



REI AGRO LIMITED

Respected Members of the Board

Date : 14.10.2006

Thank you for examining our project and showing your interest. (REI Agro Ltd, Reference No. 0564).

We take the pleasure to submit the following responses before all of you in respect of the reasons for request for review:

Reason for Request

“Give sufficient evidence that CDM was considered by Project Proponent to justify the retroactive credits that are being requested. In the Validation Report there is only one sentence stating that “DOE confirm that there is evidence of CDM consideration before the start of the project activity in a meeting held in 2003.” Nevertheless, they do not provide any evidences that the incentive from the CDM was seriously considered in the decision to proceed with the project activity. Considering that there are many wind farms in the region, DOE should provide some explanation about the prompt start.”

Response 1.

Before the inception of our 7.5 MW project, we have taken very seriously the CDM consideration in all our discussion relating to this project. During the validation of this project we have submitted to the Validator sufficient proof in this respect. We are once again submitting following mentioned documents for your kind perusal:

1. The extract of the resolution passed by the Board of Directors of the Company dated 27th October 2003 where it has been clearly mentioned that the money generated from the credits will be utilized for the repayment of loan after gestation period. (Attached as Board Resolution – Annexure 1)
2. The copy of the relevant pages of the minutes book dated 27th October 2003 containing the relevant resolution. The discussion for the consideration of the resolution clearly depicts that before the inception of the above mentioned project we have seriously considered the benefits arising from the Clean Development Mechanism. (Attached as Minutes Book – Annexure 2)
3. Proposal from Suzlon Energy Ltd. dated 30th September, 2003 specifies that benefits from the Carbon Credit will accrue to the project proponent.(Attached as Proposal – Annexure -3)

Page 1

New Delhi Office : 58A/1, Sainik Farm, New Delhi - 110 062
Tel. : 011-32905030, 32906030 Fax : 011 - 29552403 E-mail : reiagro@vsnl.com
Registered Office : “Everest House” 46-C, Chowringee Road, 15th Floor, R.N. 15B, Kolkata-700 071
Tel.: 033-30925061,30925062 Fax : 033-22882241
Factory : Plot No. 691, Sector - 2, Delhi - Jaipur Road, NH-8,
Bawal Growth Centre, Village Jaliavas, Dist-Rewari, Haryana
Tel. : 01284-264459, 264461 Fax : 01284-264463



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4. Purchase Order dated 10th November 2003. In which Item No. 10 says that Suzlon Energy Ltd. will assist us in selling the Carbon Credits accrued in lieu of abatement of generation of CO₂. (Attached as Purchase Order –Annexure 4)
5. The Copy of the loan agreement, which shows that even the financier, considers the benefits from the Carbon Credit. (Attached as Loan agreement – Annexure 5)
6. Director's Report for the financial year 2003-04 in which our managing director has addressed to the shareholders that benefits of the Carbon Credit will be available to the company. (Attached as Director's Report – Annexure 6)
7. Commissioning Certificate that shows that the project has been incepted before 31st March 2004. (Attached as Commissioning Certificate – Annexure 7)

From the above document you will kindly observe that we have considered the benefits of the Carbon credit before the inception of the project.

Reason for Request

“Give precise location of the project activity, making clear how far from other projects (0447) and (0267) which are located in the same village to clarify that this is not the debundled large-scale project.”

Response 2.

As per Appendix C of the Simplified Modalities and Procedures for Small Scale CDM project “ A proposed small scale project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-small scale CDM project activity or an application to register another small-scale CDM project activity:

- With the same project participants.
- In the same project category and technology/measures; and
- Registered within the previous 2 years;
- Whose project boundary is within 1 km. of the project boundary of the small-scale activity at the closest point.”

We hereby confirm that we have only one project i.e., 7.5 MW Wind Power Project in the state of Rajasthan. The project no. 0267 is owned by Transport Corporation of India and project no. 0447 is owned by M/s. Sun n Sand Hotels (P) Ltd. who are all together different project participant. However we are submitting following documents in support of our statement:

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1. A letter from RREC dated 05.12.2003 confirming that we have only one project in Rajasthan.(Attached as RREC letter – Annexure 8)
2. The growth and value Report of 2003-04 where we have shown that the only wind power project, which we have till 2003-04 is the referred project.(Attached as Growth and Value Report – Annexure 9)
3. A notarized affidavit that we are have only 7.5 MW Wind Power Project in the state of Rajasthan.(Attached as Affidavit – Annexure 10).

The only other project which has been web hosted for public comments during the period 13 September to 12 October 13, 2006 and owned by us is situated in the State of Maharashtra which is far away from the state of Rajasthan (approx .500 km.)

However to make it further clear that the distance between these referred projects i.e, Project No.0564, 0447 and 0267 is more than 1 km we are attaching herewith the toposheets. (Attached as toposheet - Annexure 11).

We do hope that the above replies will be sufficient to meet the clarifications, which you have sought.

Yours Faithfully


S.C.Dhingra
Adviser, REI Agro Ltd.



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REI AGRO LIMITED

Extract of minutes of the meeting of the board of directors of the Company held at A2/136 Safdarjung Enclave , New Delhi-110 029 on Monday 27th October,2003 at 11.00 A.M

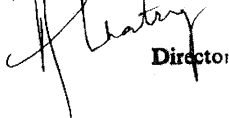
Resolved that the subject to approval of the Company , the Board of Directors of the Company is recommending installation and setting up of Windfarm Power Project in the State of Rajasthan and placed the project report received from Suzlon Energy Limited.

Resolved further that Board of Director of the company be and hereby authorize Mr. Sandip Jhunjhunwala, Managing Director of the company to arrange the finance for the above project and do need full for successful commission of the this windfarm project.

Resolved further that Board of Director of the company be and hereby authorized Mr. Sandip Jhunjhunwala to applied the benefits of Carbon Credits for this project and appoint any consultants for validation of this project from respective authorities so that money generates from this credit can be utilized for repayment of laon after gestation period.

Sd/- Chairman

For REI AGRO LTD.


Director

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MINUTE BOOK

Sunswati
REGD.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY HELD AT A2/136 SARDERJUNG ENCLAVE, NEW DELHI - 110 029 ON MONDAY 27TH OCTOBER, 2003 AT 11.00 A.M.

PRESENT:	1.	Mr. Sanjay Jhunjhunwala	Chairman
	2.	Mr. Sandip Jhunjhunwala	Vice Chairman cum Mg. Director
	3.	Dr. ING N. K. Gupta	Director
	4.	Mr. A. K. Chatterjee	Director
	5.	Mr. S. Jana	Nominee (IDBI)

Mr. Sanjay Jhunjhunwala took the Chair and the Meeting was called to order.

1. **LEAVE OF ABSENCE:**

Leave of absence was granted to Mr. K. D. Ghosh and Mr. Y. K. Bhatia.

2. **CONFIRMATION OF MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS HELD ON 12TH JULY 2003**

The Minutes of the Meeting of the Board of Director held on 12th July, 2003 were considered and confirmed.

3. **ADOPTION OF ACCOUNT:**

The Chairman has placed before the Board Unaudited half-yearly results for the period ended on 30-09-2003. The Board after discussion resolved as under:-

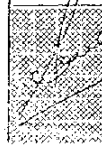
RESOLVED THAT the Unaudited half-yearly results for the period ended 30-09-2003 be and are hereby approved and that the same be submitted to the stock exchange where Company's shares are listed.

4. **ISSUE OF BONUS SHARES**

The Chairman of the Company informed the Board that the free reserve of the Company is Rs. 2444.38 Lacs as on 31-03-2003. He further proposed to increase the Equity Capital base of the Company by capitalising free reserves, which in turn will create value addition to the shareholders. After due consideration, the Board passed the following resolution: -

1. **"RESOLVED THAT** pursuant to Article 131 and 132 of the Articles of Association of the company and subject to the consent of the members in General Meeting, and in accordance with the guidelines of the Securities and exchange Board of India, the Board do hereby recommend that a sum of Rs 14,80,03,000 be capitalised out of general reserve and set free for distribution amongst the equity shareholders by issue of 1,48,00,300 Equity Shares of Rs 10/- each credited as fully paid to the equity shareholders in the proportion of one equity share for every one equity shares held by them on the record date to be decided by the Board and that such new shares, as and when issue and fully paid, shall rank pari passu with the existing equity shares."
2. **RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, an extraordinary general meeting of members of the

CHAIRMAN
INITIALS



MINUTE BOOK

Suzlon
REGD.

postal ballot form at the registered office of the Company and to submit his report as required u/s 192A by 21/11/2003 to the Company."

7. COMMENCING OF WIND MILL PROJECT:

The Chairman apprised the Board about the discussions held with various Wind Farm developers and the feasibility of the Wind Power Project in the State of Rajasthan. He also briefed the Board about the growing concern over the climate change and the business opportunities, which would be available to the company from the Clean Development Mechanism (CDM).

The Chairman also informed the Board about the various stages of the CDM cycle through which the company will have to go through to avail the benefits of the CDM and also the Suzlon's intention to assist the company in getting the carbon credit.

After due consideration and deliberation the following resolutions are passed :-

RESOLVED THAT the subject to approval of the Company, the Board of Directors of the Company is recommending installation and setting up of Windfarm Power Project in the state of Rajasthan and placed the project report received from Suzlon Energy Ltd.

RESOLVED FURTHER THAT Board of Directors of the company be and hereby authorize Mr. Sandip Jhunjhunwala, Managing Director of the company to arrange the finance for the above project and do the need full for successful commission of this windfarm project.

RESOLVED FURTHER THAT Board of Director of the company be and hereby authorized Mr. Sandip Jhunjhunwala to applied the benefits of Carbon Credits for this project and appoint any consultants for validation of this project from respective authorities so that money generates from this credit can be utilized for repayment of laon after gestation period.

8. CONVENING OF EXTRA ORDINARY GENERAL MEETING:


The Chairman informed that the Extra Ordinary General Meeting of the Company is required for the purpose of issue of Bonus Shares and alteration of other objects clauses:-

"RESOLVED THAT the Extra Ordinary General Meeting of the Company be convened on Monday, the 24th day November 2003 at the Registered Office of the Company situated at 94KM Mile Stone, Delhi-Jaipur Road, NH-8, Bawal Growth Centre, Vill- Jaliavas, Dist - Rewari, Haryana and the draft of Notice as placed before the table, be and is hereby approved to be circulated amongst the shareholders."

"RESOLVED FURTHER THAT Mr. Sandip Jhunjhunwala, Managing Director of the Company be and is hereby authorised to issue the notice to the shareholders."

The copy of draft notice was placed and approved by the Board.

CHAIRMAN'S
INITIALS





To
Mr. C.M. Jain
U 136, Sakkarapur
Vikas Marg
New Delhi.

Date : 30th September, 2003

Sub : Proposed Wind Power Project in Rajasthan, Tamilnadu & Karnataka

Dear Sir,

This is with reference to our discussion with you on 29th September, 2003, I would like to thank you for your interest shown in our Wind Electric Converters already operating in most of the states of India and USA.

We are pleased to introduce ourselves as the leading Wind Power Engineering company in world with the **largest market share** during the last five years in India and Asia and among top ten companies of world. We at **SUZLON**, manufacture world class Wind Turbine Generators in India supported by a well led **R & D centres in Germany, Holland & India and commissioning projects as EPC and O & M contractor.**

Why a company like you should go for Wind Power Project

- **Attractive Return and Very Fast Payback**
- **Green Power** – Greenest form of Power generation available on earth.
- **Exploration in Alternative and Cheapest Source of Power** - Cheapest source of power for next 20 years. Avg. Cost of power is below to Rs. 2.50 per unit.
- **New Business with Least Obstacle and Safest Return** – Start of new business with least complication. All activities will be taken care of by Wind Project Developer. Long term PPA with RSVPNL (Rajasthan) will be for 20 years. Power is such a project which is sold out even before production under wind power existing policies.
- **Lowest Gestation Period** – In less than 6 months, project can be commissioned and production of power will start.
- **Clean Development Mechanism** – Wind power projects are one of the most fitted projects to be qualified for Clean Development Mechanism and can earn **Carbon Credits. From India already three Wind Power Projects had been qualified for one CDM tender floated by Government of Holland.**
- **Income Tax Saving** – Last but not the least, can save on I.T. with 80% accelerated Depreciation benefit

SUZLON ENERGY LIMITED

A-460, Ground Floor, Defence Colony, New Delhi-110 024

Phone : (+91) 11 - 4626442 / 4651123 Fax : (+91) 11 - 4651124

E-mail : delhi@suzlon.com

Corporate Office : Godrej Millennium, 5th Floor, 9, Koregaon Park Road, Pune - 411 001, India

Tel. : (+91) 020-4022000 Fax : (+91) 020-4015759 E-mail : pune@suzlon.com



We wish to bring to your kind notice that we are designing and manufacturing **WTGs of 350, 1000 and 1250 kw capacity**, depending on the site, wind regime and customer requirement. Our WTGs are designed specifically to suit Indian conditions of grid, high ambient temperature and wind rose prevalent at high wind sites.

Suzlon credentials in Wind Power Industry

- Only Indian company capable to design and manufacture WEGs in its own Indian brand name under its own management.
- Largest company in India and Asia since last five years.
- First Indian company among top twelve of wind power company world wide.
- First company manufacturing & operating largest machines of 1 MW & 1.25 MW machines in India. Already commissioned more than 130 machines of MEGAWATT SERIES.
- Has developed machines for very harsh & warm Indian climate, irregular grid availability and customized product according to wind regimes at different sites.
- Our oldest project in India is for IPCL (4.74 MW) operating since 1996 and giving best generation competitively.
- Total commissioned project in India is around 400 MW & 40 MW in USA.
- First Indian company has finally bagged the first 15 MW CDM contract and executing its project.
- Executing one of the largest wind park of total capacity of 300 MW at a same place and already commissioned around 202 MW at Satara, Maharashtra.
- Having a list of corporate houses with a confidence in us like **IPCL, RSMML, RSPCL, Bajaj Auto, Bajaj Electrical, Tata Finance, Tata Power, Manikchand, Jindal, Ajanta, Vishal Export Overseas Ltd., Varroc Engineering Group, Ghodawat Paan Masala Pvt. Ltd., Bhourka Power, TCI, Sun n' Sand Hotel**, etc.
- First Indian company capable to export Wind Power projects to very competitive USA market and has already commissioned its first twenty four machines at Pipestone in Minnoesotta State, U.S.A. This year will start its operation in Australia & NWZ and China.

We can take up the job on turnkey basis from carrying out land survey, land on transfer basis, micrositing, site development, supply of WTGs and auxiliaries, erection & commissioning and also operation & maintenance of the entire wind farm.

Comparison of Wind Power Projects in Rajasthan , Tamilnadu & Karnataka

	Rajasthan	Tamilnadu	Karnataka
Name of Site	Sada/ Mada, Akal, Jaisalmer	Sankeneri, Kanyakumari	Jogimatti, Chitradurg
Site Detail	30 K.m. from Jaisalmer on Barmer Highway, well developed infrastructure, SEB is one of the best. 33 KV evacuation lines are available. Creating own sub station.	20 K.m. from Kanyakumari, Radhapuram, Trinuvai, 33 Kv H.T line of 12 K.M. developed by Suzlon, 100 MW proposed Sub Station on site by TNEB.	Suzlon is developing 11/33/66 Kv HT line.
Cost of Project(Rs.Lac)	536	551	565
Generation (Units p.a.)	29 Lacs	37 Lacs	33 Lacs
Wind Availability	WPD- 182 at 20 mt. & 311 at 50 mt.; 19.79 KMPH at 20 mt.	WPD – 258 at 20 mt. & 388 at 50 mt.; 22.60 KMPH at 20 mt.	WPD – 498 at 20 mt. & 632 at 50 mt.; 30.30 KMPH at 20 mt.

Comparative Risk Return Analysis of all the available States :

	Rajasthan	Tamilnadu	Karnataka
Wind Availability	Moderate	High	High
Infrastructure	Best	Avg.	Low
Long Term PPA	Best (20 Years)	N.A. (Yearly)	Average (10 years)
Payment Cycle from SEB	Best (15-20 Days)	Better (30-40 Days)	Bad
Policy & Regulatory Stability	Very High, Least Risky.	Moderate, Many times TNEB has changed the policy under their compulsion	Very Low, Not clear about what they want.
Role of Fix Cap	Having 250 MW cap THEY KNOW WHAT THEIR OUTFLOW IS FOR NEXT 20 YEARS.	No cap. Not clear about their outflow. Chances for disturbances is always their	No cap. Not clear about their outflow. Chances for disturbances is always their
Expected Return	Moderate	Same as Raj.	High
Risk Associated	Moderate	Risky	High
Our Choice	Yes	Yes	Wait & watch

Company Details

- SEL is existing since last 9 years and operating at a very fast growth track
- Has achieved and maintaining its Turnover around Rs. 600 Crs. and Networth of Rs. 230 Crs. and NP of Rs. 13 Crs. since last two years.
- Having its two State of art manufacturing units at Daman . one for WEG and another for blade based on RIM (Resin Infusion Moulding) Technology
- Sixth company capable to manufacture its own blades in world.
- Further this year expecting its more units at Daman & Pondichery for WEG. Blades & Nascell under its expansion plan.
- Having its R & D subsidiary center for WEG at Germany and for blades at Holland
- Had already operating its U.S.A. operation from San Diagio, California, U.S.A. and has already signed one MOU for China and another one for Australia.
- Having its operating projects in Gujarat, Tamilnadu, Maharashtra, Rajasthan A.P. Further this year will start its work for Karnataka .
- State wise market share –

State	Market Share	Position
MAHARASHTRA	75 %	One
Gujarat	65 %	One
Rajasthan	77 %	One
Tamilnadu	32 %	One

- Having more than 1000 employee with a very low employee turnover
- First company in the wind power industry has acquired ISO 9001 Certification from DNV.
- First & only company in O & M is having ISO 9002 certification from DNV

Kindly give us a favourable consideration.

Thanking You.

Sincerely Yours.
For Suzlon Energy Ltd.

A handwritten signature in black ink, appearing to read 'Nishith Kumar', with a long, sweeping horizontal stroke extending to the right.

Nishith Kumar
Sr. Manager Business Development



REI
AGRO LIMITED

Date : November 10, 2003

SUZLON ENERGY LTD.
Plot No. H-24/25,
M.G. Udhog Nagar,
Near Water Tank,
Dahhel, Daman-396 210 (U.T.)

Kind Attn : Mr. Tulsi R. Tanti, CMD

Ref: Our discussion with your Mr. Rohit Chauhan, AGM-BD and Mr. Nishith Kumar Sr. Manager -BD on 23rd October, 3rd & 4th November 2003 at our office in Delhi.

We are pleased to place a Purchase Order on you for setting up a 7.50 MW Wind Farm Project with 6 (SIX) nos. of your S66-1250 kW WTG with a hub-height of 65 (Sixty Five) meters with Lattice Tower for installation at Jaisalmer wind zone for "Sale of Power to FVFNL" with the following terms & conditions:

1. Quantity
6 nos. WTG of 1250 kW rating, type SUZLON S 66 as per technical specifications enclosed in Annexure-II including all the materials required for erection, installation and commissioning & the technical guidelines to the erection agency.

2. Price of WTG:
For above WTG and scope of supply we agree to Rs. 2664.00 lacs (Rupees Twenty Six Crore Sixty Four lacs only) towards total supply as per Annexure-I.

Land Cost:

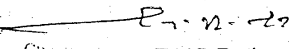
You will arrange the required land for the said 6 nos. (7.50 MW) WTGs, in our favour and sublease for Nineteen years at Soda-Mada site. We shall pay you Rs. 10.0 lacs per WTG i.e. total Rs. 60.0 lacs (Rupees Sixty Lacs only) towards cost of Land for the Project.

From 2nd year onwards, the land lease charges will be paid by us directly to Government of Rajasthan (GOR), Revenue Department.

3. Delivery
- The delivery / commissioning will be completed as per below given schedule. The part shipment will be accepted in delivery of the supply.
 - 6 nos. WTG for commissioning by February 28, 2004 subject to Force Majeure condition.
 - We will provide you our CST and TIN number required before transportation. We will furnish Form C to Suzlon as prescribed under the CST Act 1956 along with the payments, failing which we are agreeable to bear the Sales Tax at the prevailing rate.

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For Suzlon Energy Ltd.


Tulsi R. Tanti
Chairman & Managing Director



REI AGRO LIMITED

4. Generation Guarantee:

- a) Since the machines (WTGs) require about 3-4 weeks for stabilizing after the commissioning, the Annual Generation guarantee of the wind farm shall be considered from 1st April 2004 onwards.
- b) The annual guaranteed generation of 7.50 MW shall be **1,74,00,000 KWH (One Hundred Seventy Four Lakhs units)** per year to be measured at WTG controller at 100% Grid availability for the initial 5 (five) years period in Two blocks of initial 3 year and next 2 years respectively from 1st April 2004.

From 1st to 3rd year, for the purpose of arriving at actual generation, 3 (three) years average figure of annual generation of Wind farm shall be calculated. If this falls short of "guaranteed generation" an amount arrived by multiplying the shortfall in generation with prevailing selling price to RVPNL (RSEB), becomes payable by you at the end of 3rd year from 1st April 2004.

Similarly, during 4th & 5th year, for the purpose of arriving at actual generation, this 2 (two) years average figure of annual generation of Wind farm shall be calculated. If this falls short of "guaranteed generation" an amount arrived by multiplying the shortfall in generation with prevailing selling price to RVPNL (RSEB), becomes payable by you at the end of 5th year from 1st April 2004.

- c) If the "Actual Generation" is more than the "Guaranteed generation" in these block of initial 3 years and next 2 years from 1st April 2004, an amount arrived by multiplying the extra generation with prevailing selling price to RVPNL (RSEB) shall be paid to you at the end of each block i.e. at the end of 3rd year for the first block from 1st April 2004 and then at the end of 5th year for the second block subject to a maximum of Rs. 150 Lakhs as per clause 5(d).
- d) From 6th year to 20th year Suzlon will guarantee a minimum annual average Machine Availability of 95% for the entire wind farm.

5. Payment

Payment of total amount of the project shall be as under:

- a) An Advance of Rs. 30.0 lacs (Rupees Thirty lacs) along with this Purchase Order.
- b) An Advance of Rs. 90.00 lacs (Rupees Ninety lacs) on Sanction of Loan for the Project from Bank / IREDA / Financial Institute.
- c) Rs. 24.0 lacs (Rupees Twenty Four lacs) on commissioning of the project or earlier.

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For Suzlon Energy Ltd.

Tulsi R. Tanti
Chairman & Managing Director



REI AGRO LIMITED

d) Rs. 150.0 lacs (Rupees One hundred and fifty lacs) to be paid from Excess generation in Two blocks as per clause 4 (c) above in initial 5 years period.

e) Balance Project cost *including cost of land* to be arranged as a loan from Bank / IREDA / Financial Institution as per prevailing interest rate. All charges to be paid to Funding Agency, like File Processing Charges, upfront fees, Stamp Cost for Mortgage & Hypothecation and opening of Trust & Retention account etc. shall be paid directly by us.

In case the loan disbursement is delayed beyond 30 days after commissioning then we shall pay you the interest on the loan amount as per sanctioned rate of interest of Funding Agency for this period of delay.

f) If loan arranged for the balance amount of the project cost is less then the same shall be paid by us to you in monthly installments from the revenue generated from selling power to RVPNL from April, 2004, after adjusting the repayment obligation, if any, including interest accrued thereon on monthly basis to the Funding Agency and Insurance Charges as well as Operation and Maintenance Charges, if any.

We shall also pay sanctioned rate of interest of Funding Agency on reducing balance of this amount which was to be arrange from IREDA / Financial institution / Bank.

6. Performance Guarantee:

Prior to release of last installment of Rs. 10.0 lacs (Rupees Ten lacs) per WTG payment by Funding Agency or by us as per 5 (f), you will issue us a Bank Guarantee towards shortfall in generation of 17.40 lacs units for 7.50 MW wind farm at the prevailing rate of Selling of Power to RVPNL at that time.

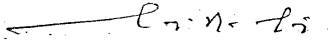
This bank Guarantee shall be initially for 12 months and to be renewed at the end of each year for subsequent year until completion of 5 (Five) years period from 1st April 2004.

7. Insurance

- SEL will take the required transit Insurance till the goods reach our site.
- Our erection agency will take necessary insurance during erection.
- From the date of commissioning, we will take the fire & allied perils, earthquake & third party risk insurance policy every year.

New Delhi Office : A-2/136, Safdarjung Enclave, New Delhi - 110 029
Tel.: 26189233, 30905030, 30906030 Fax : 91 - 11 - 26189232 E-mail : reiagro@vsnl.com
Corporate Office : 10/4, Alipore Park Place, Calcutta - 700 027 Tel.: 24798750, 6472, 6477 Fax : 24795346
Registered Office & Works : Plot No. 691, Sector - 2, Delhi - Jaipur Road, NH-8,
Bawal Growth Centre, Village Jaliavas, Dist-Rewari, Haryana
Tel.: 01284-260126, 260461, 260457 Fax : 01284-260026

For Suzlon Energy Ltd.


Tulsi R. Tanti
Chairman & Managing Director



The prices mentioned in Annexure-I include excise duty and CST as applicable. We will issue 'C' Form and incase Form 'C' cannot be issued Sales Tax @ 10% or general tax which ever is higher will be payable by us. In case there is statutory rate variation or introduction of new taxes, duties and levies or any difference in interpretation by the competent authorities, effect of the same will be reimbursed to you at actual.

9. Manuals

You shall supply one Set of Operation and Maintenance Manuals of the WTG. Your team of Engineers will provide practical training to our Engineers at Site.

10. Carbon Credit

You will assist us in Selling the Carbon Credits accrued in lieu of abatement of generation of CO₂.

11. Force Majeure Clause :

Definition of Force Majeure: The term "Force Majeure" as used herein shall mean an event or events the cause of which is beyond the control of, and does not in any way result from the fault or negligence of, the Party or Parties whose performance is delayed or prevented and which, by the exercise of due diligence and foresight, could not have been avoided including, but not limited to, any acts of war, sabotage, terrorism, rebellion, insurrection, acts of foreign enemies, military or usurped power or martial law, expropriation or confiscation of facilities or property by order of any Governmental Authority, any act or failure to act by any Governmental Authority purporting to exercise jurisdiction which prevents or delays performance (other than acts or omissions of the affected Party), fires, floods, explosions, any delay in performance because of excessive high wind during Commissioning and during service and maintenance, hail, earthquakes, other Acts of God, perils of sea, and any strikes, lockouts or other labour disputes.

Excused Performance: Any suspension of performance as a result of Force Majeure shall be of no greater scope and of no longer duration than is reasonably required. The affected Party: (a) shall exercise all reasonable efforts to mitigate or limit damages to the other Party, (b) shall use commercially reasonable efforts to continue to perform its obligations hereunder and to correct or cure the event or condition excusing performance, and (c) when able to resume performance of the affected obligations under this Agreement, in whole or in part, shall give the other Party written notice to that effect.

For Suzlon Energy Ltd.

Tulsi R. Tanti

Chairman & Managing Director

New Delhi Office : A-2/136, Saldarjung Enclave, New Delhi - 110 029
 Tel.: 26189233, 30905030, 30906030 Fax : 91 - 11 - 26189232 E-mail : reiagro@vsnl.com
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 Tel.: 01284-260126, 260461, 260457 Fax : 01284-260026



REI

AGRO LIMITED

We will not be responsible, if during the continuance of this supply, the performance in whole or in part of any obligation under this Scope of Supply, is prevented or delayed by the causes mentioned above.

In such cases neither party shall be entitled to cancel the order, nor shall any claims be made for such damages against the other party in respect of such delay or non-performance and the performance and delivery of the order will be resumed only after such eventualities have come to an end or ceased to exist.

12. **Warranty**

You will provide a warranty for a period of 12 months from the date of commissioning of the project against any defects of the components of the WTG. Warranty provided by you will not cover damages due to lightning. Insurance Policy during warranty period is to be taken by us.



13. **Operation and Maintenance:**

You will arrange O&M for our Wind farm from the Service Provider – M/s Suzlon Wind Farm Services Pvt. Ltd. for a period of 20 years from the date of commissioning with the following terms and conditions:

- a) Free Operation, Maintenance & Security with spares and consumables for the first year of operation.
- b) The comprehensive O & M charges for the initial 5 years of operation will be as under inclusive of all taxes & duties, if any, as applicable as on date:

Year.	Total Comprehensive O&M Cost for 7.50 MW Wind Farm (in Rs. lacs)
1st Year	NIL
2nd Year	42.00
3rd Year	44.10
4th Year	46.30
5th Year	48.61

- c) The O&M Charges shall be paid on half yearly basis. The year shall be counted from the 01.04.2004.

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For Suzlon Energy Ltd.

Tulsi R. Tanti
Chairman & Managing Director



REI AGRO LIMITED

- d) From 6th year onwards the O&M rates will be decided mutually. However, the escalation per annum shall not be more than 5.0%
- e) During the O & M period the Service Provider will arrange to maintain minimum 95% Machine Availability of the Wind Farm.
- f) Under the O & M services, Service Provider will provide routine and breakdown maintenance of WTG and security arrangements. The O & M charge includes cost towards spares consumed and consumables.
- g) During the O & M period, the Service Provider will take full responsibilities of liaison with Power Purchase Authority including Meter reading, preparation and submission of bill as well as timely collection of the payment. All the necessary authorisation and documents for the same will be provided by us.

14. Arbitration

If at any time any question, any dispute and/or differences whatsoever shall arise between the parties due to any conditions and failing amicable settlement the same shall be referred to an arbitrator under the Indian Arbitration & Conciliation Act 1996 or any statutory modifications of the same prevalent at the time. The venue of such arbitration will be New Delhi.

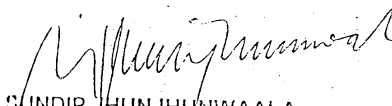
15. Jurisdiction :

Any dispute arising out of this contract shall be subject to the exclusive jurisdiction of the court in the city of New Delhi.

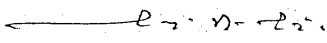
Kindly return us a copy of Purchase Order duly signed as acceptance to the terms and conditions mentioned above and issue a receipt for the amount paid as well as the Bar Chart.

Thanking you,

Yours faithfully,
For REI Agro Ltd.


SUNDIP JHUNJHUNWAALA
Managing Director

For Suzlon Energy Ltd.


Tulsi R. Tanti
Chairman & Managing Director

New Delhi Office : A-2/136, Sardarjung Enclave, New Delhi - 110 029
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Tel.: 01284-260126, 260461, 260457 Fax : 01284-260026

LOAN AGREEMENT

DATED17th June..... 2004

BETWEEN

M/s. REI Agro Ltd.

AS BORROWER

AND

INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED (IREDA)

AS LENDER

(Rupee Loan)

(Secured against mortgage and/or hypothecation etc.)

[Handwritten signature]

[Handwritten signature]

- xxiv) 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.
- xxv) 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 utilised towards reduction of loan of IREDA and that the Borrower shall abide by the decision of IREDA.
- xxvi) 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.
- xxvii) 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.
- xxviii) 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.
- xxix) 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 obtain No Objection/Clearance in writing from IREDA before availing of loan and/or Subsidy and/or Grant and/or incentive/benefits under the above programmes and the Borrower shall abide by the decision of IREDA.
- 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 and which loan and/or Subsidy and/or Grant and/or Incentive and/or benefit is/are not provided in the means of Finance as approved by IREDA, the same shall be utilised towards reduction of loan of IREDA and that the Borrower shall abide by the decision of IREDA and that the Borrower shall not raise any objection thereto.

Directors' Report

Dear Members,

Your Directors are pleased to present the 10th Annual Report of the Company together with the audited accounts for the year ended 31st March 2004.

Financial results

(Rs in Lacs)

	2003-04	2002-03
Net Sales	60266	49750
Profit before Interest, Depreciation & Tax	3961	3176
Interest on Borrowings	1439	1722
Depreciation	213	174
Profit before Tax	2309	1280
Provision for tax	209	269
Profit after Tax	2100	1011
Provision for Deferred Tax	520	146
Profit after Deferred Tax	1580	865
Profit brought forward	53	79
Profit available for appropriation	1633	944
Appropriation:		
Dividend	238	81
Tax on Dividend	30	10
Transfer to general Reserve	1250	800
Balance carried to Balance Sheet	115	53

- To enhance shareholder value, over the last few years your Company had initiated a slew of measures i.e. vigil on cost, proper employment of working capital, promotion of sales under own brands etc.

- Your company has recorded a stellar performance for the year. Turnover and net profit have recorded a significant improvement over the previous year. The total turnover of the Company for the year under review stood at

Rs. 60266 lacs, an increase of 21.14 per cent over the previous year. The Company's profit before tax and profit after tax for 2003-2004 stood at Rs. 2309 lacs and Rs. 2100 lacs respectively, higher than in the previous year by 80.39



per cent and 107.72 per cent.

- A sharp focus on continuously optimising operational efficiencies through de-bottlenecking, plant upgradation, energy reduction and modernisation have led to an upsurge in productivity/recovery of head rice.
- During the year, the Company doubled its production under contract farming on crop sharing basis.
- Realising the necessity of diversification in the long term interests of the Company, a 7.50 MW Wind Farm was installed and successfully commissioned at Jaisalmer in Rajasthan to generate power. The project is eco-friendly and carbon credit will be available from the World Bank.

Dividend

Given the good results, your Board has recommended a higher dividend @7 per cent on higher equity doubled by 1:1 bonus issue for the year ended 31st March 2004 and 4 per cent on preference shares. Your Board seeks your approval for the same. The total outgo for the dividend to be paid to the shareholders will be Rs 268 lakh (inclusive of corporate tax on dividend) as against Rs. 91 lakh paid in the previous year.

Preference share capital

During the year under review, your

Company has allotted four per cent long term Redeemable Non-convertible Preference shares of an aggregate value of Rs 4000 lacs to overseas corporate bodies on private placement basis. The funds were utilised to meet the requirements of working capital and general corporate purposes.

Statutory declaration

Additional information

The information required to be furnished under section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been given in the Annexure I to this report.

Future outlook

Your company's continued focus on technology upgradation will further improve its product range and is expected to lead significantly to higher levels of sales turnover in the coming years. Your directors are pleased to report that your Company is increasing its product range by installing facilities for the manufacture of parboiled rice. For this an eight-acre plot of land have been recently purchased from HSIDC near the existing plant at Bawal and construction is going on at a rapid pace. This will enable the company to cater to the requirements of parboiled rice consumers, which form a significant portion of the export market particularly in Saudi Arabia.

Research and development

Your company continues to remain at the forefront of technical excellence through its

commitment to invest management time and effort in R&D activities with a view to better product quality and plant efficiency on a sustained basis.

Human resource development and industrial relations

To remain at the cutting edge and to strive to beat the best, your Company's focus has not only been on operational and business strategies, but more importantly on its 'people power'. We believe it is our people alone who provide us with the greatest sustainable, competitive edge. Therefore a HR vision is embedded in your Company's overall vision and strategy and all employees fully identify with it as well as your Company's business goals.

We continuously harness human resources and help people to unleash their maximum potential. We encourage intellectual curiosity and delegation, empowerment and decentralisation, as far down the line as possible. Factoring competency levels to stimulate the entrepreneurial spirit.

Corporate Governance

Your Company is committed to good corporate governance practices and fully prescribes to the standards set out by the Securities and Exchange Board of India's corporate governance practices. The Company's statutory Auditors' Certificate validates our claim that your Company has implemented all its major stipulations in line with clause 49 of the stock exchange's listing agreement. This certificate is annexed

RAJ-1

OFFICE OF THE EXECUTIVE ENGINEER (O&M), J.V.V.N.L.
JAISALMER

Opp. Post Office, Old Power House, Jaisalmer ☎ - 02992-252132

REF NO: -JVVNL/XEN/O&M/JSM/S: TECH/F: J. D. 2213 DATE: 16-3-04

WIND PROJECT – COMMISSIONING CERTIFICATE

To,
M/S. REI AGRO LIMITED,
A-2/136, Safdargunj Enclave
Delhi – 110 029

Sub: Commissioning Certificate.

Ref: I) PPA Dated 24th January 2004.

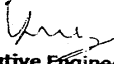
II) Permission for interconnection No. JDVVNL/SE/PP&M/JU/D. 1838 Dated 12-03-04

This is to certify that **M/S REI AGRO LIMITED** have successfully Commissioned **5 Nos. X 1.25 MW** Suzlon make Wind Electric Generators on **14th March 2004**, at Village Soda Mada, Dist. Jaisalmer Rajasthan.

Brief details of the machineries commissioned:

1. Rating of Wind Electric Generators – **1.25 MW**
2. Quantity - **5 Nos.**
3. Location – **J-216, J-220, J-221, J-222, J-223**
4. Date of Commissioning – **14th March 2004.**

We further state that these Wind Electric Generators are connected to SUZLON METERING No.7, tapped from 33KV Khuri Feeder near Village Soda Mada, Dist. Jaisalmer (Rajasthan).


Executive Engineer (O&M)
J.V.V.N.L. JAISALMER
J. V. N. L. JAISALMER

CC SWRT:

1) Chief Engineer, (HQ) JVVNL – Jodhpur.

Copy to

- 1) Ex. Engineer (TCC IV) RRVPNL – Badmer.
 - 2) Ex. Engineer (M & P) RRVPNL – Jodhpur
 - 3) Ex. Engineer (M) JVVNL – Jodhpur
 - 4) Asst. Engineer (P) RRVPNL – Bakotra.
 - 5) Asst. Engineer 132 KV GSS RRVPNL – Jaisalmer.
 - 6) Asst. Engineer (ST) RRVPNL – Jaisalmer.
 - 7) Asst. Engineer (R) JVVNL – Jodhpur.
- HCO

**OFFICE OF THE EXECUTIVE ENGINEER (O&M), J.V.V.N.L.,
JAISALMER**

Opp. Post Office, Old Power House, Jaisalmer - 342992-252132

REF NO: - JVVNL/XEN/O&M/JSM/S: TECH/F:

D. 2308

DATE: 29-3-04

WIND PROJECT - COMMISSIONING CERTIFICATE

To,
M/S. REI AGRO LIMITED,
A-2/136, Sardargunj Enclave
Delhi - 110 029

Sub: Commissioning Certificate

Ref: I) PPA Dated 24th January 2004.
II) Permission for interconnection No. JVVNL/SE/PPNH/JU/D. 1838 Dated 12-03-04

This is to certify that **M/S REI AGRO LIMITED** have successfully Commissioned 1 No. of 1.25 MW Suzlon make Wind Electric Generators on 29th March 2004, at Village Soda Mada, Dist. Jaisalmer (Rajasthan).

Brief details of the machineries commissioned:

1. Rating of Wind Electric Generators - 1.25 MW
2. Quantity - 1 No.
3. Location - J-217
4. Date of Commissioning - 29th March 2004

We further state that these Wind Electric Generators are connected to **SUZLON METERING No.7**, tapped from 33KV Khuri Feeder near Village Soda Mada, Dist. Jaisalmer (Rajasthan).

[Signature]
Executive Engineer (O&M)
J.V.V.N.L. JAISALMER
Executive Engineer (O&M)
J.V.V.N.L. Jaisalmer

CC SWRT:

- 1) Chief Engineer, (HQ) JVVNL - Jodhpur.

Copy to

- 1) Ex. Engineer (TCC IV) RRVNLI - Badmer.
- 2) Ex. Engineer (M & P) RRVNLI - Jodhpur
- 3) Ex. Engineer (M) JVVNL - Jodhpur
- 4) Asst. Engineer (P) RRVNLI - Balotra.
- 5) Asst. Engineer 132 KV GSS RRVNLI - Jaisalmer.
- 6) Asst. Engineer (ST) RRVNLI - Jaisalmer.
- 7) Asst. Engineer (R) JVVNL - Jodhpur.

*90,11 Mr. ...
Mr. ...
copy already ...
information*

[Handwritten mark]

RAJASTHAN RENEWABLE ENERGY CORPORATION

(Incorporating Formerly REDA And RSPCL)
E-166, Yudhisthir Marg, C-Scheme, Jaipur
Tel:2384055 / 2382298 / 2383450 Fax:0141- 2381528

No.RREC/Wind/2003-04/9625-9630

Date: 5/12/03

The Director (P & R)
Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,
Vidyut Bhawan, Jyoti Nagar, Jaipur
Fax No 2740 794

Kind Atten. : Sh. K.L Vyas

Sub : Power Purchase Agreement (PPA) for Wind Power Project District Jaisalmer.

Dear Sir,

On the subject, it is to inform that M/s. Suzlon Energy Ltd has been authorized for setting up of 25 MW wind power project under new wind policy in village Soda/Mada at Jaisalmer.

REI Agro Limited, Rewari has placed an order on Suzlon Energy Ltd. and its group companies for all works relating to installation and commissioning of Suzlon make S-66-1250 kW wind turbine generator at Akal at Jaisalmer on turnkey basis and informed that they are willing to sale the power to RVPNL. The proposed power plant shall be operational on or before March 2004. The details are as under: -

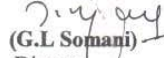
S. No.	Name of firm	Capacity	Location
1	REI Agro Limited, Rewari	7.50 MW	Soda/Mada

The above capacity proposed to be connected on 33KV Feeder or any Technical Feasible Point. The suggested Draft PPA alongwith terms & conditions as furnished by the investor is enclosed.

This is for needful and acceptance of RVPN

Encl. As Above

Yours faithfully,


(G.L. Somani)
Director
RREC Jaipur

Copy to the following: -

- 1) The Superintending Engineer (NPP) RVPN, Jaipur
- 2) The Chief Engineer (O&M), Jodhpur Discom, New powerhouse, Jodhpur.
- 3) M/s. Suzlon Energy Ltd., Luhadia Tower Ashok Marg, C- Scheme, Jaipur. Please note that the proposed wind farm shall be installed / commissioned under New Wind Policy 2003 issued by Energy Department, GOR.
- 4) REI Agro Ltd 691 Sector 2 Delhi Jaipur Road Nh-8 Bawal Growth Centre Village Jaliavas Dist Rewari Haryana
- 5) Project Officer (Wind) RRECL, Jaisalmer.

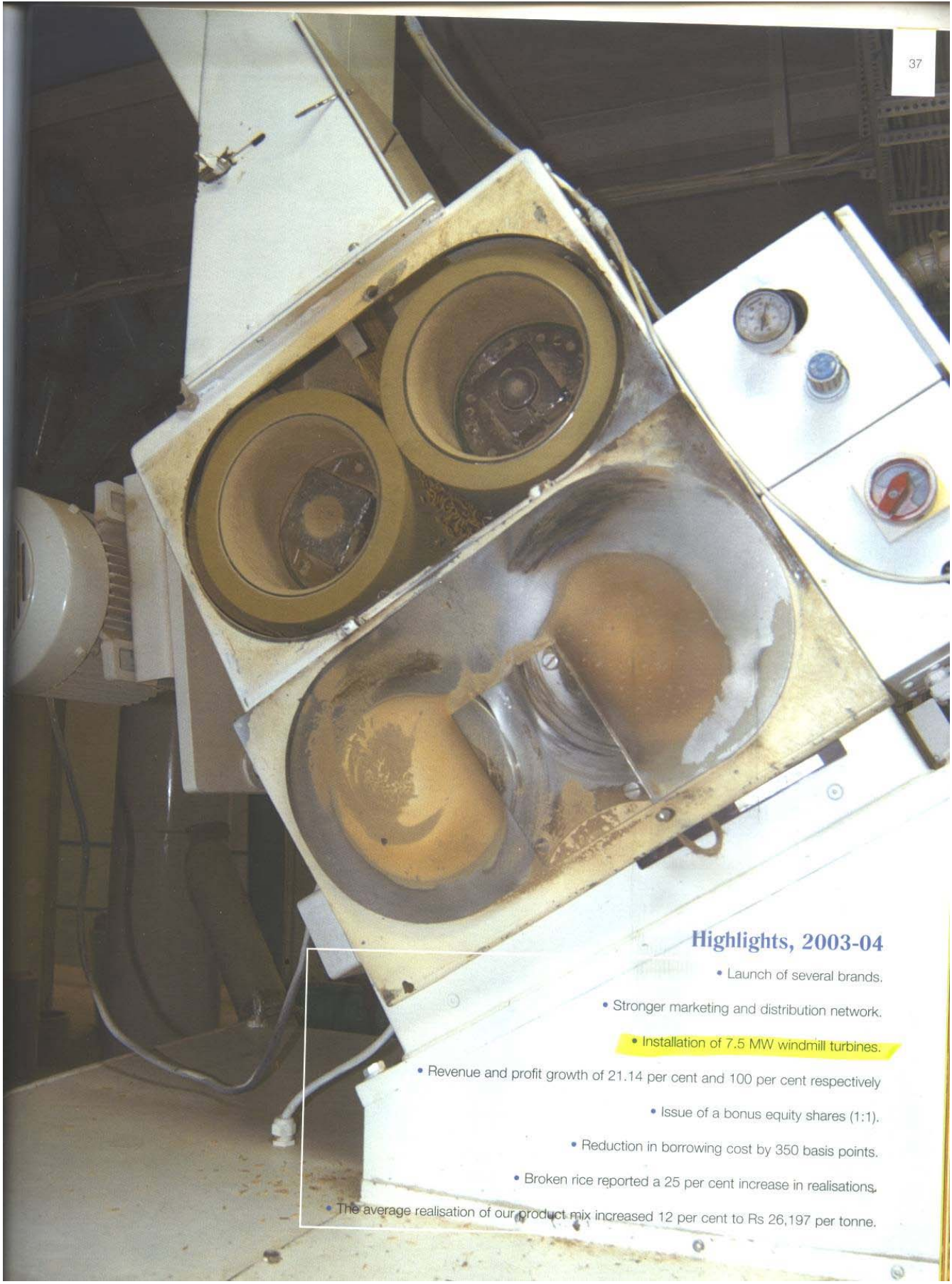

Director
RREC Jaipur

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To: Mr. Sushil, REI Agro
Mr. C.M. Jaina

From: R. Chandra
Jaipur



Highlights, 2003-04

- Launch of several brands.
- Stronger marketing and distribution network.
- Installation of 7.5 MW windmill turbines.
- Revenue and profit growth of 21.14 per cent and 100 per cent respectively
- Issue of a bonus equity shares (1:1).
- Reduction in borrowing cost by 350 basis points.
- Broken rice reported a 25 per cent increase in realisations.
- The average realisation of our product mix increased 12 per cent to Rs 26,197 per tonne.



दिल्ली DELHI

A 780251

Affidavit

I, S.C.Dhingra, Adviser, REI Agro Ltd. do hereby solemnly declare that REI Agro Ltd. has established a wind power project of 7.5 MW capacity at Soda in the district of Jaisalmer in the State of Rajasthan in March 2004 and further that REI Agro Ltd. is not having any other wind power project except the above in the State of Rajasthan.

It is further declared that above 7.5 MW wind power project consists of 6 wind turbine generators having an individual capacity of 1.25 MW each supplied by Suzlon Energy Ltd. for which the purchase order was placed on Suzlon Energy Ltd. on 10.11.2003 and are installed at location nos. J- 216, J-220, J-221, J-222, J-223 and J- 217 of which J - 216, J - 220, J-221, J - 222, J-223 have been commissioned on 14th March 2004 and J - 217 has been commissioned on 29th March 2004.

New Delhi
Oct 9, 2006


S.C.Dhingra
(Adviser, REI Agro Ltd.)

I, S.C. Dhingra do hereby confirm that the above mentioned statements are true to the best of my knowledge and belief.

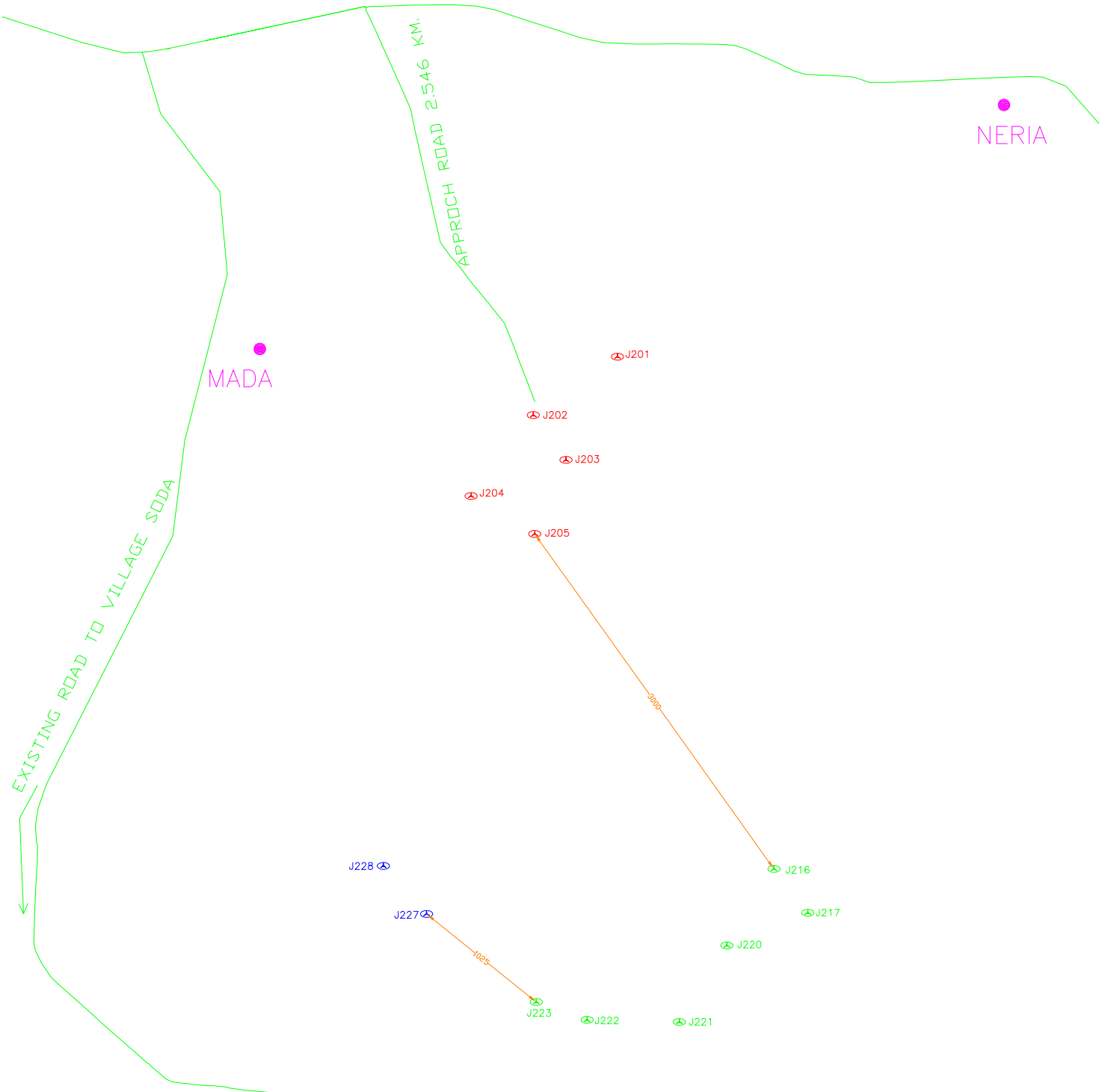
Place: *New Delhi*
Date: *Oct 9, 2006*


S.C.Dhingra
(Deponent)



ATTESTED

NOTARY DELHI (INDIA)
10/10/06



LEGEND :-

	SUN-N-SAND
	REI Agro
	TCI

SODA

DRAWING TITLE :- PRESENTATION DRAWING

	Drg.Name RJ.GPD.A0021.R0	
	Print No. 1781	Date 13.10.06
	Site JAISALMER	Checked V.C
	MADA-SODA	Approved V.B.