

Sustainable pursuit of excellence

Annual Report 2010-11



SUZLON
POWERING A GREENER TOMORROW

www.suzlon.com

16

years of powering a greener tomorrow

17,000 MW

of total installations by Suzlon

Footprint across 32
countries on six continents

6,000 MW

manufacturing capacity in India, China, Germany and US

13,000

employees across the world

71,500

families directly benefitting Suzlon's CSR outreach program in India

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tulsi R. Tanti	Chairman & Managing Director
Mr. Vinod R.Tanti (appointed w.e.f. 01/11/2010)	Executive Director
Mr. Girish R. Tanti (ceased as executive director w.e.f. 30/07/2011)	Non-Executive Director
Mr. Ajay Relan	Independent Director
Mr. Ashish Dhawan	Independent Director
Mr. V. Raghuraman	Independent Director
Ms. Mythili Balasubramanian (a nominee of IDBI Bank Limited w.e.f. 01/11/2010)	Independent Director
Mr. Rajiv Ranjan Jha (a nominee of Power Finance Corporation Limited w.e.f. 28/04/2011)	Independent Director
Mr. Pradip Kumar Khaitan (resigned w.e.f. 28/04/2011)	Non-Executive Director

COMPANY SECRETARY

Mr. Hemal A. Kanuga

AUDITORS

SNK & Co.
Chartered Accountants
E-2-B, The Fifth Avenue,
Dhole Patil Road, Near Regency Hotel,
Pune - 411001, India

S.R.Batliboi & Co.
Chartered Accountants
C-401, 4th Floor, Panchshil Tech Park,
Yerawada,
Pune - 411006, India

BANKERS / INSTITUTIONS

Axis Bank	Indian Overseas Bank
Bank of Baroda	Life Insurance Corporation of India
Bank of India	Power Finance Corporation Limited
Bank of Maharashtra	Punjab National Bank
Central Bank of India	State Bank of Bikaner and Jaipur
Citibank, N.A.	State Bank of India
Corporation Bank	State Bank of Patiala
Dena Bank	The Saraswat Co-operative Bank Limited
Export Import Bank of India	Union Bank of India
ICICI Bank	Yes Bank Limited
IDBI Bank Limited	

REGISTERED OFFICE

“Suzlon”, 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad - 380 009, India
Tel.: +91.79.26471100; Fax: +91.79.2656 5540
Email: investors@suzlon.com Website: www.suzlon.com

CORPORATE OFFICE

One Earth, Hadapsar, Pune - 411 028, India
Tel.: +91.20.6135 6135, 6702 2000
Fax: +91.20.6702 2100

REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
17-24, Vittalrao Nagar, Madhapur, Hyderabad - 500 081, India
Tel: (91 40) 44655000; Fax: (91 40) 23420814; Toll Free No. 1800-3454-001
Email: einward.ris@karvy.com, Website: www.karvy.com

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Vision

To be the technology leader in the wind sector.

To be in the top three wind companies in all the key markets of the world.

To be the global leader in providing profitable, end-to-end wind power solutions.

To be the “stakeholders’ choice” company.

Suzlon wind farm in Minnesota, USA.





Letter from the Chairman

The defining focus for the global economy over the past year has been the slow road to recovery, and even as governments and policy makers tried to make this a sustainable recovery, the central issue facing the world today remains energy and how we meet our growing need for it.

The evidence is clearly before us, there are today 1.5 billion people around the world with no regular access to power – no light, no electricity for basic day-to-day appliances, and no power to operate machines for agriculture, or to pump water. A lack of access to energy for them results in no access to food, water or decent health facilities. Sustainable development requires we not only focus on urban development, but bringing basic – and essential – development to those who need it the most.

With sustainable development as a clear priority alongside climate change and energy security concerns, a roadmap to a sustainable energy mix is clearly a global priority.

Over the past year the wind energy sector has continued to consolidate its position as a mature, cost effective and increasingly mainstream source of power. Global macro-economic trends have had a visible impact on the growth of the sector with growing momentum in emerging markets, and offshore wind showing strong promise in select mature markets.

The increasingly large scale of projects and advances in technology, alongside external factors like increasing volatility in fossil fuel supplies and prices, have reinforced wind's position as a cost competitive power source in comparison with conventional fuels. Industry estimates show that the cost of wind power has come down by over 30 per cent in just the last three years, and a recently published

report by the US Energy Information Administration projects that, by 2016, wind will be cheaper than even coal in pure cost-per-kilowatt/hour terms.

However, wind today competes as not only a cost effective energy source, but as a sustainable, environment-friendly and long-term energy solution. With the developing world's ever increasing need for power, and the global need for more secure energy supplies – there is no doubt that wind will be the key renewable resource for the world in the years to come.

This is reflected in the rapid growth of wind in key growth markets the world over. Emerging markets have delivered strong growth, India – our home market – showed strong momentum which we see continuing over the mid-term. Other emerging markets, such as Brazil, China and South Africa, offer strong potential and remain a priority for us. Our depth of experience in emerging economies, as well as our unique business model, put us in an extremely strong position to compete in these high growth markets.

While some developed markets continued to present a challenging environment due to macro-economic challenges, Europe's 20 per cent by 2020 renewable targets, alongside developments like Germany's recent decision to shut down its nuclear plants and Australia fixing a price for carbon – have all put in place strong drivers for the wind sector. With Europe's limitations in land area, the opportunity for this growth is clearly offshore. And with REpower's leadership in offshore wind technology, this is again a market we are well positioned in.

Looking at our business performance, we have over the past year focused on driving improvements on all our key operational parameters – and the results are clearly seen in

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the steady improvement in our Group performance over the fiscal.

In terms of strategic priorities, with a challenging global economic environment and a highly competitive wind market – we have placed a high priority on technology and innovation with a focus area lowering the cost for energy from wind making wind more competitive, and therefore more mainstream.

As part of this strategic focus on technology, we have over the year successfully taken to market the Suzlon S9X suite and the REpower 3XM, both of which have found wide marketplace acceptance and major orders. These turbines have been designed with improved aerodynamic efficiency, larger rotor diameters and increased hub heights to deliver greater Plant Load Factor (PLF) and yields in medium-to-low wind regimes. These products are key to our future growth strategy as the wind sector shifts from high-wind sites – which are in now in relatively short supply the world over – to the more abundant medium-to-low wind speed sites. With these new offerings and our fleet availability (uptime) maintained at over 97 per cent, we present a compelling and attractive value proposition to our customers.

In another key step forward, we crossed the 95 per cent holding in our German subsidiary, REpower Systems SE, allowing us to trigger “squeeze-out” proceedings towards achieving 100 per cent ownership. REpower, with its leadership in offshore technology – with offshore wind energy projected to grow at nearly 40 per cent CAGR – and strong position in key developed markets, forms an important part of our strategy.

Looking ahead, I believe we are strongly positioned to compete and win in the global marketplace. We have focused our efforts on five key areas:

First, market positioning: our decision to focus on emerging markets like Brazil, China, India and South Africa, and Europe and UK for offshore, has clearly been well founded with these markets driving growth for the entire sector. With our global reach, customer relationships with 11 out of the top 15 wind customers, high reliability and uptime, 17 GW of installations – including 220 MW installed and nearly 600 MW in development offshore – we present a compelling value proposition.

Second, product portfolio: from the latest S9X and 3XM offerings, to the REpower 6M – the world's largest commercially available wind turbine – we have the the widest product portfolio, and a turbine for every type of site in the world.

Third, low-cost manufacturing and supply chain: with our manufacturing base concentrated in low-cost countries we have among the lowest production costs in the industry. At a time when the wind industry is still exploring manufacturing in India and China, we are successfully leveraging our well developed and mature low cost supply chain in these countries.

Fourth, consolidation: with the current economic climate there is an opportunity for consolidation in the sector; at Suzlon we have the opportunity to achieve this within the Group. We have rationalized and strengthened internal processes, leading to improved efficiency and effectiveness across all key operational parameters.

Fifth, performance: we have placed a strong emphasis on strengthening our balance sheet, optimizing our debt profile, and building a strong orderbook. We believe that the steady and consistent improvement in our Group financial performance over the past five quarters underscores that we are headed in the right direction, and that our strategy is delivering.

Looking at the big picture, what all this adds up to is our commitment to powering sustainable development the world over. With over 17 GW of wind turbines already installed, and new projects going into the ground every day, we are helping generate the power that will drive the sustainable, low carbon economy of tomorrow.

I firmly believe we are on the road to a bright future, and on behalf of the entire Suzlon family – 13,000 strong and working across 32 countries on six continents – I thank you for your support, perseverance and encouragement in making a greener tomorrow a reality, today.

Regards,

Tulsi R. Tanti
Chairman and Managing Director
Pune, June 2011



Financial Highlights

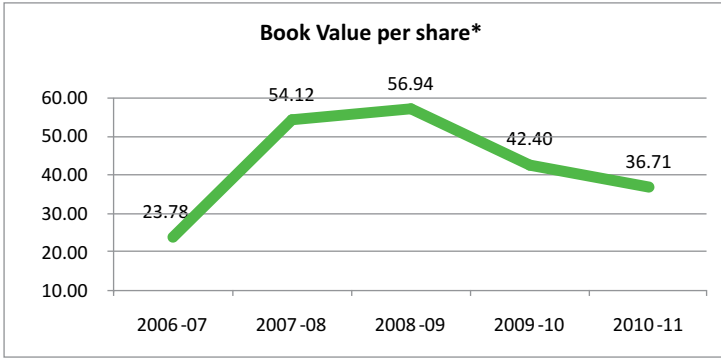
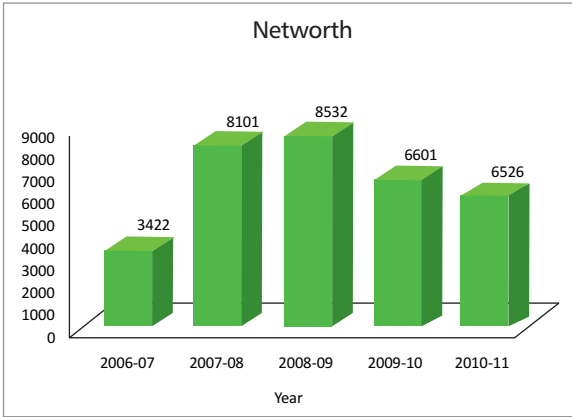
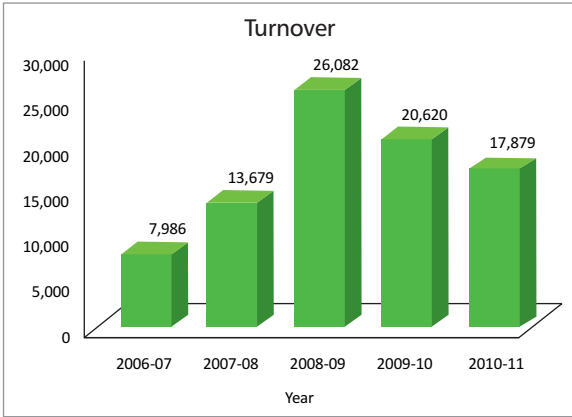
Suzlon Energy Limited and its subsidiaries

Rs in crore

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Sales and service income	17,879	20,620	26,082	13,679	7,986
Total Income	18,197	20,849	26,531	13,947	8,082
EBIDTA	808	943	2,816	2,051	1,393
Interest	1,136	1,195	901	532	252
Depreciation	657	663	573	289	172
Net (loss) / profit	(1,324)	(983)	236	1,030	864
Equity share capital	355	311	300	299	288
Networth	6,526	6,601	8,532	8,101	3,422
Gross fixed assets	13,272	11,951	17,086	6,720	4,775
Net fixed assets	11,338	10,574	15,265	5,688	4,073
Total assets	29,220	29,205	37,806	26,575	12,687
Book value per share*	36.71	42.4	56.9	54.1	23.8
Turnover per share*	100.6	132.5	174.1	91.4	55.5
Earning per share*	(7.8)	(6.4)	1.6	7.1	6.0
EBIDTA/Gross turnover (%)	4.5	4.6	10.8	15.0	16.8

* Figures have been adjusted for the issue of bonus shares allotted in June 2005 and stock split in January 2008 wherever applicable.

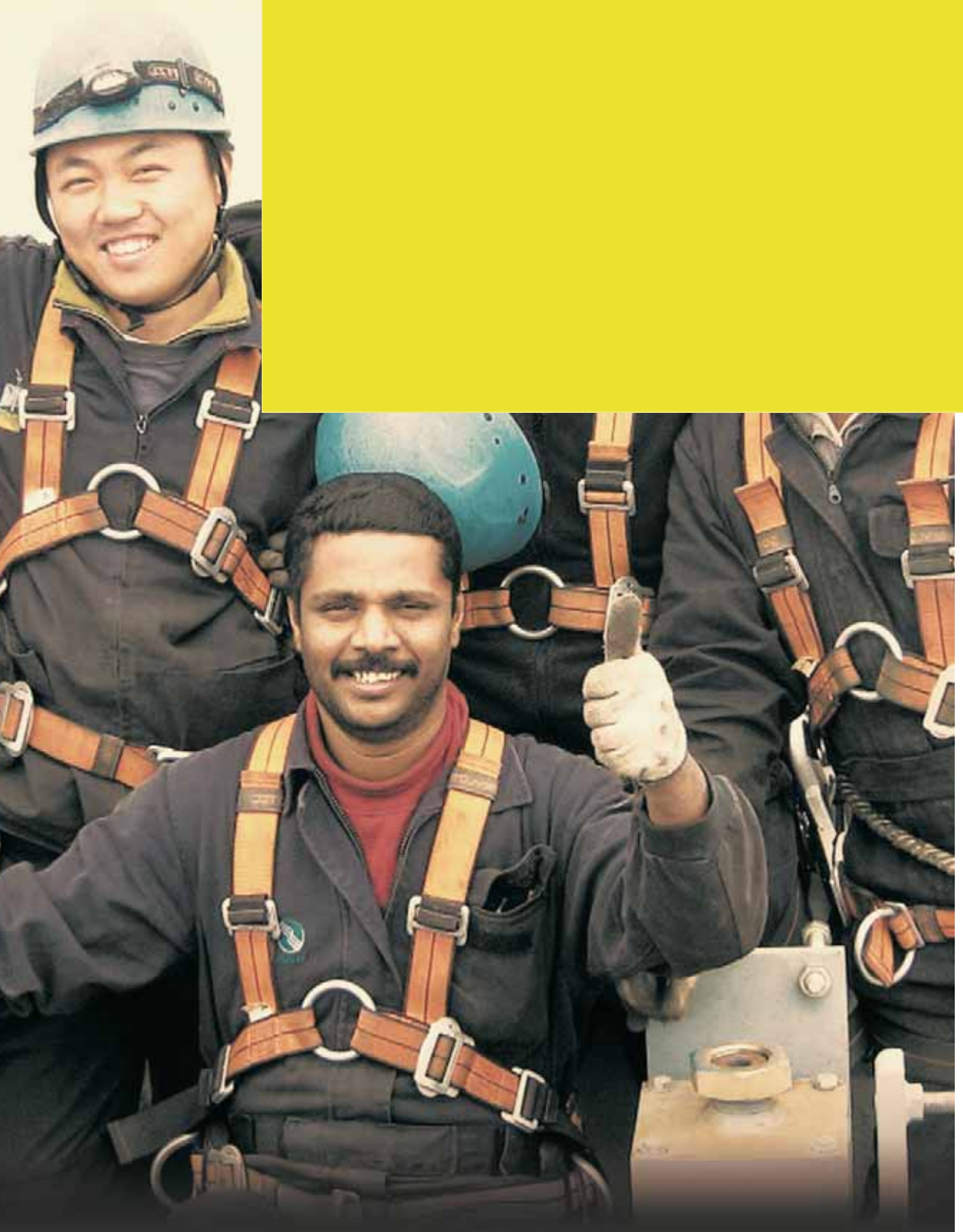




Suzlon wind farm at Hallett, Australia



Human Resources



Suzlon OMS team at the wind farm, in Weihai China