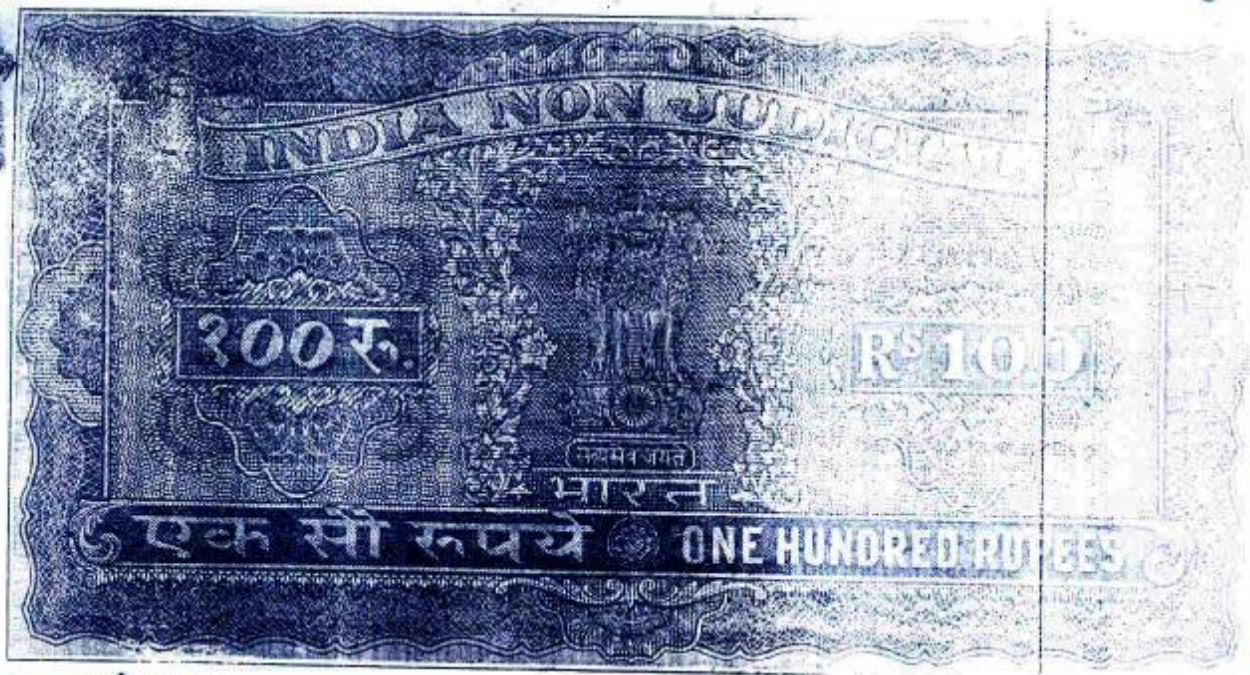




उत्तर प्रदेश UTTAR PRADESH

CONTRACT

This Contract made and entered into this day of 14th July 2006 by and between **M/s Dwarikesh Sugar Industries Ltd**, having its registered Office at Dwarikesh Nagar, Tehsil Nagina, District Bijnor and Corporate Office at 511, Maker Chambers V, 221, Nariman Point, Mumbai - 400 021, (hereinafter referred to as the PURCHASER which expression will unless repugnant to the context or contrary to the meaning thereof, include its executors, administrators, successors and permitted assigns) of the one part.

AND

M/s ISGEC John Thompson, (a Unit of The Saraswati Industrial Syndicate Ltd, having their registered Office at Yamuna Nagar-133 001, Haryana) and corporate office situated at A-4, Sector - 24, Noida - 201301 (Uttar Pradesh), (hereinafter called the SELLER, which expression will unless repugnant to the context or contrary to the meaning thereof include its executors, administrators, successors and permitted assigns) of the other part.

WHEREAS the PURCHASER proposes to install two nos. new Bi-drum, natural circulation, balanced draft top supported Water Tube Bagasse Fired Traveling Grate, Spreader Stoker Boilers each suitable for steam output capacity of 90 tons per hour and 86 Kg/cm² of pressure and steam temperature of 515+/- 5° C in the New Sugar Plant at Dwarikesh Dham, village - Bhagwanpur Fulwa, Tehsil - Faridpur, District Barelilly in the State of Uttar Pradesh for which they had invited offers.

AND WHEREAS the SELLER, having agreed to design, manufacture and supply two nos. new Bi-drum, natural circulation, balanced draft top supported water tube bagasse fired traveling grate, spreader stoker boilers each suitable for steam output capacity of 90 tons per hour and 86 Kg/cm² of pressure and steam temperature of 515+/- 5° C had submitted their offer vide Letter Ref. JS:C:100247-30/SH/R2 dated 27th April 2006 which after final discussions on 05th May 2006 has been accepted by the PURCHASER on the terms and conditions hereinafter appearing.



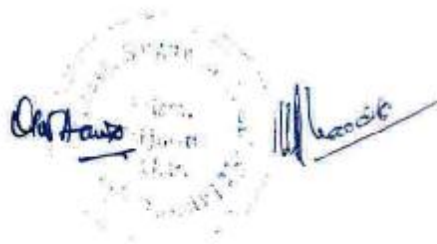
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15. "Sugar off-season" shall mean a period between two successive crushing seasons and generally extending for the period June to October every year.
 16. "Contract Price" will mean the total amount payable to the SELLER in accordance with the terms of this contract.
 17. "Codes" will mean the applicable codes / rules of the Indian Boiler Regulation (IBR) for Boiler in particular and other standards like IS, BS etc for various other equipments.
 18. "Vendors" will mean the other suppliers on whom the SELLER shall place orders for bought out items.
 19. Herein / Hereof, Hereto and any similar expression wherever used in the Contract will relate to the whole of the Contract and not to the particular paragraph along where it is contained unless the context otherwise specifically states.

ARTICLE - 2

CONTRACT VALUE AND TERMS OF PAYMENT

2.1 CONTRACT PRICE

- 2.1.1 Subject to other terms and conditions contained in these presents, the PURCHASER will pay to the SELLER following price:-
 - Ex-works Total Basic Price of Two Boilers : **Rs. 3891 Lacs (Rupees three thousand eight hundred ninety one lac only)**
- 2.1.2 The Contract Price indicated above is inclusive of packing and forwarding charges, but exclusive of all taxes, duties and levies, which shall be reimbursed by the PURCHASER to the SELLER at actuals. Applicable statutory forms wherever required, will be issued by the PURCHASER to the SELLER. The PURCHASER shall within 45 days of completion of each quarter provide to the SELLER the Central Sales Tax Declaration Forms 'C' (and / or any other form / document as may be applicable), against processed / clear invoices, for the SELLER'S to avail concessional Sales Tax. In the event of PURCHASER's inability to provide Central Sales Tax Declaration Form 'C' or any other applicable declaration forms within the above stipulated period, the PURCHASER shall pay the differential Sales Tax, Penalty and interest to the SELLER, if levied.
- 2.1.3 The above mentioned Contract Price shall remain firm and fixed till the scheduled date of Delivery under the Contract. However, in case the delivery period gets extended beyond 30 days of scheduled date of delivery due to reasons attributable to the PURCHASER, the SELLER shall be entitled to escalation in Contract Price as may be mutually settled between the PURCHASER and the SELLER.
- 2.1.4 The Contract Price excludes transportation and Transit Insurance which shall be arranged by the PURCHASER at his cost.



2.2 TERMS OF PAYMENT :

2.2.1 The PURCHASER will pay to the SELLER the Contract Price of Rs. 3891.00 Lacs alongwith taxes, duties and levies as under:-

- a. Rs. 389.10 lacs being 10% of Total Ex-works Contract Price as interest free first installment of advance on signing of the Letter of intent No. DSIL:DN:2819 dated 05th May 2006 against the Corporate Guarantee for the equivalent amount. If any token amount is given on signing of LOI due to absence of advance corporate guarantee, the same will be adjusted and only the balance payment will be released against the advance corporate guarantee of Rs 389.10 Lacs.
- b. Rs. 389.10 lacs being 10% of Contract Price as interest free second Installment of advance on signing of this Contract against the Corporate Guarantee for the equivalent amount.
- c. Rs. 291.825 lacs being 7.5% of Contract Price as interest free third installment of advance against submission of Corporate Guarantee of the equivalent amount, billing schedule, delivery schedule and on submission of main Boiler Load data drawings, GA Drawings, P & I, time schedule for placement of orders for bought out items, within 15 days of issue of first advance.
- d. Rs. 291.825 Lacs being 7.5% of the Contract Price as interest free fourth installment of advance against the Corporate Guarantee of an equivalent amount and on submission of un-priced copies of the Orders released by the SELLER for major bought-out items as listed below.
 1. Boiler Quality Plates and Tubes.
 2. ID,FD,SA & OF Fans
 3. Safety Valves
 4. High Pressure Valves
 5. Boiler Feed Pumps and BFP Motor
 6. Air Heater Tubes
 7. ESP
 8. Control Valves
 9. Blow Down Valves
- e. Rs. 2529.15 Lacs being 65% of the Contract Price on prorata basis alongwith 100% taxes, duties and levies at actual shall be paid against submission of despatch documents as per the approved billing schedule, within 7 days after receiving the material at site. The invoice must show the adjustment of advance. The SELLER shall submit performance Bank Guarantee for Rs.389.10 Lacs valid for two crushing seasons irrespective of duration of seasons before submitting their Invoice for the last lot of despatches amounting to Rs.389.10 Lacs.

2.2.2 The liabilities under the aforesaid Advance Corporate Guarantees furnished by the SELLER shall get diminished in the same proportion in which the amount covered by the Advance Corporate Guarantees is adjusted by the SELLER in their invoices covering dispatches from time to time and shall get finally extinguished immediately on SELLER's adjusting the full amount.



In witness whereof the parties hereto have hereunto signed this Contract on the date, month and year first above written.

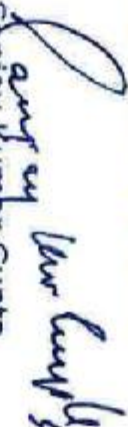
For & on behalf of
ISGEC John Thompson


V.K. LUTHRA
GENERAL MANAGER

Witness:-



1. S. Raghunath
ISGEC John Thompson
A-4, Sector-24, Noida


2. Sanjay Kumar Gupta
ISGEC John Thompson
A-4, Sector-24, Noida

For & on behalf of
DWARIKESH SUGAR INDUSTRIES Ltd


K.P. GADIA
GENERAL MANAGER
(COMMERCIAL)


M.N. AGARWAL
GENERAL MANAGER
(WORKS)




Bakht Bansal
Dwarikesh Sugar Industries Ltd.,
Dwarikesh Dham,
Faridpur, Bareilly


2. Sudhir Kumar
Dwarikesh Sugar Industries Ltd.,
Dwarikesh Nagar,
District - Bijnor