

Ref: AIPL/HO/PRJ/110/LOI-23

Dated: March 24, 2005

To,

M/s. Cethar Vessels Pvt. Ltd.
608, Sethi Bhawan,
7, Rajendra Place
New Delhi - 110008

Kind Attn: Mr. P.K. Sinha - Director

Sub: Letter of Intent for Design, manufacturing, supply and Erection and Commissioning of One No. 37.5 TPH, 66 Kg / cm²(g), 490 ± 5°C S.H. Temp., HRSG for 350 TPD Sponge Iron Kiln Exhaust Gas Application.

- Ref:
1. Your Technical Offer Ref. CVPL/RD/2479/04 dt. 12.3.05
 2. Your Prior offer Ref No. CVPL/RD/2497/04/1064 dt. 12.3.05
 3. Your Price Offer dt. 23.3.05 for additional items.

Dear Sir,

With reference to the above and subsequent discussions had with you on 23.3.05 and 24.3.05, we are pleased to issue this LOI on you for Design, manufacturing, supply and Erection and Commissioning of One No. 37.5 TPH, 66 Kg / cm²(g), 490 ± 5°C S.H. Temp., HRSG for 350 TPD Sponge Iron Kiln Exhaust Gas Application. on the following terms and conditions:

1. PRICE:

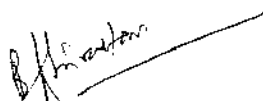
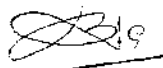
The total Price for the supply and E&C is Rs.775.00 lacs (Rupees Seven Hundred Seventy Five Lacs Only).

2. PAYMENT TERMS:

- a. 15% advance along with Purchase Order.
- b. 10% advance against submission of G.A, P&I, Plot Plan drawings.
- c. 70% alongwith all applicable taxes and duties after inspection and dispatch clearance given by AIPL / Inspection Agency. CVPL should give at least one week notice for inspection
- d. Balance 5% after commissioning of boiler against submission of Performance Bank Guarantee valid for 18 months from the date of last despatch or 12 months from the date of commissioning, whichever is earlier.

3. DELIVERY PERIOD:

The boiler will be ready for commissioning by May 2006.



4. PACKING & FORWARDING CHARGES:

Included in above price.

5. TAXES & DUTIES:

All applicable taxes, duties, service tax, surcharge, etc. will be borne by us.

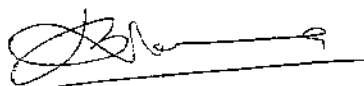
6. TRANSPORTATION & TRANSIT INSURANCE:

Transportation and transit insurance will be borne by us.

The detailed scope of supply, exclusions and other terms and conditions will be submitted by CVPL based on offers and discussion and the same shall be enclosed with Purchase Order on 28th March, 2005.

Thanking you,

Yours faithfully,
For ACTION ISAPT & POWER (P) LTD.



B.L. VARMA
Executive Director (Project)



Received with thanks
B.K. Srivastava
24/3/05
(B.K. SRIVASTAVA)