

SUZLON ENERGY LIMITED

Registered Office: "Suzlon", 5, Shramli Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009.

To,
The Shareholders,

Notice pursuant to Section 192A(2) of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011

Section 192A of the Companies Act, 1956 (the "Companies Act", which shall include any statutory modifications, amendments or re-enactments thereto) and the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 (the "Postal Ballot Rules", which shall include any statutory modifications, amendments or re-enactments thereto) provide for passing of resolutions by postal ballot. In terms of said Section and the Rules, a listed company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of postal ballot, instead of transacting the business in general meeting of the Company. Clause 5 of the Postal Ballot Rules specifies the list of businesses in which resolutions shall be passed only through postal ballot.

The Board of Directors of the Company has proposed to obtain the consent of the Shareholders for various matters as considered in the resolutions appended below. Thus in terms of Section 192A of the Companies Act read with the Postal Ballot Rules as also to facilitate wider participation in the approval process by the Shareholders residing at different locations it is proposed to obtain their consent by way of postal ballot instead of convening a general meeting of the Shareholders. The Resolutions are appended below and the Explanatory Statement pertaining to the said Resolutions setting out material facts and the reasons for the resolutions is also annexed.

You are requested to peruse the proposed Resolutions along with their Explanatory Statement and thereafter send your assent or dissent by filling-up the necessary details and putting your signature at the marked place in the Postal Ballot Form and returning the Form duly completed, in the enclosed self addressed postage pre-paid envelope so as to reach the Scrutinizer not later than close of working hours (5.30 p.m.) on 26th March 2014. Your assent / dissent received after 26th March 2014 would be strictly treated as if a reply from you has not been received.

1. Approval for sale of undertaking(s) of the Company:

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 1956 and Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto) and the rules thereunder (collectively the "Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules") and subject to requisite approvals including the approval of all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary and such other approvals, permissions and sanctions as may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include a Committee thereof authorised for the purpose) for selling and / or transferring and / or disposing off the Operation Maintenance Service (OMS) Division of the Company together with the movable and immovable assets and liabilities, land and building, leasehold interests, accessories, offices, office equipment, employees, contracts and arrangements, customers, dealers, vendors, all rights thereunder, all intellectual property rights, tangible and intangible assets, business know-how, goodwill, receivables, including all licenses, approvals, and permits of whatsoever nature related to the OMS Division, whether partially or fully, on a going concern basis, whether on a slump sale basis or otherwise, to its subsidiary, direct or step-down, at and for such consideration, from such date and on such terms and conditions as the Board may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things including but not limited to, deciding the time when the OMS Division be disposed off / carved out to a subsidiary, identifying the subsidiary, other incidental and ancillary activities thereto, determining such other terms and conditions relevant to the transfer, negotiating and finalising the terms of sale, negotiating, finalising and executing asset purchase agreement(s) / business transfer agreement(s), by whatever name called, such other agreements, deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters and such other papers as may be necessary, desirable and expedient to be agreed, signed and executed, to determine the consideration, to make all such filings and applications for the statutory / regulatory and other approvals as may be required in the matter of selling and / or transferring and / or disposing off the OMS Division of the Company and to complete the aforesaid transaction."

2. Reappointment of Mr. Tulsi R. Tanti as the Managing Director of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to Sections 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act", which shall include any statutory modifications, amendments or re-enactments thereto), and as recommended and approved by the Remuneration Committee of the Board of Directors and the Board of Directors of the Company and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded for the reappointment of Mr. Tulsi R. Tanti as the Managing Director of the Company with effect from 1st April 2014 for a period of 3 (Three) years, i.e. up to 31st March 2017 on the following terms and conditions:

- 1) Salary: A salary of Rs.3,00,00,000/- (Rupees Three Crores Only) per annum plus the perquisites as mentioned below.
- 2) Perquisites:
 - a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961; gratuity payable at a rate not exceeding half month's salary for each completed year of service; and encashment of leave at the end of tenure,
 - b) Medical benefits for self and family: All medical expenses incurred by the Managing Director and his family shall be reimbursed in accordance with the Suzlon Group Mediclaim Policy,

- c) Insurance: As per Suzlon Group Accident Policy,
- d) Reimbursement of expenses: The Company shall reimburse to the Managing Director all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.

Explanation: "family" shall mean the spouse, the dependent children and the dependent parents of the Managing Director."

"RESOLVED FURTHER THAT the Remuneration Committee of the Board of Directors of the Company be and is hereby sub-delegated and authorised to vary the remuneration of Mr. Tulsi R. Tanti, Managing Director from time to time within the limits prescribed and permitted under Section 198 and 309 of the Act, as amended or re-enacted, from time to time, during his term of office without being required to seek any fresh approval of the Shareholders of the Company and the decision of the Remuneration Committee shall be final and conclusive in that regard."

"RESOLVED FURTHER THAT Mr. Tulsi R. Tanti, Managing Director shall be liable to retire by rotation in terms of the provisions of the Act."

"RESOLVED FURTHER THAT the Remuneration Committee / Board of Directors of the Company be and is hereby authorised to finalise other terms of reappointment and scope of work as may be in the overall interest of the Company and accordingly finalise the Agreement to be executed between the Company and Mr. Tulsi R. Tanti in the matter of his reappointment as the Managing Director and payment of remuneration and that the Directors of the Company be and are hereby severally authorised to execute for and on behalf of the Company the agreement and other papers as may be necessary, desirable and expedient for the aforesaid purpose."

"RESOLVED FURTHER THAT the Remuneration Committee / Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

"RESOLVED FURTHER THAT the Common Seal of the Company be affixed on the necessary documents, if required, in the presence of any one of the Directors or Mr. Amit Agarwal or Mr. Kirti J. Vagadia or Mr. Hemal A. Kanuga, the Authorised Representatives of the Company, who do sign the same in token thereof."

3. Revision in remuneration of Mr. Vinod R. Tanti for the place of profit being the office of Chief Operating Officer in Suzlon Wind International Limited, a wholly owned subsidiary of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 314(1) and other applicable provisions of the Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto), consent of the Company be and is hereby granted for revision in the remuneration of Mr. Vinod R. Tanti, the Non-Executive Director of the Company and a relative of Mr. Tulsi R. Tanti, Chairman & Managing Director and Mr. Girish R. Tanti, the Non-Executive Director of the Company, for the place of profit being the office of the Chief Operating Officer of Suzlon Wind International Limited, a wholly owned subsidiary of the Company, from Rs.1,20,00,000/- (Rupees One Crore Twenty Lacs Only) per annum to Rs.2,50,00,000/- (Rupees Two Crores Fifty Lacs Only) per annum with effect from 1st April 2014 together with other benefits, perquisites, allowances, amenities and facilities, as applicable / payable to the other employees occupying similar position in the said cadre as per the applicable rules, which is commensurate with his experience and as per prevalent industry standards."

4. Issue of Equity Shares on preferential basis in terms of ICDR Regulations to certain persons / entities

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws (including any statutory modifications, amendments or re-enactments thereto) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, provisions of Chapter VII – "Preferential Issue" and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred to as "ICDR Regulations"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI") and other competent authorities, and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, Corporate Debt Restructuring Empowered Group, RBI, the Government of India, etc.), and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to issue and allot, in one or more tranches, fully paid-up Equity Shares of Rs.2/- (Rupees Two Only) each of the Company, at a price determined in accordance with the ICDR Regulations and applicable law, not exceeding Rs.80,00,00,000/- (Rupees Eighty Crores Only) to certain persons / entities, whether they are Shareholders of the Company or not, by way of a preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the "Relevant Date", for determining the price of the Equity Shares being allotted to certain persons / entities, on a preferential basis, is 25th February 2014, being the date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced."

"RESOLVED FURTHER THAT the Equity Shares to be allotted in terms of this resolution shall be made fully paid-up at the time of allotment and shall rank *pari passu* with the existing Equity Shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Securities Issue Committee of the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, revising the Relevant Date in accordance with applicable law, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the Equity Shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, Corporate Debt Restructuring Empowered Group, the RBI, the Government of India, etc. and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle

all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the Equity Shares arising there from, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution."

5. Issue of Equity Shares on preferential basis in terms of ICDR Regulations to Promoters in consideration of Promoter Unsecured Loan

To consider and, if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and all other applicable laws (including any statutory modifications, amendments or re-enactments thereto) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, provisions of Chapter VII – "Preferential Issue" and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred to as "ICDR Regulations"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI") and other competent authorities, and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities (including but not limited to the SEBI, Corporate Debt Restructuring Empowered Group, RBI, the Government of India, etc.) and all such other approvals (including approvals of the existing lenders of the Company, if required), and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), consent of the Company be and is hereby accorded to the Board to issue and allot, in one or more tranches, fully paid-up Equity Shares of Rs.2/- (Rupees Two Only) each of the Company at a price determined in accordance with the ICDR Regulations and applicable law, not exceeding Rs.45,00,00,000/- (Rupees Forty Five Crores Only) to the Promoters (whether body corporate, companies, trusts, overseas corporate bodies, individuals, etc.) of the Company being Tanti Holdings Private Limited and / or Sugati Holdings Private Limited and / or its / Promoters' affiliates, in consideration of conversion of unsecured loan of Rs.45,00,00,000/- (Rupees Forty Five Crores Only) given by the Promoters to the Company, whether they are Shareholders of the Company or not, by way of a preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the "Relevant Date", for determining the price of the Equity Shares being allotted to the Promoters, on a preferential basis, is 25th February 2014, being the date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced."

"RESOLVED FURTHER THAT the Equity Shares to be allotted in terms of this resolution shall be made fully paid-up at the time of allotment and shall rank *pari passu* with the existing Equity Shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board / Securities Issue Committee of the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub-delegating its powers to Authorised Representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, revising the Relevant Date in accordance with applicable law, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the Equity Shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, Corporate Debt Restructuring Empowered Group, the RBI, the Government of India, etc. and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, issue and allotment of the Equity Shares arising there from, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution."

6. Issue of Equity Shares to the eligible employees of the Company under Employee Stock Purchase Scheme 2014

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

"RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association of the Company and Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the "Act" including any statutory modifications, amendments or re-enactments thereto) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the "ESPS Guidelines" including any statutory modifications, amendments or re-enactments thereto) 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, the approval and consent of the Shareholders of the Company be and is hereby accorded respectively to the 'Employee Stock Purchase Scheme 2014' (hereinafter referred to as the "ESPS 2014") and to 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, by whatever name called, which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution) to create, offer, issue and allot from time to time up to a total of 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of face value of Rs.2/- (Rupees Two Only) each fully paid-up for the benefit of such person(s) who are in permanent employment of the Company (together with the Equity Shares proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company's subsidiary companies in terms of ESPS

2014), whether working in India or out of India, including any director, whether wholetime or otherwise, except an employee / director who is a promoter or belongs to the promoter group as defined in ESPS Guidelines and a director who either by himself or through his relatives or any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company, under ESPS 2014, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws or guidelines issued by the relevant authorities.”

“RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors or in accordance with the Scheme framed in that behalf through a trust which may be set-up in any permissible manner and that the Scheme may also envisage providing any financial assistance to the trust to enable the employees / trust to subscribe to the Equity Shares of the Company offered under ESPS 2014.”

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company in terms of this resolution shall rank *pari passu* in all respects with the then existing Equity Shares of the Company and shall be subject to lock-in for such period that may be prescribed under the ESPS Guidelines.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues and others, if there is any change in the total number of paid-up Equity Shares, then the above ceiling of 1,50,00,000 Equity Shares and the price of acquisition payable by the employee shall be deemed to be increased or decreased in line with such change in total paid-up Equity Shares and / or face value thereof, without affecting any other rights or obligations of the said allottees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESPS 2014 on the Stock Exchanges where the Equity Shares of the Company are listed.”

“RESOLVED FURTHER THAT the Scheme will be administered and will conform to the accounting policies set forth in Clause 19.2 of the ESPS Guidelines.”

“RESOLVED FURTHER THAT subject to applicable law, for the purpose of giving effect to any creation, offer, issue, allotment or listing of the Equity Shares, the Board / Remuneration Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and 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 or otherwise 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.”

7. Issue of Equity Shares to the eligible employees of the Company's subsidiary companies under Employee Stock Purchase Scheme 2014

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association of the Company and Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act” including any statutory modifications, amendments or re-enactments thereto) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “ESPS Guidelines” including any statutory modifications, amendments or re-enactments thereto) 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, consent of the Shareholders of the Company be and is hereby accorded to 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, by whatever name called, which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution) to create, offer, issue and allot from time to time within the overall ceiling of 1,50,00,000 (One Crore Fifty Lacs) Equity Shares of face value of Rs.2/- (Rupees Two Only) each as mentioned in the Resolution No.6 for the benefit of such person(s) who are in permanent employment of the Company's subsidiary companies, existing and future (together with the Equity Shares proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company in terms of ESPS 2014), whether working in India or out of India, including its directors, whether wholetime or otherwise, except an employee / director who is a promoter or belongs to the promoter group as defined in ESPS Guidelines and a director who either by himself or through his relatives or any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company, under ESPS 2014, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws or guidelines issued by the relevant authorities.”

“RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors or in accordance with the Scheme framed in that behalf through a trust which may be set-up in any permissible manner and that the Scheme may also envisage providing any financial assistance to the trust to enable the employees / trust to subscribe to the Equity Shares of the Company offered under ESPS 2014.”

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company in terms of this resolution shall rank *pari passu* in all respects with the then existing Equity Shares of the Company and shall be subject to lock-in for such period that may be prescribed under the ESPS Guidelines.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues and others, if there is any change in the total number of paid-up Equity Shares, then the above ceiling of 1,50,00,000 Equity Shares and the price of acquisition payable by the employee shall be deemed to be increased or decreased in line with such change in total paid-up Equity Shares and / or face value thereof, without affecting any other rights or obligations of the said allottees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under ESPS 2014 on the Stock Exchanges where the Equity Shares of the Company are listed.”

“RESOLVED FURTHER THAT the Scheme will be administered and will conform to the accounting policies set forth in Clause 19.2 of the ESPS Guidelines.”

“RESOLVED FURTHER THAT subject to applicable law, for the purpose of giving effect to any creation, offer, issue, allotment or listing of the Equity Shares, the Board / Remuneration Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and 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 or otherwise 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.”

8. Issue of Equity Shares to the eligible employees of the Company under Special Employee Stock Option Plan 2014

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association and Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act” including any statutory modifications, amendments or re-enactments thereto) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “ESOP Guidelines” including any statutory modifications, amendments or re-enactments thereto) 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, the approval and consent of the Shareholders be and is hereby accorded respectively to the Special Employee Stock Option Plan 2014 (hereinafter referred to as the “Special ESOP 2014” or the “Scheme” or the “Plan”) and to 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, by whatever name called, which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution) to create, offer and grant from time to time up to a total of 4,50,00,000 (Four Crores Fifty Lacs) stock options for the benefit of such person(s) who are in permanent employment of the Company (together with the stock options proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company’s subsidiary companies in terms of Special ESOP 2014), including any director, whether whole time or otherwise, except an employee / director who is a promoter or belongs to the promoter group as defined in ESOP Guidelines and a director who either by himself or through his relatives or any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company, under Special ESOP 2014 exercisable into equal number of Equity Shares of face value of Rs.2/- (Rupees Two Only) each fully paid-up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws or guidelines issued by the relevant authorities.”

“RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors upon exercise of options from time to time in accordance with the Special ESOP 2014 or to a trust which may be set-up in any permissible manner by the Board to administer Special ESOP 2014 or any other schemes of the Company and that the Scheme may also envisage providing any financial assistance to the trust to enable the employees / trust to subscribe to the Equity Shares of the Company offered under Special ESOP 2014.”

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company in terms of this resolution shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s), including rights issues, bonus issues, merger and sale of division or any others, if any additional options are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 4,50,00,000 (Four Crores Fifty Lacs) options shall be deemed to be increased to the extent of such additional options issued.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the exercise price payable by the option grantees under Special ESOP 2014 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2/- (Rupees Two Only) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under Special ESOP 2014 on the Stock Exchanges where the Equity Shares of the Company are listed.”

“RESOLVED FURTHER THAT the Scheme will be administered and will conform to the accounting policies set forth in Clause 13.1 of the ESOP Guidelines.”

“RESOLVED FURTHER THAT subject to applicable law, for the purpose of giving effect to any creation, offer, issue, allotment or listing of the Equity Shares, the Board / Remuneration Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and 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 or otherwise 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. Issue of Equity Shares to the eligible employees of the Company’s subsidiary companies under Special Employee Stock Option Plan 2014

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT in accordance with the provisions contained in the Memorandum and Articles of Association and Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as the “Act” including any statutory modifications, amendments or re-enactments thereto) and the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (the “ESOP Guidelines” including any statutory modifications, amendments or re-enactments thereto) 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, consent of the Shareholders be and is hereby accorded to 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, by whatever name called, which the Board has constituted and / or may constitute or reconstitute to exercise its powers, including the powers conferred by this resolution) to create, offer and grant from time to time within the overall ceiling of 4,50,00,000 (Four Crores Fifty Lacs) stock options as mentioned in Resolution No.8, for the benefit of such person(s) who are in permanent employment of the Company’s subsidiary companies (together with the stock options proposed to be created / offered / issued / allotted for the benefit of such persons who are in permanent employment of the Company in terms of Special ESOP 2014), existing and future, including its directors, whether whole time or otherwise, except an employee / director who is a promoter or belongs to the promoter group as defined in ESOP Guidelines and a director who either by himself or through his relatives or any body corporate, directly or indirectly holds

more than 10% of the outstanding Equity Shares of the Company, under Special ESOP 2014 exercisable into equal number of Equity Shares of face value of Rs.2/- (Rupees Two Only) each fully paid-up, in one or more tranches, on such terms and in such manner as the Board may decide in accordance with the provisions of the applicable laws or guidelines issued by the relevant authorities.”

“RESOLVED FURTHER THAT the Equity Shares may be allotted directly to such eligible employees / directors upon exercise of options from time to time in accordance with the Special ESOP 2014 or to a trust which may be set-up in any permissible manner by the Board to administer Special ESOP 2014 or any other schemes of the Company and that the Scheme may also envisage providing any financial assistance to the trust to enable the employees / trust to subscribe to the Equity Shares of the Company offered under Special ESOP 2014.”

“RESOLVED FURTHER THAT the Equity Shares to be issued and allotted by the Company in terms of this resolution shall rank *pari passu* in all respects with the then existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s), including rights issues, bonus issues, merger and sale of division or any others, if any additional options are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the options granted earlier, the above ceiling of 4,50,00,000 (Four Crores Fifty Lacs) options shall be deemed to be increased to the extent of such additional options issued.”

“RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Equity Shares to be allotted and the exercise price payable by the option grantees under Special ESOP 2014 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.2/- (Rupees Two Only) per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of the Equity Shares allotted under Special ESOP 2014 on the Stock Exchanges where the Equity Shares of the Company are listed.”

“RESOLVED FURTHER THAT the Scheme will be administered and will conform to the accounting policies set forth in Clause 13.1 of the ESOP Guidelines.”

“RESOLVED FURTHER THAT subject to applicable law, for the purpose of giving effect to any creation, offer, issue, allotment or listing of the Equity Shares, the Board / Remuneration Committee be and is hereby authorised on behalf of the Company to evolve, decide upon and bring into effect the Scheme and 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 or otherwise 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. Enhancement of borrowing limit from Rs.10,000 Crores to Rs.20,000 Crores

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT for the purpose of borrowing from time to time such sums of money as the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) may deem requisite for the purpose of the business of the Company, consent of the Company be and is hereby accorded to the Board under Section 180(1)(c) of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto) for raising the existing borrowing limit of the Company of Rs.10,000 Crores (Rupees Ten Thousand Crores Only) over and above the aggregate of the paid-up share capital and free reserves of the Company as approved by the Shareholders on 16th November 2010, to an amount of Rs.20,000 Crores (Rupees Twenty Thousand Crores Only), notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from the temporary loans and working capital facilities obtained from the Company’s Bankers in the ordinary course of business) shall exceed the aggregate of the paid-up capital of the Company and its free reserves.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do or cause to be done all such acts, deeds, matters and things as may be necessary, desirable, expedient for borrowing money and to give effect to this resolution.”

11. Creation of a charge / mortgage on assets of the Company

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 and Companies Act, 1956 (including any statutory modifications, amendments or re-enactments thereto), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) for mortgaging and / or charging all or any of the movable and / or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or the undertakings of the Company for securing any loan obtained or as may be obtained from any Bank, Financial Institution, Bodies Corporate, other Entities, Person or Persons including securing those facilities which have already been sanctioned, including any enhancement therein together with interest, costs, charges, expenses and any other moneys payable by the Company and that the Board is further authorised to create a charge in whatsoever manner on the Company’s current assets, present and future, in favour of Banks, Financial Institutions, Bodies Corporate, other Entities, Person or Persons who may provide such credit facilities to the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, desirable, expedient for mortgaging and / or charging the properties of the Company and for giving effect to the aforesaid resolution.”

12. To make investments, give loans, guarantees and provide securities beyond the prescribed limits

To consider and if thought fit, to give ASSENT / DISSENT to the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of Section 372A (corresponding to Section 186 of the Companies Act, 2013 as and when becomes applicable) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications, amendments or re-

enactments thereto) (collectively the "Companies Act") and other necessary approvals, if any and to the extent required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include person(s) authorised and / or any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to make additional investment(s) and / or give additional loan(s) in the form of inter-corporate deposit(s) and / or short-term credit(s) and / or secured loan(s) and / or give additional guarantee(s) and / or provide any additional security(ies) in connection with any loan(s) made to any other person by or by any other person to any of the Company's subsidiary companies as the Directors may severally deem fit; provided however that such additional investment(s) made and / or additional loan(s) granted and / or additional guarantee(s) and / or additional security(ies) provided shall not exceed the limits permitted under the Companies Act or Rs.2,750 Crores (Rupees Two Thousand Seven Hundred Fifty Crores Only), whichever is higher, unless otherwise resolved."

"RESOLVED FURTHER THAT the Board and such other authorised representative(s) of the Company, who may be authorised by the Board from time to time, be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limiting to deciding the entity(ies) in which the investment(s) be made and / or loan(s) extended and / or guarantee(s) and / or security(ies) be provided, whether listed in the explanatory statement or not, the amount of investment(s) to be made and / or loan(s) to be extended and / or guarantee(s) and / or security(ies) to be provided, when such amount be given from time to time, manner and nature of investment(s), the period for which loan(s) be extended, interest and security and other terms for extending loan(s) / making of investment(s) / providing of guarantee(s) / providing of security(ies), as the case may be, vary the amount and manner of investments / loans / guarantees / securities within the overall limits either as stated against respective subsidiary in the explanatory statement and / or contrary to what has been stated against respective subsidiary company in the explanatory statement, and such other terms and conditions and for the purpose to sign agreements, deeds, documents, forms, indemnities, registers, letters, declarations, confirmations, undertakings and such other papers as may be necessary, desirable and expedient."

**By Order of the Board
For Suzlon Energy Limited**

Registered Office:
"Suzlon", 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad-380009.

**Hemal A.Kanuga,
Company Secretary.**

Place : Pune

Dated : 14th February 2014.

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (corresponding to Section 173(2) of the Companies Act, 1956) and Section 192A of the Companies Act, 1956 setting out material facts is annexed hereto as Annexure I.
2. Updates pertaining to preferential allotments made under Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") in terms of approval of Shareholders sought vide Postal Ballot Notice dated 8th March 2013 read with Notice dated 20th July 2013 convening the Eighteenth Annual General Meeting of the Company has been annexed hereto as Annexure II.
3. The Notice is being sent to all the Shareholders, whose names appear on the Register of Members / list of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on 7th February 2014.
4. The Company has appointed Mr. D S M Ram, DSMR & Associates, Company Secretaries, Hyderabad as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The Scrutinizer will submit his report after completion of the scrutiny and the results of the postal ballot will be displayed at the Registered Office of the Company on 27th March 2014. The results of the postal ballot will also be posted on the Company's website www.suzlon.com besides communicating to the stock exchanges on which the shares of the Company are listed.
5. Pursuant to Circular No.CIR/CFD/DIL/6/2012 dated 13th July 2012 of the Securities and Exchange Board of India, the Company is pleased to offer the option of e-voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating e-voting to enable the Shareholders to cast their votes electronically instead of physical mode. E-voting is optional for the Shareholders. The Shareholders who wish to vote by Postal Ballot Form (instead of e-voting), can download Postal Ballot Form from <http://www.evoting.nsdl.com> or <http://www.suzlon.com>.

The instructions for the Shareholders for e-voting are as under:

(a) In case of Shareholders receiving e-mail from NSDL:

- (i) For Shareholders whose email address have been registered: open the attached PDF file "Suzlon Energy – evoting.pdf" giving your Client Id (in case you are holding share in demat mode) or Folio No. (in case you are holding shares in physical mode) as default password which contains your "User Id" and "Password for e-voting". For Shareholders who have not registered their email ids: please refer to the user id and password printed on the Postal Ballot Form.
- (ii) Please note that the password is an initial password.
- (iii) Open internet browser by typing the URL: <http://www.evoting.nsdl.com>.
- (iv) Click on "Shareholders Login".
- (v) Put User Id and password as initial password noted in step (1) above and Login.
- (vi) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof.
- (vii) Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.

- (viii) Home page of “e-voting” opens. Click on “e-voting – Active Voting Cycles”.
- (ix) Select “EVENT” of Suzlon Energy Limited.
- (x) Now you are ready for “e-voting” as “Cast Vote” page opens. Voting period commences on and from 22nd February 2014 and ends on 26th March 2014 (5.30 p.m.).
- (xi) Cast your vote by selecting appropriate option and click “Submit” and also “Confirm” when prompted. Upon confirmation, the message, “Vote cast successfully” will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF / JPG format) of the relevant Board Resolution / Authority Letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through email on ram.devata@gmail.com with a copy marked to evoting@nsdl.co.in.
- (xiii) In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote.
- (xiv) In case Shareholders desiring split voting i.e. voting FOR and AGAINST on the same resolution, can do so by downloading Postal Ballot Form from the link URL: <http://www.evoting.nsdl.com> or www.suzlon.com or by obtaining duplicate Form from the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Unit: Suzlon Energy Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081.
- (xv) The date of declaration of results of the postal ballot, i.e. 27th March 2014, shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority.

(b) In case of Shareholders receiving Postal Ballot Form by Post:

- (i) Initial password is provided as below / at the bottom of the Postal Ballot Form.

EVEN (E Voting Event Number)	USER ID	PASSWORD / PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders available at the “Downloads” section of www.evoting.nsdl.com or call NSDL on 022-24994600.

- (d) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

- (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

6. The Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and others are sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download Postal Ballot Form from the link www.evoting.nsdl.com or www.suzlon.com or seek duplicate Postal Ballot Form from Karvy Computershare Private Limited, Unit: Suzlon Energy Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081, fill in the details and send the same to the Scrutinizer.
7. Kindly note that the Shareholders can opt only one mode of voting, i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case the Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.
8. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered / speed post at the expense of the Shareholders will also be accepted.
9. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the Shareholders(s) on the cut-off date, i.e. 7th February 2014.
10. The voting period ends on the close of 26th March 2014 (5.30 p.m.). The e-voting module shall also be disabled by NSDL for voting thereafter.
11. The Scrutinizer will submit his report to the Managing Director or any Director or the Company Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced at the Registered Office of the Company situate at “Suzlon”, 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009 on 27th March 2014. The results of the Postal Ballot will also be posted on the Company's website www.suzlon.com and communicated to the stock exchanges where the Company's shares are listed. In the event, the draft resolution is assented to by the requisite majority of Shareholders by means of Postal Ballot, the date of declaration of Postal Ballot result shall be deemed to be the date of passing of the said resolution.
12. As required by Rule 3(c) of the Companies (passing of the Resolution by Postal Ballot) Rules 2011, details of despatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper circulating in Gujarat.
13. All documents proposed for approval, if any, in the above Notice and documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

Annexure I to the Notice

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 and Section 192A of the Companies Act, 1956

Agenda Item No.1: Approval for sale of undertaking(s) of the Company

As the Shareholders are aware, the Company is engaged in the business of design, development, manufacturing and supply of wind turbine generators and is providing turnkey solution for setting-up of and operating and maintaining windfarm projects. As part of the global practice, companies carry

on the operation and maintenance services businesses as separate and distinct businesses. In the present circumstances, the OMS Division is still part of the Company. In order to provide the OMS Division a separate and independent growth opportunity and recognition in the Indian and international markets and as a part of the Company's initiatives for realising business efficiencies, it is proposed to carve out the OMS business of the Company, through which the Company presently provides operation and maintenance services to various wind-farm owners, to the Company's subsidiary.

The OMS business of the Company has an excellent performance track record. By the proposed transfer / sale / disposal, the Company would be able to organise its OMS vertical under a separate subsidiary with segmented service portfolio and separate management team to independently focus on growth and track financial performance while achieving scale benefits, while continuing to provide it with the leadership of the Company. This transaction is expected to capture full potential of the services business, bring about greater transparency and increase in operational, management and knowledge efficiencies which would lead to operational excellence. The said reorganisation also aims to insulate the OMS Division's performance from performance of the core WTG business, while in ramp-up phase.

In terms of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956), a company cannot sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company without the consent of the shareholders by way of a special resolution at the general meeting of the company. In terms of explanation to Section 180(1)(a), the term 'undertaking' means an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year. Further, the expression 'substantially the whole of the undertaking' in any financial year shall mean 20% percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. The resolution is being passed pursuant to the Postal Ballot Rules and pursuant to the provisions relating to postal ballot under the Companies Act, 1956.

The proposed transfer / sale of OMS Division may tantamount to sale of the whole of the undertaking of the Company in terms of Section 180(1)(a) of the Companies Act, 2013 and hence it is necessary to obtain consent of the shareholders by way of special resolution.

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.1 of the accompanying Notice.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said resolution since the proposed sale is to one of the direct or step-down subsidiaries of the Company.

Agenda Item No.2: Reappointment of Mr. Tulsi R. Tanti as Managing Director of the Company

Mr. Tulsi R. Tanti was appointed as a Managing Director of the Company w.e.f. 1st April 2011 for a period of 3 (Three) years, i.e. up to 31st March 2014, at a remuneration of Rs.2,00,00,000/- (Rupees Two Crores Only) per annum in terms of Section 198 and 309 read with Schedule XIII of the Companies Act, 1956.

Since the earlier term of appointment of Mr. Tulsi R. Tanti as the Managing Director is expiring on 31st March 2014, he has been reappointed as a Managing Director of the Company with effect from 1st April 2014 for a further period of 3 (Three) years, i.e. up to 31st March 2017 at a remuneration of Rs.3,00,00,000/- (Rupees Three Crores Only) per annum on certain terms and conditions as approved by the Remuneration Committee and the Board of Directors at their respective meetings held on 14th February 2014.

Since the remuneration proposed to be paid exceeds the limits prescribed under Section II(C) of Part II of Schedule XIII to the Companies Act, 1956 as also the Company does not meet the requirements as mentioned in Section II(C)(ii) of Part II of Schedule XIII to the Companies Act, 1956, the payment of remuneration to Mr. Tulsi R. Tanti as the Managing Director of the Company is subject to prior approval of the Central Government apart from the approval of the Shareholders.

The Explanatory Statement together with the accompanying Notice may be treated as an abstract of the terms of reappointment of Mr. Tulsi R. Tanti and payment of remuneration to him under Section 302 of the Companies Act, 1956.

In the aforesaid connection and as required under Section II(C) of Part II of Schedule XIII to the Companies Act, 1956, the following information is furnished:

I. General Information:

(1) Nature of Industry:

The Company is engaged in the business of design, development, manufacturing and supply of Wind Turbine Generators of various rated capacities and providing turnkey solution for setting-up of and operating and maintaining windfarm projects.

(2) Date or expected date of commencement of commercial production:

The Company was incorporated on 10th April 1995 and the certificate for commencement of business was issued on 25th April 1995. The Company has been operational since last 18 years.

(3) Financial performance based on given indicators:

The following are the results of the Company for the last three years, at glance:

(Rupees in Crores)

Financial Parameters	Financial Year		
	2010-11	2011-12	2012-13
Turnover	4357.55	6853.52	1748.11
Net Profit / (Loss) (as per Statement of P & L)	(185.66)	(505.38)	(2989.80)
Amount of Equity Dividend	-	-	-
Rate of Equity Dividend	-	-	-

(4) Export performance and net foreign exchange earnings:

As on 31st March 2013, the Company does not have material standalone export orders, however the Company either on its own accord or through one of its domestic subsidiaries exports to its overseas subsidiaries for sale to such ultimate customer. The Company earned total foreign exchange of Rs.492.59 Crores as on 31st March 2013.

(5) Foreign investments or collaborators, if any:

As on 31st March 2013, the Company had Rs.7,495.27 Crores investments (after providing for diminution in value of investment) in its direct overseas subsidiaries.

The Company had no foreign collaborations as on 31st March 2013.

As on 31st March 2013, there were following number and types of foreign investors in the Company:

- Foreign Institutional Investors: 23,32,90,811
- Qualified Foreign Investor: 24,822
- Non-Resident Indians: 3,01,16,632
- Foreign Nationals: 57,000

II. Information about the appointee:

(1) Background details, recognition / awards:

Mr. Tulsi R. Tanti is the founder of the Company and has been the Chairman & Managing Director since its inception. Under his stewardship, the Company has grown to be a leading wind turbine manufacturer in the world. Mr. Tulsi R. Tanti is a Commerce Graduate and holds a Diploma in Mechanical Engineering. He is responsible for the overall strategic direction of the Company. The details of awards received by Mr. Tulsi R. Tanti are provided in detail under the information as required to be given under Clause 49(IV)(G) of the Listing Agreement.

(2) Past remuneration:

The previous term of Mr. Tulsi R. Tanti as a Managing Director was for the period of three years from 1st April 2011 at a remuneration of Rs.2,00,00,000/- per annum in terms of Section 198 and 309 read with Schedule XIII of the Companies Act, 1956. However, considering the losses incurred by the Company, the remuneration paid has been restricted to Rs.48,00,000/- per annum, i.e. the extent of limits as prescribed under Section II(B) of Part II of Schedule XIII to the Companies Act, 1956. Apart from the remuneration in form of salary, Mr. Tulsi R. Tanti has not been paid any other remuneration except other privileges as are generally available to other employees of the Company.

(3) Job profile and his suitability:

Mr. Tulsi R. Tanti as a Managing Director is looking after the day-to-day activities of the Company. He also assists and renders strategic guidance in project planning and execution thereof. With the educational background and rich experience held by Mr. Tulsi R. Tanti, the Company has been tremendously benefited as also would continue to get the advantage of knowledge and experience of Mr. Tulsi R. Tanti for the years to come.

(4) Remuneration proposed:

The remuneration proposed to be paid to Mr. Tulsi R. Tanti as approved by the Remuneration Committee and the Board of Directors at their respective meetings held on 14th February 2014, is as under:

Yearly Salary	Perquisites
Rs.3,00,00,000/- (Rupees Three Crores Only)	Perquisites shall be allowed as more particularly described in the Resolution

The remuneration as approved by the Shareholders is subject to the prior approval of the Central Government.

(5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The prevalent levels of remuneration in power industry are higher. Taking into account the contribution being made by Mr. Tulsi R. Tanti in the affairs of the Company, his academic background, rich experience, the increasing key role he is playing in overcoming the financial crisis and considering efforts taken by him in improving the financial position of the Company, the proposed remuneration is reasonable and in lines with the remuneration levels in the industry across the Country.

(6) Pecuniary relationship, directly or indirectly, with the Company, or relationship with the managerial personnel, if any:

Mr. Tulsi R. Tanti is a Promoter Director and holds 39,05,000 Equity Shares of the Company in his individual capacity as on the date of this Postal Ballot Notice. He also holds Equity Shares of the Company in the capacity as karta of HUF and jointly with Mr. Vinod R. Tanti and Mr. Jitendra R. Tanti.

Mr. Tulsi R. Tanti does not have any pecuniary relationship, directly or indirectly with the Company, except for charges paid by him as a consideration for sale of services in the nature of operation and maintenance of windmills. Mr. Tulsi R. Tanti is related to Mr. Vinod R. Tanti and Mr. Girish R. Tanti, the Non-Executive Directors of the Company and except for that Mr. Tulsi R. Tanti does not have any other relationship with any Key Managerial Persons of the Company.

III. Other Information:

(1) Reasons for loss / inadequate profits, if any:

The Company has since inception shown a gradual and consistent increase in revenue and profits till financial year 2007-08. The profitability declined in the financial year 2008-09 and thereafter since the financial year 2009-10 the Company incurred losses. In the financial year 2012-13, the Company incurred losses mainly due to decrease in sales volume due to prevailing uncertain economic environment and liquidity shortage due to delay in timely realisation of certain receivables from the customers, increase in cost due to change in market mix and adverse business conditions, foreign exchange loss, lower absorption of fixed overheads, higher finance charges and provision for diminution in investments in subsidiaries.

The global wind industry has been facing challenges due to ensuing credit crisis resulting in lack of availability of finances for new projects. There is a slowdown resulting in reduced order execution, increase in working capital, liquidity constraints and overcapacity across the sector. This challenging environment resulted in a significant reduction in new orders for the Company thereby impacting its profitability for past few years. However, the wind industry remains fundamentally strong and has a robust outlook and wind investments are gaining momentum across the globe.

(2) Steps taken / proposed to be taken for improvement:

Over the past few years, the Company has taken various initiatives as under to de-lever its balance sheet and solidify a long-term sustainable capital structure:

- The Company is taking various steps to reduce costs and improve efficiencies to make its operations profitable.
- During the year 2012-13, the Company along with its selected subsidiaries had made a reference to the Corporate Debt Restructuring (“CDR”) Cell for restructuring the Company’s debts through CDR Mechanism. After considering the proposal, the final restructuring package was approved by CDR Empowered Group (“CDR EG”) on 31st December 2012 and communicated to the Company vide Letter of Approval dated 23rd January 2013.
- The CDR Proposal includes a two years’ moratorium on principal and term-debt interest payments; an approximately three per cent reduction in interest rates; six months’ moratorium on working capital interest; conversion of approximately Rs.1,500 Crores (two years’ interest payment during moratorium) into equity / equity linked instruments over the next two years to bring stronger financial stability and a ten-year door-to-door back-ended repayment plan. The CDR Proposal also includes an enhancement of working capital facilities, by approximately Rs.1,800 Crores, allowing the Company to accelerate the execution of its strong order book.
- The Company is also in negotiations with the FCCB holders, creditors and others and is working on various solutions with them to ensure restructuring / settlement of their dues.
- The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable.

(3) Expected increase in productivity and profits in measurable terms:

Considering various analyses carried out by the Company based on the data made available by Ministry of New and Renewable Energy, Government of India and other international agencies related to wind energy / non-conventional energy sector, the future of non-conventional energy especially of wind energy industry looks bright in the coming years.

In terms of Clause 49(IV)(G) of the Listing Agreement, the Shareholders may also note as under:

Mr. Tulsi R. Tanti is the founder of Suzlon Energy Limited and has been the Chairman & Managing Director since its inception in 1995. Mr. Tulsi R. Tanti is a Commerce Graduate and holds a Diploma in Mechanical Engineering. He is from Rajkot, Gujarat where he started his first venture which was in textiles. He set up two wind turbines to supply electricity for his textile units in Gujarat. As his textile business flourished on sustainable power supplied, he recognised the potential the wind energy offered and led to the creation of Suzlon Energy Limited in 1995. Under his stewardship, the Company has grown to be a leading wind turbine manufacturer in the world.

Mr. Tulsi R. Tanti is responsible for the overall strategic direction of the Company and has led the Company to rank among the top five of global wind turbine producers in terms of MW installations. He has been awarded with a number of awards, a few of them being the “Champion of the Earth 2009” by the United Nations Environment Program, “Global Indian Award 2009” by Canada India Foundation, “Hero of the Environment Award” by TIME Magazine, “Rajiv Gandhi Award 2007” for the most successful industrialist in India, “Ernst & Young Entrepreneur of the Year 2006” by Ernst & Young, “India Business Leader Award 2006” by the television channel CNBC TV18 in the category “The most promising entrant into the big league”; “Terialumni Award” for outstanding “Entrepreneurship in Energy - Environment Technologies 2006” by The Terialumni Trust; “Best Renewable Man of the Decade”, which is a lifetime achievement award from the Foundation of Indian Industry and Economists in 2005; “World Wind Energy Award 2003” by World Wind Energy Association; “Business Leadership Award 2002” by Solar Energy Society of India. He is also on the board of certain other companies as also member of committees of the board in such companies, whose details are as under:

Name of the Indian Entities in which Director	Names of Committees in which Mr. Tulsi R. Tanti is a Member / Chairman
Suzlon Energy Limited	1) Investors’ Grievance Committee - Member 2) Securities Issue Committee - Chairman 3) ESOP Committee – Chairman
Suruchi Holdings Private Limited	Nil
Sugati Holdings Private Limited	Nil

As required under Clause 49(IV)(G)(ia) of the Listing Agreement, it is hereby disclosed that Mr. Tulsi R. Tanti, Chairman & Managing Director, is brother of Mr. Girish R. Tanti and Mr. Vinod R. Tanti, the Non-Executive Directors of the Company.

A copy of the draft agreement to be entered into between the Company and Mr. Tulsi R. Tanti, Managing Director is available for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

In light of above, you are requested to accord your approval to the special resolution as set out at Agenda Item No.2 of the accompanying Notice.

Mr. Tulsi R. Tanti himself, Mr. Vinod R. Tanti, Mr. Girish R. Tanti, the Non-Executive Directors and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors or Key Management Persons of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

Agenda Item No.3: Revision in remuneration of Mr. Vinod R. Tanti for the place of profit being the office of Chief Operating Officer in Suzlon Wind International Limited, a wholly owned subsidiary of the Company

The Shareholders, at the Eighteenth Annual General Meeting of the Company held on 20th September 2013, have approved the appointment of Mr. Vinod R. Tanti, a Non-Executive Director of the Company and a relative of Mr. Tulsi R. Tanti, Chairman & Managing Director of the Company and Mr. Girish R. Tanti, the Non-Executive Director of the Company, to hold place of profit being the office of the Chief Operating Officer (“COO”) of Suzlon Wind International Limited (“SWIL”), a wholly owned subsidiary of the Company with effect from 1st July 2013 at a remuneration of Rs.1.20 Crores per annum.

Considering the contribution of Mr. Vinod R. Tanti, the size of operations, market conditions, current industry trend, remuneration level of senior managerial personnel in comparable companies, it has been proposed that the remuneration being paid to Mr. Vinod R. Tanti as COO in SWIL be increased from Rs.1.20 Crores per annum to Rs.2.50 Crores per annum with effect from 1st April 2014. Since Mr. Vinod R. Tanti is related to Mr. Tulsi R. Tanti, the Chairman & Managing Director of the Company and Mr. Girish R. Tanti, the Non-Executive Director of the Company, the proposed increase in the remuneration would also require approval of the Shareholders in terms of Section 314(1) of the Companies Act, 1956.

In the light of above, you are requested to accord your approval to the special resolution as set out at Agenda Item No.3 of the accompanying Notice. Mr. Vinod R. Tanti himself, Mr. Tulsi R. Tanti, the Chairman & Managing Director and Mr. Girish R. Tanti, the Non-Executive Director and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, the Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said resolution.

Agenda Item No.4: Issue of Equity Shares on preferential basis in terms of ICDR Regulations to certain persons / entities:

The Company proposes to issue and allot, in one or more tranches, fully paid-up Equity Shares of Rs.2/- (Rupees Two Only) each of the Company, at a price determined in accordance with the ICDR Regulations and applicable law, not exceeding Rs.80,00,00,000/- (Rupees Eighty Crores Only) to certain persons / entities as mentioned below.

The following details of the proposed preferential issue of Equity Shares are disclosed in accordance with the provisions of Chapter VII – “Preferential Issue” of ICDR Regulations as amended from time to time:

(a) The object / purpose of the preferential issue:

The object of the issue is to restructure the liabilities of the Company by either fresh infusion and / or conversion of outstanding out of the total outstanding into Equity Shares of the Company by certain persons / entities.

(b) The proposal of the Promoters, Directors and Key Management Persons of the Company to subscribe to the proposed preferential offer:

None of the Promoters, Directors or Key Management Persons intends to subscribe to the proposed preferential offer.

(c) The Shareholding pattern of the Company before and after the preferential issue:

The shareholding pattern of the Company before and after considering all the preferential issues to be made under this Postal Ballot Notice is provided hereunder:

Sr. No.	Category	Pre-Issue as of 30 th January 2014		Post-Issue	
		Number of shares	% of Capital	Number of shares	% of Capital
A	Promoter & Promoter Group	975,004,942	39.19%	1,017,139,773	39.07%
B	Public Shareholding				
1	Institutions				
	Financial Institutions / Banks	474,433,508	19.07%	474,433,508	18.23%
	Insurance Companies	65,176,875	2.62%	65,176,875	2.50%
	Others	185,719,136	7.46%	185,719,136	7.13%
	Sub-Total	725,329,519	29.15%	725,329,519	27.86%
2	Non-Institutions				
	Bodies Corporate	95,951,378	3.86%	156,251,026	6.00%
	Individuals	642,499,793	25.82%	648,411,754	24.91%
	Others	42,215,837	1.70%	48,920,621	1.88%
	Sub-Total	780,667,008	31.38%	853,583,401	32.79%
	Total Public Shareholding	1,505,996,527	60.53%	1,578,912,920	60.65%
C	GDRs	7,144,712	0.29%	7,144,712	0.27%
	GRAND TOTAL	2,488,146,181	100.00%	2,603,197,405	100.00%

Notes:

- 1) The post-issue paid-up capital is arrived after considering all the preferential allotments to be made under this Postal Ballot Notice. It does not include preferential allotments to be made under CDR Package to CDR Lenders and Promoters in terms of Postal Ballot Notice dated 8th March 2013.
- 2) Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) preferential allotments to be made to the CDR Lenders in consideration for the Funded Interest Term Loans and to Promoters in consideration of Balance Promoter Contribution in terms of Resolution No.3 and 6 respectively of the Postal Ballot Notice dated 8th March 2013; (ii) exercise of options granted under existing ESOP Schemes of the Company, if any as well as under any new ESOP / ESPS Schemes and (iii) the conversion of the existing convertible securities issued by the Company including foreign currency convertible bonds (FCCBs) and consequently the post-issue shareholding percentage mentioned above may also stand altered.
- 3) The ‘Relevant Date’ for the purpose of preferential allotments of Equity Shares to be made to the Promoters and to certain persons / entities in terms of this Postal Ballot Notice is 25th February 2014 being the date which is 30 (Thirty) days prior to the date when the results of this Postal Ballot are announced, i.e. 27th March 2014. Since the actual ‘Relevant Date’ is a future date after the date of this Postal Ballot Notice, for the purposes of arriving at a tentative shareholding pattern, the relevant date for determination of the price of the Equity Shares to be allotted to the Promoters and certain persons / entities has been presumed to be 7th February 2014.
- 4) Thus, the number of Equity Shares actually allotted to the Promoters and certain persons / entities may stand altered and consequently the post-issue paid-up capital as well as post-issue shareholding percentage may also stand altered.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of Equity Shares.

(d) Proposed time within which the preferential issue shall be completed:

The Company will issue and allot Equity Shares to certain persons / entities within the time limit specified under the ICDR Regulations or any longer time limit as may be specified under the ICDR Regulations.

(e) The identity of the proposed allottees, amount up to which Equity Shares are proposed to be issued, the percentage of post preferential issue capital that may be held by the allottee and change in control, if any, in the Company consequent to the preferential issue:

Details of the proposed allottees:

Sr. No.	Proposed Allottees	Natural person who ultimately controls the Proposed Allottee	Amount (Rs.)	Pre-Issue shareholding		Post-Issue shareholding	
				No. of shares	%	No. of shares	%
1	Sanghvi Movers Ltd.	Listed Company	70,000,000	-	-	6,554,307	0.25%
2	Echar Equipments Pvt. Ltd.	Ramesh H.Panchal Kirti H.Panchal	10,000,000	-	-	936,329	0.04%
3	Vijay Steel Corporation Pvt. Ltd.	Shital C.Paliwal	20,000,000	25,000	0.00%	1,897,659	0.07%
4	SMP Constructions Pvt. Ltd.	Amit R.Patel, Ketan D. Patel, Alpesh S.Vora, Mita A.Patel, Shefali K.Patel, Manisha A.Vora	10,000,000	-	-	936,329	0.04%
5	Simms Engineering Pvt. Ltd.	Punjabhai Rajshi Modhvadia, Narendra Chandrasen Dhoyda, Hiten Haridas Madlani	45,000,000	-	-	4,213,483	0.16%
6	Associated Power Structures Pvt. Ltd.	Ajay Patel, Satish Desai, Parag Kothari	30,000,000	-	-	2,808,988	0.11%
7	Deepak Kumar Sitaram Singh	Not Applicable	20,000,000	19,000	0.00%	1,891,659	0.07%
8	Bharat Electrical Contractors & Manufacturers Pvt. Ltd.	Shantinath A. Patil	14,000,000	-	-	1,310,861	0.05%
9	Ramawat Construction Pvt. Ltd.	Babu Dass Ramawat	10,000,294	-	-	936,357	0.04%
10	Vinayak Sood	Not Applicable	8,625,973	488,600	0.02%	1,296,275	0.05%
11	Kewal Krishan Sood	Not Applicable	9,344,805	-	-	874,981	0.03%
12	Mehru Electrical and Mechanical Engineers Pvt. Ltd.	Sudhir Prakash Sharma	5,000,000	-	-	468,164	0.02%
13	Schaeffler Technologies GmbH & Co. KG Germany	Georg F.W. Schaeffler	71,607,099	-	-	6,704,784	0.26%
14	The Boston Consulting Group (India) Pvt. Ltd.	Arindam Bhattacharya, Managing Director	270,000,000	-	-	25,280,898	0.97%
15	Jigar J.Shah	Not Applicable	10,000,000	20,000	0.00%	956,329	0.04%
16	Ambalal C.Patel	Not Applicable	10,000,000	-	-	936,329	0.04%
17	Vikas Jhalani	Not Applicable	5,169,000	-	-	483,988	0.02%
18	Samimeru Windfarms Pvt. Ltd.	Balrajsinh A.Parmar, Kiritkumar A.Parmar, Ranjitsinh A.Parmar and Amarsinh A.Parmar	160,000,000	11,885,467	0.48%	26,866,740	1.03%
	Total		778,747,171	12,438,067	0.50%	85,354,460	3.28%

Notes:

- 1) The post-issue paid-up capital is arrived after considering all the preferential allotments to be made under this Postal Ballot Notice. It does not include preferential allotments to be made under CDR Package to CDR Lenders and Promoters in terms of Postal Ballot Notice dated 8th March 2013.
- 2) Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) preferential allotments to be made to the CDR Lenders in consideration for the Funded Interest Term Loans and to Promoters in consideration of Balance Promoter Contribution in terms of Resolution No.3 and 6 respectively of the Postal Ballot Notice dated 8th March 2013; (ii) exercise of options granted under existing ESOP Schemes of the Company, if any as well as under any new ESOP / ESOS Schemes and (iii) the conversion of the existing convertible securities issued by the Company including foreign currency convertible bonds (FCCBs) and consequently the post-issue shareholding percentage of the allottee(s) mentioned above may also stand altered.
- 3) The 'Relevant Date' for the purpose of preferential allotments of Equity Shares to be made to the Promoters and to certain persons / entities in terms of this Postal Ballot Notice is 25th February 2014 being the date which is 30 (Thirty) days prior to the date when the results of this Postal Ballot are announced, i.e. 27th March 2014. Since the actual 'Relevant Date' is a future date after the date of this Postal Ballot Notice, for the purposes of arriving at a tentative shareholding pattern, the relevant date for determination of the price of the Equity Shares to be allotted to the Promoters and certain persons / entities has been presumed to be 7th February 2014.
- 4) Thus, the number of Equity Shares actually allotted to the Promoters and certain persons / entities may stand altered and consequently the post-issue paid-up capital as well as post-issue shareholding percentage may also stand altered.

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

(f) Undertaking to recomputed price:

The same is not applicable in the present case.

(g) Undertaking to put under lock-in till the recomputed price is paid:

The same is not applicable in the present case.

(h) Certificate from Statutory Auditors:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of ICDR Regulations shall be made available for inspection at the Registered Office of the Company on or after 25th February 2014 between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of the Postal Ballot.

(i) Relevant Date:

The "Relevant Date" in terms of ICDR Regulations for allotment to certain persons / entities is 25th February 2014 being a date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced.

(j) Lock-in Period:

The securities allotted to certain persons / entities shall be locked in as per the provisions of ICDR Regulations.

The consent of the Shareholders is sought for the issue of Equity Shares in terms of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's Equity Shares are listed.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said resolution. Further the Promoters or Directors or Key Management Persons of the Company do not have any shareholding interest in the proposed allottees.

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.4 of the accompanying Notice.

Agenda Item No.5: Issue of Equity Shares on preferential basis in terms of ICDR Regulations to Promoters in consideration of Promoter Unsecured Loan

The Promoters had extended an unsecured loan of Rs.145,00,00,000/- (Rupees One Hundred Forty Five Crores Only) ("Total Promoter Unsecured Loan") to the Company. The CDR Package records that the Total Promoter Unsecured Loan is to be converted into fully paid up Equity Shares / compulsorily convertible debentures of the Company at a price determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time ("ICDR Regulations") or applicable law. However, the Total Promoter Unsecured Loan is not forming part of the Promoters' contribution and hence the Board had decided to make preferential issue to the Promoters and / or Promoters' affiliates not exceeding the amount of the Total Promoter Unsecured Loan. Accordingly in terms of approval granted by the Shareholders by way of special resolution passed at the Eighteenth Annual General Meeting held on 20th September 2013, the Securities Issue Committee of the Board of Directors of the Company had on 28th October 2013 allotted compulsorily convertible debentures to Promoters for conversion of part of unsecured loan of Rs.100,00,00,000/- (Rupees One Hundred Crores Only) out of the Total Promoter Unsecured Loan. Since the time limit for making allotment under Regulation 74 of the ICDR Regulations has lapsed, it is necessary to obtain fresh approval of Shareholders for preferential issue of Equity Shares for conversion of the Balance Promoter Unsecured Loan of Rs.45,00,00,000/- (Rupees Forty Five Crores Only) out of the Total Promoter Unsecured Loan.

The following details of the proposed preferential issue of Equity Shares are disclosed in accordance with the provisions of Chapter VII – "Preferential Issue" of the ICDR Regulations:

(a) The object of the preferential issue:

The object of the issue is to restructure the liabilities of the Company in furtherance to the CDR Package by converting the Balance Promoter Unsecured Loan out of the Total Promoter Unsecured Loan into Equity Shares of the Company.

(b) The proposal of the Promoters, Directors and Key Management Persons of the Company to subscribe to the proposed preferential offer:

Tanti Holdings Private Limited and / or Sugati Holdings Private Limited and / or its / Promoters' Affiliates will subscribe to the proposed preferential offer. Mr. Tulsi R. Tanti, Chairman & Managing Director, Mr. Vinod R. Tanti and Mr. Girish R. Tanti, the Non-Executive Directors of the Company and their relatives who are also Promoters of the Company have got an interest in allotment to Tanti Holdings Private Limited and / or Sugati Holdings Private Limited and / or its / Promoters' Affiliates.

Except the above, none of the Directors or Key Management Persons or their relatives intend to subscribe to the Equity Shares.

(c) The shareholding pattern of the Company before and after the preferential issue:

The shareholding pattern of the Company before and after considering all the preferential issues to be made under this Postal Ballot Notice is provided in the Explanatory Statement for Agenda Item No.4.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of Equity Shares.

(d) Proposed time within which the preferential issue shall be completed:

The Company will issue and allot Equity Shares to the Promoters within the time limit specified under the ICDR Regulations or any longer time limit as may be specified under the ICDR Regulations.

(e) The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

The details of the proposed allottees being any of the Promoter and Promoters' Affiliates are given below:

Sr. No.	Proposed Allottees	Name of Natural Persons who ultimately control the proposed allottee	Pre-Issue shareholding (as of 30 th January 2014)		Post-Issue shareholding	
			Number of shares	%	Number of shares	%
1.	Tanti Holdings Private Limited	No person individually holds more than 25% however Mr. Girish R. Tanti and Mr. Vinod R. Tanti who are directors hold more than 20% equity	154,626,093	6.21%	381,479,278	14.65%
2.	Sugati Holdings Private Limited	Mr. Girish R. Tanti individually holds more than 25% equity	18,47,18,354	7.42%		
3.	Other Promoter Group Entities not mentioned above	-	635,660,495	25.56%	635,660,495	24.42%
	Total Promoter Group Shareholding	-	97,50,04,942	39.19%	101,71,39,773	39.07%

Notes:

- 1) It is proposed to make allotment to the Promoters and / or Promoters' Affiliates mentioned above. Since the name(s) of the final allottee would be known only at the time of allotment, it is not possible to give the exact post issue shareholding details of the allottee(s).
- 2) The post-issue paid-up capital is arrived at after considering all the preferential allotments to be made under this Postal Ballot Notice. It does not include preferential allotments to be made under CDR Package to CDR Lenders and Promoters in terms of Postal Ballot Notice dated 8th March 2013.
- 3) Therefore, the post issue paid-up capital of the Company is subject to alterations on account of (i) preferential allotments to be made to the CDR Lenders in consideration for the Funded Interest Term Loans and to Promoters in consideration of Balance Promoter Contribution in terms of Resolution No.3 and 6 respectively of the Postal Ballot Notice dated 8th March 2013; (ii) exercise of options granted under existing ESOP Schemes of the Company, if any as well as under any new ESOP / ESPS Schemes and (iii) the conversion of the existing convertible securities issued by the Company including foreign currency convertible bonds (FCCBs) and consequently the post-issue shareholding percentage of the allottee(s) mentioned above may also stand altered.
- 4) The 'Relevant Date' for the purpose of preferential allotments of Equity Shares to be made to the Promoters and to certain persons / entities in terms of this Postal Ballot Notice is 25th February 2014 being the date which is 30 (Thirty) days prior to the date when the results of this Postal Ballot are announced, i.e. 27th March 2014. Since the actual 'Relevant Date' is a future date after the date of this Postal Ballot Notice, for the purposes of arriving at a tentative shareholding pattern, the relevant date for determination of the price of the Equity Shares to be allotted to the Promoters and certain persons / entities has been presumed to be 7th February 2014.
- 5) Thus, the number of Equity Shares actually allotted to the Promoters and certain persons / entities may stand altered and consequently the post-issue paid-up capital as well as post-issue shareholding percentage may also stand altered.

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.

(f) Undertaking to recomputed price:

The same is not applicable in the present case.

(g) Undertaking to put under lock-in till the recomputed price is paid:

The same is not applicable in the present case.

(h) Certificate from Statutory Auditors:

A copy of the certificate from Statutory Auditors certifying that the issue is being made in accordance with the requirements of ICDR Regulations shall be made available for inspection at the Registered Office of the Company on or after 25th February 2014 between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

(i) Relevant Date:

The "Relevant Date" for allotment to the Promoters is 25th February 2014 being a date which is 30 (Thirty) days prior to the date when the results of this postal ballot are announced.

(j) Lock-in Period:

The securities allotted to the Promoters shall be locked in as per the provisions of ICDR Regulations.

The consent of the Shareholders is sought for the issue of Equity Shares to the Promoters in terms of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's Equity Shares are listed.

Mr. Tulsi R. Tanti, the Chairman & Managing Director, Mr. Vinod R. Tanti and Mr. Girish R. Tanti, the Non-Executive Directors of the Company and their relatives have got an interest in the proposed allottee(s) and hence may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors, Key Management Persons, and their relatives is, in any way, concerned or interested in passing of the said resolution. Further Mr. Tulsi R. Tanti, Mr. Vinod R. Tanti and Mr. Girish R. Tanti, the Promoter Directors along with their relatives, directly or indirectly hold 99.98% equity shareholding and 100% preference shareholding of Tanti Holdings Private Limited and 100% equity shareholding of Sugati Holdings Private Limited. Except for the above none of the Directors, Key Management Persons, and their relatives has any shareholding interest in the proposed allottee(s).

In view of the aforesaid provisions, you are requested to grant your consent to the special resolution as set out at Agenda Item No.5 of the accompanying Notice.

Agenda Item Nos.6 & 7: Issue of Equity Shares to the eligible employees of the Company and its subsidiary companies under Employee Stock Purchase Scheme 2014

The Company has been going through a challenging period over past few years. The journey has been tough and the employees have shown extraordinary patience, understanding and support to the Company. The Company wants to acknowledge the continuous hard work, dedication, commitment and wholehearted support of its employees in these tough times and to motivate them by means of issuance of Equity Shares and thus proposes to introduce an Employee Stock Purchase Scheme 2014 (hereinafter referred to as the "ESPS 2014" or the "Scheme") for the permanent employees of the Company and its subsidiary companies, its directors, and such other persons / entities as may be permitted by Securities and Exchange Board of India ("SEBI") from time to time, and in accordance with the provisions of prevailing regulations.

The following is the explanatory statement which sets out various disclosures as required in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the "ESPS Guidelines").

The salient features of the ESPS 2014 are as under:

(a) Total number of Equity Shares to be offered:

The total number of fully paid-up Equity Shares of face value of Rs.2/- (Rupees Two Only) each to be offered, issued and allotted, in one or more tranches, under ESPS 2014 shall not exceed an aggregate of 1,50,00,000 (One Crore Fifty Lacs) Equity Shares being reserved for the eligible employees / directors of the Company and its subsidiary companies.

In the event of any corporate action(s), viz., sub-division / consolidation of shares, bonus issue, rights issue or other reorganisation of the capital structure of the Company, the total number of Equity Shares to be issued shall undergo fair, reasonable and appropriate adjustments pursuant to ESPS Guidelines.

(b) Creation of a Trust:

The Company may set-up an Employee Welfare Trust (EWT) *inter-alia* for the implementation of the Scheme, administration of the Scheme, financing and holding the Equity Shares for the benefit of the eligible employees as well as for funding the employees to subscribe to the Equity Shares offered under ESPS 2014 in accordance with the terms and conditions of the Scheme.

(c) Appraisal process and determination of eligibility of employees:

All the permanent employees (including a director, whether wholetime or not) of the Company and its subsidiary companies, existing and future, working in India or outside India shall be eligible to participate in the ESPS 2014. The appraisal process for determining the eligibility would be determined by the Remuneration Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, Company's values, etc.

The Remuneration Committee may at its discretion extend the benefits of the ESPS 2014 to a new joiner especially appointed in the senior cadre.

However, the following persons shall not be eligible to participate in ESPS 2014:

- an employee who is a Promoter or belongs to the Promoter Group within the meaning of ESPS Guidelines; or
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company.

(d) The price of the Equity Shares to be offered and number of shares to be offered to each employee:

The Equity Shares would be offered at a discount not exceeding 35% to the closing market price of the Equity Shares of the Company on the date of the grant on the National Stock Exchange of India Limited (NSE) or Rs.8.10 per share, whichever is lower, and the Remuneration Committee reserves the right to take necessary decisions in this regard, i.e. what should be the percentage discount and / or the final exercise price within the above permitted formula, etc.

The number of Equity shares being offered to each employee shall be as determined by the Remuneration Committee. The maximum number of Equity Shares to be offered to each eligible employee / director shall vary depending upon the designation and the appraisal / assessment process; however shall not exceed 4,17,000 in numbers and the Remuneration Committee reserves the right to decide the number of Equity Shares to be offered and the maximum number of Equity Shares that can be offered to each employee / director and the number of shares offered may be different for different categories of employees.

Total number of shares that may be offered to any specific employee under the ESPS 2014 shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of issue of shares.

The Equity Shares under ESPS 2014 will be allotted to the eligible employees upon their written, electronic or otherwise application to the Company agreeing to subscribe to the Equity Shares offered and on execution of such document(s) as may be prescribed by the Remuneration Committee from time to time. The offer shall lapse on expiry of the offer period and the employee shall have no right over such lapsed offer.

(e) Compliance with Accounting Policies:

The Company will confirm to the accounting policies specified in Clause 19.2 of the ESPS Guidelines, and / or such other guidelines as may be applicable, from time to time.

The Remuneration Committee of the Company shall act as a Compensation Committee for administration of ESPS 2014. The Board / Remuneration Committee reserve the right to vary any of the above terms and conditions of the ESPS 2014 from time to time.

In terms of the provisions of Section 81 of the Companies Act, 1956, whenever it is proposed to increase the subscribed capital of the company by allotment of further shares, in whatsoever manner, then such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the company in proportion as nearly as circumstances admit to the capital paid-up on those shares at that date, unless a special resolution is passed by the company in general meeting in terms of Section 81(1A) of the Companies Act, 1956. Since it is proposed to offer, issue and allot the Equity Shares under the ESPS 2014 only to the eligible permanent employees of the Company and its subsidiaries it is necessary to pass a special resolution in terms of Section 81(1A) of the Companies Act, 1956. Further in terms of the ESPS Guidelines, a separate resolution is required to be passed since the benefits under the ESPS 2014 are also to be extended to the employees / directors of the Company's subsidiary companies and accordingly a special resolution is proposed under Agenda Item No.7 to cover the employees of the Company's subsidiary companies.

A copy of the ESPS 2014 Scheme referred to in the above resolutions is available for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

The Directors and Key Management Persons of the Company and their relatives may be deemed to be concerned or interested in the said resolutions to the extent of the Equity Shares that may be offered to the Director or the Key Management Person under the ESPS 2014 and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

In light of above, you are requested to accord your approval to the special resolutions as set out at Agenda Item Nos.6 & 7 of the accompanying Notice.

Agenda Item No.8 & 9: Issue of Equity Shares to the eligible employees of the Company and its subsidiary companies under Special Employee Stock Option Plan 2014

Stock options have long been recognised internationally as an effective instrument to align the interest of employees with those of the company and its shareholders, provide an opportunity to employees to share in the growth of the company, and create long term wealth in the hands of the employees. Stock options create a common sense of ownership between the company and its employees, paving the way for a unified approach to the common objective of enhancing overall Shareholder value. Stock options provide for performance linked rewards to the employees, and serve as an important means, to attract, retain and motivate the best available talent for the company. From the company's perspective, stock options also provide an opportunity to optimise personnel costs, by allowing for an additional market-driven mechanism to attract, retain, compensate and reward employees.

Hence, the Company proposes to introduce a Special Employee Stock Option Plan 2014 (hereinafter referred to as the "Special ESOP 2014" or the "Scheme" or the "Plan") for the benefit of the permanent employees of the Company and its subsidiary companies, its directors, and such other persons / entities as may be prescribed by Securities and Exchange Board of India ("SEBI") from time to time, and in accordance with the provisions of prevailing regulations. The Remuneration Committee (by whatever name called) of the Company shall act as a Compensation Committee for administration of Special ESOP 2014.

The following is the explanatory statement which sets out various disclosures as required in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as the "ESOP Guidelines").

The salient features of the Special ESOP 2014 are as under:

(a) Total number of options to be granted and maximum number of options to be issued to per employee:

The total number of options to be granted under Special ESOP 2014 (together with the options for the benefit of such persons who are in permanent employment of the Company's subsidiary companies in terms of Special ESOP 2014) shall not exceed 4,50,00,000 (Four Crores Fifty Lacs) options. Each option when exercised would be converted into one Equity Share of Rs.2/- (Rupees Two Only) each fully paid-up.

The maximum number of options that shall be granted to each employee / director shall vary depending upon the designation and the appraisal / assessment process however shall not exceed 12,51,000 in numbers per eligible employee, however the Remuneration Committee reserves right to decide the number of options to be granted and the maximum number of options that can be granted to each employee / director.

Total number of options that may be granted to any specific employee under the Special ESOP 2014 shall not exceed 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options.

The ESOP Guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the options granted. In this regard, the Remuneration Committee shall adjust the number and price of the options granted in such a manner that the total value of the options granted under Special ESOP 2014 remain the same after

any such corporate action. Accordingly, if any additional options are issued by the Company to the option grantees for making such fair and reasonable adjustment, the ceiling of 4,50,00,000 shall be deemed to be increased to the extent of such additional options issued.

Special ESOP 2014 would continue till 31st March 2017 or till the options reserved under the Plan are fully granted / exhausted and accordingly exercised or earlier terminated by the Board of Directors, whichever is earlier, and thus all the employees meeting the eligibility criteria as may be determined by the Remuneration Committee from time to time and who join the Company and / or its subsidiaries hereafter would also be entitled to the benefit under Special ESOP 2014.

For employees joining in future and fulfilling the eligibility criteria as may be determined by the Remuneration Committee till 31st March 2017 or such earlier period would be granted options on such future dates as may be determined by the Board of Directors / Remuneration Committee.

(b) Creation of the Trust:

The Company may set up an Employee Welfare Trust (EWT) inter-alia for the implementation of the Plan, administration of the Plan, financing and holding the shares for the benefit of the eligible employees as well as for funding the employees to exercise the options of the Company in accordance with the terms and conditions of the Plan.

(c) Identification of classes of employees entitled to participate in Special ESOP 2014:

All the permanent employees (including a director, whether wholetime or not) of the Company and its subsidiary companies, existing and future, working in India or outside India shall be eligible to participate in the Plan. Provided however that the following persons shall not be eligible to participate in Special ESOP 2014:

- an employee who is a "Promoter" or belongs to the "Promoter Group" as defined in the ESOP Guidelines; or
- a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed Equity Shares of the Company.

(d) Transferability of employee stock options:

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an option holder while in employment, the right to exercise all the options granted to him till such date shall be transferred to his legal heirs or nominees.

(e) Requirements of vesting, period of vesting and maximum period within which the options shall be vested:

All the options granted on any date shall vest in tranches not earlier than one year and not later than a maximum of three years from the date of grant of options as may be determined by the Remuneration Committee. The Remuneration Committee may extend, shorten or otherwise vary the vesting period from time to time, in accordance with the applicable law.

The vesting dates in respect of the options granted under the Plan shall be determined by the Remuneration Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of options granted to an employee.

Options eligible for vesting on the basis of performance parameters, if any, such percentage or such number of options as may be specified by the Remuneration Committee in the option letter or any of the other writings, having regard to the performance of the optionee evaluated in accordance with such performance criteria as may be laid down by the Remuneration Committee, shall vest in the optionee.

(f) Exercise price:

The options would be granted at an exercise price equal to the closing market price of the Equity Shares of the Company or certain discount to the closing market price on the National Stock Exchange of India Limited (NSE) on the date of grant as may be decided by the Remuneration Committee.

(g) Exercise period and process of exercise:

The Exercise period would commence from the date of vesting and will expire on completion of three years from the date of first vesting or such other period as may be decided by the Remuneration Committee from time to time.

The Options will be exercisable at one time or at various points of time within the exercise period by the employees by a written, electronic or otherwise 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.

(h) Appraisal / Assessment Process for determining the eligibility of employees to Special ESOP 2014

The appraisal process for determining the eligibility would be determined by the Remuneration Committee from time to time based on broad criteria for appraisal and selection such as parameters like tenure of association with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, Company's values, etc. As regard the new joinees especially appointed in the senior cadre, the Remuneration Committee shall have the discretion to decide the criteria for ascertaining the eligibility for grant of options.

(i) Amendment or termination of Plan:

The Board / Remuneration Committee in its absolute discretion may from time to time amend, alter or terminate the Plan or any grant or the terms and conditions thereof, provided that no amendment, alteration or termination in any grant previously made may be carried out, which would impair or prejudice the rights of the optionee without the consent of the concerned optionee.

(j) Tax / Social Security Charges' deduction at source and tax / social security charges' recovery:

The Company shall have the right to deduct / recover all taxes / social security charges payable either by itself or by the employee / optionee, in connection with all grants / vesting / exercise / options / shares under the Plan, by way of deduction from salary or a separate recovery.

Subject to applicable law, the optionee will also, as a condition of the Plan, authorise the Company or its nominee to sell such number of shares as would be necessary to discharge the obligation in respect of such taxes and appropriate the proceeds thereof on behalf of the optionee.

(k) Compliance with Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed by the ESOP Guidelines, including but not limited to the accounting policies specified in Clause 13.1 thereof, and any authorities concerned, from time to time.

(I) 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.

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 Board / Remuneration Committee reserve the right to vary any of the above terms and conditions of the Special ESOP 2014 or generally vary the Special ESOP 2014 from time to time, in a manner which is not prejudicial to the interests of the employees, without seeking fresh approval of Shareholders.

The copy of the Special ESOP 2014 is available for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

In terms of the provisions of Section 81 of the Companies Act, 1956, where, it is proposed to increase the subscribed capital of the company by allotment of further shares, in whatsoever manner, then such further shares shall be offered to the persons who at the date of the offer are holders of the Equity Shares of the company in proportion as nearly as circumstances admit to the capital paid-up on those shares at that date, unless a special resolution is passed by the company in general meeting in terms of Section 81(1A) of the Companies Act, 1956. Since it is proposed to offer, issue and allot the Equity Shares under the Special ESOP-2014 only to the eligible permanent employees of the Company and its subsidiaries it is necessary to pass a special resolution in terms of Section 81(1A) of the Companies Act, 1956. Further in terms of the ESOP Guidelines, a separate resolution is required to be passed if the benefits under the stock option plan are also to be extended to the employees of the subsidiary companies. A special resolution is proposed accordingly under Agenda Item No. 9 to cover the employees of the subsidiary companies of the Company.

The Directors and Key Management Persons of the Company and their relatives may be deemed to be concerned or interested in the said resolutions to the extent of the Equity Shares underlying the options that may be offered to the Director or the Key Management Person under the Special ESOP 2014 and / or to the extent of Equity Shares held in the paid-up capital by them as a Shareholder.

In light of above, you are requested to accord your approval to the special resolutions as set out at Agenda Item Nos.8 & 9 of the accompanying Notice.

Agenda Item No.10: Enhancement of borrowing limit from Rs.10,000 Crores to Rs.20,000 Crores

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act, 1956), a company cannot borrow in excess of the aggregate of the paid-up capital and free reserves, apart from the temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the shareholders by way of special resolution at the general meeting of the Company.

The Shareholders have passed an ordinary resolution under Section 293(1)(d) of the Companies Act, 1956 on 16th November 2010, approving the borrowing limit of Rs.10,000 Crores beyond the paid-up capital and free reserves of the Company. The Company has undertaken corporate debt restructuring through CDR Mechanism and is undertaking several liability management initiatives to overcome the financial crisis. Considering the financial position of the Company it may be necessary to avail additional financial assistance from Banks, Financial Institutions, Bodies Corporate, other Entities, Person or Persons for meeting the financial requirements of the Company.

Further, in terms of Companies Act, 2013, the definition of Free Reserves does not include the balance in the Securities Premium Account of the Company, thereby further reducing the borrowing limit of the Company. In the light of the above, it is felt that the present limit of Rs.10,000 Crores may not be sufficient to cover the additional borrowings. Hence it has been felt desirable to enhance this limit of Rs.10,000 Crores to Rs.20,000 Crores.

In view of the aforesaid provisions, you are requested to grant your consent to the enabling special resolution as set out at Agenda Item No.10 of the accompanying Notice.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said special resolution.

Agenda Item No. 11: Creation of a charge / mortgage on assets of the Company

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956), a company cannot sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company without the consent of the Shareholders by way of a special resolution at the general meeting of the company.

Considering the need to avail additional financial assistance, over and above the present financial assistances, from Banks, Financial Institutions, Bodies Corporate, other Entities, Person or Persons, it may be required to further mortgage / charge its properties and / or extend the properties already charged to secure other assistance including securing the present facilities sanctioned and being availed. Since the creation of charge / mortgage tantamount to otherwise disposing of the undertakings of the Company, it shall be necessary to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act, 1956). Also, earlier approval of Shareholders under Section 293(1)(a) of the Companies Act, 1956 was taken on 16th November 2010 and thus considering passage of time as also notification of Section 180 of the Companies Act, 2013, it is felt desirable to seek fresh approval of shareholders.

In view of the aforesaid provisions, you are requested to grant your consent to the enabling special resolution as set out at Agenda Item No.11 of the accompanying Notice.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise in passing of the said special resolution.

Agenda Item No.12: To make investments, give loans, guarantees and provide securities beyond the prescribed limits

In terms of Section 372A of the Companies Act, 1956, no company shall directly or indirectly, (a) make any loan to any other body corporate; (b) give any guarantee, or provide security, in connection with a loan made by any other person to, or to any other person by, any body corporate; and (c) acquire, by way of subscription, purchase or otherwise the securities of any other body corporate, exceeding sixty per cent of its paid-up capital and

free reserves, or one hundred per cent of its free reserves, whichever is more, unless authorised by a special resolution passed in a general meeting of the shareholders of the company.

Considering the net worth of the Company as also considering the fact that majority of investments / loans / guarantee / securities are to wholly owned subsidiaries of the Company, presently the Company is in compliance with the provisions of Section 372A of the Companies Act, 1956 since investments / loans / guarantees / securities to wholly owned subsidiaries are exempt in terms of Section 372A(8) of the Companies Act, 1956.

However in terms of Section 186 of the Companies Act, 2013, as and when the said section would become applicable, the exemptions currently available for investments / loans / guarantees / securities to the wholly owned subsidiaries in terms of Section 372A(8) of the Companies Act, 1956 would no longer be available and thus post notification of Section 186 of the Companies Act, 2013, giving of any loans and / or giving of any guarantee and / or providing security in connection with a loan to any subsidiary exceeding sixty per cent of the Company's paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more, would require prior approval by means of a special resolution passed at a general meeting of the Company.

Considering the fact that for ongoing business requirements, the Company would be required to continue to provide support to its subsidiaries in the form of investments or loans or guarantees or securities and which may exceed the limits prescribed under Section 186 of the Companies Act, 2013, as and when the said section becomes applicable, and especially on account of withdrawal of exemption which otherwise is available in terms of Section 372A(8) of the Companies Act, 1956, it is felt desirable to obtain prior approval of the Shareholders for making investments and loans and providing guarantees and securities exceeding the prescribed limits to enable the Company to comply with Section 186 of the Companies Act, 2013, as and when it is made applicable.

The information required to be disclosed in terms of Section 372A of the Companies Act, 1956 is given as under:

Company	Amount up to which investments / loans proposed to be made / guarantees / securities proposed to be provided (Rs. Crores)
Overseas Subsidiaries	
AE-Rotor Holding B.V.	450
Suzlon Rotor Corporation	10
Suzlon Energy A/S	20
Indian Subsidiaries	
Suzlon Gujarat Wind Park Limited	330
Suzlon Power Infrastructure Limited	200
SE Blades Limited	450
Suzlon Wind International Limited	410
SE Electricals Limited	210
SISL Green Infra Limited	350
Suzlon Generators Limited	30
SE Forge Limited	230
Suzlon Structures Limited	60
Total	2,750*

* The Board may vary the amount and manner of investments / loans / guarantees / securities within the overall limits and may also make investments / loans / guarantees / securities to such other subsidiaries, whether listed above or not, within overall limits or limits permitted under the Companies Act, whichever is higher.

The purpose for investment / loan / guarantee or security to any of the subsidiaries is to provide financial support for ongoing business requirements and / or to enable the subsidiaries to raise finance from lenders.

In view of the likely impact on account of implementation of provisions of Section 186 of the Companies Act, 2013 and to maintain continuity of business in such changed legal scenario, an enabling special resolution is proposed for the consideration of the Shareholders as set out at Agenda Item No.12 of the accompanying Notice and you are requested to grant your consent to the said special resolution.

The Directors or Key Management Persons or their relatives do not have any concern or interest, financial or otherwise, in passing of the said resolution since the loans, investments, guarantees and / or securities are proposed to be provided to the Company's subsidiaries.

**By Order of the Board
For Suzlon Energy Limited**

Registered Office:
"Suzlon", 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad-380009.

**Hemal A.Kanuga,
Company Secretary.**

Place : Pune

Dated : 14th February 2014.

Annexure II to the Notice

Updates on Preferential Issue of the Company in terms of the Postal Ballot Notice dated 8th March 2013 (“Postal Ballot Notice”) read with Notice dated 20th July 2013 convening the Eighteenth Annual General Meeting of the Company (“AGM Notice”)

A. BACKGROUND

The Company had obtained approval of the Shareholders in terms of Resolution No.6 of the Postal Ballot Notice for allotment of Equity Shares / Compulsorily Convertible Debentures (“CCDs”) to the Promoters to an extent of Rs.377 Crores in consideration of the following:

- (a) conversion of unsecured loan of Rs.145 Crores given by the Promoters to the Company (hereinafter referred to as the “Total Promoter Unsecured Loan”);
- (b) conversion of unsecured loan of Rs.103 Crores given by the Promoters to the Company forming a part of the Promoter Contribution under the CDR Package; and
- (c) up to Rs.129 Crores to be brought in by the Promoters as Promoter Contribution, from time to time, as per the CDR Package (hereinafter referred to as the “Balance Promoter Contribution”).

However since the preferential allotment for conversion of Total Promoter Unsecured Loan mentioned at (a) above was not treated as part of CDR, a fresh approval of Shareholders was obtained in terms of Resolution No.9 of the AGM Notice for issue of Compulsorily Convertible Debentures to Promoters in consideration of Total Promoter Unsecured Loan out of which allotment has been made for conversion of Promoter Unsecured Loan of Rs.100 Crores and for balance Rs.45 Crores fresh approval of Shareholders is being hereby sought by way of special resolution vide this Postal Ballot Notice dated 14th February 2014.

B. DISCLOSURES WITH RESPECT TO ALLOTMENTS ALREADY MADE TO THE PROMOTERS

The Company had made disclosures to the Shareholders regarding details of allotments to be made in terms of ICDR Regulations in Postal Ballot Notice and AGM Notice. However post approval, there were certain circumstantial changes in those disclosures which are hereby intimated to the Shareholders for their information:

Sr. No.	Particulars	Details of disclosures made in notice	Actual details	Remarks
1.	Name of the Allottee	Tanti Holdings Private Limited, one of the Promoters of the Company and / or its / Promoters’ affiliates	Sugati Holdings Private Limited, one of the Promoter Group Entities	Since actual allottee was not known at the time of issuance of notice, details of all the promoter affiliates were disclosed under Agenda Item No.9 and Annexure II of the AGM Notice
2.	Entitlement Date	5 th October 2013	28 th October 2013	Since the Company did not get approval from the stock exchanges on or before 5 th October 2013, being the Entitlement Date mentioned in the AGM Notice, the Securities Issue Committee resolved that the date of allotment shall be the revised Entitlement Date
3.	Relevant Date	5 th September 2013 being 30 days prior to the Entitlement Date in terms of Regulation 71(b) of ICDR Regulations	27 th September 2013 being 30 days prior to the Revised Entitlement Date in terms of Regulation 71(b) of ICDR Regulations	Since Entitlement Date was revised, consequently the Relevant Date was also revised
4.	Minimum Applicable Price in terms of Regulation 76 of the ICDR Regulations	With reference to Relevant Date of 5 th September 2013, the Minimum Applicable Price was Rs.10.99	With reference to Revised Relevant Date of 27 th September 2013, the Minimum Applicable Price was Rs.9.97	The Conversion Price was Rs.10.99 being higher of the price calculated with reference to the Relevant Date of 5 th September 2013 and Revised Relevant Date of 27 th September 2013
5.	Quantum of Allotment (Amount)	In terms of Resolution No.6 of the Postal Ballot Notice approval was taken for allotment of equity shares / CCDs to an extent of Rs.377 Crores as under:		
		(a) For conversion of Promoter Unsecured Loan of Rs.145 Crores (for which separate approval of shareholders was obtained vide Resolution No.9 of the AGM Notice)	Actual allotment of CCDs was made to an extent of Rs.100 Crores only.	For balance Rs.45 Crores, the approval of Shareholders is being sought vide this Postal Ballot Notice dated 14 th February 2014
		(b) For conversion of Promoter Contribution of Rs.103 Crores in terms of CDR Package	Fully allotted	

Sr. No.	Particulars	Details of disclosures made in notice	Actual details	Remarks	
		(c) For conversion of the Balance Promoter Contribution (to be brought-in in future)	Allotment would be made in future as and when funds are infused.	Refer additional disclosures given below at point no.C	
6	Pre and Post Shareholding Pattern of the allottee				
	Name of allottee	Pre-issue as of 19 th July 2013		Post-issue as of 30 th January 2014	
		No. of shares	%	No. of shares	%
	Sugati Holdings Private Limited	5,000	0.00%	184,718,354	7.42%
	Total Promoter Group Holding	790,291,588	37.78%	97,50,04,942	39.19%
7	Pre and Post Issue Shareholding Pattern of the Company				
Sr. No.	Category	Pre-issue as of 19 th July 2013		Post-issue as of 30 th January 2014	
		No. of shares	%	No. of shares	%
A	Promoter & Promoter Group	790,291,588	37.78%	975,004,942	39.19%
B	Public Shareholding				
1	Institutions				
	Financial Institutions / Banks	286,453,368	13.70%	474,433,508	19.07%
	Insurance Companies	39,924,328	1.91%	65,176,875	2.62%
	Others	226,619,219	10.83%	185,719,136	7.46%
	Sub-Total	552,996,915	26.44%	725,329,519	29.15%
2	Non-Institutions				
	Bodies Corporate	108,610,144	5.19%	95,951,378	3.86%
	Individuals	598,766,199	28.63%	642,499,793	25.82%
	Others	36,579,207	1.75%	42,215,837	1.70%
	Sub-Total	743,955,550	35.57%	780,667,008	31.38%
	Total Public Shareholding	1,296,952,465	62.01%	1,505,996,527	60.53%
C	GDRs	4,368,568	0.21%	7,144,712	0.29%
	GRAND TOTAL	2,091,612,621	100.00%	2,488,146,181	100.00%

C. ADDITIONAL DISCLOSURES WITH RESPECT TO PREFERENTIAL ALLOTMENT PROPOSED TO BE MADE FOR BALANCE PROMOTER CONTRIBUTION IN TERMS OF RESOLUTION NO.6 OF THE POSTAL BALLOT NOTICE DATED 8TH MARCH 2013:

Sr. No.	Particulars	Proposed	Remarks
1.	Quantum of allotment (Amount)	To the extent of Balance Promoter Contribution to be brought-in by the Promoters as mentioned in Resolution No.6 of the Postal Ballot Notice	
2.	Securities to be issued	Compulsorily Convertible Debentures (CCDs) in one or more tranches	Since the allotment may be made in one or more tranches, the exact amount is not known at this point of time for each tranche, as also price is not known, it is not possible to calculate exact number of securities to be issued to Promoters as also it is not possible to provide exact shareholding pattern.
3.	Name of the Allottee	Sugati Holdings Private Limited or any of the Promoter Affiliates mentioned at point no.6 below	Since funds can be brought in by any of the Promoter Affiliates, it is not possible to specify name of exact allottee and hence list of the Promoter Affiliates is given below. Allotment could be made to any one or more of these Promoter Affiliates mentioned below.
4.	Entitlement Date	Date of allotment shall be the Entitlement Date for the purpose of conversion. Allotment may be made in one or more tranches and hence if there are multiple tranches, the date of allotment of each tranche would be the Entitlement Date for that respective tranche.	Since exact date of allotment is not known, it is not possible to determine the Entitlement Date. Accordingly the Promoters would be entitled to convert the CCDs into Equity Shares on or after respective date of allotments.

Sr. No.	Particulars	Proposed	Remarks		
5.	Relevant Date	Relevant Date shall be a date which is 30 days prior to the respective Entitlement Date in terms of Regulation 71(b) of ICDR Regulations. If allotment is made in tranches, the relevant date for each tranche would be different and accordingly pricing would be different and accordingly price would be calculated on the basis of respective relevant dates.	Relevant Date would change depending upon the Entitlement Date and accordingly the price will be calculated on the basis of respective relevant date.		
6	Pre and Post Issue Shareholding Pattern of the proposed allottees being any of the Promoters and / or Promoter Affiliates for the purpose of allotment of Balance Promoter Contribution:				
Sr. No	Proposed allottee	Pre-issue as of 30 th January 2014		Post Issue	
		No. of shares	%	No. of shares	%
1.	Tulsi R. Tanti	3,905,000	0.16%	1. It is not possible to provide the post-issue shareholding pattern since the no. of securities to be allotted to Promoters for Balance Promoter Contribution cannot be ascertained at this point of time. 2. Further the paid-up capital of the Company is subject to alteration due to (i) various preferential allotments proposed to be made in terms of this Postal Ballot Notice dated 14 th February 2014 and Postal Ballot Notice dated 8 th March 2013; (ii) exercise of option granted under ESOP/ESPS; and (iii) the conversion of existing convertible securities issued by the Company including Foreign Currency Convertible Bonds (FCCBs).	
2.	Gita T. Tanti	64,512,000	2.59%		
3.	Tulsi R. Tanti as karta of Tulsi Ranchhodbhai HUF	18,000,000	0.72%		
4.	Tulsi R. Tanti as karta of Ranchhodbhai Ramjibhai HUF	42,570,000	1.71%		
5.	Tulsi R. Tanti J/w. Vinod R. Tanti J/w. Jitendra R. Tanti	42,660,000	1.71%		
6.	Tanti Holdings Private Limited (No person individually holds more than 25% however Mr. Girish R. Tanti and Mr. Vinod R. Tanti who are directors hold more than 20% equity)	154,626,093	6.21%		
7.	Vinod R. Tanti	11,367,000	0.46%		
8.	Jitendra R. Tanti	12,400,000	0.50%		
9.	Sangita V. Tanti	70,182,000	2.82%		
10.	Lina J. Tanti	70,182,000	2.82%		
11.	Rambhaben Ukabhai	3,000	0.00%		
12.	Vinod R. Tanti as karta of Vinod Ranchhodbhai HUF	18,900,000	0.76%		
13.	Jitendra R. Tanti as karta of Jitendra Ranchhodbhai HUF	12,723,000	0.51%		
14.	Pranav T. Tanti	59,067,000	2.37%		
15.	Nidhi T. Tanti	3,052,000	0.12%		
16.	Rajan V. Tanti	16,605,000	0.67%		
17.	Brij J. Tanti	37,117,000	1.49%		
18.	Trisha J. Tanti	15,120,000	0.61%		
19.	Girish R. Tanti	100,019,000	4.02%		
20.	Suruchi Holdings Private Limited (Mr. Girish R. Tanti individually holds more than 25% equity)	4,275,000	0.17%		
21.	Sugati Holdings Private Limited (Mr. Girish R. Tanti individually holds more than 25% equity)	184,718,354	7.42%		
22.	Samanvaya Holdings Private Limited (Mr. Girish R. Tanti individually holds more than 25% equity)	33,001,495	1.33%		
	Total Promoter Group Holding	975,004,942	39.19%		
7	Pre and Post Issue Shareholding Pattern of the Company - The Pre-issue shareholding pattern is as of 30 th January 2014 which is same as already provided under Point No. B(7) above. It is not possible to provide the post issue shareholding pattern since the number of securities to be allotted to the Promoters for balance Promoter Contribution cannot be ascertained at this point of time. Further the post issue capital is subject to alterations due to reasons mentioned at Point No. C(6) above.				

