

To.

Dear Sir,

Sub: Construction of Raw Water Reservoir as per drawing in our Power Project site at Eguvarpalayam Village, Gummidipoondi. As per the following terms and conditions.

SCOPE OF WORK: Construction of Raw Water Reservoir as per drawing.

SUPPLY OF MATERIALS: Cement, Reinforcement Steel and LDPE Sheet will be issued free of cost at site. The contractor has to make necessary arrangements to receive and store the same. 5% wastage will be given for cement and steel.

PAYMENT TERMS: You can raise your bills every fortnight. If advance is required the same will be released against Bank Guarantee. TDS and retention amount of 5% of the bill value will be deducted in all your running bills. The retention amount of 5% will be released without any interest after defect liability period of one year provided there is no dispute of any kind. The final bill should contain material reconciliation statement along with the receipt from our stores for balance materials and empty Cement bags.

SERVICE TAX: @ 10.3% or an applicable rate will be paid extra. However you have to furnish proof of payment.

COMMENCEMENT & COMPLETION OF WORK: Work to be commenced immediately on receipt of this work order and the work should be completed in all respect within Six Months from the date of release of order.

....2

SAFETY OF MEN & MATERIALS: You should ensure all safety measures to your persons during the work by providing necessary safety materials and ARS will not be responsible for any safety related issues at site. You shall be responsible for the safety of tools/equipments brought in by you. You may take necessary insurance where ever required.

MATERIAL & LABOUR: All the requisite materials and labour required for execution of this project have to be mobilized by you. The work is to be executed on a continuous basis without stoppages on account of shortage of materials, labour, etc. The Materials used shall be highest quality in the respective classes.

SECURITY: Equipment and tools brought in by you and used at site shall be under your control. You shall solely responsible for safety and security of the same. You shall remove equipment and tools after completion of work and obtaining a certificate of release from our site in charge at site.

WATER AND ELECTRICITY: Water and Power will be provided at one point and the contractor should arrange necessary lead for the same. Power will be on chargeable basis @ Rs.4.50 per unit.

BILL OF QUANTITIES: We have enclosed bill of quantities along with this covering letter, you are requested to fill the same and submit.

Please fill the BOQ and submit the same on or before 28th Feb 2011.

Thanking You,
For ARS METALS LTD.

D.S.PARTHAN
Sr.GM (Projects)