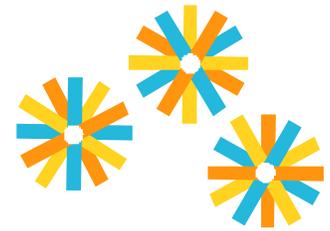


2008-09 Annual Report



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Letter from the management



We started CSR in 2007-08. This is our second annual report. The modest beginning of 2007-08 grew in volume and spread during 2008-09. Unfortunately, we have not remained untouched by the global melt-down crisis. The activities did get affected by liquidity crunch, but not our spirits.

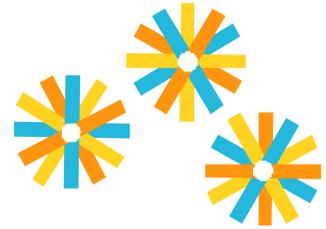
We, at Suzlon Foundation want to ensure that our resources, our energies, and our actions optimally contribute towards creating better surroundings. Sustainability is built only through a sense of responsibility towards future generations. We should be conscious of this at all times and strive to always create shared value for all stakeholders. This perspective is ingrained in all our team members and we make every effort to cultivate it in the larger space of our stakeholder environment. We are creating baseline for our future performance in CSR. It is not enough to do well; but also prove beyond doubt to ourselves and the world at large that we have kept our commitments on performance criteria that we have set for ourselves.

Looking ahead, Suzlon Foundation is changing and growing every day. In the coming year we are looking to expand our staff in order to increase our outreach, as well as continue our responsibility of engaging more Suzlon employees in CSR programs and activities. By 2012, five years from when the Suzlon Foundation journey started, we want to be present at every location where Suzlon operates and to have helped Suzlon companies outside India launch their own CSR operations.

Suzlon Foundation is proud to be part of this journey towards sustainability, together with every employee of Suzlon, and is committed to continue working towards a more sustainable tomorrow, in India and for the planet.

Seemantinee Khot
Head, Suzlon Foundation

Overview of Suzlon Foundation



Genesis

For Suzlon Group, with a vision to “powering a greener tomorrow” and commitment to sustainable development, Corporate Social Responsibility is a serious business indeed. It is an integral part of the business and not just add-on activity. Suzlon created **Suzlon Foundation** to maintain cohesiveness and common thread in CSR policy and approach of all group companies and to spearhead the group’s CSR initiatives. Thus, Suzlon Foundation came into existence on 27th December 2007 as a Section 25 Company, to lead CSR initiatives for Suzlon Group.

Philosophy

“THE CORE FUNCTION OF CSR IS TO ADDRESS THE ISSUES ARISING OUT OF BUSINESS – KEEPING THE SUSTAINABILITY FOCUS AT ALL TIMES”

Suzlon Foundation is mandated to ensure that business policies and practices

OUR CORPORATE VISION: “POWERING A GREENER TOMORROW”

Corporate Social Responsibility

A high priority Mission at Suzlon

“Corporate Social Responsibility at Suzlon means living corporate values with the goal of;

- having a minimal impact on the natural environment
- enabling local communities to develop their potential
- empowering employees to be responsible civil society members
- committing ourselves to ethical business practices that are fair to all the stakeholders

So that we can collectively contribute towards creating a better world for all.”

Tulsi R. Tanti
Chairman and Managing Director

The Suzlon Group endorsed this Mission in December, 2007 and launched Suzlon Foundation

respect sustainability as their guiding principle, and act as an internal conscious keeping and enabling agent for positive and sustainable change within the organization as well as in the areas of its operation, through formulation of policies and processes to engage all stakeholders. Suzlon Foundation’s leadership realized early on that with huge geographical spread of operations, Suzlon’s CSR initiatives could not be limited to philanthropic actions, which are typically associated with corporate entities. Taking a business cycle approach from a holistic perspective, Suzlon Foundation has initiated CSR programs at each stage of business operation to enhance positive impacts. Suzlon Foundation believes that business will thrive only if the environment and the communities around it also prosper. This belief is the basic foundation of all its CSR programs.

Even though renewable energy business itself is considered as a responsible one, it still requires CSR to create mutually beneficial relationships with stakeholders, offset negative impacts and enhance the positive ones. Moreover, this negotiated

relationship is accepted by all to become equally involved stakeholders.

Sustainability Approach

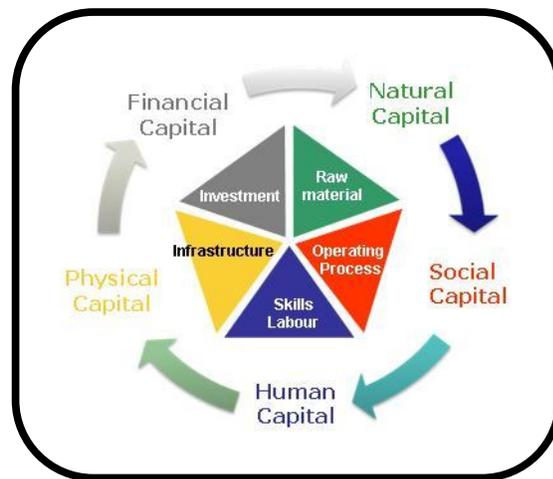
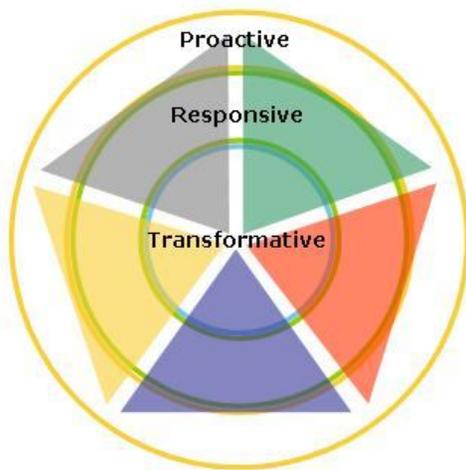
Believing that business and its environment are inter-dependent, Suzlon Foundation works to strengthen the organic link between them. A higher degree of sustainability can only be achieved in business if there is balanced growth in all aspects of development - financial, natural, social, human and physical. These five capitals represent all the resources in the planet. All these resources affect the business and the business in turn affects them.

Suzlon's CSR framework is strategically designed to contribute to these five capitals through all its initiatives. The Foundation's approach is to start from within the company by engaging employees in internal and external projects, at the same time expanding coverage to neighboring communities and ultimately going beyond the business boundaries to benefit the society at large.

The approach is to:

- a) replicate existing successful models of development
- b) develop new models
- c) modify existing models to suit specific needs

CSR FRAMEWORK



The Five Capitals

Natural capital: Earth's natural resources such as water, land, clean air, fauna and flora

Financial capital: money, savings and other financial resources used to sustain desired standards of living

Social capital: health and ability to work, networks and relationships of trust, reciprocity and cooperation

Human capital: skills and knowledge required to earn a living

Physical capital: basic infrastructure such as buildings, roads, transport and communications

Strategy

The entire CSR program of Suzlon Foundation stands on three pillars of 'Engage, Empower and Sustain'. The programs are categorized in three levels – transformative, responsive and proactive.

	Transformative	Responsive	Proactive
Who do we engage?	All those who are directly or indirectly involved in conducting the business	All those who are not part of the business but connected by context and therefore impacted either way	All those affected by larger issues and context
How do we empower?	1. Sensitization 2. Skill development 3. Governance 4. Policy Debates		
How will we ensure sustainability?	1. SOPs 2. Reporting 3. budget	1. Self sustaining 2. Adoption by stakeholders 3. Institutionalization	Bringing about cultural change

Engage

The Foundation ensures that all the stakeholders are involved in CSR activities.

Employees: There are a number of internal activities such as celebration of certain global Days like International Women's Day, World AIDS Day, World Environment Day, etc. to reach out to the employees in all locations. There are various communications, meetings, sharing of experiences and learning workshops to sensitize the employees towards the needs of different stakeholders. The employees are also encouraged to participate in the development activities being implemented in the communities.

Communities: Recognizing that the communities have a stake in their own development, Suzlon Foundation engages them through consult-involve-collaborate process. The participatory approach ensures that the initiatives are transformational and not transactional.

Customers: Suzlon Foundation prepares location specific reports for customers of wind turbines. This sharing builds confidence and trust among the customers in Suzlon's CSR activities.

Civil society members: Suzlon Foundation engages with NGOs and activists to work in issues having global impact such as climate change, disaster management and international cooperation.

Corporate Foundations: Suzlon Foundation believes in leveraging resources for larger coverage and impact, and engages with other Corporate Foundations such as NASSCOM Foundation, to form collaborations for various initiatives.

Local Government and Line Departments: Collaborating with Gram Panchayats, and Govt. Departments such as Animal Husbandry, Agriculture, Health, Education, etc. not only helps in leveraging resources but also in making the initiatives sustainable. Govt. has the largest resource base and complementing the existing govt. schemes to achieve more impact is one of the important strategy of Suzlon Foundation in sustainability.

The Foundation disseminates information, sensitizes people, initiates dialogues, and solicits stakeholder involvement in evolving a culture of sustainable development within and around the Corporate.

Empower

Going beyond the popular concept (and expectation) of philanthropy and charity, the Foundation takes an empowerment approach in designing CSR programs. It strongly believes in empowering stakeholders to make informed choices that integrate business imperatives with development objectives. Though, if the situation demands, it does extend a helping hand.

The Foundation empowers local communities to deal different issues related to their livelihood, health, education, environmental and basic infrastructure needs. It empowers employees to become responsible civil society members. It empowers the Suzlon Group companies by helping to integrate CSR perspective in business functions and practices.

Suzlon Foundation partners with agencies, which share the same values in implementation of programs; and thus, tries to achieve maximum positive impact on the lives of all those, who come into its periphery.

Sustain

Suzlon Foundation places high importance to the sustainability aspect of its programs. Unless and until the programs are taken over by the people, the initiatives will not sustain. Hence, emphasis is always given on the sustainability component from the first – whether internal or external. Internally, they have to be adopted by business functions and be part of system. Externally, they should generate enough interest so that the stakeholders, for whom such programs are designed, adopt them.

Sustainability is ensured by promoting volunteerism, increasing community participation, empowering grassroots level workers, facilitating linkages with government and NGOs, advocating with government, strengthening monitoring and evaluation, improving quality of care, and using strategies for cost effective implementation.

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Brundtland Report - World Commission on Environment & Development

Programs

Suzlon Foundation's programs are designed in such way that they enhance the five capitals and also contribute to achievement of Millennium Development Goals. The three levels of programs are transformative, responsive and proactive.

Transformative programs

> Transforming business practices and procedures to reduce negative impacts

Transformative CSR programs are designed to integrate CSR perspective in business functions. Suzlon is committed high ethical standards that go beyond the limits of legal compliances and demonstrate responsible business practices at each level of operation. These programs aim at engaging management and employees internally, and customers and suppliers externally. Transformative initiatives include:

- Reviewing the policies and procedures from the point of view of integrating sustainable development perspective into business through identification of internal issues and working with different departments for implementation;
- Engaging with internal and external stakeholders - such as customers and suppliers - in Supply Chain Management. Looking for solutions in energy, greenhouse gas emissions, waste management, land acquisition procedures and human rights of laborers are some of the areas in which CSR is involved in Suzlon's business cycle.

Responsive programs

> Responding to potentially negative impacts and optimizing positive impacts

All businesses – in more or less degrees - leave behind some negative footprints just because of its operations. Renewable energy business is no exception. Though the product is green, the manufacturing processes are not necessarily so. It is up to the organizations to try to offset any negative impacts that it may have created. The bigger the business the bigger is the impact on the complete range of resources surrounding it - people, culture, ecology, economy and infrastructure. Suzlon Foundation has designed CSR programs that respond to these impacts and optimize positive footprint on the external environment. Responsive initiatives include:

- **Environment** initiatives for improving and conserving natural resources
- **Livelihood** initiatives for enhancing livelihoods of disadvantaged communities by encouraging self-help, capacity building and micro credit support
- **Health** initiatives for holistic health; not merely treating diseases but also ensuring physical, social, psychological and spiritual well being
- **Education** initiatives for imparting literacy, improving quality of primary education, providing vocational and life skill training
- **Civic Amenities** initiatives for improving availability of and access to rightful amenities and services

Proactive programs

> Proactively enhancing sustainability, going beyond business boundaries

To contribute to sustainable development in the real sense, one has to go beyond the geographical boundaries of operations, legal requirements and business interests. Thus

proactive CSR is working towards larger causes like international peace, disaster management, youth development, cultural diversity, human rights, equity and justice. Proactive initiatives support national and international programs for combating global issues such as climate change/global warming, natural disasters, as well as conflicts.

Governance process and systems

Suzlon Foundation places high value on good governance. The transparent and participatory processes have provided a strong foundation to all our programs.

Process

- Assess business impacts
- Select interventions and suitable partners
- Implement projects in partnerships
- Evolve business policies and plans based on learnings
- Report contribution to sustainable development

Standard Operating Procedures

- Suzlon Foundation has developed SOPs to identify projects, partners, implementation of projects and their monitoring and evaluation. The SOPs bring objectivity to the entire process and makes it transparent. Thus, the process becomes person independent and gets institutionalized.

CSR Councils

- Have representation from CSR and Business Functions in decision making
- Identify environmental and social issues arising out of business and plan interventions
- Regularly monitor the programs and 360 degree assessment of the projects

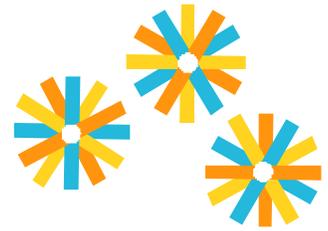
Partnership and Project Policy

- Identify and address issues arising out of business on priority
- Follow transparent and uniform processes for partnering and managing projects
- Facilitate participatory monitoring and learning to transform the situation
- Share outcomes and expand circle of engagement

Partnership Principles

- Commitment to Sustainability
- Mutual Respect for stakeholders involved
- Transparent and democratic decision making
- Shared responsibility and credit
- Respecting gender equity, diversity and plurality

Enhancing Natural Capital



Suzlon Foundation realizes its responsibility towards environment and natural resources and believes in addressing key issues such as soil and water conservation, loss of biodiversity and forest cover with the support of partner NGOs, local communities and employees. Its projects enhance natural capital and simultaneously benefit the neighboring communities with improved access to these vital resources.

> Suzlon Foundation's **Environment** programs have changed the face of over 1,000 hectares of barren land, harvested 30,00,000 cubic meters of rain water and planted over 2,00,000 trees. <

Joining hands for the environment

One of our CSR programs in Tamil Nadu is showing that reducing environmental degradation is a goal that can be achieved through active community participation. Initiated in June 2008, project Green Hands is engaging local communities and Suzlonians in activities that promote reforestation, biodiversity and organic tree farming. More than 200,000 trees have already been planted in Pondicherry, Trichy, Sankaneri, Devarkulam and Coimbatore.



The biggest strength of the project being implemented by Isha Foundation is the huge volunteer force they have mobilized to actively participate in the project activities. Their strategy for community mobilization through games, Yoga sessions and awareness campaigns has been very successful. The project has increased ownership of the community towards the natural environment and is proving that enhancing the green cover by tree plantation activities can be lots of fun!

"Before Isha's touch, planting a tree was an ordinary thing for me. After the seed of Green Hands has sprouted in me, I feel that planting trees is a celebration. I wish to live my life like a tree that renders its every part useful for various life forms without expecting anything in return. I wish this project grows multi-fold and envelops the entire world". Ms. Thatchayani P. – Pondicherry

Soil and Water Conservation at Supa

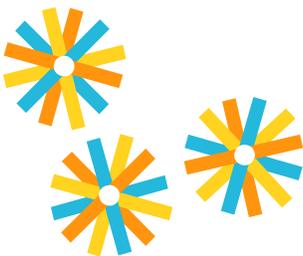
Around Suzlon's Supa wind farm in Maharashtra, a CSR project has changed the face of 100 hectares of land. Initiated in June 2008 in partnership with Gram Gourav Pratishthan (GGP), the intervention used soil and water conservation techniques to increase land productivity and strengthen groundwater resources. With the help of local farmers, 7,000 trees were successfully planted and different grass seeds were sown.

To complement the initiative, a roof top water harvesting system was installed and a farm pond with a capacity of 1200 cubic meters was constructed. The water absorbed is being used for utilities purposes in Suzlon facilities and has reduced water tanker requirements by 70%.

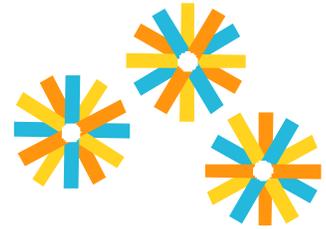
The project is benefiting 183 families from the neighbouring villages of Shahajapur and Pimpalgaon. After awareness meetings and training on soil and water conservation techniques, many villagers are actively involved in the activities. In one year of intervention, issues of soil degradation, water and fodder scarcity have been minimized and local livelihood opportunities have increased.



The once degraded soil now shows a green landscape.



Enhancing Social Capital



> Suzlon Foundation's programs have formed **over 700 community based organizations** in India, empowering women and promoting relationships of trust in the communities. <

One of Suzlon Foundation's goals is to enable local communities to develop their potential. We believe this can be achieved through the strengthening of community based organizations and the empowerment of women and other minorities. A balanced and organized community can lead the changes to collectively improve their living standards.

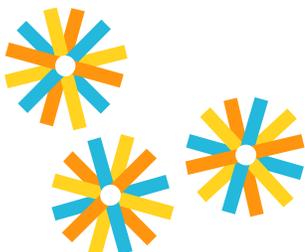
- In six districts of Maharashtra, 7,684 women are organized in Self Help Groups (SHGs), providing savings and credit to its members;
- In Madhya Pradesh and Rajasthan, the formation of SHGs and Village Development Committees (VDCs) is empowering members to improve their livelihood conditions;
- In Karnataka and Tamil Nadu, active Village Health Committees (VHCs) are increasing community awareness and access to health services;
- In Udipi SEZ, local women groups received training and are now producing pickles and papads that are sold to the SIL canteen.

Empowering Women

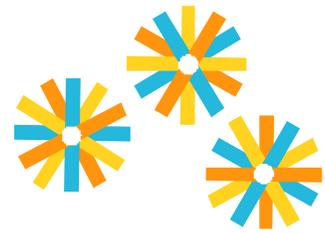
One of Suzlon Foundation's main Livelihood interventions is promoting micro finance and micro enterprise by forming Women Self-Help Groups (SHGs). In Maharashtra, our partner NGO Chaitanya has been working with women from 108 villages of 6 districts, successfully forming 570 SHGs. The project goal is to organize women from socio-economically disadvantaged backgrounds into SHGs, facilitating savings and credit and empowering them to adopt sustainable livelihood options.



By focusing on women, the intervention promotes gender mainstreaming in the society, addressing issues of violence against women through legal counseling and other support services. The SHGs become a forum for sharing and learning as well as planning and monitoring, providing financial services to the members such as savings, credit and insurance. Over 4,500 women were trained and each village has selected resource persons (Jankars) who have greater knowledge in Legal Counseling and Government programs. The project progresses when the formed groups are organized into clusters, containing 10 to 20 SHGs each. These clusters will then form federations, which have greater access to banks and government institutions and schemes.



Enhancing Human Capital



> Suzlon Foundation's **Education** programs have reached **186 schools** all over India, focusing on enhancing the quality of primary education. <

In rural India illiteracy rates are higher (41.26%) than in the cities (20.08%) and more children are kept out of school. Lack of proper education and poor health conditions directly contribute to low levels of human development in these areas. We believe that investing in quality education and improved health services can bring long term and positive changes to people's lives.

Suzlon Foundation has initiated several Education projects that improve people's skills and knowledge, building different capacities that increase their future employability. Our Health projects have a holistic approach and aim at increased awareness and access to health facilities and services.

- In Maharashtra 700 children are being introduced to new technologies, learning new skills and understanding about non conventional energy, soil and water conservation and improved agricultural practices.
- In Daman, primary teachers from government schools were trained in basic computer skills.
- In Madhya Pradesh, rural women from 29 villages are becoming literate through our Adult Education program.
- In Punjab and Haryana, children are getting access to computer training and receiving educational guidance.
- In Karnataka, Health projects in 5 districts are improving communities' awareness on maternal and child health, immunization, common diseases, water and sanitation, personal hygiene and geriatric care.
- In 08-09, more than 1,000 employees participated in CSR Awareness Workshops conducted by Suzlon Foundation.
- We have implemented a new Sexual Harassment Policy at work.
- Several Health and Safety workshops for employees and contract labor were held in different locations.
- 115 employees from different management levels are part of our CSR Councils, having an active role in defining our local CSR interventions.
- We have initiated celebration of International Days such as World Environment Day, World Water Day, Anti Tobacco Day and others, creating awareness and encouraging employee participation in social activities.
- We offer employee volunteering opportunities through our NGO partners and through direct implementation programs.
- Last year, employees contributed 2,200 person-days to CSR activities.

Introduction to Basic Technology

A successful CSR initiative is enhancing school education with technical knowledge and giving students the opportunity to put learning into practice. Named Introduction to Basic Technologies (IBT), the course exposes 8th to 10th standard students to different techniques related to agriculture and farming, carpentry, construction, electrical engineering, home and health sciences.



The instructors are local entrepreneurs and artisans, who already have some knowledge of the subject matter and are trained under the project to give instruction. This provides income generation opportunity and builds a strong link with the community, encouraging greater technology dissemination. The new skills learned by the boys and girls are immediately put into practice as they perform services at their villages and sell their products in the local market.

Nine schools in Maharashtra have already implemented the program, benefiting over 700 students. Suzlon Foundation implements the project in partnership with Vigyan Ashram (a center of the Indian Institute Of Education), and support from State Government. Each school contributes with an

initial amount to set up the IBT center and students pay a monthly fee, making the program self-sustainable after three years.

Reducing anaemia in adolescents

In Waghodia SEZ (Gujarat), SIL and Suzlon Foundation have completed a six month pilot project aiming to reduce anaemia levels and improve the health condition of adolescent girls and boys. According to UNICEF, anaemia affects more than 90 per cent of adolescent girls and 50 per cent of women in India. The iron deficiency decreases immunity and affects the cognitive development, having adverse impacts on learning and productivity.

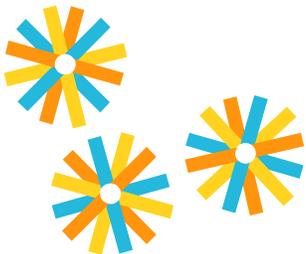
A school in Pipariya village was selected for this intervention and 294 students (Standard 8-10), along with 8 teachers and 100 parents participated in the project. They were given iron tablets and introduced to healthier food habits by our implementing partner, Aarogya - Centre for Health Nutrition Education and Health Promotion.

The most important aspect of the project was to enhance knowledge and awareness of the students on nutritional food groups. Innovative methods such

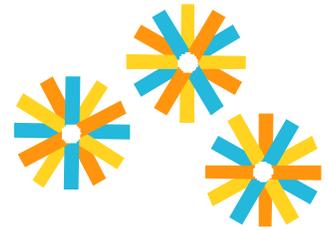


as 'Drawing and Dialogue' were used to create and retain awareness. Each session began with small pre and post tests to see how much information was retained. At the end of the 6 month project, students were tested again to assess the increase in the level of knowledge. The results were very encouraging.

Nutrition awareness of the target group was considerably improved and overall anaemia was reduced by 15%. The outcomes of this project will form the base for other long term initiatives having a larger coverage.



Enhancing Financial Capital



> Suzlon Foundation's **Livelihood** programs have generated wages over Rupees 10 million, empowered 784 community based organizations and vaccinated more than 25,000 animals. <

Stressed livelihoods are a common problem in rural India. The lack of employment opportunities leads to migration to urban centers and increases poverty in rural areas. Our CSR projects aim at increasing livelihood prospects for neighboring communities to improve their living standards so that stressed migration can be prevented.

- In Maharashtra, Gujarat and Madhya Pradesh, SHGs are leading to women empowerment and improving their access to savings and credit. The groups are helping women to handle local issues collectively, creating a legitimate space for them to come together and changing gender perceptions in the villages. In 08-09, more than 700 SHGs were formed involving over 7,000 women.
- In the villages around Suzlon wind farms, many families rely on livestock as a main source of livelihood. Therefore we organized several animal health camps across India, providing vaccines at lower costs and making sure the cattle is healthy and strong. In 08-09, seven immunization drives were organized, vaccinating over 25,000 animals.
- In Pondicherry and Daman, a partnership project is providing vocational and technical training to local youth, increasing their technical skills and future employability. More than 200 students have been attending courses in areas such as Hospitality Services, Electrical Techniques, Beauty and Customer Services & Retail Management.
- In Rajasthan, a comprehensive project is mobilizing local community to improve health, education and livelihood issues, in an attempt to develop 14 model villages. The initiative involves creation of Village Development Committees (VDCs) and SHGs, rehabilitation of water sources, health check ups, veterinary camps, trainings and awareness sessions.

Reviving craft art

The vast and arid land of Kachchh in Gujarat holds a rich and intense craft culture. The district has the highest density of artisans in the country. Suzlon Foundation supports to these artists to keep their craft tradition alive and have a sustainable source of livelihood.

The project focuses on reviving local textile tailoring and leather craft, while providing market facilitation for the finished products. The initiative is carried out in partnership with KHAMIR Craft Resource Centre (CRC), which aims to revitalize the crafts of Kachchh, in an attempt to ensure that practice of traditional skills would result in sustainable incomes for the artisans of the area.

Initiated in September 2008, the interventions are benefiting 350 artisans in 11 villages. A new textile tailoring unit has been set up with new stitching machines, enabling the artisans to create new products and textile applications. Workshops and technical trainings have been organized to improve overall skills of the leather craftsmen and generate different designs and products.

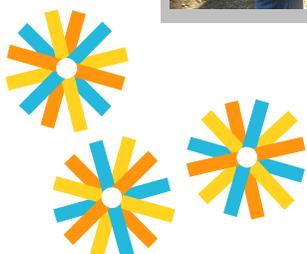


To increase market access of the Kutch handcrafts, a solo exhibition was held and others are planned to happen in the following years.

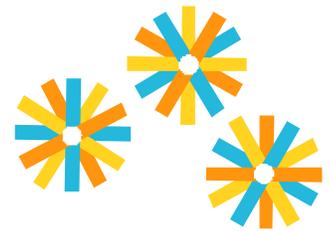
Poultry vaccination in Daman

Livestock is a common source of livelihood in India. In the Union Territory of Daman, most villages are located close to industrialized areas and families have mainly backyard animals like poultry. With support from the Veterinary Department and local Self Help Groups, Suzlon Foundation carried out an immunization camp in December 2008.

The SHG members were trained on immunization techniques and supported the activity along with personnel from the Veterinary Department. A total of 7000 animals were vaccinated in seven villages of Daman. By targeting animal health, the project aims to increase livestock productivity and therefore enhance the income generation of the villagers.



Enhancing Physical Capital



Most villages around our wind farms lack basic infrastructure and we strive to improve this condition. Our **Civic Amenities** projects focus on increasing availability and access to rightful basic amenities and services. In 08-09, Suzlon Foundation's programs have improved infrastructure and access to services in the neighbourhood villages.

- In Rajasthan and Madhya Pradesh, solar lanterns are bringing light to 353 families in villages where electricity is not available.
- In Bhuj (Gujarat), we are empowering local community to develop, manage and maintain sustainable drinking water resources.
- A new tailoring center is benefiting artisans in Kutch (Gujarat).
- In Dewas (MP), a stop dam is increasing water levels and benefiting agricultural practices and livelihood opportunities in the area.
- In Ratlam (MP), slum dwellers are getting support to build low-cost houses in an effort to provide shelter for marginalized families and improve awareness on sanitation and hygiene habits.
- In Pondicherry, a project is creating community awareness on water and sanitation, with increased access to toilets for 774 households.
- In Waghodia SEZ, the pond at Alwa village was de-silted and deepened to increase its capacity, which now has increased to 15,600,000 litres.
- In Udipi SEZ, two balwadis (kindergarten schools) in the Nadsal village were renovated with the construction of a compound wall and electrical and water supply lines.
- The Primary Health Centre at Waghodia SEZ was upgraded with basic furniture and equipment.
- Sterilizer and suction apparatus were donated to the Primary Health Centre (PHC) at Padubidri. As a result, the women have started utilizing the PHC for maternity where earlier they used to go to private practitioners.

Solar Lanterns

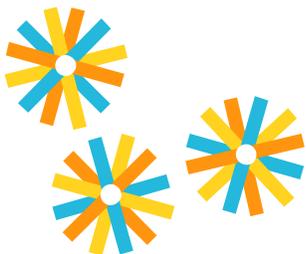


In many villages around our wind farms electricity is not available. Thinking of a viable alternative, Suzlon Foundation has distributed 385 solar lanterns in villages of Rajasthan and Madhya Pradesh. So far 353 families are benefiting from the initiative, directly implemented as a pilot project. Now the old and polluting kerosene lamps have been replaced by clean pollution free lighting, allowing children to study during evenings and people to move around safely at night. The solar lanterns require minimal maintenance and therefore bring no additional costs for the families. The initiative has also increased the scope of activities that now can take place later in the evenings due to availability of light in the area. The Foundation has implemented only the pilot phase of the project but is looking at a larger number of

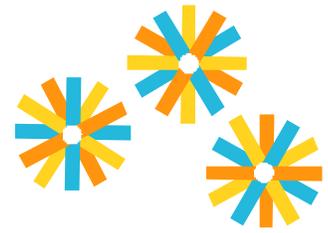
lanterns to be distributed in the coming years.

Sustainable drinking water

In the Kachchh district of Gujarat, a project is being implemented to develop sustainable drinking water sources in 13 villages, which will benefit over 12,500 people. The idea is to empower the local community to develop, manage and maintain sustainable drinking water systems. This is done through awareness sessions, capacity building and the formation of Pani Samitis (Water Committees) with the support of Panchayats. Geo-hydrological studies are being carried out in the villages to support a Water Resource Plan in each location. The plans are to be executed by the Pani Samitis and Panchayats. So far five (5) villages have started implementing works to improve local water resources. The villagers are contributing to the project costs and the money is deposited in a joint bank account managed by the Pani Samiti.



Point of View



Water in the desert

Bhawri Kawar works on agriculture and animal husbandry. She is one of the beneficiaries of the SRIJAN project in Gorera (Rajasthan), where she lives with her husband and two sons. The village is about 30 kilometers from Jaisalmer city. Gorera has 45 households and the majority of the families are Rajputs.



Jaisalmer is a desert area, and as such, very harsh to live in. Villages are sparsely located, lacking even basic civic amenities. Drinking water supply is in perpetual scarcity. Women are the worst sufferers as they have to take care of the

family's needs, look after the cattle and fetch water from far away sources not only for the family members, but also for the young cattle. The main occupation of men is working in stone quarries. There is no awareness on education or necessity of sending children to school, much less the girl children.

"When some people of your project came to our village with the purpose of helping us, our community was very conservative. Why would these people from another place want to help us? However, these people kept visiting us routinely and collected much information like our occupation, social traditions, our lifestyle, what we eat, wear, our need etc. As we got familiar, we started to interact with them. It gave us confidence to gain knowledge. Looking at my involvement with these staff I was selected as a member in the Village Development Committee (VDC). Earlier, sitting with males on equal platform in VDC meeting embarrassed me a lot but now I like taking part in such development activities. In one such meeting I and my neighborhood families put up the demand to get a Tanka constructed for us. All VDC members also supported my demand as it was very logical.

Life in our village is very tough for women; we have to take care of children, animal and family. And when needed we also work in the fields. The biggest problem for our family was that of water. There is a community Tanka in our village where all family can get water but it was more a cause for dispute. Each day we over who would take how much and when. There were times when I had to come back empty handed. My husband hardly had time for the family as he had to work very hard to feed us. I had to go to the Govt. tank which is 1 km away to get water for us. At a time, one can hardly bring 2-3 buckets. So I had to make frequent trips to get enough water. It would get even more dreary in summer heat. It was a very hard life. I cursed myself for being a woman.

But after construction of this Tanka near my home, things have become so much easier. 2-3 families together have donated labour for constructing the Tanka and pay to fill it up with water tanker. The water is now available all the time. We are very grateful to these project people who have supported us. We can now store water for entire month. Now I have enough time to spend with my children and feeding animals. Whenever I am free I

support my husband in fields also. I want to thank SRIJAN project for helping my family in difficult times.

I hope your project continues their work for our village. Other activities like plantation and veterinary camps in our village have changed the perception of people about the development. People say that this is the project that is not going to give cash in hands but will help and support us in our needs and for the welfare of village and people".

Supporting livestock

Animal Husbandry and small dairy are the main occupations of Jumme Khan, living in Hansua village (Jaisalmer) with his wife and 3 children. He has been benefiting from the Veterinary camps organized in the area.

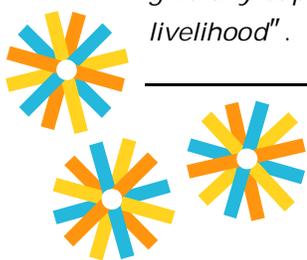
There are about 40 hamlets in the village of Hansua with maximum number of households in each hamlet up to 30. It's a predominantly Muslim population. As the area is arid, there is hardly any agriculture, and people depend on livestock for livelihood. Like Jumme Khan, there are several villagers ready to share their experience of veterinary camps in their villages. Jumme Khan owns 50 goats and eight cows. With a small herd he sells about 35-40 liters of milk in urban areas.

" To maintain a family business of small dairy was never so easy because we have to spend a lot for the medicines and treatment of the animals. I knew more about this project when a village development committee (VDC) was formed in our village and we were asked to list our basic needs. As a livestock owner, I strongly felt the need of veterinary services. Though your project has different components like health, SHG, plantation, education, I liked the veterinary part of it very much.

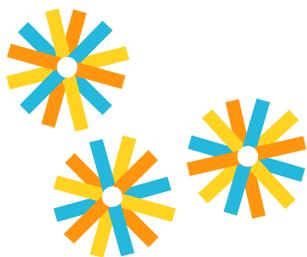
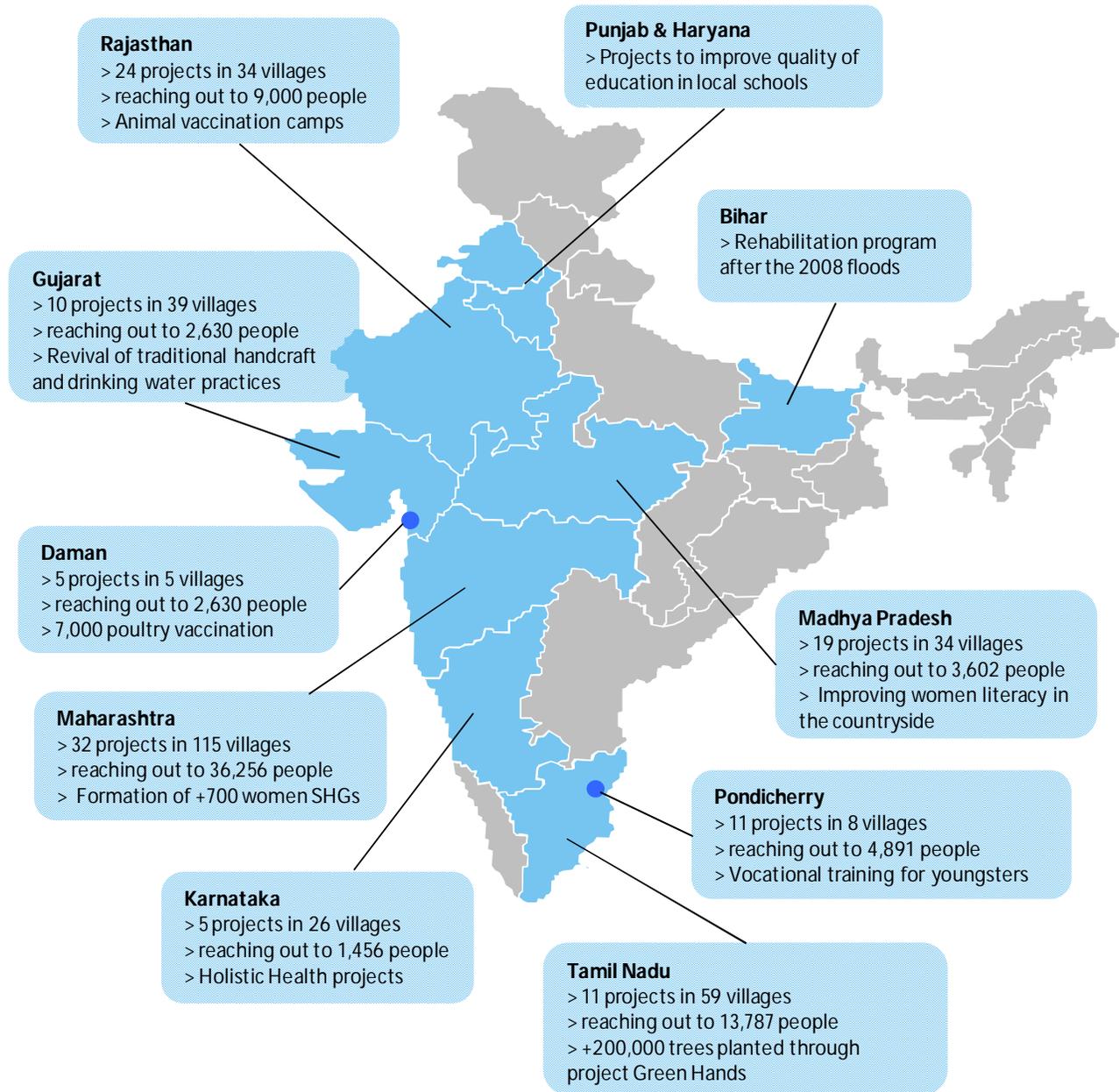
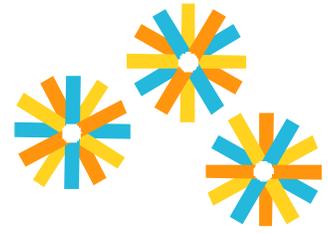


Last year, there were three veterinary camps organized in our village. I was very excited to be involved in them. The best part of it is that a team of highly qualified veterinary practitioners come to our homes, treat animals and provide medicines at a very nominal price. Through these camps I have also come to know about various diseases and their possible treatment and prevention. When I was involved in the vaccination camp being organized under the SRIJAN project, for the first time I learnt how to vaccinate the animals. I vaccinated more than 500 animals in my village. I am grateful to you people who helped me in protecting not only mine but the livelihood of the whole village.

No such intervention was ever done before by any agency. In case of emergency we had to hire a vehicle to take our cattle to Jaisalmer Government Hospital because there is no veterinary clinic anywhere in the surrounding villages. It costs us more than 800 rupees for single trip and treatment is extra. Even if one animal has to be treated in a month, we can no longer think of profit in our business. The other good part of these camps is the doctors not only give treatment to our cattle but also give very useful and valuable information on cattle management and dairy farming. Many cattle owners in our village want such camps to be organized at regular interval. We'll be ready to contribute and give any support required from us. I will always favor such practices which supports my livelihood".



Presence in India



ANNUAL REPORT
OF
SUZLON FOUNDATION

For Financial Year

2008 - 2009

S N K & Co.
Chartered Accountants

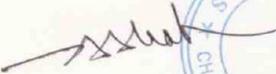
E-2-B, 4th Floor,
The Fifth Avenue,
Near Hotel Regency,
Dhole Patil Road, Pune - 411 001
Maharashtra, India

Phone : (91) (20) 32549007/8
Email : jbs@snkca.com
Website: www.snkca.com

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of **SUZLON FOUNDATION**, as at **31st March 2009** and the Income and Expenditure Account of the Company for the period ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditor's Report) Order, 2003 will not be applicable to this company as the company is licensed to operate under section 25 of the Companies Act, 1956.
4. Further we hereby report that:
 - (i) We have obtained all the information and explanations, which, to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the income and expenditure account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of The Companies Act, 1956;
 - (v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by The Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the **Balance Sheet**, of the state of affairs of the Company as at **31st March, 2009** and
 - b. In the case of the **Income and Expenditure Account**, of the excess of Income over Expenditure for the year ended on that date.

For SNK & CO,
Chartered Accountants,


Jasmin B. Shah
Partner.
M.No. 46238.

Place: Pune

Date: 1/7/2009

SUZLON FOUNDATION
(A Company Limited by Shares under Section 25 of the Companies Act, 1956)

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	As at March 31, 2009	As at March 31, 2008
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share capital		1,000,000	1,000,000
Reserve and Surplus		11,051,547	-
TOTAL		12,051,547	1,000,000
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross block	1	245,744	-
Less : Depreciation		76,951	-
Net block		168,793	-
CURRENT ASSETS, LOANS & ADVANCES			
Cash and bank balances	2	13,045,663	884,971
Loans and Advances	3	8,048,664	99,265
		21,094,326	984,236
Less : Current liabilities	4	9,211,572	11,236
NET CURRENT ASSETS		11,882,754	973,000
Income & expenditure Account		-	27,000
TOTAL		12,051,547	1,000,000
NOTES TO THE ACCOUNTS	8		

The Schedules referred to above form an integral part of the Balance Sheet

As per report attached

S N K & Co.,
Chartered Accountants

Jasmin B. Shah
Partner
M. No. : 46238

Place : Pune

Date : 11/7/2009

For and on behalf of the Board of
Directors

Harish H. Mehta
Director

Ranjitsinh A. Parmar
Director

Place : Pune

Date :

SUZLON FOUNDATION
(A Company Limited by Shares under Section 25 of the Companies Act, 1956)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	For the year ended March 31, 2009	For the year ended March 31, 2008
INCOME			
Donations received		107,029,330	-
Interest income		956,510	-
TOTAL		107,985,840	-
EXPENDITURE			
Operating expenses	5	86,194,026	-
Administrative expenses	6	3,775,134	12,651
Employees' remuneration and benefits	7	6,854,550	-
Bank charges		6,632	650
Depreciation		76,951	-
Preliminary expenses incurred		-	13,699
TOTAL		96,907,293	27,000
Excess of Income over Expenditure		11,078,547	(27,000)
Income and Expenditure account balance brought forward		(27,000)	-
Income & Expenditure Account balance carried to Balance Sheet		11,051,547	(27,000)
NOTES TO THE ACCOUNTS	8		

The Schedules referred to above form an integral part of the Income and Expenditure Account

This is the Income and Expenditure Account referred to in our report of even date.

As per report attached

S N K & Co.,
Chartered Accountants

Jasmin B. Shah
Partner
M. No. : 46238

Place : Pune

Date : 11/21/2009

For and on behalf of the Board of Directors

Harish H. Mehta
Director

Ranjitsinh A. Parmar
Director

Place : Pune

Date :

SUZLON FOUNDATION
SCHEDULES TO THE ACCOUNTS
SCHEDULE - 1 : Fixed Assets

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	As At April 1, 2008	As at March 31, 2009 Addition	As At April 1, 2008	Depreciation for the Year	As at March 31, 2009	As At March 31, 2008
Computers	-	245,744	-	76,951	76,951	-
TOTAL	-	245,744	-	76,951	76,951	-
Previous Year	-	-	-	-	-	-
					168,793	168,793



SUZLON FOUNDATION
(A Company Limited by Shares under Section 25 of the Companies Act, 1956)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2009

Particulars	As at March 31,2009	As at March 31,2008
Schedule - 2 : Cash & Bank Balances		
Cash on hand	3,146	11,301
Balance with schedule bank :		
In current account	67,195	873,670
In fixed deposit account	12,975,322	-
	13,045,663	884,971
Schedule- 3 : Loans & Advances		
Advances recoverable in cash or kind or for value to be received		
- Considered good	7,686,821	99,265
Advance income tax & tax deducted at source	197,041	-
Interest accrued on fixed deposit	164,802	-
	8,048,664	99,265
Schedule- 4 : Current Liabilities		
Current Liabilities		
Sundry creditors	6,745,520	11,236
Book overdraft	1,896,258	-
Other liabilities	569,794	-
	9,211,572	11,236



SUZLON FOUNDATION
(A Company Limited by Shares under Section 25 of the Companies Act, 1956)
SCHEDULES FORMING PART OF THE INCOME AND EXPENDITURE ACCOUNT

Particulars	For the year ended March 31,2009	For the year ended March 31,2008
Schedule- 5 : Operating Expenses		
Educational	20,095,024	-
Health & medical relief	16,774,253	-
Livelihood	13,249,412	-
Civic amenities	2,929,247	-
Environment	20,443,559	-
Other charitable expenses	12,702,532	-
	86,194,026	-
Schedule- 6 : Administrative Expenses		
Auditors remuneration	11,030	11,236
Rent	10,800	-
Insurance	17,496	-
Travelling and conveyance expenses	2,949,300	-
Communication expenses	72,167	735
Printing and stationery	221,159	680
Legal and professional charges	383,039	-
Foreign Exchange difference, net	240	-
Miscellaneous expenses	109,903	-
	3,775,134	12,651
Schedule- 7 : Employees' Remuneration and Benefits		
Salaries, wages, allowances and bonus	6,526,774	-
Contribution to gratuity	144,363	-
Contribution to provident and other funds	183,412	-
	6,854,550	-



SUZLON FOUNDATION

Schedule 8: Significant Accounting Policies And Notes To Accounts

1. COMPANY OVERVIEW

Suzlon Foundation ('Suzlon Foundation' or 'the Company') was incorporated under section 25 of the companies act 1956 on 27th December, 2007.

The Company is established with the object of carrying out welfare and charitable activities in relating to rehabilitation, health and medical, hygiene, nutrition, education, civic amenities, infrastructure, livelihood skills, climate changes and global warming resolution initiatives.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 ('The Rules') and in conformity with accounting principles generally accepted in India ('Indian GAAP') as applicable, and the relevant provisions of the Companies Act, 1956 ('the Act'). The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with the Indian GAAP.

b) Use of Estimates

The presentation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ with those estimates.

c) Revenue Recognition

Donations are recognised as income as and when it is received by the company. The interest income is recognised in books on accrual basis of accounting.

d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

e) Depreciation

Depreciation is provided on the written down value method (WDV), unless otherwise stated, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or intangible assets or rates specified in schedule XIV to the Act, whichever is higher :



Type of Assets	Rate
Computers	40%

f) Foreign currency transactions

Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date on which the transaction occurred.

Exchange differences arising as a result of the above are recognised as income or expense in the Profit and Loss Account, including the amount of liabilities incurred for acquiring imported fixed assets, where the differences are also charged to Profit and Loss account in compliance with the Accounting Standard as issued by Institute of Chartered Accountants of India.

g) Employee benefits

Retirement benefits to employees comprise of Provident fund, gratuity and leave encashment under the schemes of the company.

Defined contributions to provident fund are charged to profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective statutory authorities.

The Company has taken a Group Gratuity cum Life Assurance Policy from Life Insurance Corporation of India. The yearly contribution as determined by the LIC on actuarial basis under this policy / scheme has been paid during the Financial Year and debited the same to Profit & Loss Account.

Leave encashment is accounted on actual payment basis.

h) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

i) Income Tax

Provision for income tax, fringe benefit tax and deferred tax has not been made in accounts, as the company has been recognised and registered under section 2(15) and section 12-AA of the Income Tax Act, 1961.



2. Expenditure in foreign currency (accrual basis)

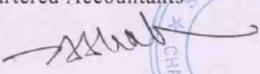
Particulars	For the Period from April 01,2008 to March 31,2009
Legal & Professional Charges	40,080

3. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956 not applicable to the company.

4. Prior year amounts have been reclassified wherever necessary to confirm with current year presentation. Figures in the brackets are in respect of the previous year.

As per our attached Report of
even date

For SNK & Co.
Chartered Accountants

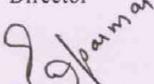

Jasmin B. Shah
Partner
M. No. 46238

Place : Pune
Date : 11/7/09



For and on behalf of the
Board 

Harish H. Mehta
Director


Ranjitsingh A. Parmar
Director

Place : Pune
Date :

FORM NO. 10B
[See Rule 17B]

**Audit Report under section 12A (b) of the Income-tax Act, 1961 in the case
of charitable or religious trusts or institutions**

I have examined the balance sheet of **Suzlon Foundation** as at **March 31, 2009** and the profit and loss account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of the audit. In my opinion, proper books of account have been kept by the head office and the branches of the above-named trust visited by me so far as appears from my examination of the books, and proper returns adequate for the purposes of audit have been received from branches not visited by me, subject to the comments given below:

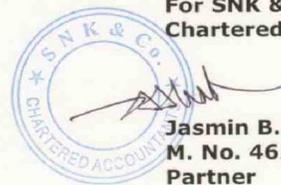
In my opinion and to the best of my information, and according to information given to me the said accounts give a true and fair view: -

- i. in the case of the balance sheet of the state of affairs of the above-named trust as at March 31, 2009 and
- iii. in the case of the profit and loss account, of the profit or loss of its accounting year ending on March 31, 2009.

The prescribed particulars are annexed hereto.

Place: Pune.

Date: 01/07/2009



**For SNK & Co.,
Chartered Accountants,**

Jasmin B. Shah
M. No. 46238
Partner

**ANNEXURE
STATEMENT OF PARTICULARS**

I Application of income for charitable or religious purposes.		
1	Amount of income of the previous year applied to charitable or religious purposes in India during that year.	96,907,293
2	Whether the trust/institution* has exercised the option under clause (2) of the Explanation to section 11 (1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year.	NIL
3	Amount of income accumulated or set apart*/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust wholly*/in part only for such purposes.	16,197,876
4	Amount of income eligible for exemption under section 11(1)(c) [Give details]	NIL
5	Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2)	NIL
6	Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof.	NIL
7	Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so, the details thereof.	NIL
8	Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year :-	NIL
	a. has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or	NIL
	b. has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2) (b) (iii), or	NIL
	c. has not been utilised for purpose for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof	NIL



II. Application or use of income or property for the benefit of persons referred to in section 13 [3].		
1	Whether any part of the income or property of the *trust/institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) [hereinafter referred to in this Annexure as such person]? If so, give details of the a	No
2	Whether any land, building or other property of the *trust/institution was made, or continued to be made, available for the use of any such person during the previous year ? If so, give details of the property and the amount of rent or compensation charge	No
3	Whether any payment was made to any such person during the previous year by way of salary allowance or otherwise? If so, give details.	No
4	Whether the services of the *trust/institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any.	No
5	Whether any share, security, or other property was purchased by or on behalf of the *trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid.	No
6	Whether any share, security, or other property was sold by or on behalf of the *trust/institution during the previous year to any such person? If so, give details thereof together with the consideration received.	No
7	Whether any income or property of the *trust/institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted.	No
8	Whether the income or property of the *trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details.	No
* Strike out whichever is not applicable		



III. Investment held at any time during the previous year(s) in concerns in which persons referred to in section 13(3) have a substantial interest.

Sr. No.	Name and address of the concern	Where the concern is a company No. and class of shares held	Nominal value of the investment	Income from the investment	Whether the amount in Col. 4 exceeded 5% of the capital of the concern during the previous year
1	2	3	4	5	
-----NIL-----					
Total					

Place : Pune
Date : 01/07/2009



For, S N K & Co.,
Chartered Accountants,

Jasmin B. Shah
M. No. 46238
Partner