

Date: 27th April 2016

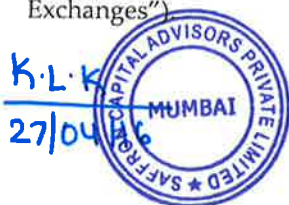
To,
The Board of Directors
Suzlon Energy Limited
Suzlon, 5, Shrimali Society
Near Shri Krishna Complex
Navrangpura
Ahmedabad
Gujarat – 380 009
India

Subject: Merchant Banker's Fairness Opinion on the Certificate dated 22nd April 2016 issued by M/s Lohawala & Associates, Chartered Accountants, in connection with the proposed Composite Scheme of Amalgamation and Arrangement between SE Blades Limited, SE Electricals Limited, Suzlon Wind International Limited, Suzlon Structures Limited and Suzlon Energy Limited and their respective Shareholders and Creditors.

We refer to the discussions wherein the management of Suzlon Energy Limited ("the Transferee Company" or "the Resultant Company") requested Saffron Capital Advisors Private Limited ("We", "Our" or "Us"), in Our capacity as a Merchant Banker, to give a Fairness Opinion on the Certificate of Share Exchange Ratio dated 22nd April 2016 issued by M/s Lohawala & Associates, Chartered Accountants, in connection with the transfer & vesting of the entire business and the whole of the undertaking of SE Blades Limited ("the First Transferor Company"), SE Electricals Limited ("the Second Transferor Company") and Suzlon Wind International Limited ("the Third Transferor Company"), respectively, to the Transferee Company/ the Resultant Company and the transfer & vesting of the tubular tower manufacturing division of Suzlon Structures Limited ("the Demerged Company") to the Transferee Company/ the Resultant Company under the proposed Composite Scheme of Amalgamation and Arrangement ("the Scheme") between the First Transferor Company, the Second Transferor Company, the Third Transferor Company, the Demerged Company and the Transferee Company/ the Resultant Company and their respective Shareholders and Creditors. The First Transferor Company, the Second Transferor Company and the Third Transferor Company are hereinafter collectively referred to as "the Transferor Companies".

1 Background

- 1.1 The Transferee Company/ the Resultant Company, a public limited company, has its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura Ahmedabad – 380009, Gujarat and its Corporate Identification Number is L40100GJ1995PLC025447. The equity shares of the Transferee Company/ the Resultant Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (hereinafter collectively referred to as "the Stock Exchanges")

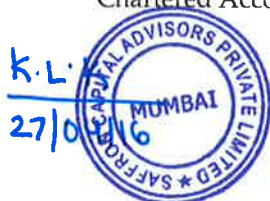


- 1.2 The First Transferor Company, a public limited company, has its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura Ahmedabad – 380009, Gujarat. It is a wholly owned subsidiary company of the Transferee Company/ the Resultant Company.
- 1.3 The Second Transferor Company, a public limited company, has its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura Ahmedabad – 380009, Gujarat. It is a wholly owned subsidiary company of the Transferee Company/ the Resultant Company.
- 1.4 The Third Transferor Company, a public limited company, has its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura Ahmedabad – 380009, Gujarat. It is a wholly owned subsidiary company of the Transferee Company/ the Resultant Company.
- 1.5 The Demerged Company, a public limited company, has its registered office at "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura Ahmedabad – 380009, Gujarat. It is a wholly owned subsidiary company of the Transferee Company/ the Resultant Company.
- 1.6 The Scheme provides for:
- Part - I: Transfer and vesting of the entire business and the whole of the undertaking of the Transferor Company, the Second Transferor Company and the Third Transferor Company, respectively, to the Transferee Company/ the Resultant Company with effect from 1st January 2016; and
 - Part – II: Transfer and vesting of the tubular tower manufacturing division of the Demerged Company to the Transferee Company/ the Resultant Company with effect from 1st April 2016
- under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. The Scheme would need approval from jurisdictional High Court and relevant judicial, quasi-judicial, statutory, regulatory authorities, etc. as applicable.
- 1.7 The Fairness Opinion requested from Us is to be provided in Our capacity as Category I Merchant Banker (Registration Code: INM000011211) and is required to be submitted to the Stock Exchanges to facilitate the Transferee Company/ the Resultant Company's compliance with regulation 11, regulation 37 & regulation 94 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements; ("SEBI") Regulations, 2015 read with SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015.

2. Sources of information

For the said examination and for arriving at the Fairness Opinion set forth below, We have considered the following documents (duly certified by the Transferee Company/ the Resultant Company), representations and explanations provided to Us by the Transferee Company/ the Resultant Company:

- Certificate of Share Exchange Ratio dated 22nd April 2016 issued by M/s Lohawala & Associates, Chartered Accountants.



- Draft copy of the Scheme.
- Representation that the Transferor Companies and the Demerged Company are wholly owned subsidiary companies of the Transferee Company/ the Resultant Company as on the date of this Fairness Opinion.
- Such other information and explanations as We required and which have been provided by the management of the Transferee Company/ the Resultant Company.

3. Limitations

- 3.1 Our Fairness Opinion is based on the information furnished to Us being complete and accurate in all material aspects. We have relied upon the information (including financial information), explanations and representations provided to Us by the management of the Transferee Company/ the Resultant Company without carrying out any audit or other tests to verify their accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Transferee Company/ the Resultant Company and/ or the Transferor Companies and/ or the Demerged Company.
- 3.3 Our work does not constitute verification of any financial information (including the working results) of the Transferee Company/ the Resultant Company and/ or the Transferor Companies and/ or the Demerged Company. Accordingly, We do not express any opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our Fairness Opinion is not intended to and does not constitute any recommendation to any shareholder of the Transferee Company/ the Resultant Company as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our Fairness Opinion is not, nor should it be construed as Our opinion on/ or certification of compliance of the scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.6 We do not assume any responsibility for updating or revising Our Fairness Opinion based on circumstances or events occurring after the date thereof.
- 3.7 We do not express any opinion as to the price at which equity shares of the Transferee Company/ the Resultant Company may trade at any time, including subsequent to the date of this Fairness Opinion.
- 3.8 This Fairness Opinion has been issued for the sole purpose to facilitate the Transferee Company/ the Resultant Company's compliance with compliance with regulation 11, regulation 37 & regulation 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No CIR/CFD/(M)/16/2015 dated 30th November 2015.

K.L.K.
27/04/16



- 3.9 It is understood that this Fairness Opinion is issued to the Board of Directors of the Transferee Company/ the Resultant Company in connection with the Scheme and may not be relied upon by any other person and may not be used or disclosed for any other purpose without Our prior written consent except that a copy of this Fairness Opinion may be included in its entirety in any filing, which the Transferee Company/ the Resultant Company is required to make with SEBI and/ or with any Indian Stock Exchange in connection with the Scheme, if such inclusion is required by applicable law.
- 3.10 In no event shall We be liable for any loss, damage, cost or expense arising in any way from the fraudulent acts, misrepresentations or willful default on the part of the Transferee Company/ the Resultant Company or its Directors, employees or agents.
- 3.11 Our liability (statutory, financial or otherwise) for any economic loss or damage arising out of the rendering of this Fairness Opinion shall be limited to the amount of fees received for rendering this Fairness Opinion as per Our engagement with the Transferee Company/ the Resultant Company.

4. Key features of the Scheme.

With reference to above and based on information and explanation provided to Us by the management of the Transferee Company/ the Resultant Company and after studying the Scheme, We understand that:

- a) The Scheme provides for:
- i) Part - I: Transfer and vesting of the entire business and the whole of the undertaking of the First Transferor Company (a wholly owned subsidiary company of the Transferee Company/ the Resultant Company), the Second Transferor Company (a wholly owned subsidiary company of the Transferee Company/ the Resultant Company) and the Third Transferor Company (a wholly owned subsidiary company of the Transferee Company/ the Resultant Company), respectively, to the Transferee Company/ the Resultant Company; and
 - ii) Part - II: Transfer and vesting of the tubular tower manufacturing division of the Demerged Company (a wholly owned subsidiary company of the Transferee Company/ the Resultant Company) to the Transferee Company/ the Resultant Company.
- b) The Scheme does not involve any movement of business and/ or assets outside the group (comprising the Transferee Company/ the Resultant Company, the Transferor Companies and the Demerged Company).
- c) The consideration for the Scheme shall be as under:
- i) Part - I: Since the entire equity share capital and preference share capital of the Transferor Companies is held by the Transferee Company/ the Resultant Company, no shares in the Transferee Company/ the Resultant Company shall be allotted in respect of its holding of the equity share capital and preference share capital of the Transferor Companies respectively. Also, upon the Scheme becoming effective, the entire equity share capital and preference share capital of the Transferor Companies, respectively, as held by the Transferee Company/ the Resultant Company shall be cancelled and extinguished; and



- ii) Part - II: Since the entire equity share capital of the Demerged Company is held by the Transferee Company/ the Resultant Company, no shares in the Transferee Company/ the Resultant Company shall be allotted in respect of its holding of the equity share capital of the Demerged Company.
- d) On the Scheme becoming effective:
 - i) Part - I: The Transferor Companies shall stand dissolved without being wound up;
 - ii) Part - II: The remaining business of the Demerged Company shall continue to belong to and be vested in and be managed by it. Also, The Demerged Company will continue to be a wholly owned subsidiary company of the Transferee Company/ the Resultant Company.

5. Key contents of the Certificate of Share Exchange Ratio

M/s Lohawala & Associates, Chartered Accountants, in their Certificate of Share Exchange Ratio dated 22nd April 2016 has mentioned that since the Transferor Companies and the Demerged Company are wholly owned subsidiary companies of the Transferee Company/ the Resultant Company, the Scheme involving transfer and vesting of the entire business and the whole of the undertaking of the First Transferor Company, the Second Transferor Company and the Third Transferor Company, respectively, to the Transferee Company/ the Resultant Company and the transfer and vesting of the tubular tower manufacturing division of the Demerged Company to the Transferee Company/ the Resultant Company without consideration is fair and reasonable to the shareholders of the Transferee Company/ the Resultant Company. M/s Lohawala & Associates, Chartered Accountants, have also mentioned that as the Scheme does not result into any change in the shareholding pattern of the Transferee Company/ the Resultant Company, as per paragraph I(A)(4)(b) read with paragraph I(A)(4)(c) and I(A)(4)(d) of Annexure I of the SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015, valuation process is not required

6. Fairness Opinion

On the basis of the foregoing and based on the information and explanation provided to Us and considering per paragraph I(A)(4)(b) read with paragraph I(A)(4)(c) and I(A)(4)(d) of Annexure I of the SEBI Circular No CIR/CFD/CMD/16/2015 dated 30th November 2015, in Our opinion, the Certificate of Share Exchange Ratio dated 22nd April 2016 issued by M/s Lohawala & Associates, Chartered Accountants, is fair and reasonable to the equity shareholders of the Transferee Company/ the Resultant Company.

For Saffron Capital Advisors Private Limited

K.L. Kalantri
27/04/11



Kunal L. Kalantri
Saffron Capital Advisors Private Limited
Category I Merchant bankers
Registration no.: INM000011211