

# S. D. INDUSTRIES

J - 424, MIDC, BHOSARI, PUNE - 411 026.

REF : SDI:VRM:DFE:098:044:19

Date : 22/9/98

To,  
M/S DAMPEE FABRICATORS & ERECTORS  
A-11 RAGHAV NAGAR,  
BHARUCH,  
GUJRAT.

Sub : Providing Labour, Services and consumables for Fabrication and Erection Work of 100 TPH "SAUKEM" Boiler at Birla VXL Ltd., Porbandar.

Dear Sirs,

With reference to the above and the subsequent discussions you had with us, we have the pleasure to appoint you as our sub-contractors for the above job on the following terms and conditions.

Scope of Work :- The Scope of the contractor shall be unload, handle, stacking, ground assembly, sub assemblies, installation Welding, alignment, individual no load trials (wherever applicable) and to provide assistance in pre-commissioning/ commissioning activities.

Description of Work :-

## Fabrication

A. Structural Fabrication	Rs. 2200/TON.
B. Buck Stays	Rs. 2350/TON.
C. Coal Bunkers	Rs. 2350/TON.
D. Ducting/Casing	Rs. 2550/TON.
E. Air Heater	Rs. 2550/TON.

## Erection

A. Boiler Supporting Structure	Rs. 1350/TON.
B. Boiler Pressure parts	Rs. 5500/TON+Rs.2000/TON for Consumables.
C. Air Heater	Rs. 2400/TON.
D. Boiler Ducting/Casing	Rs. 2150/TON.
E. Coal Bunkers	Rs. 1350/TON.
F. Cyclones	Rs. 2200/TON.
G. Rotary Equipment	Rs. 3000/TON.
H. Other equipments including Elec.	Rs. 3000/TON.
I.	
J. Unloading of items not elsewhere specified	Rs. 30/TON.

Contd...2....

RATES & CONDITIONS AGREED & ACCEPTED

DAMPEE FABRICATORS & ERECTORS

*[Signature]*  
FABRICATOR



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DAMPEE FABRICATORS & ERECTOR

Signature  
FABRICATOR



The contractor shall be allotted the work/quantities depending on the availability of work to be executed in the group/subgroup and accordingly drawings shall be released. Work shall be valued based on the unit rates indicated above. M/s. KIIL reserves the right to allot the work in groups/sub groups to suit the site requirements.

GENERAL TERMS :-

1. The above mentioned rates are Labour Charges and consumable Only for Fabrication, Erection and Alignment and Final Testing.
2. All Tools & Tackles ~~and accessories~~ including Cranes, Winches etc. shall be provided by us at Site free of cost.
3. Accommodation for your workforce and drinking water facilities shall be provided by us free of cost.
4. All your workforce shall be covered under ESI Scheme and only first aid/preliminary medical assistance shall be provided by us. The Employees Contribution as well as Employers Contribution of ESIS of your workers shall be paid by you and the same shall be deducted from the R.A. Bill payments every month.
5. P.F. Contribution of the Employees plus 50% of the Employers Contribution shall be paid by you and the same shall be deducted from your R.A. bill payments every month.
6. Radiography of weld joints shall be under our scope but all assistance including manpower for the same shall be provided by you.
7. Rectification, if any shall be paid extra as per the rates fixed after negotiation.
8. It is your responsibility and expressly agreed by you that you shall carry out and complete the work as per our requirements as to quantity and quality and you shall engage adequate workforce to achieve this target.
9. All highly skilled, skilled and semi skilled labour including supervisory personnel for expeditious and efficient Fabrication of Boiler parts covered by the specification shall be provided by you. The contractor shall ensure that local labour highly skilled, skilled and semi skilled to the extent available possible shall be employed in this work. In case of non availability of suitable labour in any category out of the above persons labour from outside may be employed.

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RATES & CONDITIONS AGREED & ACCEPTED

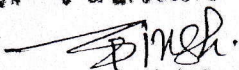
Contractor's Representative

*[Signature]*  
Contractor



10. Taking delivery including loading of all structural steel and equipment at KIIL's or his client's stores at site.
11. Safe transportation and unloading of structural steel and material from point of delivery to fabrication yard. It is contractors sole responsibility to keep in touch with the Client/KIIL/S.D. Industries to inform himself of the expected date and time of arrival of the carriers at site and ensure that his men & aides are available in time to unload the material/equipment and promptly release the carrier. Any demurrage incurred due to delay in unloading the carrier, shall be charged to the contractors account.
12. Applying one Coat of Primer(Epoxy) paint.
13. The Contractor shall co-operate with other Contractors working at site so as to minimise inconvenience to other Contractors on the project. In all matters of conflict of interest, the Engineer shall direct what compromise or arrangement should be made and observed.
14. The Contractor will mobilise his site and depute his authorised representative depending on mobilisation schedule and starting of work, to be mutually decided at time of finalization. The representative shall be techno-commercially experienced and should be able to take independent decision at site.
15. The fabrication shall be carried out under the supervision of the KIIL's Engineer or S.D.Industries representative. The Contractor shall confirm that all fabrication work will be done as per standard specification and field instructions.
16. The Contractor shall prepare a detailed and comprehensive schedule for review & approval by KIIL/S.D.Industries. This approved schedule shall form the basis of all the site work to be performed by the contractor. The contractor should be prepared to discuss the schedule in relation with the project schedule and shall co-ordinate his work with that of the other contractors as determined by the owner. The Contractor shall revise and update his work schedule periodically to indicate actual progress of work in relation to the scheduled progress. The contractor staff shall also submit his monthly progress report indicating percentage completion, causes of delays and any other delays and any other reasons thereof. Contractor should submit daily manpower report categorywise and any other reports called by our site-in-charge.

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RATES & CONDITIONS AGREED & ACC  
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Proprietor



17. All fabrication work will be executed as per detail drawings supplied by KIIL and instruction of KIIL/Clients Supervisor/Engineer/S.D. Industries Engineer. Any staff or worker found unsuitable should be replaced by the contractor immediately at his own cost.
18. The Contractor's representative shall not be withdrawn from site without the prior consent of KIIL's Engineer/S.D. Industries Engineer in writing and will be available at site during the normal working hours.
19. The Contractor shall be entirely responsible to us and is not allowed to sublet the work or the part thereof without prior permission from KIIL/S.D. Industries.
20. Civil foundation of all equipment, structural and concrete trenches, contractor shall take part in joint measurements before taking over civil foundations and joint protocol will be made which will be binding on the contractor.
21. The Erection shall be carried out under the supervision of KIIL's Engineer/S.D. Industries engineer or their authorised representative. The contractor shall confirm that all erection work will be done as per standard specification and field instructions.
22. Boiler internal piping (loose) such as level gauge, vent, drain, soot blower, spray, water, S.V. escape, syphons air, Chemical dosing etc. shall be supplied in random lengths. Cutting to required length as per the layout, decided at site shall form normal scope of work.
23. Installation and welding of control valves, orifices etc. in the piping under the ~~per~~ view of IBR shall be within the normal scope of contractor. *W*
24. All pipe bends below 50 NB to be manipulated at site. Above 50 NB standard bends will be supplied. All tubes, coil panels etc. shall have extra length for site adjustments. Cutting and edge preparation as per requirement shall form normal scope of work.
25. Hydrotesting shall be conducted for all pressure parts after installation, at required pressure. The hydrotesting of pressure parts under the ~~per~~ view of IBR shall meet the requirement of IBR. *W*
26. Installation of field instruments (sensing instruments) shall be within the scope of the contractor.

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RATES &amp; CONDITIONS AGREED &amp; ACCEPTED

Dampal Engineers &amp; Erectors

  
Proprietor

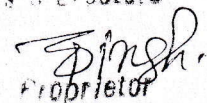


27. All required blanking arrangement, temporary piping etc. necessary for hydrotesting, chemical cleaning, steam blowing shall be carried by the contractor.
28. All ladders, platforms, scaffolding, temporary supports and facilities required for Erection/handling of heavy packages at site.
29. Any civil work carried out by other agencies and damaged by the contractor during the course of erection shall have to be made good by him at his own cost to the satisfaction of the KIIL's Engineer.
30. All parts of an equipment delivered in disassembled condition shall be checked for wear or damage, accumulation of dust, cleaned including applying paint, if necessary and assembled for erection. Equipment such as valves should be disassembled at site, cleaned properly and assembled again.
31. Rectification of the defects detected during any of the test due to bad workmanship or defective erection by the Contractor at no extra cost to S.D.Industries.
32. The contractor shall complete the erection to the satisfaction and instruction of KIIL's Engineer/S.D. Industries Engineer or Supervisory Engineer or his client's Engineer.
33. Cleaning up of site after erection.
34. The contractor shall proceed with the work to be performed under this contract, in the best and most workman like manner by engaging qualified, careful & efficient workers.
35. Air heater - Contractor to take note that Air heater Tube plate and Tube shall be supplied loose and their assembly expanding shall be within normal scope work.
36. All erection work will be executed as per details drawings supplied by KIIL and instruction of KIIL clients supervisor/Engineer or S.D.Industries Engineer. Any changes communicated by KIIL Site incharge shall be adhered to. Any staff or worker found unsuitable should be replaced by the contractor immediately at his own cost.
37. If in the opinion of the Engineer, the progress of fabrication/erection work by the Contractor at any stage needs expediting so as to ensure completion of work within the stipulated time, the Engineer shall have the right to instruct the Contractor to increase the Contractor's

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RATES &amp; CONDITIONS AGREED &amp; ACCEPTED

Damp... Erectors

  
Proprietor



manpower in appropriate categories and for the working hour per day. The contractor shall comply with these instruction forthwith. No extra claims shall be entertained for this increase in Labour strength or in sometimes due to idle labour.

38. If at any time it is found that the Contractor has not mobilised enough manpower and facilities which may be required to complete the work within the delivery schedule, KIIL/S.D. Industries shall have the right to take out the work or the part thereof and get it done from others at Contractor risks and consequences and with KIIL's/S.D. Industries overheads.
39. One copy of structural Fabrication drawings will be available. Drawings to be returned in whatever form or condition they are, after work is over.
40. Major modification if any shall be carried out in consultation with representative of KIIL at the mutually agreed rates.

TERMS OF PAYMENT :-

41. You shall submit R.A. bill for the completed work before 25th of every month.
42. For the purpose of arriving at weight of steel shall be based on their approved weight nearest to a Kg. as indicated in the invoice/shop bill of the material. While approving the invoices/shop bill of the material, the weights of the members shall be worked out on the following basis:
43. For ISMB/ISMC, ISA, rails and pipes, the lengths shall be taken as the distance between plains normal to the axis of the member passing through the extreme points of the section. In other words the edges will be assumed to be cut square.
44. For gussets in structure, area shall be assumed as that of the minimum circumscribing rectangle provided the area of skew cuts in the gussets less than 900 Sq.cm.
45. For plates, the weight shall be calculated by multiplying the actual area of the plates with unit weight of the plates.

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RATES & CONDITIONS AGREED & ACCEPTED

DATE

BY

*[Signature]*  
PROVIDER

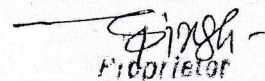


46. No deduction shall be made for holes or notches or skew cuts made in the members, if the area of such holes/notches is less than 900 sq.cm. The weight shall be calculated by deducting the area of holes and notches and skew cuts if their area is more than 900 sq.cm. In regard to skew cuts for butt welds the rectangular dimension shall be taken for the purpose of payment. In case of circular or elliptical formations being made out of plates, the area of smallest possible rectangular plates or plate pieces by which such a formation has been obtained, shall be considered for calculation of weights. The layout of rectangular plates in such cases shall be got approved from the Engineer-in-charge in advance.
47. For gratings, the area of the circumscribing rectangles formed by edges in the direction of bearing bar and cross bar shall be measured. For the purpose of weight calculation, these rectangles shall be assumed to be bound by binding strips and the weight of the rectangle as measured above shall be calculated and paid for without making any deductions for any holes, notches, trimmings, profiling etc., irrespective of their size. All other provisions applicable to measurement of other steel structures shall also be applicable to measurement of gratings.
48. No deduction shall be made for bolts holes. All the weights for the purpose of payment shall be calculated on the basis of sectional unit weights given in ISI HAND BOOK for Structural Engineers. For sections not available in ISI HAND BOOK the unit weight as given by manufacturer shall be taken for calculation of weight.
49. 90% payment against your R.A. Bill shall be effected by 10th of every month provided your R.A. Bill is certified by Site-in-Charge of M/s. Krupp Industries, and for regulating and releasing the said 90% the following breakup shall be applicable wherever essential.
- A. 50% of 90% on placement of the Structure/Equipment.
  - B. 40% of 90% on alignment and full welding of the equipment/structure.
  - C. 10% of 90% on attending to all completion works including punch list.
50. 10% payment against your R.A. bills will be retained with us as Retention Money.

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RATES &amp; CONDITIONS AGREED &amp; ACCEPTED

Dated: \_\_\_\_\_ 20\_\_\_\_

  
Proprietor



- 51. On satisfactory completion of Fabrication & Erection Work by you, the final payment shall be made after the settlement of steel account, scrap/offcuts to M/s. KIIL at their yard and after obtaining protocol for the completion of works as per contract within 30 days of completion of the entire work.
- 52. Any loss or damage except the usual wear and tare to machinery Tools & Tackles, Electrical Installations shall be recovered from you and the same shall be deducted from the retention money payable to you.

This contract can be terminated at the convenience of M/s. S.D. Industries/KIIL.

In case you are agreeable to the above terms and conditions, please sign and return the duplicate copy of this letter as a token of your acceptance.

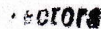
Thanking you,


Yours faithfully,  
For S.D. INDUSTRIES.

  
FOR PARTNER.

RATES & CONDITIONS AGREED & ACCEPTED.





  
Proprietor