



M/s. D. J. Malpani

Malpani House, I. G. Road, Sangamner-422 605, Dist. Ahmednagar (M.S.)
Phone : 25011/2, 25945/6/7 Fax : (02425) 25003 Email - malpani@malpani.co.i

o/c

REF No. :

Date : 20.12.2000

To,
SUZLON ENERGY LTD.
Suzlon House,
Navrangpura,
Ahmedabad-380009.

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

Dear Sir,

Sub : Purchase Order for 2 nos. of WTGs at our Vankusavade site
(Maharashtra).

Ref : Your Offer no. SEL/MKT/2000-2001/145 Dated : 14.12.2000

Please refer to your above mentioned offer for supply of 2 nos. of Suzlon make windmills (WTG) Model N 3335-350 kW and personal negotiations we had with you, we are pleased to release our order as follows:

1. Quantity

2 nos. of WTGs of 350 kW rating, type SUZLON N 3335 as per scope of supply given in your offer.

2. Price

For above quantity and scope of supply we agree to pay Rs.294 lacs (Rupees Two Crores and Ninety Four Lacs only) towards total consideration for the supply in total, which may be bifurcated by you. This price is firm and fixed and is inclusive of all taxes. We will not bear any extra taxes, duties and levies imposed by any change in Govt. policy.

3. Delivery

The delivery schedule will be as under:
2 nos. of WTGs before 15.03.2001

If commissioning certificate is not issued before 31.03.2001 and we loose depreciation benefit there will be penalty of Rs. 5 Lacs per WTG.

Part shipment will be accepted in delivery of the supply. Regarding the delivery schedule, we may ask the same for the major components viz.

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Blades, tower members, nacelles, transformers, VCB etc. The delivery schedule must be ahead of the schedule for completion of the work already highlighted in our work order to SDPL. We suggest that atleast 10 days gap must persist.

4. Scope of supply

- a) The supply of the 2 nos. of SUZLON N3335-350 KW Wind Turbine Generators (WTGs) comprising mainly of components having specification and quantity as listed in standard scope of your offer which must also follow the quality and performance standard prevailing in windmill industry (Annexure I)
- b) All the WTGs must be fitted with imported gear boxes either Flender AG Germany make or any other suitable imported make only, in consultation with our representative.
- c) The electricals equipments/items either HT or LT must follow the highest standard prevailing in our country.
- d) All above components related to WTGs and overhead line must be brand new and free from any minute/major defects in material/ design/ engineering and construction.
- e) It is also required to use the material / equipment / components best suited for local conditions related to grid and atmosphere to avoid fast deterioration.
- f) The WTGs must strictly follow the standards laid down by Ministry of Non-conventional Energy Sources of Energy Dept., Central Govt.

5. Terms of payment

Terms of payment for this order are as follows.

- a) 25% advance with placement of order i.e .Rs. 73.5 Lacs (Rupees Seventy Three Lacs and Fifty Thousand only)
- b) 75% on pro-rata basis against B/L or Invoices. Delivery of WTGs will be made in more than one consignment and payment will be made against each consignment.
Balance Rs. 220.5 Lacs(Rupees Two Crores Twenty Lacs and fifty thousand only) as follows:
Rs. 50 Lacs on Tower Supply
Rs. 70 Lacs on Nacelle Supply
Rs. 60.50 Lacs on Blade Supply
Rs. 40 Lacs on Commissioning

6. Financial Arrangements

The project shall be self funded.



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7. Insurance

You will be responsible for the insurance of the WTGs covering the risk involved during transportation, storage and commissioning.

We will be responsible for the insurance of the WTGs only after commissioning and handing over of the machines. We will take the necessary insurance for machinery brake down policy also once the guarantee period is over which is for one year.

8. Generation Guarantee

You have assured us to get a generation of 12 lacs kWh per year from 2 nos. of WTGs in aggregate at controller for the first year of operation. This guaranteed generation is for 1 year from the date of commissioning. Any shortfall due to non-availability of grid would be considered and accordingly the guaranteed generation will be calculated.

If there is any shortfall in the said guaranteed generation considering the grid shortfall would be reimbursed by SEL to us at the rate of MSEB power purchase rate.

The above guarantee shall be valid for a period of 1 year for operation only.

9. Reactive Power Guarantee

You have assured us that the average reactive power withdrawal will be less than 10% of actual generation on annual basis. If it is more than 10% then Suzlon will compensate to us for this extra reactive power.

10. Operation and Maintenance Services

You will provide or arrange for O & M services free of cost for the initial two years from the date of commissioning. The O&M charges from the third year onwards shall be Rs. 1.70 lacs per WTG p.a. with an annual escalation of 10%. The O&M contract shall be reviewed after five years. Under the O&M contract Suzlon shall guarantee a minimum machine availability of 95% per WTG per year. The details of the O&M Contract are to be worked out separately and frozen by February end.

Suzlon under the O&M services shall provide routine operations & maintenance of the WTGs and security arrangements. The O&M charges exclude cost towards spares consumed.

Suzlon shall carry out the total breakdown maintenance for the WTGs. However all the necessary spares, consumables, labour and technical expertise for the said purpose shall be charged at actuals only by Suzlon to

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us. The cost associated with such repairs and replacements will be recovered by us from the breakdown policy.

You will ensure us the trouble free operation to avoid any unnecessary generation loss.

You will regularly report the performance of the WTG and any fault in machine and grid. Also, you will send the weekly generation report to our office at Sangamner for complete windfarm by fax or e-mail and post.

11. Warranty

You will provide one-year full warranty for the entire WTG & CMCS to be supplied by you.

12. Manuals

You will supply 3 copies of operation maintenance and spare parts manual. Also sub drawings and maintenance manual of major components will be supplied by you. In addition to documents indicated in draft order, we may ask for micro siting drawings and line diagram.

13. Provision for CMCS

The control panels supplied by you should have adequate provision to connect the WTGs with CMCS. In future, if we wish, you should provide CMCS system for the said machines with additional cost. The CMCS system must be equipped with the necessary ports and connectivity required for either telephone connection or FM Modules.

14. Training

You will arrange for both on site and in-house (factory) training for our engineers and technicians at no extra cost for WTG as well as CMCS and peripheral devices.

15. Quality Standard

You should follow ISO 9002 quality standards for your supply and site execution work and related documents / papers would be submitted to us as and when required.

16. Make of Components

All indigenous and imported components make should be as per Annexure-II.