

SUZLON ENERGY LIMITED
[CIN: L40100GJ1995PLC025447]

Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura,
 Ahmedabad-380009; Tel.: +91.79.66045000; Fax: +91.79.26565540;
 email id: investors@suzlon.com; website: www.suzlon.com.

Report of the Audit Committee of Suzlon Energy Limited recommending the draft Composite Scheme of Amalgamation and Arrangement between SE Blades Limited, SE Electricals Limited, Suzlon Wind International Limited and Suzlon Structures Limited with Suzlon Energy Limited and their respective shareholders and creditors at its meeting held on 27th April 2016

A meeting of the Audit Committee of Suzlon Energy Limited (the "Transferee Company" or the "Amalgamated Company" or the "Resulting Company" or the "Company") was held on 27th April 2016, to consider and recommend the draft Composite Scheme of Amalgamation and Arrangement between SE Blades Limited, SE Electricals Limited and Suzlon Wind International Limited (collectively referred to as "Transferor Companies" or "Amalgamating Companies") and Suzlon Structures Limited ("Demerging Company") with the Company and their respective shareholders and creditors (the "Draft Scheme").

The Audit Committee has noted that the Transferor Companies and the Demerged Company are wholly owned subsidiaries of the Company. The rationale of the Scheme is as under:

- This consolidation will result in achieving business and administrative synergies for the Group. Considering the business prospects in future, this consolidation of operations would help in reducing administrative costs and avoiding duplication of efforts. The merger / demerger are proposed, subject to compliance with Section 391 to Section 394 of the Companies, 1956 (including any statutory modifications, amendments or re-enactments thereto) and are subject to the approval of the Jurisdictional High Court, creditors and the shareholders, if required.
- The consolidation will result in financial, managerial and technical resources being pooled in together with the Company, and will lead to increased competitive strength, cost reduction and efficiencies, productivity gains and logistic advantages to the business operations. Furthermore, the consolidation would result in optimising the working capital usage, which is very critical for the operations of the Group considering circumstances for availing the working capital credit.
- Furthermore, the consolidation will result in enhancing the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalisation, organisational efficiency and optimal utilisation of various resources by avoiding duplication of efforts.

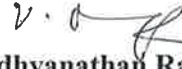
The Appointed Date for the merger is proposed as 1st January 2016 and that of the demerger is proposed as 1st April 2016.

The Audit Committee has also noted that since the Scheme involves amalgamation / demerger of wholly owned subsidiaries with / into the Company, there is no further issue of shares, and consequently, there is no change in shareholding of the Company. Accordingly, the Valuation Report from an Independent Chartered Accountant is not required as per paragraph I(A)(4)(b) read with paragraph I(A)(4)(c) and I(A)(4)(d) of Annexure I of the Circular of Securities and Exchange Board of India (SEBI) bearing No.CIR/CFD/CMD/16/2015 dated 30th November 2015, in the present Scheme being submitted to the Stock Exchanges for approval. However, the Company has preferred to obtain a valuation report from M/s. Lohawala & Associates, Chartered Accountants (Firm Registration No.140475W), along with a fairness opinion on the said valuation report from Saffron Capital Advisors Private Limited, Category 1 Merchant Banker (Registration No.INM000011211), which the Audit Committee has noted along with the Draft Scheme.



Having considered the Draft Scheme, the Valuation Report and the fairness opinion, the Audit Committee hereby recommends the Draft Scheme, inter alia, for favourable consideration by the Board of Directors of the Company, the National Stock Exchange of India, BSE Limited, and SEBI.

**For and on behalf of the Audit Committee of
the Board of Directors of Suzlon Energy
Limited**



**Vaidhyathan Raghuraman,
DIN: 00411489,
Chairman, Audit Committee.**



Place : Pune

Dated : 27th April 2016