th, floor Scope Minar,
Laxmi Nagar Distt. Centre,
DELHI-110092**

Dear Sirs,

**Sub: Contract No. RS(S)/51/2024/7701/06/11972 dated: 01.04.24 for
procurement of Stainless Steel Sheets & Plates.**

With reference to your offer and other references detailed below, Executive Director, Railway Stores(S), on behalf of President of India is pleased to accept your offer to the extent of quantities, specifications and prices shown in Clause 10. This Running Contract is issued on the terms and conditions detailed here under:

2. Contract No.	RS(S)/51/2024/7701/06/11972 dated: 01.04.24
3. Purchaser	Executive Director, Railway Stores (S), Railway Board, on behalf of President of India.
4. Name & Address of the supplier	General Manager Marketing(SS), M/s Steel Authority of India Limited, 18th, floor Scope Minar, Laxmi Nagar Distt. Centre, DELHI-110092
5. Purchaser's Reference	(i) Ministry of Railways, (Railway Board's) Tender No. 2023IS209 opened on 06.02.2024. (ii) Counter Offer letter No. RS(S)/2023/747/3 Dated. 11.03.2024 (iii) Letter of Acceptance No. RS(S)/51/2024/7701/06/11972 dated 12.03.2024
6. Contractor offer and other references	(i) Your e –Offer against Tender No. 2023IS209 opened on 06.02.2024. (ii) Your letter no. SAIL/SSD/NR/RB/2022-23/005 dated 07.03.2024 . (iii) Your acceptance letter no. SAIL/SSD/NR/RB/2023-24/001 dated 11.03.2024.
7. Place of Manufacturing	The material is to be manufactured in your works at Salem, Tamil Nadu.
8. Inspecting Authority	Material will be inspected by Quality Department of the SAIL's plant and material will be supplied along with Test Certificates.
9. Paying Authority	PFA (RBC), Eastern Railway, Kolkata will maintain the account and arrange all payments against the contract.



10. Particulars of Orders:

SN	TSN	Thickness range (mm)	Width range (mm)	Specification	Quantity (MT)	Basic price FOR station of dispatch excluding GST (Rs./MT)	Total Basic Value (in Rs.)
1.	SS01	1-2.5	RDSO STR No C-K 201, grade X 2 Cr Ni 12(409 M) of Table-1, Heat treatment condition/Surface Finish "2 B" as per Table-5	SS01	51	190000	9690000
2.	SS02	3 - 8	IRS M-44/97	SS02	1119	133000	148827000
3.	SS03	3 - 8	IRS M-44/97	SS03	14438	133000	1920254000
4.	SS04	10 - 60	IRS M-44/97	SS04	441	134000	59094000
5.	SS05	10 - 60	IRS M-44/97	SS05	307	134000	41138000
					16356		

10.1 (i) **Total Quantity:** 16,356 MT (Sixteen thousand Three Hundred Fifty Six MT).

(ii) **Total Value:** Rs. **217,90,03,000/-** (Rupees Two Hundred Seventeen Crore Ninety Lakh Three Thousand Only) excluding GST.

11. The above order is subject to the following terms and conditions:

11.1 Validity of these Running Contracts will be 24 months from the date of issue or upto 31.03.2026, whichever is later and can be extended with mutual consent.

11.2 The contract prices are inclusive of cost of all tests, packing etc.

11.3 The contract prices are FOR station of dispatch Salem, Tamilnadu.

- 11.4 Director, Railway Stores (Iron & Steel), Railway Board, Kolkata will place supply orders against this Running Contract during its currency. Supply orders can be placed till the last date of validity of contract.
- 11.5 The stores shall, however, be dispatched to the consignees only after the Inspecting Officer has certified in writing that the stores have been inspected and approved by him. Issue of Inspection Certificate will be considered sufficient for this purpose. The contractor shall be responsible for all losses etc., in transit as per clause 1501 of the IRS Conditions of Contract and shall alone be entitled and responsible to make claims against the carrier. The supplier shall be responsible till the stores arrive in good condition at consignee's destination.
- 11.6 The contractor shall furnish by Registered Post to the Executive Director, Railway Stores (S), Railway Board, New Delhi and DRS (I&S) Railway Board, Kolkata by 10th of every month, a statement showing full particulars of stores dispatched during the preceding month.
- 11.7 The Purchaser reserves the right to alter consignee particulars, width and length requirements of material as and when the necessity arises.
- 11.8 Depending upon the actual requirement of Zonal Railways and Production Units during the validity of these Running Contracts, there may be NIL/less requirement for some particular item(s) and in such cases supply orders may not be placed for such items for entire ordered quantity.
12. **Option Clause:** The Purchaser may at any time during the currency of the Running Contract increase the total ordered quantity of the contract by not more than 30% of the total ordered quantity at the same price, terms and conditions as stipulated in the contract and the contractor shall be bound to supply the quantity so ordered according to revised delivery schedule advised by the Purchaser fixed on the basis of contracted delivery schedule.
13. **GST:** Will be reimbursed by purchaser as per actual. The current prevailing rate of GST is 18%.
- 13.1 The Purchaser will not, however, be responsible for the payment of GST/ or any tax made by the contractor under misapprehension of Law. The liability of the Purchaser to reimburse Taxes is limited to such sum as may be found legally due and leviable in respect of contracted goods after availing the full credit on all the inputs used in the manufacture of the finished products, irrespective of whether the Seller has in fact availed of the said credit or not.
- 13.2 Upon implementation of GST w.e.f. 01.07.2017, invoices by the firm would require GST details and following procedure should be followed for the same:-
- (i) While preparing the invoices, the supplier shall mention the address of the paying Authority and GSTIN Number of the paying Authority (as per the contract) under the 'Bill to' column and address of the consignee

and Railway's GSTIN Number of the State, where consignee is located, under 'Ship to' column.

- (ii) The invoices shall be submitted by the suppliers to the Governing Paying Authority (as per the contract) and payment to the suppliers shall be released by the same paying Authority.

13.3 The firm will submit following certificate with the bills for payment. "We hereby declare that additional set off/input tax credit to the tune of _____ has accrued and accordingly, the same is being passed on to the purchaser, and, to that effect, the payable amount may be adjusted."

13.4 Purchaser will, however, not pay any Tax or Duty paid by the supplier due to misclassification.

14. Payment terms:

(i) **For dispatches by road to Zonal Railways**

- a) 98% of the value of the invoice will be made against inspection certificate and receipted documents signed by Gazetted officer of the consignee.
- b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the Consignee on receipt of Consignment in good condition by him.

Alternatively following payment terms is also acceptable:-

In case of road dispatches, 100% payment would be made on receipt and acceptance of material by consignee that is against receipt note.

(ii) **For dispatches by road to Wagon/Coach manufacturers:**

100% of the value of the invoice will be made against inspection certificate and receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.

(iii) **For dispatches by rail to Zonal Railways:**

- a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e., unqualified RR.
- b) Balance 2% of the invoice value shall be paid against the Receipt Note issued by the Consignee on receipt of Consignment in good condition by him.

(iv) **For dispatches by rail to Wagon/Coach manufacturers:**



- a) 98% of the value of the invoice will be made against inspection certificate and dispatch documents, i.e., unqualified RR.
 - b) Balance 2% of the invoice value shall be paid against receipt documents issued by authorized representative of Wagon/Coach manufacturers certifying that the material has been received and accepted in good condition.
- (v) Firms to raise PVC bill separately in the subsequent month of supplies made.
15. **Delivery Period:** Validity of these Running Contracts will be 24 months from the date of issue or upto 31.03.2026, whichever is later and can be extended, with mutual consent.
- 15.1 Supplies to commence within 90 days after placement of order. Minimum monthly rate of supply will be 1200 MT.
- 15.2 Director, Railway Stores (Iron & Steel), Railway Board, Kolkata will place supply orders against this Running Contract during its currency. Supply orders can be placed till the last date of validity of contract.
- 15.3 Delivery period for each supply order will be reckoned from the date of issue of supply order.
- 15.4 In case of dispatches by Rail, the date of Railway Receipt will be taken as the date of delivery. In case of dispatches by road, date of receipt recorded by the consignee on the lorry consignment note/Challan will be taken as the date of delivery.
- 15.5 Considering that while placing supply orders in multiple tranches against this Running Contract, sometimes minimum tonnage required for rolling in a particular width/thickness combination may not be ordered at a time resulting in delay in taking up rolling of that item without any fault on the part of the supplier, DRS (I&S), Kolkata is authorized to re-fix DP in such cases without any LD within the overall validity of the contract. Such situations may also come in play if the quantity ordered is less than a lorry load or to cater to urgent requirement of any particular consignee.
- 15.6 Steel Cell/Kolkata would review the urgency of the requirement regularly and decide the priorities for the supplies.
16. Standard Force Majeure clause, as detailed in para 26 of General Tender Conditions in Tender document, may only be allowed.
17. **Mode of transport:** Material will be transported by rail, in case rake load formation is feasible. However, considering the non-availability of piecemeal wagons, suppliers may be authorized to send the material by Road.

18. Freight Charges:

Actual Railway Freight would be reimbursed if the material is dispatched by Rail. In case material is dispatched by Road, the freight charges would be Road Freight or calculated Railway freight whichever is lower.

19. Inspection Authority: Material will be inspected by Quality Department of the Plant and material will be supplied along with Mill's Test Certificates.

20. Supply tolerance: Supply tolerance of +/- 5% on each supply order/consignee may be allowed.

21. Tolerance in Sizes: Material will be supplied in mill edge condition with width tolerance of +30 mm/ - 0.0 mm.

22. Surface finish: As specified in Annexure-B of tender document.

23. Price Variation Clause: The contract prices are subject to Price Variation Clause as per Annexure 'A' enclosed, with base month as Jan, 2024.

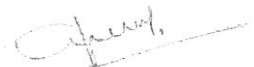
24. ARBITRATION: As per Clause 2900 of IRS Conditions of Contract.

25. LIQUIDITY DAMAGES: The purchaser reserves the right to recover from the Contractor, Liquidated Damages and not by way of penalty, a sum equivalent to 1/2% (half 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 per week or part of the week, 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 10% (ten percent) of value of the delayed supplies. This is in addition and without prejudice to other rights under the terms of contract.

26. Transit Insurance: The Purchaser will not pay separately for transit insurance and the contractor shall be responsible till the stores contracted for, arrive in good condition at destination. However, in the event of any deficiencies in or damage to supplies in transit the contractor shall arrange free replacement, freight paid. The loss/damage if any, will be notified by the consignee within 45 days of the receipt of the material.

26.1 Transit risk insurance cover while the material are in transit by road from the works of the contractor to the consignees would also be at the cost of the contractor.

26.2 Local charges/other incidental expenses involved in road movement will be borne by the contractor.



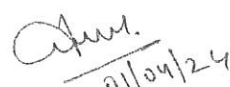
27. **Jurisdiction of Courts:** The Delhi Court only shall have exclusive jurisdiction over any dispute arising out in respect of this contract.
28. **Packing:** The stores shall be sufficiently and properly packed so as to ensure the stores being free from any loss or damage in transit on arrival at the destination. Packing conditions stipulated in the specifications should be strictly followed.
29. **Marking:** The marking on all goods supplied shall comply with the requirements of the Indian Acts relating to the merchandise or any amendment thereof and of the rules made under such Acts and the Seller shall be responsible for the proper and sufficient marking of the goods so as to be in compliance with the requirements of the said Acts. Requirements given in the relevant specifications shall be fully complied with. Attention is also drawn to Clause 1302 of IRS Conditions of contract.
30. **Performance Guarantee Bond:** The firm was required to deposit Rs.100,00,000/- (Rupees One Crore only) as Security Deposit for this contract. The firm has furnished a Bank Guarantee No.240127IBGP00671 dated 22.03.2024 valid upto 30.09.2026, issued by IDBI Bank, Trade Finance Department, 8th Floor, Plate B, Block 2, NBCC Office Complex, East Kidwai Nahar, New Delhi 110023 in favour of M/s SAIL to the paying authority for Rs.100,00,000/- (Rupees One Crore only) As and when an amendment is issued to the contract, the firm shall, within 15 (Fifteen) days of the receipt of such an amendment furnish to the Paying Authority an amendment to the Bank Guarantee rendering the same valid for the contract.
31. **All other conditions:** The contract will be governed by Indian Railways Standard Conditions of Contract and terms and conditions of tender document to the extent they do not contradict the terms and conditions contained in the preceding paragraphs.
32. This contract is issued by order and in the name of the President of India.
33. Please acknowledge receipt of this contract. Two copies of the contract duly signed on your behalf by an authorised person with your seal, duly witnessed by two persons, on each and every page should be returned to the undersigned for record within 15 days of receipt of contract. Copies of the same should be given to Dir(I&S), Railway Board, Kolkata and the Paying Authority.

Thanking you,

Encl. Annexure A



Yours faithfully,



01/04/24

(Vipul Kanaujia)

Director Railway Stores (Wagon)

Railway Board.

for and on behalf of the President of India.

No. RS(S)/51/2024/7701/06/11972

New Delhi, Dated:01.04.24

Copy to:

1. PFA (RBC), Eastern Railway, New Delhi
2. PFA, All India Railways/PUs.
3. ADAI (Railways), Rail Bhavan, New Delhi.
4. Directors of Audit, All Indian Railways/PUs.

For Member Finance/Railways.

New Delhi, Dated: 01.04.24

No. RS(S)/51/2024/7701/06/11972

Copy to:

1. Director, RS (I&S), Railway Board, 3, Koilaghat Street, Kolkata- 700001.
2. PCMMs, All Indian Railways/PUs
3. DDF (S)-II, Railway Board.

[Signature]
01/04/24

(Vipul Kanaujia)

Director Railway Stores(W)

Railway Board.

For and on behalf of the President of India.

ANNEXURE 'A'

PRICE VARIATION CLAUSE – BASE MONTH: Jan., 2024

1. The increase/decrease in the price of materials quoted/ supplied against this tender would be governed by the following Price Variation formula:

$$P_1 = \frac{P_o}{100} (25 + 9 \times \frac{FC_1}{FC_o} + 66 \times \frac{MS_1}{MS_o})$$

Where,

P_1 = Escalated/de-escalated price.

P_o = Base Price.

FC_1 = "Ferro Chrome" Basic price (HC 60%) Ex-Jajpur (INR), published in Steelmint for the last day of the calendar month, one month prior to the call for inspection of the material. For instance material offered for inspection in November, 2021 the basic price for the last day of the month of October, 2021 will be applicable.

FC_o = "Ferro Chrome" Basic prices (HC 60%) Ex-Jajpur (INR), Steelmint prices for the last day of the calendar month for the base month.

MS_1 = "Melting Scrap" Basic price of Melting Scrap End Cutting for Ex-Ludhiana. Price of the last day for the month previous to the month on which material offered for inspection/date of issue of Inspection Certificate of the material. For instance material offered for inspection in November, the basic price for the last day of the month of October, 2021 will be applicable.

MS_o = "Melting Scrap" Basic price of Melting Scrap End Cutting for Ex-Ludhiana, price of the last day of the calendar month for the base month.

Note: For 'Ferro Chrome' weekly data is published, the basic rate of 'Ferro Chrome' will be taken from the basic rate of the week in which last date of month falls. The indices of "Ferro Chrome" Basic price (HC 60%) Ex-Jajpur (INR), and "Melting Scrap" Basic price of Melting Scrap End Cutting for Ex-Ludhiana, may be taken as published in the website www.steelmint.com.

2. In case P_1 is greater than P_o , the difference P_1 minus P_o shall constitute the amount due to the contractor towards escalation on account of Price Variation. Otherwise, the difference P_o minus P_1 shall constitute the amount to be recovered from the contractor as de-escalation.
3. The decision of the President of India in regard to wage and material escalation under the clause shall be final and not be subject to legal dispute or arbitration.