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LOAN AGREEMENT

THIS AGREEMENT made this 22 day of August, 2007 at New Delhi A
between M/s Dwarikesh Sugar Industries Limited a Company within the meaning of the Companies Act, 1956 (1 of 1956) and having its Registered Office at Dwarikesh Nagar - 246 762, P O Madhepura Sultan, District Bijnor, in the State of Uttar Pradesh (hereinafter referred to as "the Borrower" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the one part ;

AND

Indian Renewable Energy Development Agency Limited (IREDA), a Company registered under the Companies Act, 1956 and having its Registered Office at Core-4A, East Court, 1st Floor, India Habitat Centre Complex, Lodi Road, New Delhi - 110 003 (hereinafter referred to as the "IREDA" which expression shall, unless repugnant to the subject or context thereof, include its successors and assigns) of the other part.



Signature

Signature

- xxiv) The Borrower agrees and undertakes to IREDA that the Borrower shall not ask for release of last 10% of the loan amount for the project until the project has been commissioned and/or Commissioning Certificate issued by the State Electricity Board or any other prescribed Authority has been furnished to the satisfaction of IREDA and that the Borrower shall abide by the decision of IREDA and shall not raise any objection thereto.
- xxv) The Borrower agrees, notes and confirms that if any subsidy is sanctioned by Government/Government Agency and which subsidy is routed/monitored by IREDA, IREDA shall pass on interest subsidy to the Borrower by way of adjustment only after the dues of IREDA for relevant quarter has been paid in full by the Borrower and that the Borrower shall abide by the decision of IREDA.
- xxvi) The Borrower agrees and undertakes to IREDA that if any Subsidy and/or Grant and/or loan is sanctioned to the Borrower by any Bank/Institution/Government and/or Government Agency over and above the amounts mentioned in the Means of Finance, the same shall be utilized towards reduction of loan of IREDA and that the Borrower shall abide by the decision of IREDA.
- xxvii) The Borrower notes and confirms that IREDA shall have the right to review/revoke the sanction of loan to the Borrower and in case loan has already been disbursed to withhold disbursement of balance loan and to recall the loan already advanced in the event of subsequent developments coming to the notice of IREDA, which may materially affect the health of the Borrower and if Borrower comes to the conclusion that the Borrower shall not be able to implement the Project and the Borrower shall abide by the decision of IREDA.
- xxviii) The Borrower agrees and undertakes that it shall not take any additional loan and/or take-up new Project and/or expansion of existing Project involving heavy Capital Expenditure without the prior approval of IREDA in writing.
- xxix) The Borrower agrees and confirms that in case the Borrower commits default in repayment of the loan/advances or in repayment/payment of installment of interest or any other agreed installment of the loan on due date/s, IREDA shall have an unqualified right to disclose or publish the Borrower's name and names of its directors as defaulters in such manner and through such medium as IREDA in its absolute discretion may think fit and that the Borrower shall not raise any objection thereto.
- ✓ xxx) The Borrower agrees and undertakes to IREDA that if any loan and/or subsidy and/or grant and/or incentive and/or benefit is/are sanctioned/granted to the Borrower under Clean Development Mechanism/Programme and/or Carbon Credit Programme by any Bank/Institution and/or State Govt. and/or Central Govt. and/or Govt. Agency and/or by Foreign Country and/or by a International Agency and/or by any International Institution, the Borrower shall route the same through the trust & Retention Account (TRA).

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LOAN AGREEMENT

No. _____ Dated 22.08.2007

(Project No. 1815)

Borrower	M/s Dwarikesh Sugar Industries Limited
Details of Project	Setting-up of 48.00 MW (two units of 24 MW each) Bagasse based cogeneration plant's at Dwarikesh puram Village Bhadarpur, Tehsil Dhampur, District Bijnor, Uttar Pradesh (Unit-II) and at Dwarikesh Dham, Village Bhagwanpur Fulwa, Tehsil Faridpur, District Bareilly, in the State of Uttar Pradesh (Unit-III)(Project No. 1815)
Loan Amount	Rs. 6830.00 lakhs
Security	1. Mortgage of immovable properties
	2. Hypothecation of movable assets
	3. Personal Guarantee of i) Shri G R Morarka Promoter/ Director of the Borrower
	4. TRUST AND RETENTION ACCOUNT/SPECIAL ACCOUNT (TRA):- The Borrower shall open create charge on Trust and Retention Account/Special Account with a Scheduled Bank for servicing IREDA repayment/payment of instalments of loans, interest, liquidated damages and other monies and shall deposit the sale proceeds of power and other monies in respect of the project / business and shall create a reserve of amounts equivalent to repayment of two quarters of principal and interest amount.

- Beside the above, the Borrower will deposit :-

- a) Post dated cheques towards payment of instalments of principal of loan
- b) Post dated cheques towards payment of instalments of interest on loan

towards repayment of the loan.

Signature

Signature