

## NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the Members of Suzlon Energy Limited will be held on Friday, 13th August 2010, at 11.00 a.m. at Bhaikaka Bhawan, Law College Road, Ahmedabad - 380 006 to transact the following businesses:

### ORDINARY BUSINESS:

#### 1. Adoption of Annual Accounts, etc. for 2009-10-

To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.

#### 2. Re-appointment of Mr. Pradip Kumar Khaitan as Director-

To appoint a Director in place of Mr. Pradip Kumar Khaitan, who retires by rotation and being eligible, offers himself for re-appointment.

#### 3. Re-appointment of Mr. Ashish Dhawan as Director -

To appoint a Director in place of Mr. Ashish Dhawan, who retires by rotation and being eligible, offers himself for re-appointment.

#### 4. Appointment of Statutory Auditors -

To appoint M/s. SNK & Co., Chartered Accountants, Pune and M/s. S. R. Batliboi & Co., Chartered Accountants, Pune, as statutory auditors and fix their remuneration.

### SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modifications, the following resolutions:

#### 5. Giving of Donations for Charitable Purposes -

##### As an Ordinary Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded under the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to contribute on behalf of the Company to charitable and other funds not directly relating to the business of the Company or the welfare of the employees of the Company from time to time, as it may deem fit, provided however that the total amount up to which the Board of Directors may contribute to such charitable and other funds as aforesaid from time to time shall not exceed, in the aggregate, the sum of Rs. 5,00,00,000 (Rupees Five Crores only) in any one Financial Year."

#### 6. Remuneration of Mr. Tulsi R. Tanti -

##### As a Special Resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Government of India, Ministry of Corporate Affairs, the consent of the Company be and is hereby accorded to ratify, confirm and approve the remuneration of Rs. 1,50,00,000 (Rupees One Crore Fifty Lakhs Only) paid to Mr. Tulsi R. Tanti, Chairman & Managing Director of the Company, for the Financial Year 2009-2010 as detailed in the Explanatory Statement hereinunder."

"RESOLVED FURTHER THAT notwithstanding that such remuneration paid exceeded the limits prescribed in terms of Section II (B) of Part II of Schedule XIII of the Companies Act, 1956, on account of the losses incurred by the Company, the Company shall not recover the excess remuneration paid to Mr. Tulsi R. Tanti, Chairman & Managing Director, for the Financial Year 2009-2010, subject to the approval of the Government of India in terms of Sections 198 and 269 of the Companies Act, 1956, and that such excess remuneration paid shall be held in trust for the Company until such time that the approval of the Government of India is received by the Company."

"RESOLVED FURTHER THAT in partial modification of earlier resolution passed by the Shareholders of the Company on May 22, 2008 by way of postal ballot and in accordance with the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, if, on account of loss or inadequacy of profits, the remuneration paid /

payable to Mr. Tulsi R. Tanti for the Financial Year 2010-2011 (in terms of resolution dated May 22, 2008) exceeds the limits prescribed in terms of Section II (B) of Part II of Schedule XIII of the Companies Act, 1956, the consent of the Company be and is hereby accorded to pay to and not to recover from Mr. Tulsi R. Tanti such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs."

## 7. Remuneration of Mr. Girish R. Tanti -

### As a Special Resolution:

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Government of India, Ministry of Corporate Affairs, the consent of the Company be and is hereby accorded to ratify, confirm and approve the remuneration of Rs.60,00,000 (Rupees Sixty Lakhs Only) paid to Mr. Girish R. Tanti, Executive Director of the Company, for the Financial Year 2009-2010 as detailed in the Explanatory Statement hereinunder."

"RESOLVED FURTHER THAT notwithstanding that such remuneration paid exceeded the limits prescribed in terms of Section II (B) of Part II of Schedule XIII of the Companies Act, 1956, on account of the losses incurred by the Company, the Company shall not recover the excess remuneration paid to Mr. Girish R. Tanti, Executive Director, for the Financial Year 2009-2010, subject to the approval of the Government of India, in terms of Sections 198 and 269 of the Companies Act, 1956, and that such excess remuneration paid shall be held in trust for the Company until such time that the approval of the Government of India is received by the Company."

"RESOLVED FURTHER THAT in partial modification of earlier resolution passed by the Shareholders of the Company on May 22, 2008 by way of postal ballot and in accordance with the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956, if, on account of loss or inadequacy of profits, the remuneration paid / payable to Mr. Girish R. Tanti for the Financial Year 2010-2011 (in terms of resolution dated May 22, 2008) exceeds the limits prescribed in terms of Section II (B) of Part II of Schedule XIII of the Companies Act, 1956, the consent of the Company be and is hereby accorded to pay to and not to recover from Mr. Girish R. Tanti such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs."

## 8. Modification in terms of Special ESOP- 2007 for Employees of the Company -

### As a Special Resolution:

"RESOLVED THAT in partial modification of earlier resolution passed by the Shareholders of the Company on May 22, 2008 by way of postal ballot and in accordance with the provisions of the Companies Act, 1956 (the 'Act'), Clause 7 and other applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "ESOP Guidelines") (including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines, for the time being in force), the Articles of Association and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee including Remuneration Committee which the Board has constituted and/ or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution), the Company ratifies, confirms and approves the variation of the terms of the Special Employee Stock Option Plan - 2007 (hereinafter referred to as the "Special ESOP- 2007" or the "Scheme"), as approved by the Shareholders of the Company on May 22, 2008, introduced for the benefit of such person(s) who are in permanent employment of the Company including Directors of the Company, whether working in India or out of India, and as approved by the Remuneration Committee by its resolution dated April 9, 2010 passed by way of circular resolution for implementation of Special ESOP-2007 with effect from April 1, 2010 on varied and revised terms and conditions, a summary of which is given below:

- a. Total number of Options granted / to be granted to each eligible employee has been increased from 750 Options to 1,500 Options.
- b. Earlier the total number of options approved under the Special ESOP-2007 was 1,50,00,000 options, out of which 40,00,000 options were reserved for employees of the Company and 1,10,00,000 Options were reserved for employees of its subsidiaries. Now it has been decided that the total number of options granted / to be granted under Special ESOP-2007 to the Employees of the Company and its subsidiaries, in aggregate, shall not exceed 1,50,00,000 as already approved.
- c. The vesting period of 3 years from the Date of Grant is changed as under:  
500 Options at the end of 1st year from the Date of Grant;  
500 Options at the end of 2nd year from the Date of Grant; and  
500 Options at the end of 3rd year from the Date of Grant

- d. The Exercise Period approved was 1 year from the Date of Vesting. It is now changed to anytime after the Date of Vesting for the vested options, subject to the condition that all vested options must be exercised latest by March 31, 2014.
- e. The employees of REpower and Hansen are specifically excluded in earlier resolution. Hansen has ceased to be a subsidiary of the Company. Six eligible employees of the Company's subsidiary in Turkey have been excluded due to huge regulatory costs involved. However, they shall be suitably compensated."

"RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Shareholders of the Company."

#### 9. Modification in terms of Special ESOP-2007 for Employees of the Company's Subsidiary Companies -

##### As a Special Resolution:

"RESOLVED THAT in partial modification of earlier resolution passed by the Shareholders of the Company on May 22, 2008 by way of postal ballot and in accordance with the provisions of the Companies Act, 1956 (the 'Act'), Clause 7 and other applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "ESOP Guidelines") (including any statutory modification(s) or re-enactment of the Act or the ESOP Guidelines, for the time being in force), the Articles of Association and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee including Remuneration Committee which the Board has constituted and/ or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution), the Company ratifies, confirms and approves the variation of the terms of the Special Employee Stock Option Plan - 2007 (hereinafter referred to as the "Special ESOP- 2007" or the "Scheme"), as approved by the Shareholders of the Company on May 22, 2008, introduced for the benefit of such person(s) who are in permanent employment of the Company's subsidiary companies, whether working in India or out of India, as approved by the Remuneration Committee by resolution dated April 9, 2010 passed by way of circular resolution for implementation of Special ESOP-2007 with effect from April 1, 2010 on varied and revised terms and conditions, a summary of which is given below:

- a. Total number of Options granted / to be granted to each eligible employee has been increased from 750 Options to 1,500 Options.
- b. Earlier the total number of options approved under the Special ESOP-2007 was 1,50,00,000 options, out of which 40,00,000 options were reserved for employees of the Company and 1,10,00,000 Options were reserved for employees of its subsidiaries. Now it has been decided that the total number of options granted / to be granted under Special ESOP-2007 to the Employees of the Company and its subsidiaries, in aggregate shall not exceed 1,50,00,000.
- c. The vesting period of 3 years from the Date of Grant is changed as under:  
500 Options at the end of 1st year from the Date of Grant;  
500 Options at the end of 2nd year from the Date of Grant; and  
500 Options at the end of 3rd year from the Date of Grant.
- d. The Exercise Period approved was 1 year from the Date of Vesting. It is now changed to anytime after the Date of Vesting for the vested options, subject to the condition that all vested options must be exercised latest by March 31, 2014.
- e. The employees of REpower and Hansen are specifically excluded in earlier resolution. Hansen has ceased to be a subsidiary of the Company. Six eligible employees of the Company's subsidiary in Turkey have been excluded due to huge regulatory costs involved. However, they shall be suitably compensated."

"RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Shareholders of the Company."



## 10. Appointment of Mr. Pranav T. Tanti -

### As a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Shareholders of the Company be and is hereby granted to the appointment of Mr. Pranav T. Tanti, son of Mr. Tulsi R. Tanti, Chairman & Managing Director of the Company, as Finance Manager in Suzlon Wind Energy Corporation, USA, a subsidiary of the Company, with effect from 1st September 2010 for a period of 3 years at an annual remuneration of US\$ 85,000 together with other benefits and allowances as applicable / payable to employees occupying similar positions in the said cadre as per rules of the Company and as required by the applicable local laws and regulations and that he shall be further entitled, as per the applicable laws and regulations and rules of Suzlon Wind Energy Corporation, USA, to such increments, allowances, benefits, amenities and facilities, which shall be applicable to other officers of same category or grade."

By order of the Board of Directors  
Suzlon Energy Limited

Place - Mumbai

Dated - Saturday, May 29, 2010

Ashok Jangid  
Vice President and Company Secretary

Registered Office:

"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009.

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the 15th Annual General Meeting of the Company.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the aforesaid items of Special Business is given hereinunder.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, August 2, 2010 to Friday, August 13, 2010 (both days inclusive) for the purpose of the 15th Annual General Meeting.
5. Profile of directors seeking re-appointment as stipulated under Clause 49 of the Listing Agreement with stock exchanges is given hereinunder.
6. Corporate members intending to send their authorised representatives to attend the 15th Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Members desirous of asking any questions at the 15th Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 days before the date of the 15th Annual General Meeting so that the same can be suitably replied to.
8. Members/proxies are requested to bring their attendances slip along with their copy of Annual Report to the meeting.



# EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956, in respect of the Items of the Special Business as mentioned in the above Notice.

## Item No.5

The Board of Directors of the Company feels that as a part of its Corporate Social Responsibility initiative, the Company should contribute certain amount to charitable institutions and /or trusts, etc. However, in terms of Section 293 (1)(e) of the Companies Act, 1956, a company cannot contribute to any charitable or other funds not directly relating to the business of the Company or welfare of its employees, any amount the aggregate of which will in any Financial Year exceed Rs.50,000 (Rupees Fifty Thousand Only) or 5% of its average net profits determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three Financial Years immediately preceding, whichever is greater, except with the consent of members in the general meeting of the company.

In light of the above read with the provisions of Section 293(1)(e) of the Companies Act, 1956, you are requested to grant your consent to the Ordinary Resolution as set out at agenda Item No. 5 in the above Notice.

None of the Directors of the Company is deemed to be concerned or interested in the said resolution, except to the extent that some of our Directors may be associated with companies, trusts or other entities to which the Board of Directors may consider making contribution.

## Item No.6

In terms of the Shareholders' Resolutions dated May 22, 2008, in the event of loss or inadequacy of profits, Mr. Tulsi R. Tanti, Chairman & Managing Director, was to be paid remuneration within the limits as prescribed under Part II Section II (B) of Schedule XIII to the Companies Act, 1956. The Company has paid remuneration exceeding the aforesaid limits to Mr. Tulsi R. Tanti for the Financial Year 2009-2010 and the Company has incurred losses to have permitted such remuneration paid. Accordingly, the Company shall make an application to the Government of India, for waiver of excess or overpayment i.e. amount exceeding the limits prescribed by Section II(B) of Part II of Schedule XIII of the Companies Act, 1956, as under:

| Remuneration paid (excluding gratuity and PF)     | Limit as per Part II Section II (B) of Schedule XIII | Excess Remuneration paid                         | Total remuneration paid subject to approval of Government of India |
|---|--|--|--|
| Rs.1,35,33,180<br>(Rs.1,50,00,000 - Rs.14,66,820) | Rs.48,00,000   | Rs. 87,33,180<br>(Rs.1,35,33,180 - Rs.48,00,000) | Rs.8,733,180   |

Approval of the Shareholders is also sought for ratifying the total remuneration paid to Mr. Tulsi R. Tanti for the Financial Year 2009-2010, as under:

| Salary (Rs.)   | Retirements benefits (Gratuity & PF) | Bonus / Commission / Stock options | Total          |
|----------------|--------------------------------------|------------------------------------|----------------|
| Rs.1,35,33,180 | Rs.14,66,820                         | Nil                                | Rs.1,50,00,000 |

Further, in partial modification of the resolution dated May 22, 2008, if, on account of loss or inadequacy of profits, the remuneration paid / payable to Mr. Tulsi R. Tanti for the Financial Year 2010-2011 (in terms of resolution dated May 22, 2008) exceeds the limits prescribed in terms of Section II(B) of Part II of Schedule XIII of the Companies Act, 1956, the consent of the Shareholders is sought to pay and not recover from Mr. Tulsi R. Tanti such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs.

The global wind industry has been facing challenges due to ensuing credit crisis resulting in lack of availability of finances for new projects. The year 2009 witnessed a longer than expected slowdown resulting in reduced orders, large increase in working capital, and overcapacity across the sector. This challenging environment resulted in a significant reduction in new orders for the Company thereby impacting its profitability for the Financial Year 2009-10. However, the wind industry remains fundamentally strong and has a robust outlook. With US stimulus coming through along with significant positive developments in China, Australia and India, wind investments are gaining momentum across the globe. The steps taken and proposed to be taken for improvement are listed in the Company's Annual Report for the Financial Year 2009-10. Considering the contributions of Mr. Tulsi R. Tanti as the Chairman & Managing Director of the Company, size of operations, market conditions, remuneration level of directors and senior managerial personnel in comparable companies, the remuneration being paid to Mr. Tulsi R. Tanti is very modest.



Your Board of Directors recommends the passing of the Special Resolution as set out at Agenda Item No. 6 in the above Notice in the interest of the Company. None of the directors, except Mr. Tulsi R. Tanti, Chairman & Managing Director, and Mr. Girish R. Tanti, Executive Director, as brother of Mr. Tulsi R. Tanti, are concerned or interested in this Resolution.

#### **Item No. 7**

In terms of the Shareholders' Resolutions dated May 22, 2008, in the event of loss or inadequacy of profits, Mr. Girish R. Tanti, Executive Director was to be paid remuneration within the limits as prescribed under Part II Section II (B) of Schedule XIII to the Companies Act, 1956. The Company has paid remuneration exceeding the aforesaid limits to Mr. Girish R. Tanti for the Financial Year 2009-2010 and the Company has incurred losses to have permitted such remuneration paid. Accordingly, the Company shall make an application to the Government of India, for waiver of excess or overpayment i.e. amount exceeding the limits prescribed by Section II (B) of Part II of Schedule XIII of the Companies Act, 1956, as under:

| Remuneration paid (excluding gratuity and PF)   | Limit as per Part II Section II (B) of Schedule XIII | Excess Remuneration paid                        | Total remuneration paid subject to the approval of Government of India |
|---|--|---|--|
| Rs. 55,80,912<br>(Rs. 60,00,000 - Rs. 4,19,088) | Rs. 48,00,000  | Rs. 7,80,912<br>(Rs. 55,80,912 - Rs. 48,00,000) | Rs. 7,80,912   |

Approval of the Shareholders is also sought for ratifying the remuneration paid to Mr. Girish R. Tanti for the Financial Year 2009-2010, as under:

| Salary        | Retirements benefits (Gratuity & PF) | Bonus / Commission / Stock options | Total         |
|---------------|--------------------------------------|------------------------------------|---------------|
| Rs. 55,80,912 | Rs. 4,19,088                         | Nil                                | Rs. 60,00,000 |

Further, in partial modification of the resolution dated May 22, 2008, if, on account of loss or inadequacy of profits, the remuneration paid/payable to Mr. Girish R. Tanti for the Financial Year 2010-2011 (in terms of resolution dated May 22, 2008) exceeds the limits prescribed in terms of Section II(B) of Part II of Schedule XIII of the Companies Act, 1956, the consent of the shareholders is sought to pay and not recover from Mr. Girish R. Tanti such excess remuneration, subject to the approval of the Government of India, Ministry of Corporate Affairs.

The global wind industry has been facing challenges due to ensuing credit crisis resulting in lack of availability of finances for new projects. The year 2009 witnessed a longer than expected slowdown, resulting in reduced orders, large increase in working capital, and overcapacity across the sector. This challenging environment resulted in a significant reduction in new orders for the Company thereby impacting its profitability for the Financial Year 2009-10. However, the wind industry remains fundamentally strong and has a robust outlook. With US stimulus coming through along with significant positive developments in China, Australia and India, wind investments are gaining momentum across the globe. The steps taken and proposed to be taken for improvement are listed in the Company's Annual Report for the Financial Year 2009-10. Considering the contributions of Mr. Girish R. Tanti as Executive Director of the Company, size of operations, market conditions, remuneration level of directors and senior managerial personnel in comparable companies, the remuneration being paid to Mr. Girish R. Tanti is very modest.

Your Board of Directors recommends the passing of the Special Resolution as set out at Agenda Item No. 7 in the above notice in the interest of the Company. None of the directors, except Mr. Girish R. Tanti, Executive Director and Mr. Tulsi R. Tanti, Chairman & Managing Director, brother of Mr. Girish R. Tanti, are concerned or interested in this Resolution.

#### **Items No. 8 & 9**

The exponential growth of the Company has, in large measure, been possible owing to the wholehearted support, commitment and teamwork of its employees. The Company believes that all the employees of the Company and its subsidiaries are the true stakeholders and should participate in the growth and prosperity of the Company. Accordingly, in terms of recommendation of Remuneration Committee of the Board of Directors of the Company on 4th February 2008, the Board of Directors of the Company had introduced "Special Employee Stock Option Plan - 2007" ("Special ESOP-2007") for the benefit of all the permanent employees of the Company and its domestic and international subsidiaries (excluding REpower and Hansen) which was subsequently approved by the Shareholders of the Company on May 22, 2008 by way of postal ballot process.





Since Special ESOP-2007 covered large number of employees in different countries, the grant of options under Special ESOP-2007 was subject to various complex and stringent international regulatory norms and regulations and therefore its implementation has been delayed.

Subsequently, the Remuneration Committee has on April 9, 2010 by way of Resolution by Circulation, approved the implementation of Special ESOP 2007 with effect from April 1, 2010. Accordingly, the Company has granted 1,41,43,500 Options to 9,429 eligible employees of the Company and its Subsidiaries under the Scheme with effect from April 1, 2010. Further, the Company proposes to grant 2,73,000 Options to 182 eligible employees of the Company's subsidiary in Australia under the Scheme. As the implementation of Special ESOP-2007 has been considerably delayed and considering the current market price of the equity shares of the Company vis-à-vis the market price as on date of Shareholders approval i.e. May 22, 2008 and in order to make Special ESOP 2007 beneficial to the employees, it was necessary to revise certain terms and conditions for the benefit of the employees, as compared to the terms and conditions earlier approved by the Board of Directors and the Shareholders.

Accordingly in terms of Shareholders Resolution dated May 22, 2008 passed by way of postal ballot process empowering the Remuneration Committee to vary any of the terms and conditions of Special ESOP-2007 or generally vary the Special ESOP-2007, the Remuneration Committee has on April 9, 2010, subject to approval of the Shareholders varied some of the terms and conditions of the Special ESOP-2007 as detailed in the Resolution.

The salient features of the revised Special ESOP-2007 are as under:

**(a) The total number of options granted/ to be granted**

The total number of Options that may be granted to the employees of the Company and its subsidiaries, together with the Options already granted under the Scheme, in aggregate, shall not exceed 1,50,00,000 number of equity shares of Rs.2/- each of the Company. All the eligible employees of the Company and its subsidiaries have been / would be uniformly granted 1,500 Options. The Remuneration Committee reserves the right to vary the total number of options granted per employee as it may think fit.

**(b) Identification of classes of employees entitled to participate in the Special ESOP-2007**

All permanent employees of the Company and its subsidiaries as on February 28, 2010; and who

1. are in the Grade below General Manager or equivalent;
2. joined Suzlon Energy Limited or its subsidiary on or before September 30, 2009;
3. did not receive previously a grant under ESOP 2005, ESOP 2006, ESOP 2007 and/or Special ESOP 2009; and
4. have not received notice of termination or have not indicated that he/she would like to terminate the employment on or before February 28, 2010.

While considering the eligible employees, the employees of REpower Group of companies and employees of the Company's subsidiary in Turkey have been specifically excluded.

Under the prevailing regulations, an employee who is a promoter or belongs to the promoter group will not be eligible to participate in the Special ESOP-2007.

The options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

The Remuneration Committee reserves the right to vary any of the criteria for identification of classes of employees entitled to participate in the Special ESOP-2007 as it may think fit.

**(c) Requirements of vesting and period of vesting**

The vesting period shall be as under:

- 500 Options at the end of 1st year from the Date of Grant;
- 500 Options at the end of 2nd year from the Date of Grant; and
- 500 Options at the end of 3rd year from the Date of Grant.

The Special ESOP-2007 would become effective from the date of grant and the maximum period within which all the options shall vest is 3 years from the date of grant.

The Remuneration Committee reserves the right to vary the Vesting Schedule and the period of vesting as it may think fit.



**(d) Exercise Price or Pricing Formula**

The exercise price for the purposes of the grant of options shall be the closing price of Company's equity shares on BSE on the date(s) of grant. However, the Remuneration Committee reserves the right to vary the exercise price as it may think fit.

**(e) Exercise Period and the process of Exercise**

The exercise period shall commence from the date of vesting and the eligible employees can exercise the vested option any time after the date of vesting subject to the condition that all vested options must be exercised latest by March 31, 2014 or such other period as may be decided by the Remuneration Committee from time to time.

The Options will be exercisable by the employees by a written application to the Company to exercise the Options, in such manner, and on execution of such documents, as may be prescribed by the Remuneration Committee from time to time.

The Options will lapse if not exercised within the specified exercise period.

**(f) Appraisal Process for determining the eligibility of employees to Special ESOP-2007**

All the employees of the Company and its subsidiaries except that of REpower Group of companies and the employees of the Company's subsidiary in Turkey and who are in the Grade below General Manager or equivalent; joined Suzlon Energy Limited or its subsidiary on or before September 30, 2009; did not receive previously a grant under ESOP 2005, ESOP 2006, ESOP 2007 and / or Special ESOP 2009; and have not received notice of termination or have not indicated that he / she would like to terminate the employment on or before February 28, 2010 are eligible. However, the Remuneration Committee reserves the right to vary the eligibility criteria as it may think fit.

**(g) Method of valuation**

The Company will adopt the intrinsic value method of valuation of Options. Notwithstanding the above, the Company may adopt any other method as may be determined by the Remuneration Committee and as may be permitted under the ESOP Guidelines.

Since the Company is calculating the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' Report.

The Remuneration Committee / the Board of Directors reserve the right to vary any of the above terms and conditions of the Special ESOP-2007 or generally vary the Special ESOP-2007 from time to time.

The Company will conform to the accounting policies specified in the ESOP Guidelines, and / or such other guidelines as may be applicable, from time to time.

In terms of the ESOP Guidelines, a separate resolution is required to be passed if the benefits under the Special ESOP-2007 are also to be extended to the employees of the subsidiary companies. A Resolution is proposed accordingly under Item No. 9 to cover the employees of the subsidiary companies of the Company.

All other specifications of the Special ESOP-2007 would remain unchanged and the Board would have absolute discretion to amend, add, modify, change, and delete any of the specifications in accordance with the ESOP Guidelines or any other applicable law for the time being in force in India.

The copy of the Special ESOP-2007 is available for inspection at the Registered Office of the Company during business hours on all working days till the date of the 15th Annual General Meeting of the Company.

None of the Directors of the Company is, in any way, concerned or interested in the resolutions.

In light of above, you are requested to accord your approval to the Special Resolutions as set out at Items No. 8 & 9 in the above Notice.

**Item No. 10:**

Mr. Pranav T. Tanti, is the son of Mr. Tulsi R. Tanti, Chairman & Managing Director of the Company. He holds a Bachelor's Degree of Arts in Business Administration and Finance from Keele University, Staffordshire, UK. He has also done a Diploma Course in the International Baccalaureate from Malvern College, Worcestershire, UK. Earlier he worked with Merrill Lynch (Asia Pacific) Limited as Corporate Finance Analyst. He has been working with SE Composites Limited, a subsidiary of the Company, as





Senior Executive since March 1, 2009. He has also undergone several training programmes in various companies in varied fields.

Considering his qualification and experience, it is proposed to appoint Mr. Pranav T. Tanti as Finance Manager in Suzlon Wind Energy Corporation, USA, a subsidiary of the Company, with effect from September 1, 2010 for a period of 3 years for an annual remuneration of US\$85,000, along with other benefits and allowances payable to employees occupying similar positions in the said cadre as per rules of the Company as well as regulations of the local government authorities. The aforesaid remuneration is within the range of remuneration payable to the finance team at same grade in Suzlon Wind Energy Corporation, USA. He shall be further entitled, as per the applicable laws and regulations and rules of Suzlon Wind Energy Corporation, USA, to such increments, allowances, benefits, amenities and facilities, which are applicable to other officers of same category or grade. The remuneration proposed to be paid to Mr. Pranav Tanti is also commensurate with his educational qualifications and experience and standards prevalent in United States of America.

In terms of the provisions of Section 314 (1)(b), the appointment of relative of director of the company carrying a total monthly remuneration of Rs. 10,000 (Rs. 1,20,000 p.a.) and above under any subsidiary of the company is subject to approval of the Board of Directors and the Shareholders.

In terms of Section 314(1)(b), the Board of Directors of the Company at their meeting held on May 29, 2010 has approved the appointment of Mr. Pranav T. Tanti. Now it is necessary to obtain approval of Shareholders at the ensuing 15th Annual General Meeting by way of Special Resolution.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Item No. 10 of the above Notice. None of the directors, except Mr. Tulsi R. Tanti, Chairman & Managing Director, is concerned or interested in this Resolution.

By order of the Board of Directors  
Suzlon Energy Limited

Place- Mumbai  
Dated - Saturday, May 29, 2010

Ashok Jangid  
Vice President and Company Secretary

Registered Office:

"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009.



## Profile of Directors seeking re-appointment at the 15th Annual General Meeting as stipulated under Clause 49 of the Listing Agreement with stock exchanges is as under:

### Mr. Pradip Kumar Khaitan

Mr. Pradip Kumar Khaitan is a B.Com, LL.B., Attorney-at-Law (Bell Chambers Gold Medallist). He is a well-known lawyer and partner of Khaitan & Company, Advocates. He is a member of the Bar Council of India, Bar Council of West Bengal and Indian Council of Arbitration, New Delhi. His areas of specialisation are Commercial and Corporate Laws, Tax Laws, Arbitration, Foreign Collaborations, Mergers and Acquisition, Restructuring and De-mergers. He is not holding any shares in the Company. He is also on the boards of the following other companies:

|     |   |
|-----|---|
| 1.  | CESCLimited   |
| 2.  | Dalmia Cement (Bharat) Limited                      |
| 3.  | Electrosteel Castings Limited                       |
| 4.  | Emaar MGF Land Limited                              |
| 5.  | Gillanders Arbuthnot & Co. Limited                  |
| 6.  | Graphite India Limited                              |
| 7.  | Hindustan Motors Limited                            |
| 8.  | India Glycols Limited                               |
| 9.  | OCL India Limited                                   |
| 10. | Pilani Investment & Industries Corporation Limited  |
| 11. | South Asian Petrochem Limited                       |
| 12. | VISA Steel Limited                                  |
| 13. | Woodlands Medical Centre Limited                    |
| 14. | Egyptian Indian Polyester Co. SAE (Foreign Company) |

### Mr. Ashish Dhawan

Mr. Ashish Dhawan is the Senior Managing Director of ChrysCapital and is based in New Delhi. He is the co-founder of ChrysCapital, a private equity fund that currently manages approximately U.S. \$2,250 million across five funds. ChrysCapital's investment strategy focuses on investing in export-oriented outsourcing services and high growth domestic services. He holds a Masters degree in business administration with distinction from Harvard University and holds a dual Bachelors degree (B.S./B.A.) in applied mathematics and economics from Yale University. He is not holding any shares in the Company. He is also on the boards of the following other companies:

|    |  |
|----|--|
| 1. | Chryscapital Investment Advisors (India) Private Limited |
| 2. | ChrysCapital II, LLC                                     |
| 3. | ChrysCapital III, LLC                                    |
| 4. | ChrysCapital IV, LLC                                     |
| 5. | ChrysCapital V, LLC                                      |

