

Tech. Cell



BHARAT COKING COAL LIMITED
(A Subsidiary of Coal India Limited)
Office of the General Manager(MM)
Koyla Bhawan : Koyla Nagar
Dhanbad : 826 005

GRAM ; KOKINGKOL
(Phone No. 0326 – 2230181
(Fax No. 0326 -2230183)

Ref. No. BCCL/PUR/ 615294 /TCRR Drill Bits/16-17/19

dtd 14.05.2016

**PURCHASE ORDER
SPEED POST**

To,

M/s DRILBITS International Private Limited Plot no. 66, MIDC Estate, Satpur, Nashik- 422 007 (Maharashtra) Fax: 0253 2352710	Vendor code- 1/17/M/S/015
	PAN No: AACCD1726B
	Vendor Type: Mfr

Sub: Supply of TCRR DRILL BIT SIZE 6 1/4" DIA

Ref: 1. T E.No. BCCL/PUR/615294/TCRR/DRILL BIT/15-16/ 114, online opened on 05.05.2016
2. Your email dated 12.05.16.

Dear Sir,

With reference to above, we, for and behalf of BCCL, here by place order for supply of TCRR DRILL BIT SIZE 6 1/4" DIA at the following specification, price terms and conditions:

Scope of supply:

Sl. no.	Description	Qty.	Rate in Rs	Value in Rs
01	TCTRR Drill Bits (6-1/4" size) MC: 93030210128	468	23046.45	1,07,85,738.60
			Extra Excise duty & cess @ 12.50% Against documentary evidence	13,48,217.32
			Sub total	1,21,33,955.92
			Extra CST @2%	2,42,679.11
			Total landed value	1,23,76,635.03

Round off to Rs 1,23,76,635.00

Technical specifications:-

6-1/4 INCH DIA Air Blast Tricone Rock Roller, Tungsten Carbide insert Drill Bit with 3-1/2" API regular pin connection suitable for very hard and highly abrasive sandstone rock formation with suitable nozzles for the above application. The bits should be capable of withstanding a pull down of 5000-6000 lbs/inch of bit dia as well as rotary speed of 0 to 100 rpm with constant torque of 462 kg m (40,000 lbs inch). The bits shall conform to the requirement of IADC code 7-2-3.

Sagib

sh

Terms and conditions:-

1. **Price:** FIRM and FOR destination basis.
2. **Excise Duty and Cess on ED:** Shall be paid extra as applicable at the time of supply against documentary evidence. The current rate of E.D. is 12.5%. The excise invoice shall contain the provisions as per NIT for enabling BCCL to avail CENVAT Credit.
3. **Central Sales Tax:** Extra as applicable at the time of delivery against concessional Sales Tax Declaration form. Present rate of CST@ 2 % against Form 'C'.
4. **Packing & Forwarding & other charges- Nil, Freight and Insurance Charges:** Borne by you.
5. **Payment Terms:** 80% of the quoted price will be released against receipt and acceptance of Drill Bits by consignee and submission of acceptance bill, whichever is later, within 21 days.

Balance 20% payment will be released after calculation of shortfall meterage for Bits, which failed without achieving AGM. In case, the amount of deduction exceeds 20% landed cost of supplied Drill Bits then, the amount will be recovered from PBG (Performance Bank Guarantee) by the paying authority. In case the total amount on account of shortfall exceeds 20% and PBG value, then the amount so calculated will be recovered from their bills or future bills.

However no payment shall be made without receipt and acceptance of required Performance Bank Guarantee (PBG) by the paying Authority.

6. **Warrantee/Guarantee:** Besides being fully responsible for the guaranteed meterage performance of the bits, you shall also for good quality of the materials, any manufacturing defects, bad workmanship, improper fitment damage during transit etc.

(a) **Average Guarantee Meterage (AGM):-**

Sl. no.	Item	Avg. Guarantee Meterage Reqd./ Bit	Total Guarantee Meterage for a lot of 10 Bits
1	Drill Bit 6-1/4" size	3237 mtrs	32370 mtrs

(b) **Minimum Meterage Guarantee (MMG) per Bit:-**

i) The Minimum Meterage Guarantee for the 6 ¼ inch TC TRR Drill Bits should be 30 % of Average Guaranteed Meterage (i.e. 971 mtrs). In case of failure to achieve this minimum meterage, the failed Drill Bits shall have to be replaced free of cost by a new one within 30 days of receipt of information.

In case of batch of bits do not achieve the total Guaranteed Meterage (Average Guaranteed Meterage X No. of bits per lot) firm will have to supply additional bits to compensate the shortfall in total Guaranteed Meterage. In case firm fails to supply compensatory additional bits, proportionate deduction will be made on basis of cost per meter from their pending/future bills to recover the amount towards shortfall in total Guaranteed Meterage.

In case even after supply of compensation Drill bit if it fails to achieve AGM, then the deduction of amount proportionate to short fall meterage for a lot as above will be made.

In case of Bits lost while in use payment will be made as if AGM is achieved. In case of Bits dropped in hole while in use without achieving AGM, payment will be made as if AGM is achieved.

The minimum Meterage Guarantee and Average Guarantee Meterage will be considered as follows for overburden drilling only. The meterage for the Drill Bit which has been used for drilling in both Coal and Overburden or in Coal only, will have to be converted to composite meterage in overburden drilling using the formula given below:

Composite Meterage = Overburden drill (Mtr) + [Coal drilling (Mtr) divided by 3]

AGM and MMG will be calculated on the basis of total meterage achieved by lot of 10 bits in order of date of removal of Drill Bit from Drill to ascertain the performance of their supplied bit against the order if awarded. However, the meterage given by Bits which fails to achieve this MMG shall not be considered for calculation of Average Guaranteed Meterage.

Singh

J

7. **Penalty for failure to supply in time/Price fall clause:** As per Annexure-I enclosed

8. **Paying Authority:** CM (F)MM/HOD, Purchase Finance Department, L- IV Commercial Block ,
Koyla Bhawan , BCCL, Koyla Nagar, Dhanbad, Jharkahnd. PIN: 826 005.

9 **Consignee:** The Depot Officer, Central Stores, P.O. Jealgora, BCCI, Dhanbad, Jharkahnd.
PIN: 828 110.

10. **Security Deposit:** You will deposit Security money in the form of DD/Bank guarantee of any scheduled Bank of 10 % of the order value (value means FOR destination price) i.e. **Rs 12,37,663.00** within 15 days from the date of receipt of order otherwise the supply order will be cancelled and firm's performance will be kept recorded for the future dealings with them Security deposit should be refunded to the firm within 30 days of execution of the contract(Execution of contract means successfully completion of supply against the order). For unsatisfactory performance and/or contractual failure the security money shall be forfeited. Validity of Bank Guarantee towards security deposit will be three months beyond the delivery schedule from the date of issuance of BG. However, this security money /Bank Guarantee may be converted to PBG with suitable validity period.

11. **Delivery:** Delivery schedule of the TCRR Drill Bits Size 6-1/4" Dia. For F/Year 2016-17 is given as follows:-

(A) 60% of ordered quantity shall be within 3 months of the date of order.

(B) Balance 40% of ordered quantity in 3rd quarter of 2016 (Oct- Dec).

12. **Performance Bank Guarantee (PBG):-** You will submit a performance Bank Guarantee on scheduled/Nationalised Bank for 10% value of order (value means landed value), valid for 30 months from the date of first supply as a coverage towards the supplier's performance against the contract. No payment will be made without submission of PBG. If delivery period of supply is extended by any reason, the validity of the B.G. should be extended correspondingly. PBG shall be released after the expiry of validity period with the approval of competent authority if no claim/dispute is pending.
(Format Enclosed)

13. **Logo:** They should confirm that the drill bits supplied by them would be embossed with their logo and serial number preferably at a non-wearing surface.

14. **Fitment Guarantee:** The tenderer should give guarantee of fitment of the drill bits in 160 mm drills without any alteration, e.g., addition or deletion.

15. **After Sales Service:** The Firm will provide after sales service to the end user.

16. **Inspection** –Inspection shall be carried out at the consignee end after the receipt of materials.

17. **Force majeure Clause:**

If the execution of the contract/supply order is delayed beyond the period stipulated in the contract/supply order as a result of out-break of hostilities, declaration of an embargo/curfew or blockade or fire, flood, acts of nature or any other contingency beyond the supplier's control due to act of God then BCCL may allow such additional time by extending the delivery period, as it considers to be justified by the circumstances of the case and its decision shall be final. If and when additional time is granted by BCCL the contract/supply order shall be read and understood as if it had contained from its inception the delivery date as extended. Further this clause state that:

a) The successful bidder will, in the event of his having to resort to this clause by a registered letter duly certified by the local Chamber of Commerce or statutory authority, the beginning and end of the causes of the delay, within fifteen days of the occurrence and cessation of such Force Majeure Conditions. In the event of delay lasting out of Force Majeure, BCCL will reserve the right to cancel the contract and provisions governing termination of contract, as stated in the bid documents will apply.

b) For delays arising out of Force Majeure, the bidder will not claim extension in completion date for a period exceeding the period of delay attributable to the causes of Force Majeure and neither BCCL nor the bidder shall be liable to pay extra costs provided it is mutually established that Force Majeure Conditions did actually exists.

Sagib

M

c) If any of the force majeure conditions exists in the place of operation of the bidder even at the time of submission of bid, he will categorically specify them in his bid and state whether they have been taken into consideration in their quotations.

18. Inspections and Tests:-

i) The purchaser or its authorized representative shall have the right to inspect and/or to test the goods to confirm their conformity to the contract. The purchaser shall notify the supplier in writing of the identity of any representative retained for these purposes.

ii) If the inspections and tests is conducted on the premises of the supplier or its subcontractor(s) at point of delivery and/or at the goods final destination when conducted on the premises of the supplier or its subcontractor(s), all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the purchaser.

iii) Should any inspected or tested Goods fail to conform to the specifications, the purchaser may reject them and the supplier shall replace the rejected goods and make all alternatives necessary to meet specification requirements free of cost to the Purchaser.

iv) The materials will be inspected on arrival at site by the consignee, which will be considered as final. This shall in no way be limited or waived by reason of the Goods having previously been inspected, tested and passed by the Purchaser or its representative's i.e. third party prior to the dispatch of the Goods.

19. Mode of dispatch: - By road on freight paid basis. Safe arrival of the drill bits at consignee end is yours responsibility.

20. Submission of bills:

a) Supplier shall have to submit bills (seven copies) to the consignee along with the consignment and challan with the requisite documents specified in the order, if any.

b) The consignee shall then send SR notes, challan, Inspection note and five copies of bills (including the original) and any other requisite documents as per supply order to the paying authority.

c) The following additional information should be incorporated in your invoice as per Central Excise Duty Act in respect of both the supplier and consignee so that BCCL may avail CEVAT credit under Central Excise rule.

i) General:

Serial No. of Invoice

Description of the goods

Classification of the goods

Time and date of removal

Mode of Transport and vehicle registration

Rate of duty

Quantity and value of goods and Duty payable thereon

ii) Statutory particulars in respect of both the supplier and Consignee.

Supplier(Consignor)	Consignee: Central Stores Jealgora, Dhanbad
Name &Address	Assessee BCCL- Bharat Coking Coal Ltd ,Lodna Area-X,Khasjeenagora,Dhanbad,Jharkhand-828115
TIN no.	TINno.20801800089
JST no.	JST no. JH-14(R)
CST no.	CST no. JH(8)C
Circle/Subcircle-	Circle/Subcircle-Jharia Circle ,Dhanbad
Service tax regd no.	Service tax regd no. AAACB7934MST016
Cen Ex. Duty Regd no.	Cen Ex. Duty Regd no.AAACB7934MEM005
Range code-	Range code-Sindri code -04
Division code-	Division code-Bokaro code-01
Commissionerate -	Commissionerate Ranchi code -87

Singh

H

21. **Price Certificate:** you will certify on the body of the Bill that prices charged to BCCL is not higher than charges to any other Govt. Deptt./PSU including CIL or its subsidiaries.

22. **IEM:** You have signed Integrity pact issued with NIT. Shri Naresh Chaturvedi, IAS,(Retd),CL-14,Salt Lake,Kolkata-700091, will be independent external monitor against it.

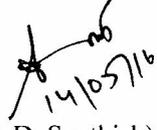
ALL DISPUTES ARE SUBJECT TO DHANBAD COURT & JHARKHAND HIGH COURT ONLY

ALL OTHER REMAINING COMMERCIAL TERMS & CONDITIONS AND TECHNICAL SPECIFICATIONS ALONG WITH SCOPE OF SUPPLY WILL BE AS PER OUR NIT AS CONFIRMED IN YOUR OFFER AND YOUR SUBSEQUENT LETTERS.

N.B:- This purchase order/ contract is issued with the approval of the Competent Authority .This contract is concluded with the issuance of this order.

Yours faithfully,
For & on behalf of Bharat Coking Coal Ltd


(Saqib Aftab)
Assistant Manager (MM)


(A.D. Santhish)
Chief Manager (MM)

Indent no. and date: INDENT/6-1/4" dia RRTC DRILL BIT/16-17/01 dt. 21.12.2015

Budget Certification No. BCCL/H.Q/Pur-Fin/Adv Bud/2016-17/Store budget/other stores/OCP/03 dtd 26.02.16 for Rs 1,33,63,382.00, eBC no 68 and FC no 04 dated 14.05.16 for Rs 1,23,76,635.00 & e-FC no. 41.

Copy to:

1. GM (Excv), Koyla Bhavan
2. HOD (F) MM, Purchase Finance Deptt. BCCL, Koyla Bhavan
3. Depot Officer, Central Store, Jealgora, BCCL, Dhanbad- 828110
- ✓ 4. Tech. Cell. MM Divn. Koyla Bhavan
5. Office Copy/Master Copy
6. Shri Naresh Chaturvedi, IAS,(Retd),CL-14,Salt Lake,Kolkata-700091

ANNEXURE-I

PENALTY FOR FAILURE TO SUPPLY IN TIME / L. D. CLAUSE

The time and date of delivery of stores stipulated in Purchase order shall be deemed to be of the essence of the contract and delivery of the stores must be completed by the date specified. No materials should be supplied beyond the specified delivery period, unless specific approval has been obtained from the purchaser.

In the event of failure to delivery or dispatch the stores within the stipulated date/ period in accordance with the samples and/or specification mentioned in the supply order, and in the event of breach of any terms and conditions mentioned in the supply order. Bharat Coking Coal Limited reserves the right:

- a) To recover from successful tenderer, as agreed liquidated damages, a sum not less than 0.5% (half percentage) of the price of the stores which successful tenderer has not been able to supply (for this purpose part of a unit supplied will not be considered) as aforesaid for each week or part of a week during which the delivery of such stores may be in arrears limited to 10%. Where felt necessary the limit of 10% can be increased to 15% at the discretion of Head of the Materials Management Division.
- b) To purchase elsewhere, after due notice to the successful tenderer on the account and at the risk of the defaulting supplier the stores not supplied or others of a similar description without canceling the supply order in respect of consignment not yet due for supply or
- c) To cancel the supply order or a portion thereof, and if so desired to purchase the store at the risk and cost of the defaulting supplier and also
- d) To extend the period of delivery with or without penalty as may be considered fit and proper. The penalty, if imposed shall not be more than the agreed liquidated damages referred to in clause (a) above.
- e) To en-cash any Bank guarantee which is available for recovery of the penalty or
- f) To forfeit the security deposit full or in part.
- g) Whenever under the contract a sum of money is recoverable from and payable by the supplier, BCCL shall be entitled to recover such sum by appropriating, in part or whole by deducting any sum or which at any time thereafter may be due to the successful tenderer in this or any other contract with Bharat Coking Coal Ltd. or any subsidiary of Coal India Ltd. Should this sum be not sufficient to cover the full amount recoverable, the successful tenderer shall pay BCCL on demand the remaining amount. The supplier shall not be entitled to any gain under this clause.

The bidder must confirm the acceptance of this Penalty clause, which will not be altered.

PRICE FALL CLAUSE

i) The prices charged for the stores supplied under the contract by the supplier shall in no event exceed the lowest price at which the supplier offer to sell the stores of identical description to any other organization from date of offer till completion of supply under the contract.

ii) If at any time during the said period the supplier offers lower sale price of such stores to any other organization at a price lower than the price chargeable under this contract, the supplier shall forthwith notify such reduction or sale to the consignee concerned under intimation to CGM(MM), Bharat Coking Coal Limited, Commercial Block, Level -III, Koyla Bhawan, Koyla Nagar, Dhanbad and the price payable under the contract for the stores supplied after the date of coming into force of such reduction or sale, shall stand correspondingly reduced. The above stipulated will not, however apply to exports by the supplier.

[Handwritten signature]

Annexure-II

FORMAT OF PERFORMANCE BANK GUARANTEE

1. Messers ----- a company having its office at -----
-----hereinafter called the Seller has entered into a Contract No.-----
-----dt.----- (hereinafter called the said Contract) with Bharat Coking Coal Limited (hereinafter called , the Purchaser) to supply equipment on the terms and conditions in the said Contract.

It has been agreed that hundred percentage(100%) payment of the value of the equipment will be made to the seller in the terms of the said Contract on the seller furnishing to the Purchaser a Bank Guarantee for the sum of -----
- equivalent to 10 % of the value of each equipment and accessories dispatched by the seller as security for the due and faithful performance of the terms of the said contract and against any loss or damage caused to or would be caused to or suffered by the purchaser by reason of any of the terms or conditions contained in the said contract.

The----- Bank having its office at ----- has at the request of seller agreed to give the guarantee herein after contained.

2. We,----- (Name of the Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur merely on a demand from the purchaser stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the purchaser by reason of any breach by the said seller of any of the terms or conditions contained in the said contract or by reason of the seller's failure to perform the said contract. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. We shall not withhold the payment on the ground that the seller has disputed its liability to pay or has disputed the quantum of the amount or that any arbitration proceeding or legal proceeding is pending between purchase and the seller regarding the claim. However, our liability under this guarantee shall be restricted to an amount not exceeding -----

3. We,----- (Name of the Bank) further agree that the guarantee herein contained shall come into force from the date hereof and shall remain in full force and effect during the period of the said contract and that it shall continue to be enforceable till all the dues of the purchase under or by virtue of the said contract have been fully paid and its claim satisfied or purchase certified that the terms and conditions of the said contract have been fully and properly carried out by the said seller and accordingly discharged the guarantee. Unless a demand or claim under this guarantee is made on us in writing on or before the ----- (date to be given----- period of contract + 90 days from the date of Bank Guarantee) we shall be discharged from all liability under this guarantee thereafter.

4. We., (Name of the Bank) further agree with the purchaser ,that the purchaser , shall have the fullest liberty without our consent and without affecting in any manner no obligations hereunder to vary any of the terms and conditions of the said contract or to extend time of performance by the said seller(s) from time to time or to postpone for any time or from time to time any of the powers exercisable by the purchaser, against the said seller and to forbear or enforce any of the terms and conditions relating to the said contract and we shall not be relived from our liability by reason or any such variation or extension being granted to the said seller or for any forbearance act or omission on the part of the purchaser , or any indulgence by the purchaser to the said seller by any such matter or thing whatsoever which under the law relating to sureties would be for this provision have effect of an relieving us. The Bank further agrees that in case this guarantee is required for a longer period and it is not extended by the bank beyond the period specified above , the bank shall pay to this purchaser the said sum of ----- or such lesser sum as may than be due the purchaser and as the purchaser may demand.

5. We ,----- (Name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the purchaser , in writing.

6. The Bank has under its constitution power to give this guarantee and Mr.-----Manager, who has signed it on behalf of the Bank has authority to do so.

[In case the BGs are from outstation branch of Dhanbad then BG shall be encashable at Dhanbad/Kolkata branch of issuing bank with address and location of the said branch at Dhanbad/ Kolkata will be as under.

Name of the Bank:

Name of the Branch:

Location & Address:

The BG shall be subject to the jurisdiction of the competent courts at Dhanbad District only.]

Datedday of

For Bank Limited.

Signature of the authorized person

For and on behalf of the Bank

Emp. Code.



FORMAT OF BANK GUARANTEE FOR SECURITY DEPOSIT

M/s. Bharat Coking Coal Ltd.
Koyla Bhawan
Koyla Nagar
Dhanbad - 826005

In consideration of M/s Bharat Coking Coal Ltd. having its office at Koyla Bhawan, Koyla Nagar, Dhanbad hereinafter called "the Purchaser" (which expression shall unless repugnant to the subject or context including its successors and assigns) having agreed under the terms and condition of Contract No. dated made between M/s a Company having its office at (hereinafter called the supplier in connection with supply of hereinafter called the "said Contract" to accept a Deed of Guarantee as herein provided for Rs. in lieu of the security deposit to be made by the supplier for their due fulfillment of the terms contained in the said Contract, we, the Bank Limited (hereinafter referred to as the said Bank having its office at do hereby undertake and agree to indemnify and keep indemnified that Purchaser from time to time the extent of Rs.(Rupees :) against any loss. Damage caused charges and expenses caused to or suffered by or that may be caused to suffered by Purchaser by reason of any breach or breaches by the said supplier or any of the terms and conditions contained in the said Contract and to unconditionally pay the amount claimed by the Purchaser on demand and without demur to the extent aforesaid.

We, the (Name of the Bank) do hereby agree that any demand made by Purchaser on the Bank shall be conclusive as regards the amount due and payable by the Bank under this Guarantee. We shall not withhold the payment on the ground that the supplier has disputed its liability to pay or has disputed the quantum of amount or that any legal proceeding is pending between the Purchaser and the Supplier regarding the claim. However, our liability under this Guarantee shall be restricted to an amount not exceeding Rs.

We, the (Name of the Bank) do further agree Guarantee herein contained shall come into force from the date hereof and shall remain in full force and effect up to Unless demand or claim under this Guarantee is made on us in writing on or before..... we shall be discharged of all liabilities under this Guarantee thereafter.

We, the (Name of the Bank) further agree with the Purchaser that the Purchaser, shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder to vary any of the terms and conditions of the said Contract or to extend the time of delivery of the specified items in the Contract from time to time or to postpone for any time or from time to time any of the powers exercisable by the Purchaser against the said supplier and to forebear or enforce any of the terms and conditions relating to the said contract we shall not be relieved from our liability by the reason or any such variations or extension being granted to the said Supplier or for any forbearance act or omission on the part of the Purchaser or any indulgence by the Purchaser to the said Supplier or by any such matter or thing whatsoever which under the law relating to sureties would but for this provision have effect of so relieving us the Bank further agrees that in case this Guarantee is required for a longer period and it is not extended by the Bank beyond the period specified above. The Bank shall pay to the Purchaser the said sum ofor such lesser sum as may then be due to the Purchaser and as the Purchaser may demand.

We, the (Name of the Bank) lastly undertakes not to revoke this Guarantee during this currency except with the previous consent of the Purchaser in writing.

The Bank has under its constitution power, to give this Guarantee and Mr. Manager who has signed it on behalf of the Bank has authority to do so.

This Bank Guarantee will not be discharged due to the change in the constitution of the Bank or the Supplier.

[In case the BGs are from outstation branch of Dhanbad then BG shall be encashable at Dhanbad/Kolkata branch of issuing bank with address and location of the said branch at Dhanbad/ Kolkata will be as under.

Name of the Bank:
Name of the Branch:
Location & Address:

The BG shall be subject to the jurisdiction of the competent courts at Dhanbad District only.]

Datedday of
For Bank Limited.

Signature of the authorized person
For and on behalf of the Bank
Emp. Code.

Handwritten signature