



M/s. D. J. Malpani

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Date: 24.10.2005

To,
SUZLON ENERGY LTD.
5th Floor, Godrej Millenium Building,
9, Koregaon Park Road,
Pune- 411 001

Kind Attn: Mr. Tulsi R. Tanti – Chairman & Managing Director

Sub: Our Proposed Investment in Windmills at Dhulia / Nandurbar site in the State of Maharashtra

Dear Sir,

This refers to our various discussions with your Mr. I.C. Mangal & Ms. Anjali Lothe regarding putting up Windmills for generation of power from wind, a non-conventional energy source at Dhulia / Nandurbar site in the State of Maharashtra.

We have studied the Project and looking to the following aspects we feel that commercially it is not a profitable venture:

- The generation of power through Windmills is subject to fluctuations due to seasonal variations in wind patterns.
- Further, the policies of Government of Maharashtra / MSEDCL on captive consumption, third party sale, tariff, banking of units etc. are not very clear at the moment.

These above aspects will have a direct impact on the viability of the Windmill Project and the risk will continue during the project life of the Windmills.

However, during our last meeting at our office, Mr. I.C. Mangal had informed that Windmill installations are environment friendly. Therefore, the revenue from Windmills is likely to be supplemented through Clean Development Mechanism (CDM) under the Kyoto Protocol, which is likely to be signed by most of the developed and developing countries. On going through the various documents on the Kyoto Protocol, we agree with your view that generation of energy from Windmills be eligible for CDM benefits though it may take some more time for availing the actual benefits.

Therefore considering the probable realization of CDM benefits in future, we are pleased to inform you that we have decided to go ahead with the proposed investment in Windmills.

Accordingly, you are requested to kindly ensure timely supply, installation & commissioning of the windmills as per the terms which shall be confirmed separately in our Purchase Order (s).

Yours faithfully,
For **M/S D. J. MALPANI**

Rajesh O. Malpani

RAJESH MALPANI
PARTNER