



Ankit Metal & Power Limited

AN INTEGRATED STEEL PLANT

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June 21, 2006

Ernst & Young Pvt. Ltd.
3rd Floor, Block 'C'
22, Camac Street
Kolkata- 700 016

Attn. : Mr. Sudipta Das, Partner

Dear Sir,

Sub: Award for CDM Consultancy Service for 8 MW Waste Heat Recovery Project at Bankura, West Bengal

With reference to the discussions held on 15th June 2006, we are pleased to place an award on you (E & Y) for CDM Consultancy services for 8 MW Waste Heat Recovery Project at Bankura, West Bengal.

1.0 INTRODUCTION

AMPL proposes to undertake a greenhouse gas abatement project through utilization of the heat content of the DRI kiln for generation of around 8MW of power at their sponge iron manufacturing facility at Bankura in West Bengal and CDM was seriously considered in the decision to proceed with the project activity.

2.0 SCOPE OF WORK

The scope of consultancy services covers the following:-

(1) Preparation of Project Idea Note(PIN)

E & Y shall assist in preparation of the PIN

(2) Preparation of Project Concept Note(PCN)

E&Y shall assist in preparation of the PCN

(3) Preparation of Project Design Document(PDD)



E&Y shall assist in preparation of Project Design Document(PDD), which will include:-

- (a) Baseline Study
- (b) Monitoring and Verification protocol
- (c) Environmental Impact Assessment
- (d) Stakeholders' comments

(4)Host Country Approval from Govt. of India

E&Y shall assist the Company to obtain 'Host Country Approval' from Ministry of Environment & Forest, Govt. of India

(5)Validation of the project

E&Y shall assist the Company to appoint a Designated Operational Entity(DOE) for validation of the project activity.

E&Y will assist the Company in submitting immediate response to the queries of the Validator/DOE

(6)Registration of the project

E&Y will assist the Company for successful registration of the project at UNFCCC

(7)Verification of the Project

E&Y would assist the Company to select the appropriate Verifier for verification.They would conduct a pre-verification exercise and assist the Company during final verification and subsequent issuance of CER credits.

(8)Issuance of CERs

E&Y will assist the Company for successful issuance of the CERs.

(9)Identification of buyers of CERs

E&Y will assist the Company in identifying potential buyers of the CERs.They will facilitate the signing of the Emission Reduction Purchase Agreement (ERPA) between seller and buyer(s) of CERs.It should be expressly understood that identification of buyer(s), negotiation/signing of agreement(s) with them shall be done only with written consent of AMPL.



3.0 ASSISTANCE FROM AMPL

AMPL shall provide all necessary inputs to E&Y, which are relevant to the assignment

4.0 CONSULTANCY FEES

4.1 The fees payable to E&Y shall be as under:

- Fixed Fee payable to E&Y till Registration with UNFCCC - Rs. 1000 Lacs
- Success Fees - 5% of the total amount receivable against CER against sale proceeds
- In addition to above, Travel, accommodation and communication expenses and expenses on photocopy shall be borne by AMPL/reimbursed to E&Y.

Service Tax at applicable rate would be extra.

5.0 MANDATE DURATION

The engagement would commence from the signing of the engagement letter and would extend for the entire carbon crediting period.

6.0 TERMS OF PAYMENT

The following fixed fee and success fee for this engagement is agreed upon:-



Ankit Metal & Power Limited

6.1 Fixed Fee:

The CDM Consultancy fee(Fixed Fee) shall be payable as per following terms of payment on achievement of milestones:

- PartI - 20% down payment would be payable on signing of engagement letter
- PartII - 30% would be payable on submission of PDD to MoEF
- PartIII- 33% would be payable on submission of PDD to Validation
- PartIV- 10% would be payable on registration of the Project with UNFCCC

Please return the duplicate copy of this letter of award duly signed and stamped, on each page, as a token of your acceptance of the same.

Thanking you,

Yours faithfully,

Ankit Metal & Power Ltd.

Authorised Signatory

Accepted