

Ref. No.: BCCL/Pur/613007/TCRR Drill Bits/13-14/283

Dtd 24.02.2014



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

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

Ref. No.: BCCL/Pur/613007/TCRR Drill Bits/13-14/283

Dtd 24.02.2014

PURCHASE ORDER  
BY REGD.POST  
Vendor code- 1/17/M/S/015

Vendor Type: Mfr.

To  
M/s Drillbits International Private Limited  
Plot no. 66, MIDC Estate, Satpur,  
Nashik- 422007 (Maharashtra) Fax : 0253 2352710

Sub. Supply of 6-1/4" size TCRR Drill Bits  
Ref: T.E.No.: Pur/613007/RRTC Drill Bits/Excw/domestic/e-tender/13-14/25 dtd 29.05.2013 opened  
on 08.07.2013( off line ) and on 09.07.2013 (on line).

Your offer no. DBI/HO/BCCL/13-14/Q-02 dtd 04.07.2013 and your letter Q-02 dtd 20.01.2013  
and 04 dated 23.01.2014.

Dear Sir,

With reference to above, we, for and behalf of BCCL, hereby place order for supply of  
6- 1/4" (inch dia) size TCRR Bits at the following specification, price terms and conditions:

Scope of supply

Sl no.	Description	Qty	Rate in Rs	Value in Rs
01	TCRR Drill Bits (6-1/4" size) Make: DBI Material Code: 93030210128	414	29500.00	12213000.00
			Extra Excise duty & cess @ 12.36%	1509526.80
			Sub total	13722526.80
			Extra CST @2%	274450.53
			Grand Total	13996977.33
			Round of to	13996977.00

(Rs. One Crore Thirty Nine Lakhs Ninety Six Thousand Nine Hundred and Seventy Seven only)

**Technical specifications:-**

6-1/4 INCH DIA Air Blast Tricone Rock Roller, Tungsten Carbide Insert Drill Bits with 3-1/2 inch 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 confirm to the requirement of IADC code 7-2-3.

*[Signature]*

*[Signature]*



**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% and rate of Education cess is 3 % on E.D. Document gate pass in favour of BCCL will have to be submitted along with the bill. 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 is 2 %.
4. **Packing & Forwarding & other charges-** Nil, **Freight and Insurance Charges :** Borne by you.
5. **Payment Terms:** 100% payment will be made within 21 days after receipt and acceptance of materials by the consignee or date of receipt of Bills by the consignee, which ever is later. However no payment shall be made without receipt and acceptance of required Performance Bank Guarantee (PBG) by the paying Authority.

Payment would be made through e-payment the details of which is as under:

01 Name of the payee	M/s Drillbits International Private Limited
02. Address	Plot no. 66, MIDC Estate, Satpur, Nasik- 422007 (Maharashtra)
03 Bank A/c no. of Payee	10381541939
04 Name of the Bank	State Bank of India
05. Name of the Branch & Branch code	(03872) Satpur Industrial Area(Nashik)
06.IFSC RTGS code	SBIN0003872

6. **Warranty/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 Req'd / Bit	Total Guaranteed Meterage for a lot of 10 Bits
1	TCRR Drill Bit 6-1/4" dia	3018.75 mtrs	30187.50 mtrs

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

- i) The Minimum Meterage Guarantee for the 6 1/4 inch TCRR Drill Bits should be 30 % of Average Guaranteed Meterage (i.e. 905.62 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 a batch of bits do not achieve the Total Guaranteed Meterage (Average Guaranteed Meterage X No. of bits), 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 the basis of cost per meter (i.e. Landed price / Avg. Guarantee Meterage) from their pending/future bills to recover the amount towards shortfall in total Guaranteed Meterage.

In case of Bits lost while in use payment will be made as if AGM is achieved. The Minimum Meterage Guarantee (MMG) and Average Guarantee Meterage (AGM) will be considered for over burden drilling only. The meterage for the Drill Bit which has been used for drilling in both Coal and Over Burden 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]  
in Over Burden.

AGM and MMG will be calculated on the basis of total meterage achieved by lot of 10 bits in order of date of issue from Central Stores, Jalgora to ascertain the performance of the supplied Drill bits against the order. However, the meterage given by Bits which fails to achieve this MMG, shall not be considered for calculation of Average Guaranteed Meter age

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

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

9 **Consignees:** The Depot Officer, Central Stores, P.O. Jealgora, BCCl, Dhanbad, Jharkhand. PIN: 828 110.

10. **Security Deposit:** Exempted being registered with DGS&D

11. **Delivery :**

a) RRTC 6 1/4" DIA DRILL BITS: The delivery of the first lot should commence from April 2014 and to be supplied within 30 to 45 days . The balance quantity should be supplied within 240 days from the date of receipt of order in 4/5 lots. The first lot quantity should not be less than 30 % of the total quantity ordered (i.e. 124 bits). Delivery schedule shall be reckoned from 10th day from the date of order and the date of receipt of material at our store shall be treated as the date of delivery.

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:** The item should be embossed with Logo/identification mark of the firm and/or serial no. preferably on the non wearing surface.

14. **Fitment Guarantee:** The tenderer should give guarantee of fitment of the drill bits in (a)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.

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.



*[Handwritten signature]*

*[Handwritten signature]*

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. **ED refund & Credit certificate:** The firm would submit certificate of auditor that refund / credit if any obtained in respect of Excise duty shall be passed on to the buyer(BCCL).

21. **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 CENVAT 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, Khasjecnagora, Dhanbad, Jharkhand-828110
TIN no.	TINno.20301800089
JST no.	JST no. JH-14(R)
CST no.	CST no. JH(8)C
Circle/Sub-circle-	Circle/Sub-circle-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

22. 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.

23. IEM: You have signed Integrity pact issued with NIT, Mr A K Chakraborty, (Retd Judge) (Retired) BB-69, Sector -I, Salt Lake, Kolkata-700064, will be independent external monitor against it ALL DISPUTES ARE SUBJECT TO DHANBAD COURT & JHARKHAND HIGH COURT ONLY

*AK*

*AK*



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. You are advised to confirm the receipt of acceptance of the order within 15 days from failing which this order shall be deemed to have been accepted for execution.

Indent no. and date : Indent/6-1/4"RRTC Drill Bits/13-14/01 dtd 23.01.2013, IR No. 613007 (13-14) dtd. 09.04.2013

Budget Certification No. BCCL/H.Q/Pur-Fin/Adv. Budget/2014-15/other stores/OCP/01 dtd 29.01.2014 for Rs 1, 84, 12,430.00  
FC no. 01 dtd 21.02.2014 for Rs1, 34, 96,977.00

*A.K. Singh*  
24/02/2014

(A.K. Singh)  
Sub. Engineer (Excv)

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

*A.D. Santhish*  
24/02/14  
(A.D. Santhish)  
Chief Manager (MM) Pur

Copy to:

1. GM (Excv), Koyla Bhavan
2. GM (F) MM, BCCL, Koyla Bhavan
3. Depot Officer, Jealgora Central Store, Jealgora, BCCL, Dhanbad 828110
4. Tech. Cell. MM Divn. Koyla Bhavan
5. Office Copy/Master Copy
6. CGM, Special cell, CMPDI, Kanke road, Ranchi.
7. Mr A K Chakraborty, (Ret Judge) (Retired), BB-69, Sector -I, Salt Lake, Kolkata-700064



ANNEXURE-1

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.

gms

JK

**FORMAT OF PERFORMANCE GUARANTEE**

On a non judicial stamp paper of Rs 250/=

1. Messrs ----- a company having its office at -----  
 ----- hereinafter called the Seller has entered into a Contract  
 No. ----- dtd. ----- (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, ----- Bank Ltd. 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, ----- Bank Ltd., 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 that would be taken for the  
 performance 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 ----- months from the date of Bank Guarantee) we shall  
 be discharged from all liability under this guarantee thereafter.

4. We, Bank Ltd. 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 relieved 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, ----- Bank Ltd. 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.

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

Date ----- Day of ----- 20  
 For ----- Bank Limited

Signature of the authorised person  
 for and on behalf of the Bank

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

Dated ----- day of -----  
 For ----- Bank Limited.

Signature of the authorized person  
 For and on behalf of

3501722

