

FROM : DWARIKESH SUGAR INDUSTRIES.

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DWARIKESH SUGAR INDUSTRIES LIMITED

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Certified True Copy of Resolution passed in the Project Committee Meeting of the Company held on Thursday 11th May, 2006 at 11.00 a.m. at Dwarikesh Nagar - 246 762, Dist: Bijnor, Uttar Pradesh, when proper quorum was present :

TO TAKE NOTE OF COMMISSIONING OF NEW PROJECT AT DWARIKESH DHAM AND COMMENCEMENT OF EXPANSION AT DWARIKESH PURAM

The chairman informed the committee that "Bhumipujan" for new site at village Bhagwan Phulwa, Teh. Faridpur, Dist. Bareilly, Uttar Pradesh (hereinafter called Dwarikesh Dham) was completed on 10th May, 2006.

The Chairman also informed the committee that company is setting up a sugar plant of 7500 TCD expandable to 10000 TCD and also Co-generation of 36 MW, out of which 24 MW will be supplied to State Grid at Dwarikesh Dham.

The Chairman also informed the committee that company is also expanding its present co-generation capacity at Dwarikesh Puram from 9 MW to 33 MW by adding 24 MW cogeneration.

The chairman also informed the committee that power purchase agreement for 24 MW each for both Dwarikesh Puram and Dwarikesh Dham have been signed.

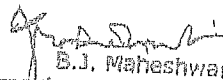
The Company shall also be eligible for Carbon Credit benefits under the Clean Development Mechanism (CDM) available under the Kyoto Protocol. Western Countries are bound to reduce the Carbon di Oxide levels and are supposed to follow the mechanism commonly referred as Clean Development Mechanism to bring down the Pollution level.

These Countries are broadly referred as Annexure - 1, who have an option to buy Certified Emission Reduction (CER) units to balance and fulfill their obligations under the Kyoto Protocol.

The Companies generating power from non-conventional fuel such as bagasse are eligible to obtain the Certified Emission Reduction (CER) units. Since Dwarikesh Sugar Industries Limited is generating power from bagasse, a non-conventional fuel and is supplying power to State Grid in terms of agreement entered with U. P. Power Corporation Limited (UPPCL). Dwarikesh Sugar Industries Limited will, therefore, be eligible to earn Certified Emission Reduction units.

Revenue from these Certified Emission Reduction (CER) units is accordingly accounted to in the working out the viability setting up / and expansion of cogeneration project both at Dwarikesh Dham and Dwarikesh Puram and project would not have been viable but for the expected revenue recoverable from sale of CERs so generated.

Certified True Copy
For Dwarikesh Sugar Industries Limited


B.J. Maheshwari
Assistant Vice President [Taxation] &
Company Secretary