

## RESPONSE TO REQUESTS FOR REVIEW

BVQI had performed the validation of the CDM Project no. 0564 “7.5 MW Windfarm of REI Agro Limited at Soda village in the state of Rajasthan, India” by M/s. REI Agro Ltd., The request for registration was made on 05/09/2006 and was under request for registration from 05/09/06 to 04/10/06. Subsequently, there have been 4 (four) requests for review.

We thank the CDM executive board and the secretariat for giving us the opportunity to clarify about our considerations in validating the said project.

We find that each of the four requests is made against the requirement of modalities and procedures.

### Project Description

The project activity involves the establishment of a wind farm of 7.5 MW installed capacity enabling generation of electricity by state-of-art 1.25 MW Wind Electricity Generators (WEGs) (One of the latest available technologies in the country developed by Suzlon Energy Limited), in and around Soda Mada, Jaisalmer District in the State of Rajasthan.

The technology employed is modern and uses the Megawatt class of Wind Electric Generator each of 1.25 MW size. The WEGs of MW class requires less space per MW and are more efficient. Validation team has a view that this SUZLON technology in considering with reference to Indian wind regime is comparatively mature and one could be convinced of the popularity of this kind of Wind Electric Generators in this area. It is observed during the site visit that these direct grid connected high-speed wind electric generators have robust design, reliability and are delivering a power factor upto 0.99.

We wish to clarify our stand for each of these requests as given below:

We give below our common response to all the requests for review, which are similar in nature.

Reasons and background for Request for Review	BVQI response
<p>1. 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 a evidence of CDM consideration before start of the project activity in a meeting held in 2003.”Nevertheless they do Not provide any evidences that the incentive from 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.</p>	<p>During the validation all the pertinent documents were verified to assess that Project participant considered incentive from CDM in a decision to proceed with the project activity. Minutes of the board meeting [Attached as <b>Minutes Pages</b>] and the board resolution dated 27 October 2003 [attached as <b>Board Resolution</b>] were verified. The decisions pertaining to installations of wind turbines were clearly recorded and stated that money (incentive) generated from carbon credits can be utilized for repayment of loan after gestation period.</p> <p>Our validation report – version 02 dated 18/08/2006 at Section 6, Category 1 documents referred this meeting for confirming the availability of evidence of CDM consideration in a decision to proceed with the</p>



	<p>project activity. List of documents included in the validation report (Page no.17 of 46 ) also include the reference of this document.</p> <p>We further take the opportunity to also give following supporting evidences for CDM consideration</p> <ol style="list-style-type: none"> <li>1. Purchase order dated November 10, 2003 – point no.10 on page 4 of 6 – Seeking assistance from Suzlon Energy Limited to get carbon credits. [Attached as <b>Purchase Order – 7.5 MW</b>]</li> <li>2. Proposal given by M/s. Suzlon energy Limited dated 30 September 2003 indicating likely benefits from CDM. [Attached as <b>Proposal</b>]</li> </ol> <p>The windmills were commissioned in March 2004 as is evident from the '<b>Commissioning Certificate</b>' attached herewith.</p> <p>Further loan agreement dated 17 Jun 2004 [attached herewith as '<b>Loan Agreement</b>'] with IREDA (Indian Renewable Energy Development Agency) also mentions the condition to obtain No objection certificate from IREDA before availing any benefits under any scheme like CDM.</p> <p>It is correct that there are many wind farms in the region of the subject project activity. However from above mentioned references it can be seen that the Project participant considered the incentive from CDM in a decision to proceed with the subject project activity.</p>
<p>2. 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.</p>	<p>As per Appendix C of the simplified modalities and procedures -</p> <p><u>'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-scale CDM project activity or a request for registration by another small-scale project activity:</u></p> <ul style="list-style-type: none"> <li>• <u>By the same project participants;</u></li> <li>• <u>In the same project category and technology/measure; and</u></li> <li>• <u>Registered within the previous 2 years; and</u></li> <li>• <u>Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point.'</u></li> </ul> <p>The project participant for the current project activity is M/s. REI Agro Limited. From the data available on the UNFCCC website, it is seen that</p>



- The project participant for project no. 0267 is M/s. Transport Corporation of India
- The project participant for project no. 0447 is M/s. Sun-n-Sand Hotels Pvt. Ltd

We also would like to note that PDD for another large scale project activity (20.8 MW) where in one of the project participants is M/s REI Agro Limited was web-hosted for commenting (Period 13 September to 12 October 2006).

However the new project under validation is located at Dhule in Maharashtra State more than 500 km away from location of existing project activity viz. Soda Mada in Rajasthan State under consideration.

The comment in the request for review requires the information to clarify the distance of the project activity from the two projects numbered 267 & 447. In our opinion, since the project participants are different in each of these 3 projects, it is not necessary to assess the distance between them.

However, it is evident from toposheets provided by project participant [attached herewith as '**Soda-Mada Topo**'], the shortest distance between the project activity and project no. 267 as well as between the project activity and project no. 447 is beyond 1.0 km.

We believe that explanation provided above is sufficient and would convince the executive board that subject project is not a debundled large scale project.



# 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 27<sup>th</sup> October,2003 at 11.00 A.M

---

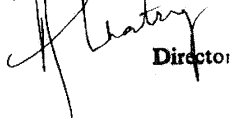
Resolved that the subject to approval of the Company , the Board of Directors of the Company is recommending installation and setting up of Windfarm Power Project in the State of Rajasthan and placed the project report received from Suzlon Energy Limited.

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

**New Delhi Office :** 58A/1, Sainik Farm, New Delhi - 110 062  
**Tel.:** 011-30905030, 30906030 **Fax:** 011 - 29552403 **E-mail :** reiagro@vsnl.com  
**Registered Office :** "Everest House" 46-C, Chowringee Road, 15<sup>th</sup> Floor, R.N. 15B, Kolkata-700 071  
**Tel.:** 033-30925061, 30925062 **Fax:** 033-22882241  
**Factory :** Plot No. 691, Sector - 2, Dalhi - Jaipur Road, NH-8,  
Bawal Growth Centre, Village Jaliavas, Dist-Rewari, Haryana  
**Tel.:** 01284-264459, 264461 **Fax:** 01284-264463

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 24<sup>th</sup> January 2004.

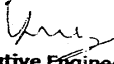
II) Permission for interconnection No. JDVVNL/SE/PP&M/JU/D. 1838 Dated 12-03-04

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 **14<sup>th</sup> 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 – **14<sup>th</sup> 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 24<sup>th</sup> January 2004.

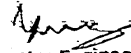
II) Permission for interconnection No. JVVNL/SE/PPNH/JU/D. 1838 Dated 12-03-04

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 29<sup>th</sup> 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 - 29<sup>th</sup> 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**  
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% Mr. ...  
Mr. ...  
copy already ...  
information*

*(Handwritten mark)*

LOAN AGREEMENT

DATED .....17<sup>th</sup> 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.)

*M. Singhania*

*Singh*

- 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.



## 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 27<sup>TH</sup> OCTOBER, 2003 AT 11.00 A.M.

<b>PRESENT:</b>	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 12<sup>TH</sup> JULY 2003**

The Minutes of the Meeting of the Board of Director held on 12<sup>th</sup> 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 Jhunjunwala, 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 Jhunjunwala 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 24<sup>th</sup> 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 Jhunjunwala, 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



# 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 27<sup>th</sup> October,2003 at 11.00 A.M

---

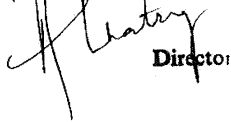
Resolved that the subject to approval of the Company , the Board of Directors of the Company is recommending installation and setting up of Windfarm Power Project in the State of Rajasthan and placed the project report received from Suzlon Energy Limited.

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

**New Delhi Office :** 58A/1, Sainik Farm, New Delhi - 110 062  
**Tel.:** 011-30905030, 30906030 **Fax :** 011 - 29552403 **E-mail :** reiagro@vsnl.com  
**Registered Office :** "Everast House" 46-C, Chowringee Road, 15<sup>th</sup> Floor, R.N. 15B, Kolkata-700 071  
**Tel.:** 033-30925061, 30925062 **Fax :** 033-22882241  
**Factory :** Plot No. 691, Sector - 2, Dathi - Jaipur Road, NH-8,  
Bawal Growth Centre, Village Jaliavas, Dist-Rewari, Haryana  
**Tel.:** 01284-264459, 264461 **Fax :** 01284-264463



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

Date : 30<sup>th</sup> September, 2003

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

Dear Sir,

This is with reference to our discussion with you on 29<sup>th</sup> 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**

	<b>Rajasthan</b>	<b>Tamilnadu</b>	<b>Karnataka</b>
<b>Name of Site</b>	Sada/ Mada, Akal, Jaisalmer	Sankeneri, Kanyakumari	Jogimatti, Chitradurg
<b>Site Detail</b>	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.
<b>Cost of Project(Rs.Lac)</b>	536	551	565
<b>Generation ( Units p.a.)</b>	29 Lacs	37 Lacs	33 Lacs
<b>Wind Availability</b>	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 :**

	<b>Rajasthan</b>	<b>Tamilnadu</b>	<b>Karnataka</b>
<b>Wind Availability</b>	Moderate	High	High
<b>Infrastructure</b>	Best	Avg.	Low
<b>Long Term PPA</b>	Best ( 20 Years )	N.A. ( Yearly )	Average ( 10 years )
<b>Payment Cycle from SEB</b>	Best ( 15-20 Days )	Better ( 30-40 Days )	Bad
<b>Policy &amp; Regulatory Stability</b>	Very High, Least Risky.	Moderate, Many times TNEB has changed the policy under their compulsion	Very Low, Not clear about what they want.
<b>Role of Fix Cap</b>	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
<b>Expected Return</b>	Moderate	Same as Raj.	High
<b>Risk Associated</b>	Moderate	Risky	High
<b>Our Choice</b>	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
<b>Rajasthan</b>	<b>77 %</b>	<b>One</b>
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 horizontal flourish 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 23<sup>rd</sup> October, 3<sup>rd</sup> & 4<sup>th</sup> 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.

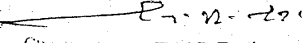
From 2<sup>nd</sup> year onwards, the land lease charges will be paid by us directly to Government of Rajasthan (GOR), Revenue Department.

3. Delivery

- a) The delivery / commissioning will be completed as per below given schedule. The part shipment will be accepted in delivery of the supply.
- b) 6 nos. WTG for commissioning by February 28, 2004 subject to Force Majeure condition.
- c) 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.

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 : 01284-266026

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 1<sup>st</sup> 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 1<sup>st</sup> April 2004.

From 1<sup>st</sup> to 3<sup>rd</sup> 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 3<sup>rd</sup> year from 1<sup>st</sup> April 2004.

Similarly, during 4<sup>th</sup> & 5<sup>th</sup> 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 5<sup>th</sup> year from 1<sup>st</sup> 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 1<sup>st</sup> 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 3<sup>rd</sup> year for the first block from 1<sup>st</sup> April 2004 and then at the end of 5<sup>th</sup> year for the second block subject to a maximum of Rs. 150 Lakhs as per clause 5(d).
- d) From 6<sup>th</sup> year to 20<sup>th</sup> 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.

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



## 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 1<sup>st</sup> 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 CO<sub>2</sub>.

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  
 Corporate Office : 10/4, Alipore Park Place, Calcutta - 700 027 Tel.: 24798750, 6472, 6477 Fax : 24785346  
 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



# 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.

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



# REI AGRO LIMITED

- d) From 6<sup>th</sup> 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.

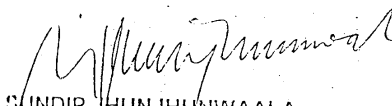
15. Jurisdiction :

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

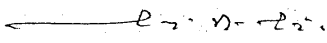
Kindly return us a copy of Purchase Order duly signed as acceptance to the terms and conditions mentioned above and issue a receipt for the amount paid as well as the Bar Chart.

Thanking you,

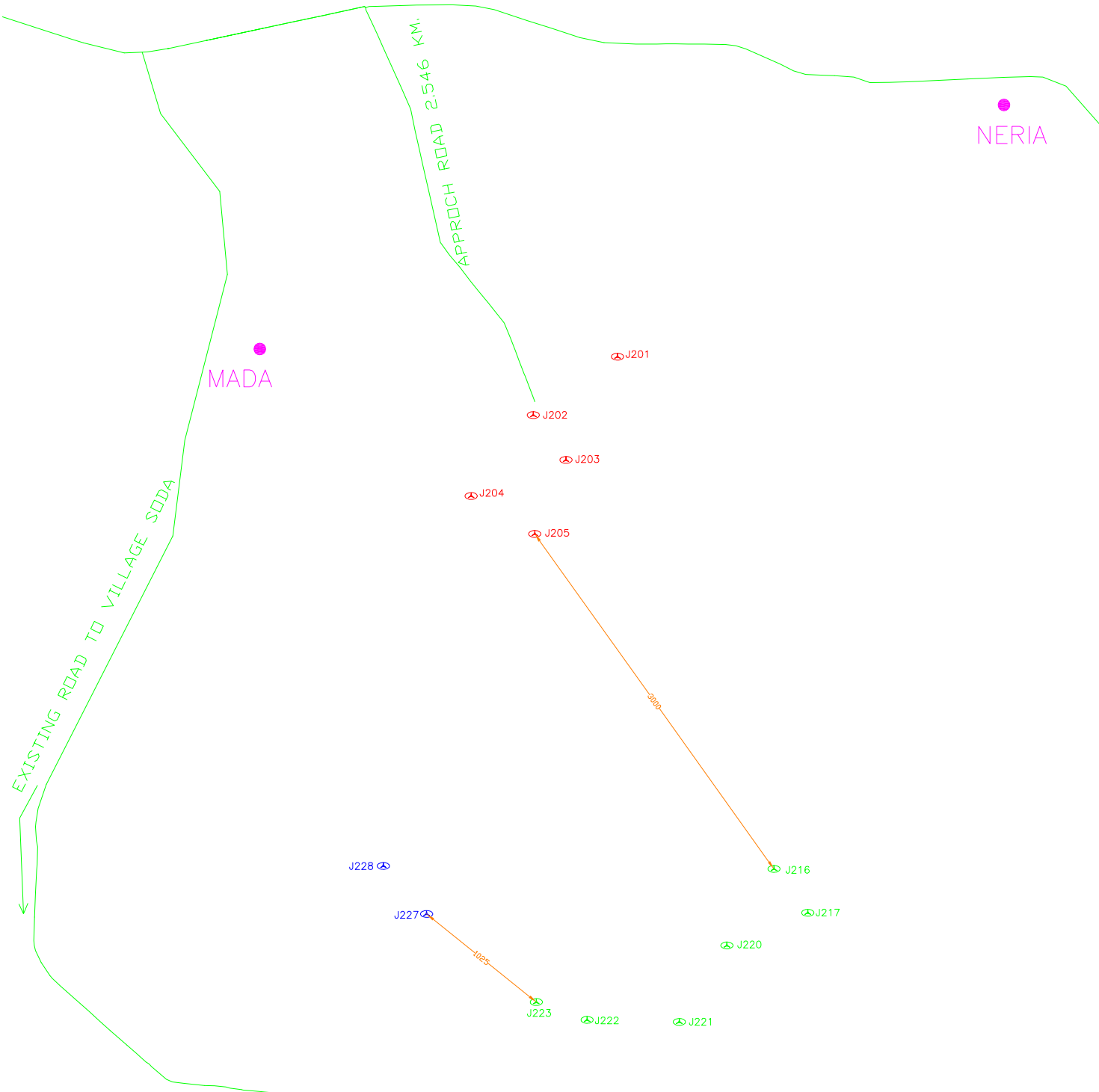
Yours faithfully,  
For REI Agro Ltd.

  
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  
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



LEGEND :-

	SUN-N-SAND
	REI Agro
	TCI

SODA

**DRAWING TITLE :- PRESENTATION DRAWING**

 N	Drg.Name <b>RJ.GPD.A0021.R0</b>	
	Print No. <b>1781</b>	Date <b>13.10.06</b>
 SUZLON	Site <b>JAISALMER</b>	Checked <b>V.C</b>
	<b>MADA-SODA</b>	Approved <b>V.B.</b>