



Ref: JGN/KSP/2023-24/89

Dated 31.07.2023

To,

Isgec Heavy Engineering Limited
A-4, Sector-24,
NOIDA- 201301
(U.P.)

And Branch Office at:

Isgec Heavy Engineering Limited
H.No. 298A, Heeranagar,
Haldwani, Nainital-263139
Uttarakhand

Kind Attn: Mr. Sanjay Awasthi- Business Head/ Mr. Anurag Goyal-Marketing Head

Dear Sir,

Sub: Letter of Intent for design, manufacture, supply, erection and commissioning of 40 TPH Incineration Boiler and 4.8 MW Power Plant

With reference to the above, we are pleased to place this Letter of Intent on your company for design, manufacture, supply, erection and commissioning of 40 TPH Incineration Boiler and 4.8 MW Power Plant at a total basic contract price of **Rs. 63,00,00,000/- (Rupees Sixty-Three Crore Only)** excluding all taxes, GST, duties and levies which shall be paid extra as applicable to us. The supplies have to be done in such a way that the Plant is ready for commissioning on or before **14 months** from the date of release of full first advance.

(1) Payment terms:

(A) The following shall be the terms of payment for Supply (Basic price: Rs. 61,00,00,000/-):

- a) 10% of the basic Supply contract price as first advance through RTGS against auto-reducing Advance Corporate Guarantee in a mutually agreed format within 7 days of accepting this LOI.
- b) 10% of the basic Supply contract price as second advance through RTGS within 7 days of submission of major drawings like layout, GA drawing of boiler, load data of boiler.
- c) 10% of the basic Supply contract price as third advance within 7 days of submission of unpriced purchase order copies of BQ plate, TG, raw material of structure, SS tubes.
- d) 70% of the of the basic Supply contract price along with 100% applicable taxes and duties will be paid through proforma invoices on a pro-rata basis before dispatch of material provided that an irrevocable Letter of Credit (LC) of Rs 25 Crores as guarantee is established

on terms acceptable to the Seller within 90 days from the date of this LOI, however prior to commencement of dispatches. The LC has to be arranged through a bank acceptable to the Seller permitting payments at sight at the counter of the Seller's bank.

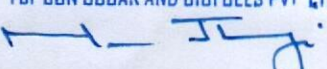
A performance corporate guarantee on a mutually agreed format for 5% of the basic supply contract price will be submitted before first dispatch of equipment, however after receipt of full three advances as above.

- (B) The following shall be the terms of payment for Erection & Commissioning (Basic price: Rs. 2,00,00,000/-):
- a) 10% of the basic E&C contract price as first advance through RTGS against auto-reducing Advance Corporate Guarantee in a mutually agreed format within 7 days of accepting this LOI.
 - b) 10% of the basic E&C contract price as second advance within 5 days of mobilization at site.
 - c) 80% of the basic E&C contract price along with 100% applicable taxes and duties payable will be paid on pro rata basis within 5 days of receipt of fortnightly invoices against joint certification of work by the Owner and Contractor against mutually agreed erection and commissioning billing schedule.
- (2) Liquidated damages for delay in delivery will be applicable at the rate of 0.5% of the basic contract price for every week of delay upto a maximum deduction of 5% of the total basic contract price. However, a grace period of 15 days will be given to the Seller before levy of LD for late delivery.
- (3) LD for shortfall in performance shall be upto a maximum of 5% of the total basic contract price. However, the maximum liquidated damages on account of delays in delivery and performance shall be 7.5% of the total basic contract price.
- (4) Warranty: for a period of 12 months from the date of commissioning of equipment or 18 months from the date of last dispatch of equipment necessary for commissioning, whichever is earlier.
- (5) It is agreed that neither the Seller nor the Purchaser shall be held liable to the other for any loss of production, loss of profit, loss of use or any indirect or consequential loss or damages. The SELLER's total liability under this Contract shall not exceed 100% of the basic Contract Price.

Please sign and return a copy of this Letter of Intent as a token of your acceptance. The formal contract agreements will be signed on mutually agreed terms and conditions within 7 days of acceptance of this LOI.

Thanking you.

For JGN Sugar & Biofuels Pvt. Ltd.

For JGN SUGAR AND BIOFUELS PVT LTD

Director