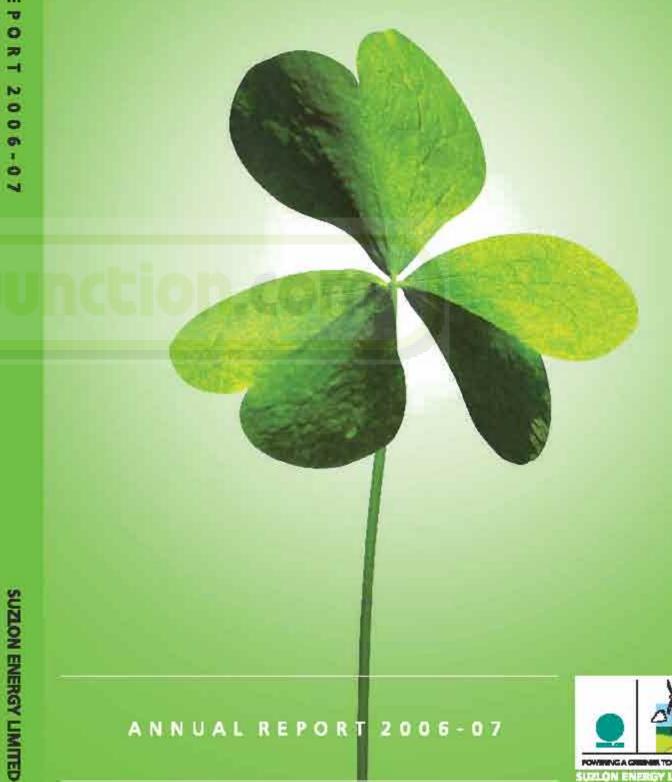
### TAKING CLEANER VISIONS TO GREENER REALITIES





#### BEGISTERED OFFICE

"Suzion" 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009 Tul: +91-79-2647 1100

Fax: +91-79-2656 5540

#### COMPORATE OFFICE

5th Floor, Godref Millennium, 9, Koregaon Perk Road, Pune - 411 001 Tel.: +91-20-4012 2000 Fax: +91-20-4012 2100 www.sudon.com

ANNUAL REPORT 2006-07



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## **COMPANY INFORMATION**

**ROARD OF DIRECTORS** 

Tulsi R. Tanti Girish R. Tanti Ajay Relan Ashish Dhawan Pradip Kumar Khaitan V. Raghuraman Chairman & Managing Director

Executive Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

**COMPANY SECRETARY** 

Hemal A. Kanuga

AUDITORS

SNK & Co. Chartered Accountants E-2-B, The Fifth Avenue, Dhole Patil Road, Near Regency Hotel, Pune - 411 001 S.R. Batliboi & Co. Chartered Accountants The Metropole, F-1, 1st Floor, Bund Garden Road,

Pune - 411 001

**BANKERS** 

Bank of Baroda Bank of Maharashtra Citibank, N. A. Deutsche Bank AG HDFC Bank Ltd. The HSBC Ltd. IDBI Ltd. Indian Overseas Bank ING Vysya Bank Ltd.

ICICI Bank Ltd.

Punjab National Bank Standard Chartered Bank State Bank of Bikaner & Jaipur State Bank of India State Bank of Indore State Bank of Patiala

UTI Bank Ltd.

**REGISTERED OFFICE** 

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Ahmedabad - 380 009 Tel.: +91-79-2647 1100 Fax: +91-79-2656 5540

CORPORATE OFFICE

5th Floor, Godrej Millennium, 9, Koregaon Park Road, Pune - 411 001

Tel.: +91-20-4012 2000 Fax: +91-20-4012 2100

**BRANCH OFFICES** 

Bangalore Chennai Coimbatore Hyderabad Indore Jaipur Kolkata Mumbai

New Delhi Surat

Thiruvananthapuram

Vadodara

FACTORY LOCATIONS

Survey No. 588 Paddar, Bhuj - 370 105

Plot No. H-24 & H-25 M. G. Udyognagar Indl. Estate Dhabel, Daman - 396 210

Plot No. 306/1 & 3, Bhimpore, Nani Daman, Daman - 396 210

Survey No. 42/ 2 & 3, 54, 1 to 8 Bhenslore Road, Dunetha Daman - 396 210

Plot No. 57/3, (2 & 3), Dunetha, Daman - 396 210 Survey No. 86/3-4, 87/1-3-4, 88/1-2-3

89/1-2, Kadaiya Daman - 396 210

Survey No. 282, Chhadvel (Korde), Sakri, Dhule - 424 305

Survey No. 574, 59 Thiruvandarkoil, Thribhuvani Road Pondichery - 605 107

Block No. 93, National Highway No. 8, Varnama-Vadsala, Dist. Vadodara - 391 240

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited 17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081

Tel.: +91-40-2342 0815/16/17/18 Fax: +91-40-2342 0814 E-mail: suzlon.ipo@karvy.com Website: www.karvy.com



# VISION

In the 12 years of its existence, Suzlon has gone from strength to strength in every aspect of its operations. Our remarkable journey to the forefront of wind energy was achieved out of a vision to be the world's best. As the Suzlon saga surges forward, we raise our vision to even further horizons.

To be the technology leader in the wind energy industry

To be among the top three wind energy companies in the world

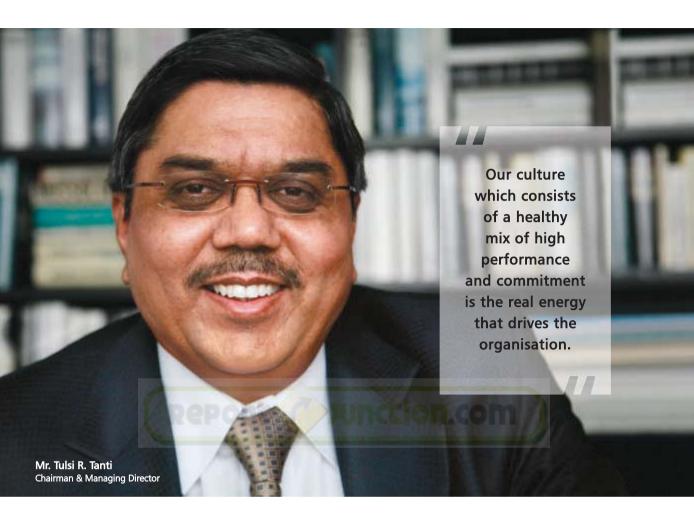
To be the most respected brand and preferred company for all stakeholders

To be the best team and best workplace

To be the fastest growing and most profitable Company in the sector



## LETTER FROM THE CHAIRMAN



#### Dear Shareholder.

We meet in times when business is being redefined across the globe. With the world shrinking like never before, previously unexplored geographies have become potential markets. Areas like manpower, technology, logistics and finance have all acquired new possibilities in today's fast paced business environment. Industrial progress across the planet has lead to a quantum improvement in our lives. We have built new businesses, created new jobs and discovered opportunities where none existed. But all this has come at a price.

#### A TIPPING POINT IN HISTORY

There is an established scientific consensus that the world as we know it is changing - and that humanity and its ways bear considerable responsibility for the consequences. What had long been missing was a will arising out of this knowledge to act. But now we are beginning to see a renewed determination to change the status quo of our ways before it is much too late.

It is an acknowledged fact that no single species has exerted itself on our planet the way we humans have. However, it is now becoming apparent that our pursuit of



development has come at a cost, and changes like species extinction, loss of forest cover, fossil fuel depletion, oceans dredged of life, pollution choking our skies, glaciers melting and rivers drying up have become all too familiar realities.

It is now clear that what was quickly pushed aside as the 'price of development' is the most significant danger humanity has ever faced. And now we face times where our pursuit of development itself is at risk; with the world reeling from skyrocketing energy demands, price shocks and geopolitical instability.

The time has come to not just look for immediate development and growth, but also ensure the fundamentals for sustainable development. An important way to achieve this is to diversify the world's energy sources away from exhaustible fossil fuels, towards resources that are renewable, sustainable and well distributed across the world.

This entails a paradigm shift in our thinking and our approach to 'progress'. And it is here that our adaptability once again comes to the fore, in the form of technologies, innovative approaches and a determined focus on spreading awareness, and creating a will to make possible a sustainable future.

#### **INSTRUMENTS OF CHANGE**

Today with the growing awareness of the challenges that face us, there is also a growing recognition of the technology and applications that offer the answer. While there are several renewable technologies which offer immense promise, among them solar, tidal, wave et al. wind energy has come to the fore as the most technologically mature, commercially viable, with the widest applicability and global potential.

#### WINDS OF FORTUNE

As the world races forward on its path of development, there will predictably be a steady but certain rise in the now already overburdened energy supply.

Global GDP continues to grow at a rate of 4-5%, accelerated by double digit growth rates of many countries including two of our key markets - India and China. This will directly impact global net-electricity-consumption which is expected to increase by 47% by the year 2015. It is estimated that by 2015, we will be confronted with a new generation capacity requirement of almost 1,271 GW. Pushed to the limit, cost of conventional energy will inevitably rise, while concerns surrounding oil and gas availability will add to the uncertainty.

Today, wind energy has unquestionably emerged as the second largest renewable energy source. It is currently being harnessed by almost 70 countries of which 19 countries have already installed more than 100 MW each in 2006. Installed wind energy has touched 74 GW in the same year. By 2016 this is expected to touch a phenomenal 455 GW.



It is not enough to end with a product that's environmentally friendly. But to begin from there. To seek to make each step towards the creation of this product similarly so, by reducing the consumption of resources in the making of it. And to regulate and restrict the residual pollution that may result from it. All in a sincere effort to reduce our own ecological footprint on this beautiful planet. Because to us, 'sustainability' begins from there.

It is estimated that the world wind-energy marketplace will continue to grow at around 25% till past 2010. Wind analysts estimate that technically recoverable wind power across the world is as high as 53,000 Terawatt Hour/year, over twice the world's energy demand projection for 2020. Wind researchers estimate that by the year 2040, wind energy will produce 3,200 GW towards meeting the world's energy needs, which by then will represent 23% of global consumption.

#### THE WIND IN OUR SAILS

We had long anticipated this opportunity, and worked with a vision and passion, to build an organization that is poised to take advantage of the changing winds in the world's economy, and on the global energy stage.

Taking this forward, your company in the past year has taken major strides towards turning

our vision of a world leader in wind energy, into reality.

Our acquisition of Hansen Transmissions is a major step in our drive for technological leadership in the wind arena. Hansen ranks among the world leaders in wind gearbox technology, and brings to our fold the capability to leverage component-level R&D to design the next generation of highly efficient, reliable and customized wind power solutions.

We have also moved forward plans to substantially increase our core R&D capabilities by investing in leading edge talent; as well as expanding our R&D footprint through a new 'Innovation Centre' in Denmark, and a 'Technology Campus' in Germany.

We also saw to a successful conclusion, the acquisition bid for REpower Systems of Germany. Suzlon, with this acquisition, has

