ANNUAL REPORT 2013 - 14

SMARTER. SAFER. SUSTAINABLE.
WE DO IT BETTER.

SUZLON
POWERING A GREENER TOMORROW

wwww.suzlon.com

Transforming society through progressive thoughts

The Suzlon Impact

~ 49,700 GWh power generated per year from 24.5 GW installations.

Lighting up ~ **83 million lives***.

$\cancel{CO_2e}$

Over **41 million tonnes** of carbon emissions avoided annually.

Benefits comparable to planting over **3.4 billion trees** every year.

Carbon emissions avoided equivalent to ~ **6.8 million cars** taken off the street annually.

Saving more than **23 million tonnes of coal** per annum.

*Source: *In the Indian context*

COMPANY INFORMATION

SUZLON ENERGY LIMITED (CIN : L40100GJ1995PLC025447)

BOARD OF DIRECTORS

Mr. Tulsi R.Tanti (DIN: 00002283)	Chairman & Managing Director
Mr. Vinod R.Tanti (DIN: 00002266)	Non-Executive Director
Mr. Girish R.Tanti (DIN: 00002603)	Non-Executive Director
Mr. V. Raghuraman (DIN: 00411489)	Non-Executive Independent Director
Mr. Rajiv Ranjan Jha (DIN: 03523954) a nominee of Power Finance Corporation Limited	Non-Executive Director
Mr. Marc Desaedeleer (DIN: 00508623)	Non-Executive Independent Director
Mrs. Bharati Rao (DIN: 01892516) a nominee of State Bank of India	Non-Executive Director
Mr. Ravi Uppal (DIN: 00025970)	Non-Executive Independent Director
Mr. Ravi Kumar (DIN: 02362615) (a nominee of IDBI Bank Limited, who ceased to be a director w.e.f. May 3, 2014)	Non-Executive Director
Mrs. Medha Joshi (DIN: 00328174) a nominee of IDBI Bank Limited (appointed as nominee director w.e.f. May 3, 2014)	Non-Executive Director

CHIEF FINANCIAL OFFICER

Mr. Amit Agarwal
ICAI Membership No.056880

COMPANY SECRETARY

Mr. Hemal A.Kanuga
ICSI Membership No.F4126

AUDITORS

SNK & Co.
Chartered Accountants
ICAI Firm Registration No. 109176W
E-2-B, 4th Floor, The Fifth Avenue,
Dhole Patil Road,
Pune - 411001, India

S.R.Batliboi & Co., LLP
Chartered Accountants
ICAI Firm Registration No. 301003E
C-401, 4th Floor, Panchshil Tech Park,
Yerawada, (Near Don Bosco School),
Pune - 411006, India

BANKERS / INSTITUTIONS

Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Central Bank of India
Corporation Bank
Dena Bank
Export Import Bank of India
ICICI Bank Limited
IDBI Bank Limited
Indian Renewable Energy Development Agency Limited
Indian Overseas Bank
Life Insurance Corporation of India
Oriental Bank of Commerce
Power Finance Corporation Limited
Punjab National Bank
State Bank of Bikaner and Jaipur
State Bank of India
State Bank of Patiala
The Saraswat Co-operative Bank Limited
Union Bank of India

REGISTERED OFFICE

"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex,
Navrangpura, Ahmedabad - 380009, India
Tel.: +91.79.6604 5000, Fax: +91.79.2656 5540
Email: investors@suzlon.com; Website: www.suzlon.com

CORPORATE OFFICE

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

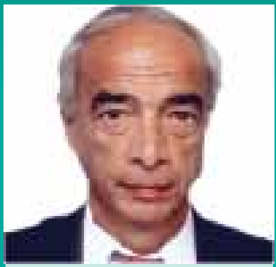
REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081, India
Tel: +91.40.4465 5000; Fax: +91.40.2342 0814; Toll Free No. 1800-3454-001
Email: einward.ris@karvy.com; Website: www.karvycomputershare.com

BOARD OF DIRECTORS

Mr. Tulsi R.Tanti
Chairman & Managing Director

Mr. Ravi Uppal
Non-Executive Independent Director



Mr. Marc Desaedeleer
Non-Executive Independent Director

Mr. Vinod R.Tanti
Non-Executive Director

Mr. V.Raghuraman
Non-Executive Independent Director

Mrs. Bharati Rao
Non-Executive Director
a nominee of State Bank of India

Mr. Girish R.Tanti
Non-Executive Director

Mr. Rajiv Ranjan Jha
Non-Executive Director
(a nominee of Power
Finance Corporation Limited)

Mrs. Medha Joshi
Non-Executive Director
a nominee of IDBI Bank Limited
(appointed as nominee director
w.e.f. May 3, 2014)

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LETTER FROM THE CHAIRMAN

Dear Shareholder,

We are now witnessing buoyancy in the business environment after years of challenging times. As the global economy recovers and demand for energy rebounds, the renewable sector is now poised for a new phase of higher growth. The Indian wind market is also headed on a growth trajectory with the reinstatement of Accelerated Depreciation (AD) by the new government. Furthermore, the successful restructuring efforts by the wind turbine equipment manufacturers have led to improvements in margins and cash flow. With these green shoots, we are in a comfortable situation to say that the worst is clearly behind us and for the industry as a whole.

Following the macro trend, Suzlon is back on the path to recovery. We have successfully completed our comprehensive liability management efforts during FY14 and have made good progress on the capital rebalancing front. Overall, the performance during FY14 has been encouraging for Suzlon and we hope to capitalize on the buoyant market environment.

FY14: A Positive Transition

All our efforts during FY14 to restore confidence in Suzlon have yielded considerable results. The volumes of Suzlon Wind have significantly risen by 188% owing to an improvement in working capital and business efficiencies. In FY14, our efforts to lower the breakeven volume have resulted in a significant reduction in fixed costs. In the last quarter of FY14, Suzlon Group turned EBITDA positive for the first time in eight quarters. With this, the Group is now gradually transiting from a restructuring mode to a stable phase.

Best-in-class Operation, Maintenance & Service (OMS) has been one of our key strengths. We decided to carve out our OMS business of India into a separate wholly owned subsidiary namely, Suzlon Global Services Limited with an aim to bring better transparency and help realize business efficiencies.

I am pleased to see that the Suzlon Group has maintained its global market share in 2013 despite adversities. Your company today is the fifth largest wind turbine manufacturer in the world both in terms of annual as well as cumulative installed capacity. India has been a flywheel to our business. Expectedly, we carry on to maintain our leadership position during FY14.

We continue to bolster our order book to secure our future business. The Group now boasts an order backlog of US$ 7.6bn as of March end.

Strong Performance of Senvion Continues

Our German subsidiary REpower, now rechristened as **Senvion** continued to perform well. Over the last five years, Senvion has been one of the most valuable and profitable asset in the wind energy space. It has consistently demonstrated growth and posted profits even when others in the industry reported substantial losses. Continuing its stellar performance, Senvion achieved 25% increase in EBIT in FY14. In terms of cumulative installations globally, Senvion achieved a significant milestone of 10,000 MW in FY14.

Market Outlook is Bright

As mentioned earlier, the global wind market is poised for a new phase of growth. The wind energy market is likely to surge by 40% in FY15. The medium to long term outlook for our business remains robust as the life cycle cost of energy from wind continues to target grid parity in most markets. Lower cost of energy, energy security, provision of clean energy for all and climate change mitigation will drive the long term growth of wind energy sector.

The medium term outlook for the wind sector in India has improved significantly. The Government's clear thrust on energy security and renewable energy is epitomized in the recently presented Union Budget that outlined the measures to boost the wind energy sector. Accelerated Depreciation (AD) of 80% which was discontinued in 2012 has been reinstated this year to stimulate investments and provide further momentum for the Wind energy sector. AD also offers additional return for those Indian companies, who would like to set up captive power plants and hedge their power cost for 25 years. Furthermore, the Government has now announced that investment in wind energy as one of the qualified CSR activities under section 135 of the Companies Act, 2013. Income tax holiday under section 80IA has been extended till 2017. With these measures the Indian wind energy market is expected to surge and Suzlon is well positioned to capitalize on this. I am confident that this will enhance value creation for our Shareholders.

Building on our Edge

Our priority for FY15 will be to further strengthen our order book by unlocking and expanding our share in the growing offshore and emerging markets. We will enhance our global competitiveness by leveraging our technology edge and investing in development of new products with high yields.

Senvion already has the distinction of having built the largest commercial wind turbine, the 6.2 MW turbines. It continues to maintain its technology leadership by introducing a range of new product variants in the 3MW & 6MW series. Suzlon Group is in the process of developing and commercializing of the S97-120m (hybrid tower), S111, 3M-122m and 6.2M-152m. These products will change the business dynamics providing a competitive edge for the Group. The Group stands committed to bring down the cost of energy and thereby maximize return on investments for our customers.

Looking Ahead

We will bolster our balance sheet further by rebalancing our capital structure and monetizing non-core assets, thereby reducing our Indian Rupee debt burden and interest costs. During the last two years we have been transformed into a more leaner, flexible and scalable company and today are much better prepared for the future challenges the industry poses.

Most importantly we are once again preparing the organization for growth. As a Group, we continue to have a strong and sustainable long term outlook with an endeavor to achieve cost and technology leadership within the industry.

We are thankful to all our stakeholders who continue to show faith and confidence in us. My special thanks to all the shareholders and bankers who have shown extra ordinary patience and support towards us that has paved the path for our resurgence. I, the Management Team of the Company, and every member of the Suzlon family remain grateful for your continuous support – and, with it, we are confident of powering a better and greener tomorrow.

Warm regards,

Tulsi Tanti
Chairman

Pune, 25th July, 2014

Senvion offshore wind farm
in Ormande, U.K.

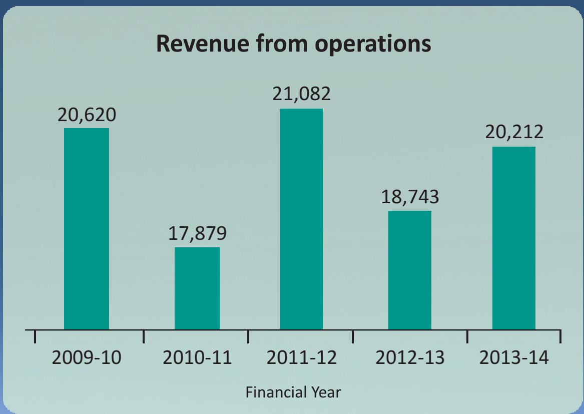
FINANCIAL HIGHLIGHTS

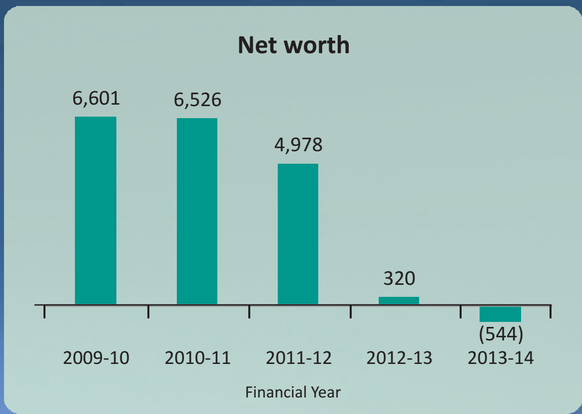
Suzlon Energy Limited and its subsidiaries

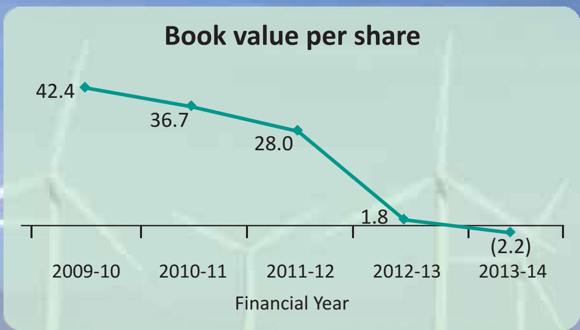
Rs in Crore

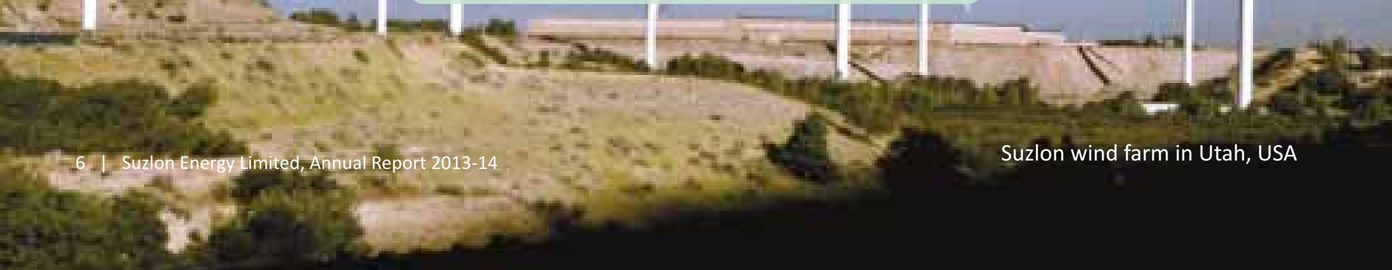
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue from operations	20,212	18,743	21,082	17,879	20,620
EBIDTA	(141)	(1,296)	1,821	1,047	943
Interest	1,792	1,518	1,379	1,136	1,195
Depreciation	777	740	661	657	663
Net profit / (loss)	(3,520)	(4,724)	(479)	(1,324)	(983)
Equity share capital	498	355	355	355	311
Net worth	(544)	320	4,978	6,526	6,601
Gross fixed assets	18,055	15,809	15,161	13,265	11,951
Net fixed assets	13,948	12,382	12,602	11,332	10,574
Total assets	30,315	29,216	32,427	29,220	29,205
Book value per share* - Rs	(2.2)	1.8	28.0	36.7	42.4
Turnover per share* - Rs	81.2	105.5	118.6	100.6	132.5
Earning per share* - Rs	(15.7)	(26.6)	(2.7)	(7.8)	(6.4)
EBIDTA / Gross turnover (%)	-0.7%	-6.9%	8.6%	5.9%	4.6%

Prior year amounts have been reclassified wherever necessary to confirm with current year presentation.









Suzlon wind farm in Utah, USA

TRANSFORMATIVE, PROACTIVE AND RESPONSIVE: THE CSR PHILOSOPHY

Suzlon is committed to invest in resources which promote sustainability

As a company involved in renewable energy and espousing economic, environmental and social sustainability, Corporate Social Responsibility is very much a core of Suzlon's existence. CSR is implemented through the Suzlon Foundation covering neighbourhood villages in 8 states and the Union Territory of Daman, with an approach of integrating CSR in all the business functions with a 5-capital sustainability framework. It is a partnership in development, with all stakeholders making their own contributions to enhance natural, financial, social, human and physical resources. We have a multi-pronged approach: Transformative (working with internal stakeholders), Responsive (working with neighbourhood communities to offset our footprint) and Proactive (working for overall sustainability of the planet).

Education initiative in Gujarat, India

Touching lives in a myriad ways

- 347 villages, 31591 families, 237 schools, 18,686 students and 1,041 community groups
- Health care for 41,362 animals
- 345 solar lights increased the availability of electricity for many families
- 2,172 kg waste recycling reduced damage to environment
- Plantation of 16,638 trees with cumulative figure reaching over a million spread over 5 years
- 3,196 employees involved in CSR programs contributing 5,053 days in the year

Kind words for kind deeds

"Suzlon and the Suzlon Foundation are doing good work for the community and they are the only wind turbine company doing such activities in our Panchayat."

Mr. John Peter

President, Ukkirankottai Panchayat, Tamil Nadu, India

"Partnership between CSR and Operations and Maintenance Services has helped the Rajasthan OMS team to build a good relationship with the communities which in turn has helped us resolve many local issues."

Mr. Sunil Joshi

State Head, OMS, Rajasthan, India

"I am highly appreciative of Suzlon Foundation's social concern in health as well as environment areas. With SF and other organization's collaborations we are able to organize 22 camps in Mundargi taluka and already 705 needy patients underwent IOL free cataract operations. Impressed with SF in promoting environmental activities in Kapatgudda by involving community and students . As a social concern team, I am happy to have Suzlon team in Mundargi area."

Dr. P.B. Hiregoudar

Medical Officer - AYUSH Department,
Taluk Government Ayurvedic Hospital, Mundargi,
Dist. Gadag, Karnataka, India

Livelihood tailoring training in Rajasthan, India

Awarded widely, respected highly

- **Corporate Social Responsibility Award Business World-FICCI 2011-12**
  Socially responsible company
- **Asia's Best CSR Practice CMO Asia 2011-12**
  Best CSR Practices
- **Green Business Leader FE-EVI 2010-11**
  Green Business Leader
- **Aajtak Care Award Today's Group 2011-12**
  Environment Category

Health checkup camp in Gujarat, India

Awards & Recognitions

Having crossed the 24,700 MW of global installed capacity milestone, Suzlon bagged another honor by receiving the "Top 100 CISO Award" for its OMS information security project.

Some of the prestigious awards received by Suzlon & it's visionary leader were :

- Mr. Tulsi Tanti was honored with **Champion of the Earth title** for Entrepreneurial Vision by the United Nations Environment Program
- **Times Heroes of the Environment Award** for Mr. Tulsi Tanti, for initiating action on Global Climate Change
- **Asia's Most Promising Leader from India – Mr. Tulsi Tanti**, World Consulting & Research Corporation
- **Asia's Most Promising Brand –** by World Consulting & Research Corporation
- **'Superbrand'** status
- P.A.L.S is an acronym for the Pure Air Lovers Society and is Suzlon's impactful and successful environment campaign. P.A.L.S. received the **Indian Digital Media award – Best Integrated Campaign for social causes across all digital platform**

Suzlon wind turbines at the Renew Power Windfarm, Welturi site in Maharashtra, India

A LEADING GLOBAL PLAYER IN WIND ENERGY

Over 24,500 MW installed globally

presence in over 31 countries across six continents

Customer base of over 1,800

Ranked 5th in the world*

Market leader in India

Ranked second in Canada, France and Poland

Third in UK and Germany

**Source: MAKE Consulting Report: Global Wind Turbine OEM 2013 Market Share*

Manufacturing units in three continents

R&D facilities in Denmark, Germany, India and The Netherlands

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Nineteenth Annual Report of your Company together with the audited financial statements for the financial year ended March 31, 2014.

1. Financial performance:

The standalone and consolidated audited financial results for the year ended March 31, 2014 are as under:

Particulars	Standalone				Consolidated			
	Rs in Crore		USD in Million*		Rs in Crore		USD in Million*	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue from operations	3,036.36	1,748.11	506.78	321.98	20,211.58	18,743.14	3,373.38	3,452.25
Other operating income	28.36	5.56	4.73	1.02	191.28	170.39	31.93	31.38
Earnings before interest, tax, depreciation and amortization (EBITDA)	(395.91)	(1,272.21)	(66.08)	(234.33)	(141.09)	(1,296.49)	(23.55)	(238.80)
Less: Depreciation and amortization expense	174.00	214.54	29.04	39.52	776.88	740.47	129.66	136.39
Earnings before interest and tax (EBIT)	(569.91)	(1,486.75)	(95.12)	(273.85)	(917.97)	(2,036.96)	(153.21)	(375.19)
Add: Finance income	227.95	301.90	38.05	55.61	71.48	152.16	11.93	28.03
Less: Finance costs	1,221.19	1,086.41	203.82	200.10	2,069.96	1,854.85	345.48	341.64
Loss before tax before exceptional items	(1,563.15)	(2,271.26)	(260.89)	(418.34)	(2,916.45)	(3,739.65)	(486.76)	(688.80)
Less: Exceptional items	(638.35)	571.71	(106.54)	105.30	487.30	642.98	81.33	118.43
Loss before tax	(924.80)	(2,842.97)	(154.35)	(523.64)	(3,403.75)	(4,382.63)	(568.09)	(807.23)
Less: Current tax (Net of earlier years tax and MAT credit entitlement)	(0.33)	146.83	(0.06)	27.04	55.15	190.71	9.20	35.13
Less: Deferred tax	–	–	–	–	89.28	158.61	14.90	29.21
Loss after tax	(924.47)	(2,989.80)	(154.29)	(550.68)	(3,548.18)	(4,731.95)	(592.19)	(871.57)
Add / (Less): Share of loss / (profit) of minority	N.A	N.A	N.A	N.A	28.21	7.99	4.71	1.47
Net loss for the year	(924.47)	(2,989.80)	(154.29)	(550.68)	(3,519.97)	(4,723.96)	(587.48)	(870.10)
Add: Balance brought forward	(3,103.84)	(114.04)	(518.04)	(21.00)	(5,786.96)	(1,063.00)	(965.86)	(195.79)
Surplus / (deficit) carried to balance sheet	(4,028.31)	(3,103.84)	(672.33)	(571.68)	(9,306.93)	(5,786.96)	(1,553.34)	(1,065.89)

*1 US$ = Rs. 59.9150 as on March 31, 2014 (1 US$ = Rs.54.2925 as on March 31, 2013)

2. OPERATIONS REVIEW:

On a standalone basis, the Company achieved revenue from operations of Rs. 3,036.36 Crores and EBIT of Rs.(569.91) Crores as against Rs.1,748.11 Crores and Rs.(1,486.75) Crores respectively in the previous year. Net loss after tax is Rs.(924.47) Crores as compared to net loss after tax of Rs.(2,989.80) Crores in the previous year. The reduction in loss during the year compared to previous year is primarily due to increase in sales volume and gain on sale of OMS Business Undertaking.

On consolidated basis, the Group achieved revenue from operations of Rs.20,211.58 Crores and EBIT of Rs.(917.97) Crores as against Rs.18,743.14 Crores and Rs.(2,036.96) Crores respectively in the previous year. Net loss for the year is Rs.(3,519.97) Crores as compared to loss of Rs. (4,723.96) Crores in the previous year. The reduction in loss during the year compared to previous year is primarily due to increase in sales volume, change in market mix, and reduction in fixed cost and exceptional items.

3. DIVIDEND:

In view of losses incurred during the year 2013-14, the Board of Directors do not recommend any dividend for the year under review.

4. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review and up to the date of this report, in terms of provisions of Section 205A read with Section 205C of the Companies Act, 1956, as amended, the Company has transferred following amounts to the Investor Education and Protection Fund set up by the Government of India:

i) The unpaid or unclaimed final dividend for the financial year 2005-06 aggregating to Rs.1,48,831/- (Rupees One Lac Forty Eight Thousand Eight Hundred Thirty One Only); and

ii) The unpaid or unclaimed interim dividend for the financial year 2006-07 aggregating to Rs.5,52,840/- (Rupees Five Lacs Fifty Two Thousand Eight Hundred Forty Only).

5. CORPORATE DEBT RESTRUCTURING (CDR):

The key features of the CDR Proposal are given in detail under Notes to Financial Statements forming part of this Annual Report.

6. Transfer of OMS Division:

As part of the global practice, companies carry on the operation and maintenance services ("OMS") businesses as separate and distinct businesses, whereas the same was part of the Company till previous year. 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 was proposed to carve out the OMS business of the Company to the Company's subsidiary in terms of the recommendation of the Board of Directors of the Company at its meeting held on February 14, 2014, which was also approved by the shareholders on March 27, 2014 and accordingly the OMS division has since been transferred to Suzlon Global Services Limited, a subsidiary of the Company.

The OMS business has an excellent performance track record and now with this transfer, the Company would be able to achieve its objective to organise its OMS vertical under the 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 transfer is also 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.

7. CAPITAL:

Increase in paid-up share capital – During the year under review the Company has allotted following securities in terms of Chapter VII – "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"):

Date of allotment	No. of Securities	Remarks
April 23, 2013	30,23,61,507 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan and IDBI's sacrifice under CDR package in terms of ICDR Regulations
April 23, 2013	1,18,85,467 equity shares of Rs.2/- each	Preferential allotment in consideration for conversion of unsecured loan of Rs.22 Crores in terms of ICDR Regulations
July 31, 2013	7,05,25,613 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from April 1, 2013 till June 30, 2013 under CDR package in terms of ICDR Regulations
October 28, 2013	7,01,99,351 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from July 1, 2013 till September 30, 2013 under CDR package in terms of ICDR Regulations
October 28, 2013	100 compulsorily convertible debentures of Rs.1,00,00,000/- each	Preferential allotment to promoters in consideration for conversion of unsecured loan of Rs.100 Crores in terms of ICDR Regulations
October 28, 2013	103 compulsorily convertible debentures of Rs.1,00,00,000/- each	Preferential allotment to promoters in consideration for conversion of promoter contribution of Rs.103 Crores under CDR package in terms of ICDR Regulations
October 28, 2013	9,09,91,800 equity shares of Rs.2/- each	Allotment to promoters pursuant to conversion notice received for conversion of 100 compulsorily convertible debentures issued on preferential basis in terms of ICDR Regulations
October 28, 2013	9,37,21,554 equity shares of Rs.2/- each	Allotment to promoters pursuant to conversion notice received for conversion of 103 compulsorily convertible debentures issued on preferential basis in terms of ICDR Regulations
January 30, 2014	7,10,95,242 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from October 1, 2013 till December 31, 2013 under CDR package in terms of ICDR Regulations

Post March 31, 2014, the Company has allotted following securities:

Date of allotment	No. of Securities	Remarks
April 25, 2014	6,91,70,785 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from January 1, 2014 till March 31, 2014 under CDR package in terms of ICDR Regulations
April 25, 2014	6,78,70,655 equity shares of Rs.2/- each	Preferential allotment to certain persons / entities in terms of ICDR Regulations
April 25, 2014	4,29,38,931 equity shares of Rs.2/- each	Preferential allotment to promoters in consideration for conversion of unsecured loan of Rs.45 Crores in terms of ICDR Regulations
May 16, 2014	47 compulsorily convertible debentures of Rs.1,00,00,000/- each	Preferential allotment to promoters in consideration for conversion of promoter contribution of Rs.47 Crores under CDR package in terms of ICDR Regulations
May 16, 2014	3,48,40,583 equity shares of Rs.2/- each	Allotment to promoters pursuant to conversion notice received for conversion of 47 compulsorily convertible debentures issued on preferential basis in terms of ICDR Regulations
May 16, 2014	1,00,95,000 equity shares of Rs.2/- each	Allotment to the eligible employees of the Company and its subsidiary companies under the Employee Stock Purchase Scheme 2014 formulated in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended
July 22, 2014	7,16,32,902 equity shares of Rs.2/- each	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from April 1, 2014 till June 30, 2014 under CDR package in terms of ICDR Regulations

Accordingly the paid-up share capital of the Company has increased to Rs 556,93,90,074/- (Rupees Five Hundred Fifty Six Crores Ninety Three Lacs Ninety Thousand Seventy Four Only) divided into 278,46,95,037 (Two Hundred Seventy Eight Crores Forty Six Lacs Ninety Five Thousand Thirty Seven) equity shares of Rs 2/- (Rupees Two Only) each.

Global Depository Receipts (GDRs) - The outstanding GDRs as on March 31, 2014 are 17,91,178 (Seventeen Lacs Ninety One Thousand One Hundred Seventy Eight) representing 71,64,712 (Seventy One Lacs Sixty Four Thousand Seven Hundred Twelve) equity shares of Rs.2/- (Rupees Two Only) each. Each GDR represents 4 (Four) underlying equity shares in the Company.

Foreign Currency Convertible Bonds ("FCCBs") - The Company has following outstanding convertible securities as on March 31, 2014:

Tranche	Outstanding Amount (USD)
USD 200,000,000 Zero Coupon Convertible Bonds Due 2012 (0% October 2012 Bonds)	121,368,000
USD 20,796,000 7.5% Convertible Bonds Due October 2012 (7.5% New October 2012 Bonds)	20,796,000
USD 90,000,000 Zero Coupon Convertible Bonds Due 2014 (0% July 2014 Bonds)	90,000,000
USD 175,000,000 5% Convertible Bonds Due 2016 (5% April 2016 Bonds)	175,000,000

The 0% October 2012 Bonds, 7.5% New October 2012 Bonds, 0% July 2014 Bonds and 5% April 2016 Bonds are collectively referred to as "the Existing Bonds")

Post March 31, 2014, in terms of the approval of the Board of Directors of the Company for cashless restructuring of the Existing Bonds, the Company had issued separate notices each dated May 6, 2014 convening meetings of the holders of the 0% October 2012 Bonds, 7.5% New October 2012 Bonds, 0% July 2014 Bonds and 5% April 2016 Bonds to consider the restructuring of the Existing Bonds. In furtherance to the same, the Company had issued a consent solicitation memorandum and an information memorandum each dated June 17, 2014, providing further information in relation to the commercial terms of the proposed restructuring of the Existing Bonds, including the terms and conditions of the new foreign currency convertible bonds. The meetings of the holders of the respective series of Existing Bonds were held on July 9, 2014 and the proposed restructuring of the Existing Bonds, including the terms and conditions of the new foreign currency convertible bonds (the "Restructured Bonds") have been approved by the holders of the Existing Bonds in their respective meetings.

Pursuant to the approvals received from the holders of the Existing Bonds as also approval of the Corporate Debt Restructuring Empowered Group for the restructuring proposal and Reserve Bank of India, the Securities Issue Committee of the Board of Directors of the Company has, on July 15, 2014, approved the allotment of Restructured Bonds amounting to USD 546,916,000 to the holders of the Existing Bonds on satisfaction of certain conditions precedents in accordance with the terms of the consent solicitation and applicable laws and regulations. Pursuant to the consent solicitation in relation to the Existing Bonds, the Restructured Bonds will mature on July 16, 2019 and the 0% October 2012 Bonds, the 7.5% New October 2012 Bonds and 0% July 2014 Bonds have ceased to exist in full. In respect of the USD 175,000,000 5% April 2016 Bonds, USD 146,200,000 of the principal amount of the 5% April 2016 Bonds have also been substituted by the Restructured Bonds and USD 28,800,000 of the principal amount of the 5% April 2016 Bonds remain outstanding.

The outstanding balances of the FCCBs as on date of this report are as under:

Series	Outstanding Amount (USD)	Exchange Rate	Convertible on or before	Conversion Price
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured Bonds)	546,916,000	60.225	July 9, 2019	15.46
USD 175,000,000 5% Convertible Bonds Due 2016 (5% April 2016 Bonds)	28,800,000	44.5875	April 6, 2016	54.01

8. PARTICULARS OF CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been provided in an Annexure which forms part of the Directors' Report.

9. SUBSIDIARIES:

As on March 31, 2014, the Company has 79 subsidiaries, a list of which is given in the notes to the financial statements.

Companies which became subsidiaries during the year under review -

Sr. No.	Name of the entity	Country
1.	Suzlon Wind Energy Uruguay SA	Uruguay
2.	Senvion Austria GmbH	Austria
3.	Big Sky Wind LLC	USA

Companies which ceased to be subsidiaries during the year under review -

Sr. No.	Name of the entity	Remarks
1.	Suzlon Energy (Tianjin) Limited, China	Ceased to be a subsidiary since 75% stake sold to Poly. It is now a joint venture of the Company wherein the Company holds 25% stake
2.	Senvion Espana S.L., Spain	Liquidated

Change of name of subsidiaries during the year under review -

Sr. No.	Previous name of entity	New name of entity
1.	REpower Australia Pty Ltd.	Senvion Australia Pty Ltd.
2.	REpower Benelux b.v.b.a.	Senvion Benelux b.v.b.a.
3.	REpower Espana S.L.	Senvion Espana S.L.
4.	REpower Italia s.r.l	Senvion Italia s.r.l
5.	REpower Portugal - Sistemas Eolicos, S.A.	Senvion Portugal S.A.
6.	REpower S.A.S.	Senvion France S.A.S.
7.	REpower Systems DTE Romania SRL	Senvion Romania SRL
8.	REpower Systems GmbH	Senvion Deutschland GmbH
9.	REpower Systems Inc	Senvion Canada Inc
10.	REpower Systems Polska Sp.z o.o	Senvion Systems Polska Sp.z o.o
11.	REpower Systems Scandinavia AB	Senvion Systems Scandinavia AB
12.	REpower Systems SE	Senvion SE
13.	REpower UK Ltd.	Senvion UK Ltd.
14.	REpower USA Corp.	Senvion USA Corp.
15.	SISL Green Infra Limited	Suzlon Global Services Limited

10. CONSOLIDATED FINANCIAL STATEMENTS:

In terms of Section 212(8) of the Companies Act, 1956 read with the General Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, general exemption has been provided to companies from compliance of the provisions of Section 212(1) of the Companies Act, 1956 subject to compliance with conditions as referred to in the said General Circular No.2/2011 dated February 8, 2011. The Board of Directors of the Company, accordingly, has given its consent for not attaching the balance-sheet of the subsidiaries and accordingly, the balance-sheet, statement of profit and loss and other documents of the subsidiary companies are not being attached with the balance-sheet of the Company. However, some key information of the subsidiary companies as required to be provided in terms of the said circular, is disclosed under "Section 212 Report" forming part of this Annual Report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company / its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection by any member at the Company's Registered Office and Corporate Office and that of the respective subsidiary companies.

The Annual Report of the Company contains the consolidated audited financial statements prepared pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

11. PARTICULARS OF EMPLOYEES:

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

12. DIRECTORS:

Appointment of Independent Directors – The Board has recommended appointment of Mr. V.Raghuraman (DIN: 00411489), Mr. Marc Desaedeleer (DIN: 00508623) and Mr. Ravi Uppal (DIN: 00025970) as independent directors of the Company to hold office for a term of 5 (five) years from the ensuing Nineteenth Annual General Meeting, i.e. from September 25, 2014 to September 24, 2019, in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). In the opinion of the Board, Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as independent directors and are independent of the management of the Company. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal as Independent Directors of the Company. In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of these Directors as Independent Directors is now being placed before the members for their approval.

Re-appointment of directors retiring by rotation – Mr. Tulsi R.Tanti (DIN : 00002283), the Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Appointment of new directors – Post March 31, 2014, IDBI Bank Limited has substituted its Nominee Director on the Board of the Company by withdrawing nomination of Mr. Ravi Kumar (DIN: 02362615) and instead nominating Mrs. Medha Joshi (DIN: 00328174) as the Nominee Director of IDBI Bank Limited on the Board of the Company. Accordingly, Mrs. Medha Joshi has been appointed as a Nominee Director with effect from May 3, 2014 to hold office till the conclusion of ensuing Annual General Meeting and being eligible offers herself for appointment as Director of the Company. The Board has recommended appointment of Mrs. Medha Joshi as the Director designated as the "Non Executive Director" who being a nominee of IDBI Bank Limited shall not be liable to retire by rotation. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Medha Joshi for the office of the Director of the Company.

Cessation of directors – Post March 31, 2014 and as stated above, Mr. Ravi Kumar ceased to be the Nominee Director of the Company with effect from May 3, 2014. The Board expresses its appreciation for the valuable services rendered and matured advice provided by Mr. Ravi Kumar during his association with the Company.

Profile of Directors seeking appointment / re-appointment – Profile of the directors seeking appointment / re-appointment as required to be given in terms of Clause 49(IV)(G)(i) of the Listing Agreement forms part of the Notice convening the ensuing Annual General Meeting of the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors confirm to the best of their knowledge and belief that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the loss of the Company for the year ended on that date;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the directors had prepared the annual accounts on a going concern basis.

14. **PUBLIC DEPOSITS:**

During the year under review, the Company did not accept any deposits within the meaning of the provisions of Section 58A of the Companies Act, 1956.

15. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

16. **CORPORATE GOVERNANCE:**

As required under Clause 49(VI) of the Listing Agreement entered into by the Company with the stock exchanges, a detailed report on corporate governance has been provided in a separate section which forms part of this Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard. The auditors' certificate on compliance with corporate governance requirements by the Company is attached to the Corporate Governance Report.

17. **EMPLOYEES STOCK OPTION PLANS (ESOPs):**

As required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the information pertaining to various Employee Stock Option Plans (ESOPs) and Employee Stock Purchase Scheme of the Company has been provided in an Annexure which forms part of the Directors' Report.

18. **AUDITORS AND AUDITORS' OBSERVATIONS:**

Statutory Auditors - M/s. SNK & Co., Chartered Accountants, Pune (ICAI Firm Registration No.109176W) and M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Pune (ICAI Firm Registration No.301003E), the joint statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company. The said Auditors have been holding office as Joint Statutory Auditors of the Company for a period of 10 (Ten) or more consecutive financial years. In terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, a listed company cannot appoint or re-appoint an audit firm as an Auditor for more than two terms of five consecutive years. The period for which the firm has held office as Auditor prior to the commencement of the Companies Act, 2013 shall be taken into account for calculating the period of 10 (Ten) consecutive years, as the case may be. Further Section 139 of the Companies Act, 2013 has also provided a period of 3 (Three) years from date of commencement of the Act to comply with this requirement and accordingly they can be appointed as Auditors for a further period of 3 (three) years only in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Accordingly it is proposed to appoint M/s. SNK & Co., Chartered Accountants, Pune (ICAI Firm Registration No.109176W) and M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Pune (ICAI Firm Registration No.301003E) as joint statutory auditors of the Company to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company, i.e. for a period of 3 (Three) years, subject to ratification of their appointment at every annual general meeting. Both the statutory auditors have confirmed their eligibility and willingness to accept office, if re-appointed.

Auditors' observations and Management's response to Auditors' observations – The Directors refer to the auditors' observation in the Auditors' Report and as required under Section 217(3) of the Companies Act, 1956, provide their explanation as under:

i) In respect of Note 5 of the standalone financial statements and Note 4 of the consolidated financial statements regarding use of going concern assumption for the preparation of financial statements due to existence of certain liabilities on account of FCCBs which are due for redemption during October 2012 and overdue amounts payable to creditors and certain lenders:

The Company defaulted in repayment of its unsecured FCCBs which were due in October 2012 ("0% October 2012 Bonds") aggregating approximately USD 209 Million (Rs.1,250.44 Crores) and also defaulted in payment of certain coupons pertaining to another of its unsecured FCCBs, due in April 2016 ("5% April 2016 Bonds"). The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2014.

Pursuant to the approval of its Board of Directors, Corporate Debt Restructuring Empowered Group and Reserve Bank of India and pursuant to the approval of the holders of each of its outstanding FCCB series, the Company successfully restructured each of its existing FCCB series, wherein, 100% of 0% October 2012 Bonds, the 7.5% New October 2012 Bonds and 0% July 2014 Bonds got fully substituted by the new FCCBs on July 15, 2014 and thus ceased to exist. In respect of 5% April 2016 Bonds, out of USD 175 million approximately USD 28.8 million in principal value remain outstanding; the remaining holders of the 5% April 2016 series opted to substitute their existing bonds with the new foreign currency convertible bonds. The entire outstanding coupon obligation on the 5% April 2016 series got substituted by new bonds. The Company is also taking various other steps to reduce costs, improve efficiencies to make its operations profitable and to arrange sufficient funds for its operations and accordingly the financial statements have been prepared on the basis that the Company is a going concern.

ii) In respect of Note 4 of the standalone financial statements and Note 5 of the consolidated financial statements regarding amount payable towards recompense in lieu of sacrifce:

The recompense amount payable in lieu of sacrifice is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain. Accordingly, the Company has shown the proportionate amount payable towards recompense as contingent liability.

iii) In respect of Note 6 of the consolidated financial statements regarding non-provision of Infrastructure Development Charges ("IDC") aggregating to Rs.64.80 Crores:

The Indian Wind Energy Association (“InWEA”) of which the Group is a member has filed a civil appeal in the Supreme Court against an order of the Appellate Tribunal for Electricity in regard to levy of Infrastructure Development Charges (“IDC”) by Tamil Nadu State Electricity Board, and the matter is pending the hearing of the Supreme Court. The Group has obtained a legal opinion which states that InWEA / Group has a strong case and accordingly the Group has shown it as contingent liability.

iv) In respect of Note 7 of the consolidated financial statements regarding achievement of positive Net Foreign Exchange (“NFE”) by one of its subsidiaries:

One of the subsidiaries of the Company is required to comply with the provisions of Rule 53 of Special Economic Zones Rules, 2006 (“SEZ Rules”) which requires the Company to achieve positive NFE during the year ending March 31, 2014. The subsidiary on its application, received an extension of six months from Development Commissioners ("DC") for achieving positive NFE. Since the ultimate outcome of the matter cannot be presently ascertained the same has been considered as a contingent liability.

v) In respect of auditors’ observation in standalone financial statements regarding certain default in payment of interest and repayment of dues to financial institutions, banks and bondholders and delay in depositing statutory dues:

It is clarified that the delay arose on account of liquidity shortage due to delay in timely realisation of certain receivables from the customers and prevailing uncertain economic environment that adversely impacted the sales volumes.

vi) In respect of auditor’s observation in standalone financial statements regarding cash losses incurred by the Company during the previous year and accumulated losses at the end of financial year are more than fifty percent of its net worth and funds raised on short term basis used for long-term purposes.:

It is clarified that the losses were primarily attributable to liquidity shortage, lower volumes due to prevailing uncertain economic environment, lower absorption of fixed overheads and higher finance charges. Further funds raised on short term basis are used for long-term purposes mainly to fund losses incurred during the year.

Cost Auditors – In terms of Notification F.No.52/26/CAB-2010 dated January 24, 2012 issued by the Ministry of Corporate Affairs, Government of India, the Company has appointed Mr. Dushyant C.Dave, Cost Accountant, Mumbai (Membership No.M-7759) as a Cost Auditor for conducting audit of Cost Accounting Records of the Company for the financial year 2013-14. The due date of filing the cost audit report for financial year 2013-14 is within a period of 180 (One Hundred Eighty) days from the end of financial year, i.e. March 31, 2014. Mr. Dushyant C.Dave had conducted audit of Cost Accounting Records of the Company for the financial year 2012-13 and the cost audit report was filed by the Cost Auditor on March 15, 2014.

19. ACKNOWLEDGEMENT:

The directors wish to place on record their appreciation for the co-operation and support received from the government and semi-government agencies, especially from the Ministry of New and Renewable Energy (MNRE), Government of India, all state level nodal agencies and all state electricity boards.

The directors are thankful to all the bankers and financial institutions for their support to the Company. The Board places on record its appreciation for continued support provided by the esteemed customers, suppliers, bankers, financial institutions, consultants, bondholders and shareholders.

The directors also acknowledge the hard work, dedication and commitment of the employees. Their enthusiasm and unstinting efforts have enabled the Company to emerge stronger than ever, enabling it to maintain its position as one of the leading players in the wind industry, in India and around the world.

For and on behalf of the Board of Directors

Place : Mumbai
Date : July 25, 2014

Tulsi R.Tanti
Chairman & Managing Director
DIN.: 00002283

Annexure to Directors' report

PARTICULARS OF CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO –

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out hereunder.

A. Conservation of energy

- Energy conservation measures taken - The Company's Corporate Headquarter in Pune, India named 'ONE EARTH' is an environmental-friendly campus, with a minimal carbon footprint on the surrounding environment. As already informed in the previous years, the Campus has been awarded the coveted LEED (Leadership in Energy and Environmental Design) Platinum rating and GRIHA (Green Rating for Integrated Habitat Assessment) green building certifications for its approach towards sustainability and green practices towards infrastructure.

  The Company continues its efforts to reduce and optimise the use of energy consumption at its Corporate Headquarter and at its manufacturing facilities by installing hi-tech energy monitoring and conservation systems to monitor usage, minimise wastage and increase overall efficiency at every stage of power consumption. The Company is also emphasising to utilise the maximum natural sources of energy instead of using electricity. The energy conservation measures taken are given as under:

Sr. No.	Measures Taken
1.	State of the art blades moulds with lesser heat energy rating are installed in plant (the earlier mould used to take 400 KW heating load /line , while the new one takes 100 Kw for heating / line)
2.	Timers are installed for street lights to eliminate human intervention & thus energy wasted due to variation in human perception while starting light is minimized. (Bhuj)
3.	Optimized the lighting load based on lux level measurement in the shop floor, street light & offices, Installed alarm, when pump supplying to over head tank runs dry

  As the Company along with its subsidiaries is in the business of selling and installing wind turbine generators, it is very active in promoting renewable sources of energy and supporting conservation.

- Additional investments and proposals being implemented for reduction of consumption of energy – Concentration on reengineering of process to facilitate optimum utilisation of energy.

- Impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods - The impact of above measures undertaken by the Company result in optimisation of energy consumption, savings in energy cost and environment protection.

- Total energy consumption and energy consumption per unit of production is given as under:

Sr. no.	Particulars		2013-14	2012-13
A.	**Power and fuel consumption**			
	1.	Electricity		
	a.	Purchased units	2,947,695	4,379,846
		Total amount (Rs)	24,056,352	29,188,670
		Rate / unit (Rs)	8.16	6.66
	b.	Own generation		
		i) through diesel generator		
		Units	171,243	153,364
		Units per litre of diesel oil	2.94	2.72
		Cost / unit (Rs)	21.11	18.11
		ii) through steam turbine / generator	N.A.	N.A.
	2.	Coal (specify quality and where used)	N.A.	N.A.
	3.	Furnace Oil	N.A.	N.A.
	4.	Others / internal generation	N.A.	N.A.

B.	Consumption per unit of production			
	Products (with details) unit	**Standards, if any**	**2013-14**	**2012-13**
	1. Electricity	N.A.	10,442	26,196
	2. Furnace Oil	N.A.	N.A.	N.A.
	3. Coal (specify quantity)	N.A.	N.A.	N.A.
	4. Others (specify)	N.A.	N.A.	N.A.

B. Technology absorption

Research & Development (R & D) -

- Specific areas in which R & D is carried out by the Company - The Company and its subsidiaries operate world class research and testing centres in India and overseas locations relating to wind turbine technology. Its Blade testing centre at Baroda, India, R&D centres at Germany, Netherlands and Denmark continue to drive its R&D programme.
- Consequence to the above R & D, and in sequel to realisation of the concept of the new product, S111, in the year 2013-14, the Company has successfully configured the new product in line with future market expectations, with intent to deliver 20% better energy yield over the existing S97 design.
- The 120m Hybrid Tower for S97 turbine, taken into the drawing board during the year 2012-13, was progressed and the prototype realized with the completion of manufacture of all parts of the prototype in February 2013. This tower, once installed and commissioned with the S97 turbine, will enhance the Annual Energy Production (AEP) by over 10% in comparison with the same turbine of 90m height.
- Future plan of action - The Company and its subsidiaries continue to drive its R&D programme towards developing future cost efficient and reliable wind turbine technology by harnessing latest technologies.
- Expenditure on R & D -

Sr. no.	Particulars	2013-14 (Rs in Crores)	2012-13 (Rs in Crores)
a.	Capital	7.35	156.78
b.	Recurring	31.69	60.41
c.	Total	39.04	217.19
d.	Total R&D expenditure as a % of total turnover	1.29%	12.42%

Technology absorption, adaption and innovation – The efforts made towards technology absorption, adaption and innovation and benefits derived are given as under:

- In the year 2013-14, as part of the S111 turbine development, the S111 Generator has been configured as a 6-Pole, medium-speed, Generator thereby facilitating reduction of operating loads on the drive-train and the entire system.
- The design for 54.2m Rotor Blade for the S111 turbine has been completed in-house and the design is ready for proto realization. The 54.2m Rotor Blade is the largest design developed in-house, so far.
- The concept design for complying to Eurocode-III for manufacture of Towers has been frozen, which is expected to result in savings of up to 13MT in weight, in-turn resulting in savings of costs per turbine.
- Various change projects and initiatives in Quality, O&M and Manufacturing have been carried out to improve the product realization and bring down costs of re-works.
- Continuous efforts are in progress for achieving progressive reduction in costs through structured and defined Value Engineering projects.

C. Foreign exchange earnings and outgo

Total foreign exchange used and earned is given as under:

Sr. no.	Particulars	2013-14 (Rs in Crores)	2012-13 (Rs in Crores)
1.	Total Foreign Exchange Earned	585.05	492.59
2.	Total Foreign Exchange Used	1,176.22	1,606.68

Employee Stock Option Plans (ESOPs)

The Company has in past introduced various Employees Stock Option Plans for its employees and employees of its Subsidiaries. The details of options granted under various ESOPs of the Company as required to be provided in terms of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given as under:

Sr. No.	Particulars	ESOP-2005	ESOP-2006	ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I					Special ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I			ESPS 2014
					(Tranche-I)	(Tranche-II)	(Tranche-III)	(Tranche-IV)	(Tranche-V)		(Tranche-VI)	(Tranche-VII)	(Tranche-VIII)	
		Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
1	Options granted under the Plan as at March 31, 2014 (Nos.)	4,605,000	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000	1,23,01,100
2	Pricing formula	50% of final issue price determined in the IPO of the Company	The average of daily weighted average price of Company's shares listed on BSE for the period from October 19, 2005 to March 31, 2006	The closing price of the Equity Shares of the Company on BSE as on date of grant	For all Employees (except US) - 20% Discount to the closing price of the Equity Shares of the Company on BSE as on date of grant For US Employees – the closing price of the Equity Shares of the Company on BSE as on date of grant			20% Discount to the closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on August 1, 2011	The closing price of the Equity Shares of the Company on BSE as on date of grant	N.A.
3	Options outstanding as at April 1, 2013 (Nos.)	Nil	225,500	996,000	4,793,654	135,000	100,000	50,000	Nil	7,099,500	50,000	40,000	25,000	Nil
4	Options granted during the year ended March 31, 2014 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1,23,01,100
5	Options Vested during the year ended March 31, 2014 (Nos.)	Nil	Nil	Nil	Nil	Nil	15,000	12,500	Nil	2,366,500	12,500	Nil	12,500	N.A.
6	Options exercised during the year ended March 31, 2014 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
7	Total number of shares arising as a result of exercise of options (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
8	Options forfeited / cancelled during the year ended March 31, 2014 (nos.)	Nil	Nil	131,000	1,006,573	100,000	65,000	50,000	Nil	1,180,500	50,000	30,000	12,500	Nil
9	Options lapsed / expired during the year ended March 31, 2014 (Nos.)	Nil	225,500	Nil	Nil	Nil	Nil	Nil	Nil	5,919,000	Nil	Nil	Nil	Nil
10	Options in force as at March 31, 2014 (Nos.)	Nil	Nil	865,000	3,787,081	35,000	35,000	Nil	Nil	Nil	Nil	10,000	12,500	1,23,01,100
11	Variation of terms of options during the year ended March 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
12	Money realised by exercise of options (Rs.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Sr. No.	Particulars	ESOP-2005	ESOP-2006	ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I					Special ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I			ESPS 2014
					(Tranche-I)	(Tranche-II)	(Tranche-III)	(Tranche-IV)	(Tranche-V)		(Tranche-VI)	(Tranche-VII)	(Tranche-VIII)	
		Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
13	Employee wise details of options granted to:													
i)	Senior Managerial Personnel	Refer Note 2												
ii)	Employees receiving 5% or more of the total number of options granted during the year ended March 31, 2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
iii)	Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs)	(4.13)												
15	Difference between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company	The Company has provided Rs.Nil (Rs.1.66 Crore) at the rate of Rs.182.60 per option under Scheme II, Rs.Nil (Rs. 0.06 Crore) at the rate of Rs.2.20 per option under Scheme III, Rs Nil (Rs.3.32 Crore) at the rate of Rs.22.25 per option and Rs.4.75 per option under Scheme IV– Tranche I, Rs. Nil (Rs.0.007 Crore) at the rate of Rs.15.45 per option and Rs.Nil per option under Scheme V– Tranche II, Rs.0.05 Crore (Rs.0.008 Crore) at the rate of Rs.12.29 per option and Rs.0.60 per option under Scheme VI – Tranche III, Rs.0.03 Crore (Rs.0.008 Crore) at the rate of Rs.11.09 per option under Scheme VII – Tranche IV, Rs.Nil (Rs.Nil) at the rate of Rs.Nil per option under Scheme VIII - Tranche V, Rs.Nil (Rs.Nil) at the rate of Rs.Nil per option under Scheme IX, Rs.0.0002 Crore (Rs.0.0005 Crore) at the rate of Rs.0.50 per option under Scheme X – Tranche VI, Rs.Nil (Rs.Nil) at the rate of Rs.Nil per option under Scheme XI - Tranche VII, Rs.Nil (Rs.Nil) at the rate of Rs.Nil per option under Scheme XII – Tranche VIII, Rs.1.77 Crore at the rate of Rs.1.75 per option under Scheme XIII for the year ended March 31, 2014. The value of option is calculated as a difference between intrinsic value of options and exercise price. Had the Company adopted the fair value method based on 'Black-Scholes' model for pricing and accounting the options, the cost would have been Rs.Nil (Rs.Nil) per option for Scheme I, Rs.249.11 (Rs.249.11) per option for Scheme II, Rs.43.32 (Rs.43.32) per option for Scheme III, Rs.49.28 (Rs.49.28) per option and Rs.42.54 (Rs.42.54) per option for Scheme IV-Tranche-I, Rs.39.95 (Rs.39.95) per option, Rs.34.27 (Rs.34.27) per option for Scheme V – Tranche II, Rs.30.73 (Rs.30.73) per option, Rs.26.39 (Rs.26.39) per option for Scheme VI–Tranche-III, Rs.28.68 (Rs.28.68) per option for Scheme VII – Tranche IV and Rs.21.16 (Rs.21.16) per option for Scheme VIII – Tranche V, Rs.29.12 (Rs.29.12) per option for Scheme IX, Rs.24.50 (Rs.24.50) per option for Scheme X – Tranche VI, Rs.22.67 (Rs.22.67) per option for Scheme XI – Tranche VII, Rs.9.25 (Rs.9.25) per option for Scheme XII – Tranche VIII , Rs.1.77 (Rs. Nil) per option for Scheme XIII and accordingly the loss after tax would have been higher by Rs.0.02 Crore (Rs.17.60 Crore).												
16	Weighted average exercise price and weighted average fair value of options, exercise price of which is less than the market price on the date of grant:													
i)	Weighted average exercise price (Rs)	51.00	192.20	90.50	70.00 / 87.50	61.80 / 77.25	46.76 / 58.45	44.36	47.70	72.70	54.35	54.15	20.85	8.10
ii)	Weighted average fair value (Rs)	Nil	249.11	43.32	42.54 / 49.28	34.27 /39.95	26.39 / 30.73	28.68	21.16	29.12	24.50	22.67	9.25	1.77
17	Significant assumptions used to estimate fair values of options granted during the year:													
i)	Risk free interest rate	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	N.A.
ii)	Expected life (years)	6	6	6	5	5	5	5	5	4	5	5	5	N.A.
iii)	Expected volatility	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	N.A.
iv)	Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	N.A.
v)	The price of the underlying share in market at the time of option grant (Rs)	N.A.	374.80	92.70	92.25	77.25	59.05	55.45	47.70	71.85	54.85	52.40	20.85	N.A.

The Securities and Exchange Board of India (SEBI) has issued Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI ESOS and ESPS Guidelines). This is effective for all stock option schemes established after June 19, 1999. In accordance with these guidelines, the excess of the market price of the underlying equity shares as of the date of grant over the exercise price of the option, including upfront payments, if any, is to be recognised and amortised on a straight line basis over the vesting period.

Post March 31, 2014, the ESOP Committee of the Board of Directors of the Company has allotted 10,095,000 equity shares on May 16, 2014 to the eligible employees of the Company and its Subsidiaries pursuant to Employee Stock Purchase Scheme 2014 against which the Company has received a consideration of Rs.81,769,500/-. Further the Nomination and Remuneration Committee of the Board of Directors of the Company has granted 45,000,000 options in terms of Special ESOP 2014 with effect from June 23, 2014 to the eligible employees of the Company and its Subsidiaries. Since the options under Special ESOP 2014 have been granted post March 31, 2014, the details required to be provided under SEBI ESOS & ESPS Guidelines have not been provided.

The equity shares issued / to be issued under ESOP 2007, Special ESOP 2009, Special ESOP 2007, ESPS 2014 and Special ESOP 2014 of the Company rank / shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Notes:

1. In terms of ESOP 2006, all vested options had to be exercised on or before November 23, 2013 and accordingly 225,500 unexercised options have lapsed / expired on November 23, 2013. Similarly in terms of Special ESOP 2007, all vested options had to be exercised on or before March 31, 2014 and accordingly 5,919,000 unexercised options have lapsed / expired on March 31, 2014.

2.. The details of options granted to senior managerial personnel of the Company under various ESOPs / ESPS are given as under:

Name of senior managerial personnel	**Designation**	**No. of stock options granted**				**No.of equity shares under ESPS**
		***Under ESOP 2006**	**Under ESOP 2007**	**Under Special ESOP 2007**	**Under Special ESOP 2009**	
Kirti Vagadia	Group Head, Finance	43,000	50,000	Nil	500,000	401,000
Dr. V. V. Rao	Chief Human Resource Officer and Chief Quality Officer	23,500	Nil	Nil	85,572	400,000
Frans Visscher	Group Head, Human Resource	Nil	Nil	Nil	500,000	Nil
Duncan Koerbel	Chief Executive Officer, United States and Canada	Nil	Nil	Nil	139,402	Nil
Ishwar Mangal	Chief Sales Officer, India and Emerging Markets	43,000	50,000	Nil	196,000	411,000
Rohit Modi	Chief Executive Officer, India and Emerging Markets	Nil	Nil	Nil	Nil	405,000
Amit Agarwal	Chief Financial Officer	Nil	Nil	Nil	Nil	405,000
Jens Henkner	Head, Technology	Nil	Nil	Nil	35,000	Nil

* The figures for number of options granted under ESOP-2006 have been adjusted for the impact of share split and have accordingly been restated as per par value of Rs.2 per share. The figures for ESOP-2005 have not been provided since the Scheme has expired and there are no outstanding options under ESOP 2005 scheme as on date.

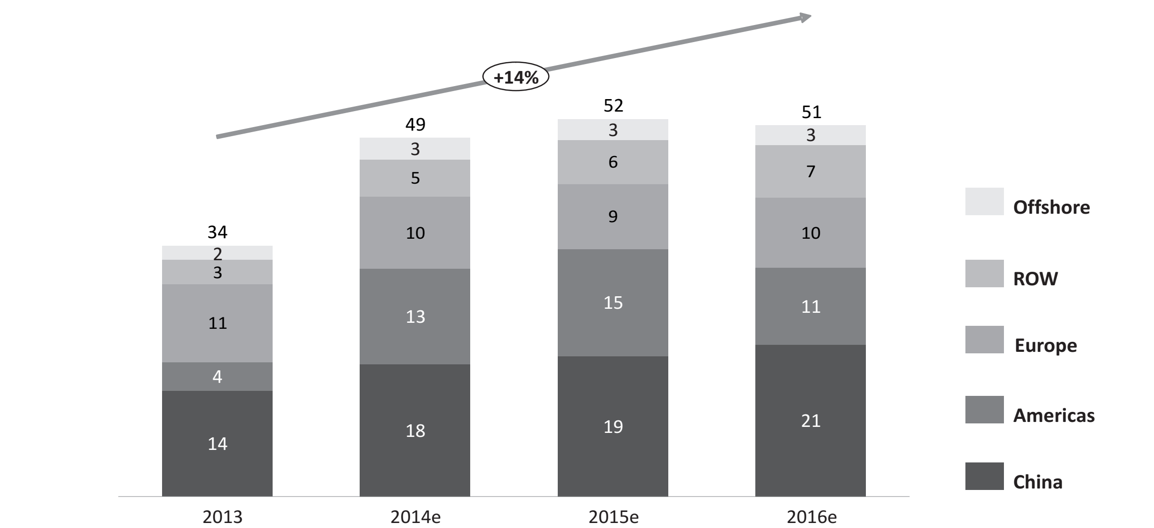
Management Discussion and Analysis

Global wind market and outlook

After a strong calendar year (CY) 2012, the annual size of wind market declined in CY 2013 primarily resulting from the reduced installations in the US by around 90 per cent over previous year. CY 2013 ended with over 34 GW in new capacity connected to the grid worldwide. The offshore wind segment grew by 32 per cent in CY 2013, reaching 1.9 GW in new installations. While many key wind markets delivered a resilient performance, the India market experienced a 26 per cent drop in CY 2013 over CY 2012 installations to 1.7 GW, partly due to the withdrawal of the Accelerated Depreciation (AD) and uncertainty over continuance of Generation Based Incentive (GBI).

The industry is poised for a rebound in CY 2014 and CY 2015 after poor CY 2013 with growth of over 40%. A healthy project pipeline in the US due to the PTC extension will be a major contributor to the industry growth. GBI, CSR and AD driven demand in India, market rebound in China, surge in turbines online in Brazil due to improved transmission lines and continued record growth in Canada will be other factors driving the industry in CY 2014 and CY 2015.

Wind Market Outlook (in GW)



Source : MAKE Consulting

Looking ahead, global wind market is expected to grow steadily along with growing worldwide energy demand. The long-term future for wind is underpinned mainly by its efficiency and cost effectiveness in relationship with other conventional fossil fuels. New products are being introduced with a significantly improved yield curve. As a result, the Levelized Cost of Energy (LCOE) for wind has been continuously decreasing. In many regions, wind power is now competitive with new fossil fuel fired plants. In addition to cost competitiveness, energy security concerns and climate change issue continues to play key roles in shaping the future growth of renewables including wind energy.

Group Outlook

Today, the Suzlon Group is well positioned for a recovery in the medium-term with strong order book of over US$ 7.6bn as the end of May 2014 translating to approximately 5.3 GW of new capacity.

The Group's global installations crossed 24,000 MW at the end of the fiscal year, with a growing service order backlog. As the Group's global fleet continues to grow, the OMS revenue streams will continue to increase with stable margins.

The key to future competitiveness and growth lies in providing innovative and cost competitive solutions to consumers. Suzlon Group is well positioned to meet emerging demands of the market, both onshore and offshore.

Products and technology

Technology is the key enabler for competitiveness in the wind space. The Group's state of the art R&D facilities in Europe and India have led to the development of a comprehensive product portfolio, ranging from sub MW to 6.15 MW wind turbines. With a focus on reducing the cost of energy and thereby improving IRR for the customers, the Group launched three new products over the last two years. Senvion has developed and introduced 6M+ offshore turbine that ranks among the most powerful offshore wind turbine in the world to cater this growing market. Senvion has started to install the prototype of its new 6.2M152. With this turbine, the company is setting new standards for efficient electricity generation in offshore wind farms.

Suzlon Wind has already installed prototype in its preparation to offer S97 with 120 meter hybrid tower which is the tallest wind tower in India. This will enhance energy output by 10 per cent to 15 per cent over at 90 meter tower. New product S111 – 2.1 MW is in advance stage of development. This is specially designed for lower wind-speed sites delivering energy yield improvements of more than 20 per cent over the existing platform. This product is likely to be game changer for Suzlon Group. Suzlon Group continued its product innovation and research and development drive at R&D centers in Germany, The Netherlands, Denmark and India.

Group updates

Despite a tough year, Suzlon Group held on to its position to fifth place in both annual and cumulative capacity installations in CY 2013. According to the Global Wind Turbine OEM 2013 Market Share report issued by MAKE, Suzlon Group has been ranked as fifth largest wind turbine manufacturer in the world, with a global market share of 6.3%, measured by newly installed generating capacity. Suzlon Group featured amongst top 4 OEMs in both America and EMEA (Europe, Middle East and Africa) region with a market share of 13.5% and 10.7% respectively as per the Make Report. Senvion was the largest supplier to Belgium and Netherlands, second largest supplier to France and third largest supplier to Germany, UK, Austria and Poland in CY 2013.

Suzlon also regained its position as India's top wind turbine supplier with installations of 403MW in FY 2013-14. Indian Wind market is forecasted to rebound on the back of reinstatement of Accelerated Depreciation (AD), increasing Feed-in-Tariffs in several states and with GBI benefits continuing to be in place for five years. Suzlon is well positioned to continue its market dominance.

Our focus as a Group during FY 2013-14 was on comprehensive liability management and operational turnaround. With the successful implementation of Corporate Debt Restructuring (CDR), improved business efficiency and reduced fixed cost helped Suzlon Wind to increase volumes and reduce losses. Financial restructuring is in final phase.

Key initiatives

The Management Team has laid out clear plans to address key priorities this year, namely –

1. Reduce debt and interest cost through capital balancing and monetization of assets;
2. Improve contribution margin by maximizing yield and reducing cost of turbine;
3. Focus on core and profitable markets;
4. Reducing fixed cost to lower the breakeven;
5. Enhance OMS business and profitability

With these focus areas, the management team believes that the Suzlon Group is well positioned to reach a level of long term sustainability to resume its growth trajectory and deliver significant value to its stakeholders.

Business risks and mitigation

Suzlon Group has an active risk management and mitigation strategy, taking a fairly wholesome view of the internal and external environment to proactively address challenges, to the extent possible. Key elements of the program are summarized below:

Operational risks

Technology: Inducing and improving saleability of turbines for low-wind sites has been one of the subjects of continuous focus, with the objective to make technology deliver the maximum output at the lower wind speed sites. In addition to improving the technology for the future, optimizing existing models to deliver maximum power output at low wind is of significant importance to ensure best utilisation of the current model. With these objectives, the technology for the existing S97 90m turbine was explored for improvement by realizing a prototype for 120m height. The futuristic S111 turbine was conceptualized as a medium speed turbine which will result in lesser loads on the drive train for the same power output.

Technological efforts in Operations and Maintenance of installed turbines continue to be employed for the assurances of supply of alternatives, particularly when there is a component phase-out. Technology continues to collect, compile and analyse field reports for possible serial issues that may be critical for future designs.

Supply chain risk: The weakening of the Rupee has exerted tremendous pressure on margins. Critical components like Gearbox, Bearings, Blades and Panels have a long ramp-up duration which would inhibit agility. The group has worked to create alternative sources through expansion of the vendor base, localisation and standardisation of certain components to keep the cost of procurement under check.

Financial risks

Foreign exchange risk: A significant part of the Suzlon Group's revenue, costs, assets and liabilities are denominated in foreign currencies. Un-hedged trade and financial exposure thus creates potential to adversely impact its projects and overall profitability. Risks are recognized at the contractual juncture and are attempted to be hedged progressively at various stages of project life cycle, depending upon the nature of the transactions and in accordance with the hedging policy and strategy of the company. During the year, risk management practices continued to focus on minimising the economic impact on company's profitability arising from fluctuations in exchange rates.

Interest rate risk: We were exposed to high interest rates at the Group level. Post formalisation of Corporate Debt Restructuring Proposal (CDR Proposal), risks associated with interest rate fluctuation have been substantially mitigated with fixing the interest rate regime on the term debts for a longer period.

Credit risk: Continued losses coupled with huge repayment obligations for its debts lead to liquidity crunch and resultant defaults in meeting lenders obligations. With the active supports of its senior secured lenders, the CDR Proposal was put into implementations as a result of which the risks associated with repayment obligations of principal debts and interest has been deferred. This measure gives Suzlon Group to have more disposable liquidity for improving its performance and reducing risk associated with credit repayment during moratorium period. Availability of working capital has been a continuous exercise. It has been persistent endeavour on the part of our Corporate Finance Team to assess the working capital requirements commensurate to the business volume and timely availability of working capital requirements. The Company has been engaged in dialogues with the representatives of Foreign Currency Convertible Bonds (FCCB) holders along with the senior secured lenders to arrive at an amicable restructuring package for all outstanding FCCBs in July 2014. To reduce its significant leveraged position, several “non-core” assets have been identified for disposal and divestment process is closely monitored for their disposal in scheduled timeline.

Internal control systems and their adequacy

Our internal management audit team periodically undertakes independent reviews of risks, controls, operations and procedures, identifying control and process gaps and recommending business solutions for risk mitigation. The Company runs in-house risk and misconduct management unit which supports management to assess, evaluate, strengthen and institutionalise value system from the standpoint of ethical business practices. With regular reporting mechanism, a stage gate system has been established. Complaints received under whistle-blower policy are evaluated on a regular basis.

The Audit Committee of the Board periodically reviews the company’s management audit reports, audit plans and recommendations of the auditors and management's responses to those recommendations. The Audit Committee met four times during the year.

Corporate Social Responsibility (CSR)

As a company involved in renewable energy and espousing economic, environmental and social sustainability, Corporate Social Responsibility (CSR) is very much a core of Suzlon’s existence. Suzlon implements its CSR activities through Suzlon Foundation – a section 25 non-profit company – in the areas where it operates. The activities cover neighbourhood villages in 8 states and the Union Territory of Daman. With an approach of integrating CSR in all the business functions and strategies of engage- empower-sustain, Suzlon Foundation implements activities based on 5-capital sustainability framework. The philosophy is to help those who are ready to help themselves. It is a partnership in development with all stakeholders making their own contributions. To enhance natural, financial, social, human and physical capitals, Suzlon Foundation collaborates with communities, Government departments, institutions, other agencies, business units and employees. CSR at Suzlon has been categorized in three components: Transformative (working with internal stakeholders), Responsive (working with neighbourhood communities to offset our footprint) and Proactive (working for overall sustainability of the planet).

Transformative: Responsible citizenship programs have involved 3196 employees in various factories, offices and wind farm sites in activities such as plantation, promotion of healthy behaviour, blood donation, books and clothes donation to needy, plastic collection and recycling, support to under privileged, celebration of international days such as World Environment Day, International Women’s Day, World HIV/AIDS Day, etc. apart from volunteering time in development activities in the villages. The total number of CSR days contributed is 5053 by employees. There are CSR Champions in each office/Plant/Wind farm who uphold CSR and give support in implementation of activities.

Responsive: Every business activity leaves some environmental or social footprint on the planet. Our endeavour is to offset any impact that we may have created even inadvertently. All our responsive CSR activities are designed to enhance the five capitals mentioned above in our neighbourhood. We have reached out to 347 villages, 31591 families, 237 schools, 18686 students and 1041 community groups during the FY 2013-14. The activities include plantation and soil and water conservation measures, forming and strengthening community groups, empowering women, conducting knowledge enhancing trainings for community group members in agriculture and animal husbandry, helping develop micro enterprises, creating awareness on health and promoting healthy behaviours, supporting quality of education, and improving basic amenities. We have a large program of animal health and vaccination. In this, 41362 animals received health care, 345 solar lights have increased the availability of electricity for as many families, 2172 kg waste recycling has reduced damage to environment. We have planted 16638 trees in our neighbourhood in FY 2013-14. The cumulative figure of trees planted so far by us has reached over a million.

Proactive: We believe in collective responsibility to create a sustainable planet. We work with employees, communities and other stakeholders to support sustainability. We also promote international cooperation by providing CSR internships to overseas students who are interested in sustainability.

Sustainability in Value Chain

Suzlon occupies an important position in the global wind energy scenario. This position also brings responsibility with it. Suzlon is very conscious of the responsibility to contribute towards sustainability. In a manufacturing company, supply chain is the biggest contributor to carbon footprint. We attempt to reduce this footprint by focusing on initiatives to improve:

- Energy Efficiency
- Waste Management
- Strengthening Environment Management System ISO 14001

Non-financial indicators for FY 2013-14

Indicator	CO2e*
Indirect Emissions from electricity consumption[1]	29433 (metric tonnes)
Emissions avoided by renewable energy generation (by Group owned turbines in India) in the year[2]	14491 (metric tonnes)
Emissions avoided annually by Suzlon Group powered turbines (India and Sri Lanka)[3]	13.11 (million metric tonnes)
Emissions avoided annually by Suzlon Group Globally (Suzlon and Senvion)[4]	2325340 (metric tonnes)
Emissions of blade waste disposal by combustion avoided due to co-processing[5]	3447 (metric tonnes)
Emissions avoided at blade waste co-processor's facility[6]	956 (metric tonnes)

Notes:

**Carbon dioxide equivalent or CO2e, refers to a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.*

1 *Emissions emitted data is limited to Indirect Emissions Scope 2 (as defined in the Greenhouse Gas Protocol, Corporate Accounting Standard) for SEL, India. (Source: user_guide_ver9-co2 calculator for grid india, by Central Electricity Authority, 2014)*

2 *Refers to emissions avoided by Suzlon Group owned turbines, as on 31st March 2014 in India.*

3 *Refers to emissions avoided by Suzlon Group powered turbines, as on 31st March 2014 in India and Sri Lanka.*

4 *Refers to carbon emissions avoided by Suzlon Group powered turbines based on installation summary as on 31st March 2014, calculated on the basis of average capacity factor sourced from BTM Consult – A part of Navigant Consulting, World Market Update 2011, published March 2012.*

5 *Refers to emissions of disposal of blade waste by combustion that were avoided by sending it for co-processing in India.*

6 *Refers to emissions avoided at co-processor's facility by replacing coal with the blade waste for fuel in their cement kilns in FY 2013-14 (India only).*

Highlights of consolidated results:

A. Sources of funds

1. Share capital

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Authorised share capital	1,100	700
Issued share capital	501	359
Subscribed and fully paid-up share capital	498	355

The share capital increased by Rs 143 Crore from Rs 355 Crore as at March 31, 2013 to Rs 498 Crore as at March 31, 2014 on account of issuance of equity shares to CDR lenders, promoters and others.

2. Reserves and surplus

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Capital reserve	23	23
Capital reserve on consolidation	0*	0*
Capital redemption reserve	15	15
Legal and statutory reserve	133	143
Unrealised gain on dilution	160	160
Securities premium account	5,193	4,270
Employees stock options outstanding	10	14
Foreign currency translation reserve ('FCTR')	1,577	458
Foreign currency monetary item translation difference account ('FCMIT')	335	(150)
General reserve	858	857
Minority share of losses	(38)	(38)
Statement of profit and loss	(9,307)	(5,787)
Total	**(1,041)**	**(35)**

*Less than Rs 1 Crore

(a) Capital reserve

There is no change in capital reserve as compared to March 31, 2013.

(b) Capital redemption reserve (CRR)

There is no change in CRR base as compared to March 31, 2013.

(c) Securities premium account

The securities premium account increased by Rs 1,034 Crore as a result of issuance of shares on preferential basis in terms ICDR Regulations under CDR package. It reduced by Rs 111 Crore as a result of charge on account of premium payable on redemption of FCCBs.

(d) Foreign currency translation reserve ('FCTR')

The change in FCTR is due to exchange fluctuation resulting from translation of the accounts of overseas subsidiaries into reporting currency of the parent company i.e. INR.

(e) Statement of profit and loss

Statement of profit and loss moved significantly due to loss posted during the year.

3. Loan funds

a. Long-term borrowings

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Secured loans	10,566	9,384
Unsecured loans	1,075	1,474
Total – non current portion	**11,641**	**10,858**
Current maturities of long-term borrowings	1,889	1,498
Total	**13,530**	**12,356**

The Group has availed long term borrowings of Rs 452 Crore and has repaid Rs 365 Crore during the year. The balance increase is mainly due to steep adverse movement in exchange rates. Long term borrowings of Rs 1,889 Crore due for repayment in next financial year are disclosed as 'current maturities of long-term borrowings' in other current liabilities and this figure primarily represents repayment obligation of FCCBs and term loans.

b. Short-term borrowings

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Secured loans	3,291	2,788
Unsecured loans	232	47
Total	**3,523**	**2,835**

There is net increase of Rs 688 Crore in short-term borrowings primarily in form of additional working capital loans. Majority of secured borrowings are part of CDR package.

4. Deferred tax liability, net

Deferred tax liability stands at Rs 792 Crore as at March 31, 2014 (Rs 559 Crore as at March 31, 2013) and deferred tax assets stands at Rs 54 Crore as at March 31, 2014 (Rs 10 Crore as at March 31, 2013). Net increase in deferred tax liability of Rs 189 Crore is primarily on account of deferred tax charge for changes in temporary allowances and disallowances calculated as per the tax regulations applicable to respective entities within the group and reversal of some deferred tax assets and exchange fluctuation resulting from translation of the account balances of overseas subsidiaries into reporting currency of the parent company i.e. INR.

B. Application of funds

1. Fixed assets

a. Movement in gross block and capital work in progress

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Gross block (tangible and intangible assets)	17,622	15,503
Less: Accumulated depreciation / amortisation	4,107	3,427
Net block	**13,515**	**12,076**
Capital work-in-progress	433	306
Total	**13,948**	**12,382**

The net addition of Rs 2,119 Crore in gross block is after reduction in gross assets on account of stake sale of an overseas subsidiary. The addition to fixed assets is mainly on account of impact of currency translation on goodwill and fixed assets based outside India amounting to Rs 2,104 Crore and intangibles in form of technology related design and drawings of Rs 249 Crore.

b. Capital commitments

Capital commitment stands at Rs 135 Crore as at March 31, 2014 as compared to Rs 153 Crore as at March 31, 2013.

2. Investments

Rs in Crore

	Non-current		Current	
Particulars	**March 31, 2014**	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Non-trade investments	4	36	660**	–
Investments in Government or trust securities	–*	–*	–	–
Investments in Debentures	–	–	43	–
Total investments	**4**	**36**	**703**	**–**

*Less than Rs 1 Crore

** Includes investment in Big Sky Wind LLC of Rs 620 Crore

During the year there is an increase in investment of Rs 671 Crore. Suzlon Wind Energy Corporation, USA ("SWECO"), a wholly owned subsidiary of the Company had receivables from Big Sky Wind LLC ("Big Sky"), against the supply of WTG's and the same was secured against the primary security of the Wind Farm ("Asset") owned by Big Sky. During the year, SWECO acquired 100% equity stake of Big Sky from Edison Mission Midwest II, Inc and also entered into a definitive agreement with EverPower for sale of 100% stake of Big Sky. The investments in Big Sky got sold to EverPower during May 2014.

3. Non-current and current assets

Rs in Crore

Particulars	Non-current		Current		Total	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Inventories	–	–	4,033	5,264	4,033	5,264
Trade receivables	–	713	2,687	2,732	2,687	3,445
Cash and bank balance	182	229	2,448	1,959	2,630	2,188
Loans and advances	518	672	1,845	1,549	2,363	2,221
Due from customers	–	–	3,258	2,936	3,258	2,936
Other current assets	139	294	496	440	635	734
Total	**839**	**1,908**	**14,767**	**14,880**	**15,606**	**16,788**

a. Inventories

During the year inventory holding period has reduced from 141 days to 102 days resulting in better utilisation of net working capital. There is a sizable reduction of Rs 1,231 Crore primarily on account of increase in sales, reduction in lead time of components and improved inventory cycle.

b. Trade receivables

Trade receivables stands at Rs 2,687 Crore as compared to Rs 3,445 Crore in previous year. The decrease of Rs 758 Crore is primarily on account of classification of Big Sky receivables under current investments and realisation of dues from customers.

c. Cash and bank balance

Cash and bank balance stands at Rs 2,630 Crore as compared to Rs 2,188 Crore in previous year. Cash and bank balance with Senvion stands at Rs 2,278 Crore, the same being under 'ring fencing' mechanism agreed with the lenders of Senvion.

d. Loans and advances

Loans and advances stands at Rs 2,363 Crore as compared to Rs 2,221 Crore in previous year. This includes advances to vendors for goods, services and land, tax credits and payments, security deposits, prepaid expense etc.

e. Due from customers

Due from customers represents unbilled revenue in relation to construction contracts, primarily outside India, stands at Rs 3,258 Crore as compared to Rs 2,936 Crore in previous year.

f. **Other current assets**

Other current assets stand at Rs 635 Crore as compared to Rs 734 Crore in previous year. It primarily consists of power evacuation assets which are under recovery from the concerned authorities and compensation in lieu of bank sacrifice.

4. **Liabilities and provisions**

Rs in Crore

Particulars	Non-current		Current		Total	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Trade payables	–	–	5,285	4,651	5,285	4,651
Other payables	81	99	1,780	1,380	1,861	1,479
Premium payable on redemption of FCCBs	–	–	399	361	399	361
Due to customers	–	–	211	200	211	200
Advance from customers	–	10	2,409	3,958	2,409	3,968
Interest accrued on borrowings	–	–	147	83	147	83
Provisions	274	265	2,201	1,473	2,475	1,738
Total	**355**	**374**	**12,432**	**12,106**	**12,787**	**12,480**

There is an overall increase of Rs 307 Crore in liabilities and provisions as compared to last year. This is primarily on account of

a. Increase in trade and other payables is on account of purchases to meet the demand of increased business volumes and adverse movement in exchange rates.

b. Decrease in advances from customers is primarily on account of order execution.

c. Increase in guarantee and warranty provisions.

C. **Cash Flow**

Net cash generated from operating activities is Rs 568 Crore. Net cash used in investing activities Rs 473 Crore is primarily result of Rs 117 Crore generated from stake sale of an overseas subsidiary and cash used in purchase of fixed assets of Rs 691 Crore. Net cash generated from financing activities of Rs 360 Crore is primarily on account of proceeds from long-term and short-term borrowings of Rs 1,260 Crore as well as Rs 203 Crore from issuance of shares and cash used towards repayment of long-term borrowings of Rs 365 Crore as well as payment of interest of Rs 747 Crore.

D. **Results of operations**

Rs in Crore

Particulars	March 31, 2014	March 31, 2013
Revenue from operations	20,212	18,743
Other operating income	191	170
EBIDTA	(141)	(1,296)
Depreciation and amortisation	777	740
EBIT	(918)	(2,037)
Finance costs	2,070	1,855
Finance income	71	152
Loss before tax and exceptional items	(2,916)	(3,740)
Exceptional items (gain)/loss	487	643
Tax	144	349
Share of loss of minority	28	8
Loss after tax	(3,520)	(4,724)

Principal components of results of operations

1. **Revenue from operations**

Revenue from operations increased by 8% from Rs 18,743 Crore in FY 2012-13 to Rs 20,212 Crore in FY 2013-14 showing resilience of the business.

2. **Other operating income**

Other operating income increased by 12% from Rs 170 Crore in FY 2012-13 to Rs. 191 Crore in FY 2013-14.

3. **Cost of goods sold ('COGS')**

COGS as a percentage of sales decreased to 71% in FY 2013-14 as compared to 72% in FY 2012-13. Despite adverse movement of currency affecting India SCM, the improved ratio reflects favourable product and market mix, continuous efforts by the Group in value engineering and vendor negotiations.

4. **Other expenses**

The other expenses (including prior period expense) have come down to Rs 3,877 Crore in FY 2013-14 as compared to Rs 4,438 Crore in FY 2012-13. Continuing efforts of management to bring down the cost so as to have lower break-even point are paying off in bringing down the overheads.

5. **Employee benefit expense**

Employee benefit expense increased marginally from Rs 2,133 Crore in FY 2012-13 to Rs 2,231 Crore representing 11% of sales respectively for both the years. The efforts to achieve optimal manpower cost are likely to pay off in future.

6. **Finance cost**

Finance cost increased marginally from Rs 1,855 Crore in FY 2012-13 to Rs 2,070 Crore representing 10% of sales respectively for both the years.

7. **Depreciation and amortisation**

The Group provided a sum of Rs 777 Crore and Rs 740 Crore towards depreciation and amortisation for the year ended March 31, 2014 and March 31, 2013 respectively.

8. **Profit / (loss)**

Though the consolidated EBITDA remains negative, it shows improvement. It stands at negative Rs 141 Crore for the year as compared to negative EBITDA Rs 1,296 Crore in FY 2012-13. The improvement is primarily on account of increase in sales volume, sale of new models, better operational efficiencies and reduction in overheads. Similarly consolidated negative EBIT of Rs 918 Crore for the year shows improvement from negative EBIT of Rs 2,037 Crore in FY 2012-13.

Loss before tax and exceptional items, though continues to be substantial, stands at a comparatively lower figure of Rs 2,916 Crore as against Rs 3,740 Crore in FY 2012-13.

Charge on account of exceptional items stood at Rs 487 Crore as compared to charge of Rs 643 Crore in previous year. The exceptional loss of Rs 487 Crore comprises of restructuring cost of Rs 308 Crore (Rs Nil) towards lay-off and other related cost as part of cost optimisation plan, provision for doubtful debts of Rs 217 Crore (Rs 401 Crore), expenditure on restructuring and refinancing of financial facilities of Rs Nil (Rs 100 Crore), gain on reversal of provision for impairment in assets of Rs 38 Crore (provision of Rs 185 Crore) and reversal towards diminution in investments and profit on sale of investment of Rs Nil (Rs 43 Crore).

Tax expenses decreased to Rs 144 Crore as compared to Rs 349 Crore in previous year. In FY 2012-13 there was reversal of MAT credit of Rs 160 Crore.

Loss after tax stands at Rs 3,548 Crore as compared to Rs 4,732 Crore in previous year.

Loss attributable to minority is Rs 28 Crore as compared to Rs 8 Crore in previous year.

As a result of the foregoing factors, net loss for the year stands at Rs 3,520 Crore as compared to Rs 4,724 Crore in previous year.

Cautionary Statement

Suzlon Group has included statements in this discussion, that contain words or phrases such as “will”, “aim”, “will” likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Suzlon Group’s expectations include:

- Variation in the demand for electricity;
- Changes in the cost of generating electricity from wind energy and changes in wind patterns;
- Changes in or termination of policies of state governments in India that encourage investment in power projects;
- General economic and business conditions in India and other countries;
- Suzlon’s ability to successfully implement it’s strategy, growth and expansion plans and technological initiatives;
- Changes in the value of the INR and other currencies;
- Potential mergers, acquisitions or restructurings and increased competition;
- Changes in laws and regulations;
- Changes in political conditions;
- Changes in the foreign exchange control regulations; and
- Changes in the laws and regulations that apply to the wind energy industry, including tax laws.

Corporate Governance Report

[As required under Clause 49 of the Listing Agreement with the Stock Exchanges ("Listing Agreement")]

1. Company's Philosophy on Corporate Governance

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. The Company's philosophy on corporate governance is to achieve business excellence and maximise shareholder value through ethical business conduct, which also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government.

The Company is in compliance with the requirements of the corporate governance code as per Clause 49 of the Listing Agreement.

2. Board of Directors (the Board): The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company.

Composition – As on March 31, 2014, the Board consists of nine directors, out of whom one is an executive director, six are independent directors and two are non-executive directors. The Chairman of the Board is an executive director and more than half of the Board comprises of independent directors. The composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement as on March 31, 2014.

Post March 31, 2014, IDBI Bank Limited has substituted its Nominee Director on the Board of the Company by withdrawing nomination of Mr. Ravi Kumar and instead nominating Mrs. Medha Joshi as the Nominee Director of IDBI Bank Limited on the Board of the Company. Accordingly following changes took place in the composition of the Board of the Company:

- Mr. Ravi Kumar ceased to be the Nominee Director of the Company w.e.f. May 3, 2014; and
- Mrs. Medha Joshi has been appointed as a Nominee Director of the Company, w.e.f. May 3, 2014 to hold office upto the ensuing Annual General Meeting of the Company.

After aforesaid changes and as on date of this report, the Board continues to comprise of nine directors, out of whom one is an executive director, six are independent directors (including three nominee directors) and two are non-executive directors. The composition of the Board is in compliance with the requirements of existing Clause 49(I)(A) of the Listing Agreement as on date of this report.

All the directors have certified that they are not members of more than ten mandatory committees and do not act as chairman of more than five mandatory committees in terms of the Listing Agreement across all companies in which they are directors.

Board Procedure – The Board meets at regular intervals and apart from regular Board business, it discusses policies and strategy matters. All the necessary documents and information pertaining to the matters to be considered at each Board and Committee meetings, is made available to enable the Board and Committee members to discharge their responsibilities effectively.

Meetings held during the financial year 2013-14 - During the financial year 2013-14, the Board met five times on May 30, 2013, August 2, 2013, October 30, 2013, January 6, 2014 and February 14, 2014. The gap between any two board meetings did not exceed four months. Apart from the physical meetings, the Board also considered and approved certain matters by circular resolutions, which were as a matter of good corporate practice ratified at the next meeting of the Board.

Attendance, Directorships and Committee Positions - The names and categories of the directors on the Board, their attendance record, the number of directorships and committee positions as on March 31, 2014, are noted below:

Name of the director	Category	Attendance at meetings held during the financial year 2013-14		Total no. of directorships as on March 31, 2014	Total no. of membership of the committees of Board as on March 31, 2014		Total no. of chairmanship of the committees of Board as on March 31, 2014	
		Board (out of 5)	Eighteenth AGM on September 20, 2013		Membership in audit / investors' grievance committees	Membership in other committees	Chairmanship in audit / investors' grievance committee	Chairmanship in other committees
Mr. Tulsi R.Tanti, Promoter DIN : 00002283	Chairman & Managing Director	5	Yes	1	1	2	–	2
Mr. Vinod R.Tanti , Promoter DIN : 00002266	Non-Executive Director	5	Yes	10	7	2	4	–
Mr. Girish R.Tanti, Promoter DIN : 00002603	Non-Executive Director	5	No	1	–	–	–	–
Mr. V. Raghuraman DIN : 00411489	Independent Director	5	Yes	4	2	2	2	1
Mr. Rajiv Ranjan Jha, a nominee of Power Finance Corporation Limited DIN : 03523954	Independent Director	5	Yes	1	–	–	–	–
Mr. Marc Desaedeleer DIN : 00508623	Independent Director	3	No	3	–	1	–	–
Mrs. Bharati Rao, a nominee of State Bank of India DIN : 01892516	Independent Director	4	No	6	2	–	–	–
Mr. Ravi Uppal DIN : 00025970	Independent Director	3	No	2	–	–	–	–
Mr. Ravi Kumar, a nominee of IDBI Bank Limited[1] DIN : 02362615	Independent Director	3	No	3	1	1	–	–
Mrs. Medha Joshi, a nominee of IDBI Bank Limited[2] DIN : 00328174	Non-Executive Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

[1] ceased as a director on Board on account of withdrawal of nomination w.e.f. May 3, 2014.
[2] appointed as a nominee director w.e.f. May 3, 2014 to hold office up to ensuing Annual General Meeting.

Notes:

i. While considering the total number of directorships, directorships in private companies, foreign companies and Section 25 companies have been excluded.

ii. In terms of 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. Vinod R.Tanti and Mr. Girish R.Tanti, the non-executive directors. Except for the relationship between Mr. Tulsi R.Tanti, Mr. Vinod R.Tanti and Mr. Girish R.Tanti, there is no other inter-se relationship amongst other directors.

iii. In terms of Companies Act, 2013, Mr. Rajiv Ranjan Jha, Mrs. Bharati Rao and Mrs. Medha Joshi, the nominee directors are not considered as independent directors with effect from April 1, 2014. However in terms of the existing Clause 49 of the Listing Agreement, nominee directors are considered as Independent Directors as on date. The Board is in the process of appointing requisite number of independent directors in order to comply with the requirements of revised Clause 49(I)(A) of the Listing Agreement which shall come into effect from October 1, 2014.

Code of Ethics - The Company has prescribed a Code of Ethics for its directors and senior management. The Code of Ethics of the Company has been posted on its website www.suzlon.com. The declaration from the Chairman & Managing Director in terms of Clause 49(I)(D)(ii) of the Listing Agreement stating that as of March 31, 2014, the Board members and Senior Management Personnel have affirmed compliance with the Code of Ethics laid down by the Company has been included in this report.

3. Committees of Board: The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each committee of the Board functions according to its scope that defines its composition, power and role in accordance with the Companies Act, 1956 / Companies Act, 2013 and the Listing Agreement. The composition, meetings, attendance and the detailed terms of reference of various committees of the Board are noted below:

i) Audit Committee - The Audit Committee of the Board has been constituted as per the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition – As on March 31, 2014, the Audit Committee consists of four members out of whom three are independent directors and one is a non-executive director. The Chairman of the Audit Committee is an independent director. The composition of the Audit Committee is in compliance with the requirements of Clause 49(II)(A) of the Listing Agreement as on March 31, 2014.

Post March 31, 2014, following changes took place in the constitution of the Audit Committee:

- Mr. Ravi Kumar ceased to be the member of Audit Committee w.e.f. May 3, 2014;
- Mrs. Medha Joshi has been inducted as member of Audit Committee w.e.f. May 3, 2014.

After aforesaid changes and as on date of this report, the Audit Committee comprises of four members out of whom three are independent directors (including two nominee directors) and one is a non-executive director. The Chairman of the Audit Committee is an independent director. The composition of the Audit Committee is in compliance with the requirements of Clause 49(II)(A) of the existing Listing Agreement as on date of this report.

The Chairman & Managing Director, Chief Financial Officer, representatives of the statutory auditors and senior officials of the Company are invited to attend the meetings of the Audit Committee from time to time. The Company Secretary of the Company acts as the secretary to the Audit Committee.

Meetings and Attendance - During the financial year 2013-14, the Audit Committee met four times on May 30, 2013, August 2, 2013, October 30, 2013 and February 14, 2014. The gap between any two Audit Committee meetings did not exceed four months. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V. Raghuraman	Chairman	4	4
Mrs. Mythili Balasubramanian[1]	Member	1	1
Mr. Vinod R.Tanti	Member	4	4
Mrs. Bharati Rao[2]	Member	3	2
Mr. Ravi Kumar[3]	Member	3	2
Mrs. Medha Joshi[4]	Member	N.A.	N.A.

[1]Ceased as a nominee director and consequently ceased to be member w.e.f. July 20, 2013.

[2]inducted as member w.e.f. July 20, 2013.

[3]inducted as member w.e.f. July 20, 2013 and ceased as a nominee director and consequently ceased to be member w.e.f. May 3, 2014.

[4]inducted as member w.e.f. May 3, 2014.

Terms of Reference – The broad terms of reference of the Audit Committee include the following:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;

c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;

d) Reviewing, with the management, the annual financial statements and Auditors' report thereon before submission to the Board for approval, with particular reference to:

   - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013,
   - Changes, if any, in accounting policies and practices and reasons for the same,
   - Major accounting entries involving estimates based on the exercise of judgment by management,
   - Significant adjustments made in the financial statements arising out of audit findings,
   - Compliance with listing and other legal requirements relating to financial statements,
   - Disclosure of any related party transactions,
   - Qualifications in the draft audit report;

e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

h) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of internal financial controls and risk management systems;

l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

n) Discussion with internal auditors of any significant findings and follow up there on;

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) To review the functioning of the Whistle Blower mechanism;

s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

ii) Stakeholders Relationship Committee (formerly Investors' Grievance Committee) – The Investors' Grievance Committee has been renamed as Stakeholders Relationship Committee with effect from May 3, 2014 and has been constituted as per the requirements of Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Composition – As on March 31, 2014 and as on date of this report, the Stakeholders Relationship Committee of the Board consists of three members out of whom two are non-executive directors and one is an executive director. The Chairman of the Stakeholders Relationship Committee is a non-executive independent director. The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Clause 49(IV)(G)(iii) of the Listing Agreement as on March 31, 2014 and as on date of this report.

Meetings and Attendance - During the financial year 2013-14, the Stakeholders Relationship Committee met four times on May 30, 2013, August 2, 2013, October 30, 2013 and February 14, 2014. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V.Raghuraman	Chairman	4	4
Mr. Tulsi R.Tanti	Member	4	4
Mr. Vinod R.Tanti	Member	4	4

Terms of Reference - The broad terms of reference of Stakeholders Relationship Committee includes the following:

a) Redressal of grievances of shareholders, debenture-holders, deposit-holders and any other security holders including but not limiting to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends and any other related grievances;

b) Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company;

c) And such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges and / or such other regulatory provisions as also as the Board of Directors may consider think fit for effective and efficient redressal of grievances of the security holders of the Company.

Name, designation and contact details of the Compliance Officer - Mr. Hemal A.Kanuga, Company Secretary (M.No.F4126), is the Compliance Officer of the Company. The Compliance Officer can be contacted at the Registered Office of the Company at: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat, India; Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; Email: investors@suzlon.com; Website: www.suzlon.com.

Separate email-id for redressal of investors' complaints - As per Clause 47(f) of the Listing Agreement, the Company has designated a separate email id (investors@suzlon.com) exclusively for redressal of investors' complaints.

Status of investors' complaints as on March 31, 2014:

Particulars	Opening balance as on April 1, 2013	Received during financial year 2013-14	Disposed during financial year 2013-14	Pending as on March 31, 2014
Non Receipt of Refund Orders	–	–	–	–
Non Receipt of Electronic Credit of Shares	–	–	–	–
Non Receipt of Dividend Warrants	–	14	14	–
Non Receipt of Annual Reports	–	10	10	–
Complaints from Stock Exchanges	–	6	6	–
Complaints from SEBI / SCORES	–	1	1	–
Complaints from legal / consumer forums	–	–	–	–
Total	**–**	**31**	**31**	**–**

There were no complaints pending for more than seven days. There were no pending requests for transfer of shares of the Company as on March 31, 2014.

iii) **Nomination and Remuneration Committee** - The Remuneration Committee of the Board has been renamed as Nomination and Remuneration Committee with effect from May 3, 2014 and has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and as per the non-mandatory requirements of the Listing Agreement.

Composition – As on March 31, 2014, the Nomination and Remuneration Committee consists of three members, all of whom (including the Chairman) are independent directors. Post March 31, 2014, following changes took place in the constitution of the Nomination and Remuneration Committee:

- Mr. Ravi Kumar ceased to be the member of Nomination and Remuneration Committee w.e.f. May 3, 2014;
- Mrs. Medha Joshi has been inducted as member of Nomination and Remuneration Committee w.e.f. May 3, 2014.

After aforesaid changes and as on date of this report, the Nomination and Remuneration Committee comprises of three members, all of whom (including the Chairman) are independent directors (including one nominee director) in terms of existing Clause 49 of the Listing Agreement.

Meetings and Attendance - During the financial year 2013-14, the Nomination and Remuneration Committee met once on February 14, 2014. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V. Raghuraman	Chairman	1	1
Mr. Marc Desaedeleer	Member	1	1
Mr. Ravi Kumar[1]	Member	1	–
Mrs. Medha Joshi[2]	Member	N.A.	N.A.

[1]inducted as member w.e.f. July 20, 2013 and ceased as a nominee director and consequently ceased to be member w.e.f. May 3, 2014.

[2]inducted as member w.e.f. May 3, 2014.

Terms of Reference - The broad terms of reference of the Nomination and Remuneration Committee include the following:

a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

e) for effective implementation and operations of various existing and future employee stock option plans / employee stock purchase schemes of the Company and to do all such acts, deeds, matters and things including but not limiting to:

   - determining the number of options / shares to be granted / offered to each employee and in the aggregate and the times at which such grants / offers shall be made,
   - determining the eligible employee(s) to whom options / shares be granted / offered,
   - determining the eligibility criteria(s) for grant of options / shares,
   - determining the performance criteria(s), if any for the eligible employees,
   - laying down the conditions under which options / shares vested in the optionees / grantees may lapse in case of termination of employment for misconduct, etc.,

- determining the exercise price which the optionee / grantee should pay to exercise the options / shares;
- determining the vesting period,
- determining the exercise period within which the optionee / grantee should exercise the options / apply for shares and that options / shares would lapse on failure to exercise the same within the exercise period,
- specifying the time period within which the optionee / grantee shall exercise the vested options / offered shares in the event of termination or resignation of the optionee / grantee,
- laying down the procedure for making a fair and reasonable adjustment to the number of options / shares and to the exercise price in case of rights issues, bonus issues, sub-division, consolidation and other corporate actions,
- providing for the right to an optionee / grantee to exercise all the options / shares vested in him at one time or at various points of time within the exercise period,
- laying down the method for satisfaction of any tax obligation arising in connection with the options / shares,
- laying down the procedure for cashless exercise of options / shares, if any,
- providing for the grant, vesting and exercise of options / shares in case of employees who are on long leave or whose services have been seconded to any other Company or who have joined any other subsidiary or other company at the instance of the employer company.

Remuneration policy and remuneration to directors:

Executive directors - The remuneration payable to the executive directors in terms of recommendations of the Remuneration Committee and the Board at their respective meetings held on July 30, 2011 and approval granted by the shareholders of the Company at the Sixteenth Annual General Meeting held on September 27, 2011 is as under:

Name of the Executive Director	Salary (Rs)	Retirement benefits (Rs)	Gratuity (Rs)	Bonus/ Commission/ Stock options	Total (Rs)	Service Contract[1]	Notice Period
Mr. Tulsi R.Tanti	18,488,004	1,080,000	432,000	–	20,000,004	Three years up to March 31, 2014	–

However, in terms of the special resolution passed by the shareholders, the remuneration paid has been restricted to the extent of limits as prescribed under Section II(B) of Part II of Schedule XIII to the Companies Act, 1956 since the Company has incurred losses for the financial year 2013-14. The details of the remuneration paid during the financial year 2013-14 are as under:

Name of the Executive Director	Salary (Rs)	Retirement benefits (Rs)	Gratuity (Rs)	Bonus/ Commission/ Stock options	Total (Rs)	Service Contract[1]	Notice Period
Mr. Tulsi R.Tanti	4,437,120	259,200	103,680	–	4,800,000	Three years up to March 31, 2014	–

[1]Reappointed as Managing Director with effect from April 1, 2014 for a period 3 (Three) years i.e. up to March 31, 2017.

Non-executive directors - The non-executive directors are not paid any remuneration except sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 1956 / Companies Act, 2013. The details of the sitting fees paid, stock options granted and shares held by the non-executive directors during the financial year 2013-14 are as under:

Name of the non-executive director	Sitting fees (Rs)	Stock options granted	Shareholding in the Company
Mr. Girish R.Tanti	1,00,000	-	100,019,000
Mr. Vinod R.Tanti[1]	3,60,000	-	11,367,000
Mr. V. Raghuraman	3,40,000	-	-
Mr. Rajiv Ranjan Jha[2]	1,00,000	-	-
Mr. Marc Deseadeleer[3]	80,000	-	-
Mrs. Bharati Rao	1,20,000	-	-
Mr. Ravi Uppal	60,000	-	1,000
Mr. Ravi Kumar[4]	1,00,000	-	-
Mrs. Mythili Balasubramanian[5]	20,000	-	-
Mrs. Medha Joshi[6]	N.A.	-	-

[1] Mr. Vinod R.Tanti also holds shares in the capacity as karta of HUF and jointly with others.

[2] sitting fees paid to Power Finance Corporation Limited.

[3] as stated by Mr. Marc Deseadeleer, sitting fees are paid to Citicorp International Finance Corporation / TRG Management LP, his employer.

[4] sitting fees paid to IDBI Bank Limited; ceased as a nominee director on Board w.e.f. May 3, 2014.

[5] sitting fees paid to IDBI Bank Limited; ceased as a nominee director w.e.f. July 20, 2013.

[6] appointed on Board w.e.f. May 3, 2014.

Transactions with the non-executive directors - The Company does not have material pecuniary relationship or transactions with its non-executive directors except following transactions which are covered under related party transactions as per Accounting Standard-18 forming part of notes to financial statements:

- Payment of rent to the HUF of Mr. Girish R.Tanti to the extent of Rs.60,000/- during the financial year 2013-14.
- Receipt of charges as consideration for sale of services in the nature of operation and maintenance of windmills owned by Mr. Girish R.Tanti and Mr. Vinod R.Tanti to the extent of Rs.1,784,484/- and Rs.1,784,515 respectively during the financial year 2013-14.

iv) Securities Issue Committee - The Securities Issue Committee of the Board has been reconstituted with effect from April 22, 2013 by inducting Mr. V.Raghuraman, the Independent Director as member.

Composition – As on March 31, 2014, the Securities Issue Committee of the Board consisted of three members out of whom, the Chairman is an executive director and other two members are non-executive directors.

Meetings and Attendance - During the financial year 2013-14, the Securities Issue Committee met six times on April 23, 2013, July 31, 2013, October 15, 2013, October 28, 2013 (twice) and January 30, 2014. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	6	4
Mr. Vinod R.Tanti	Member	6	5
Mr. V. Raghuraman[1]	Member	6	3

[1] inducted as a member w.e.f. April 22, 2013.

Terms of Reference - The broad terms of reference includes the following:

a) to offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets and / or domestic market, representing such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs) and / or Fully Convertible Debentures and / or Non Convertible Debentures with warrants or any Other Financial Instruments (OFIs) convertible into or linked to equity shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors, whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise, Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not through public issue(s) by prospectus, rights issue(s), private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices and on such terms and conditions including security, rate of interest, etc. as may be thought fit in its absolute discretion;

b) to take initiatives for liability management including debt reduction initiatives;

c) to allot equity shares of the Company as may be required to be allotted on exercise of the conversion rights to such bondholders of various series of bonds issued by the Company and / or as may be issued by the Company from time to including but not limiting to US$ 200 million Zero Coupon Foreign Currency Convertible Bonds due 2012, US$ 20,796,000 7.5% Foreign Currency Convertible Bonds due 2012, US$ 90 million Zero Coupon Foreign Currency Convertible Bonds due 2014, US$ 175 million 5% Foreign Currency Convertible Bonds due 2016;

d) to allot equity shares of the Company as may be required to be allotted to lenders, promoters and others by way of preferential allotment or otherwise as part of the CDR package or otherwise;

e) to do all such other acts, deeds, matters and things as already delegated and / or as may be delegated by the Board of Directors from time to time;

f) to do all such other acts, deeds, matters and things as may be incidental and ancillary to one or more of the above and / or to such other acts as already delegated and / or as may be delegated by the Board of Directors from time to time;

g) to sign deeds, documents, forms, letters and such other papers as may be necessary, desirable and expedient.

(v) ESOP Committee

Composition - As on March 31, 2014 and as on date of this report, the ESOP Committee of the Board consists of two members out of whom, the Chairman is an executive director and the other member is a non-executive director.

Meetings and Attendance - During the financial year 2013-14, no meeting of the ESOP Committee was required to be held. The composition of members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	–	–
Mr. Vinod R.Tanti	Member	–	–

Terms of Reference - The broad terms of reference include allotment of equity shares of the Company as may be required to be allotted to such employees of the Company and its subsidiaries arising on exercise of options granted to such employees of the Company and its subsidiaries in terms of various plans / schemes of the Company including but not limiting to ESOP-2007, Special ESOP-2007, ESOP-Perpetual-I, Special ESOP 2014, ESPS 2014 and such other future employee stock option plans / stock purchase schemes of the Company as may be declared from time to time.

vi) Corporate Social Responsibility Committee - Post March 31, 2014, the Board has constituted Corporate Social Responsibility Committee in terms of Section 135 of the Companies Act, 2013 comprising of three members out of whom the Chairman is an executive director and two other members are non-executive directors (including one Independent Director). The details of composition, meetings and attendance are noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	–	–
Mr. Girish R.Tanti	Member	–	–
Mr. V. Raghuraman	Member	–	–

Terms of Reference - The broad terms of reference includes the following:

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, as amended, read with Rules framed thereunder;

b) recommend the amount of expenditure to be incurred on such activities; and

c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

4. General Body Meetings:

(i) **Details of last three annual general meetings ("AGM'")** - The details of the last three AGMs of the Company are noted below:

Year & AGM No.	Venue	Day, Date and Time	Special Resolution
2010-11 Sixteenth AGM	J.B. Auditorium, AMA Complex ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015	Tuesday, September 27, 2011 at 11.00 a.m.	i) To ratify and approve appointment of Mr. Tulsi R.Tanti as Managing Director; ii) To ratify and approve appointment of Mr. Vinod R.Tanti as Wholetime Director; iii) Issue of Securities to the extent of Rs 5,000 Crores.
2011-12 Seventeenth AGM	J.B. Auditorium, AMA Complex ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015	Monday, August 13, 2012 at 11.00 a.m.	i) Issue of Securities to the extent of Rs 5,000 Crores.
2012-13 Eighteenth AGM	J.B. Audutorium, AMA Complex ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015	Friday, September 20, 2013 at 11.00 a.m.	i) Issue of Securities to the extent of Rs 5,000 Crores; ii) Issue of compulsorily convertible debentures of the Company on preferential basis in terms of ICDR Regulations to the promoters in consideration of conversion of the Promoter Unsecured Loan of Rs 145 Crores; iii) To approve appointment of Mr. Vinod R.Tanti to a place of profit being the office of Chief Operating Officer in Suzlon Wind International Limited, wholly owned subsidiary of the Company.

(ii) **Details of resolutions passed by way of Postal Ballot** – Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, during the financial year 2013-14, the Company had conducted a postal ballot process vide notice dated February 14, 2014, for obtaining approval of shareholders for the following special resolutions, the results of which were declared on March 27, 2014. The details of special resolutions passed and voting pattern are noted below:

Resolution No. 1

Special Resolution for approval of Sale of Undertaking(s) of the Company

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	77,851,092	12.20	77,314,318	536,774	99.31	0.69
Public – Others	803,746,039	47,724,578	5.94	46,679,263	1,045,315	97.81	2.19
Total	**2,417,050,939**	**1,100,580,612**	**45.53**	**1,098,998,523**	**1,582,089**	**99.86**	**0.14**

Note: The no. of votes polled does not include the invalid votes and votes not polled, which are 12,235,037

Resolution No. 2

Special resolution for reappointment of Mr. Tulsi R. Tanti as the Managing Director of the Company

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	25,725,608	64,111,236	28.64	71.36
Public – Others	803,746,039	47,772,449	5.94	46,810,291	962,158	97.99	2.01
Total	**2,417,050,939**	**1,112,614,235**	**46.03**	**1,047,540,841**	**65,073,394**	**94.15**	**5.85**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 201,414

Resolution No. 3

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

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	25,725,608	64,111,236	28.64	71.36
Public – Others	803,746,039	47,592,411	5.92	44,787,326	2,805,085	94.11	5.89
Total	**2,417,050,939**	**1,112,434,197**	**46.02**	**1,045,517,876**	**66,916,321**	**93.98**	**6.02**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 381,452

Resolution No. 4

Special Resolution for Issue of Equity Shares on Preferential Basis in terms of ICDR regulations to certain persons / entities

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	89,836,844	0	100.00	0.00
Public – Others	803,746,039	47,651,531	5.93	45,592,995	2,058,536	95.68	4.32
Total	**2,417,050,939**	**1,112,493,317**	**46.03**	**1,110,434,781**	**2,058,536**	**99.81**	**0.19**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 322,332

Resolution No. 5

Special Resolution for issue of Equity Shares on Preferential basis in terms of ICDR regulations to Promoters in consideration of Promoter Unsecured Loan

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	89,836,844	0	100.00	0.00
Public – Others	803,746,039	47,689,880	5.93	45,260,674	2,429,206	94.91	5.09
Total	**2,417,050,939**	**1,112,531,666**	**46.03**	**1,110,102,460**	**2,429,206**	**99.78**	**0.22**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 283,983

Resolution No. 6

Special Resolution for Issue of Equity Shares to the eligible employees of the Company under Employee Stock Purchase Scheme 2014

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	69,789,805	20,047,039	77.69	22.31
Public – Others	803,746,039	47,688,557	5.93	46,082,497	1,606,060	96.63	3.37
Total	**2,417,050,939**	**1,112,530,343**	**46.03**	**1,090,877,244**	**21,653,099**	**98.05**	**1.95**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 285,306

Resolution No. 7

Special Resolution for Issue of Equity Shares to the eligible employees of the Company's Subsidiary Companies under Employee Stock Purchase Scheme 2014

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	69,789,805	20,047,039	77.69	22.31
Public – Others	803,746,039	47,694,552	5.93	45,940,228	1,754,324	96.32	3.68
Total	**2,417,050,939**	**1,112,536,338**	**46.03**	**1,090,734,975**	**21,801,363**	**98.04**	**1.96**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 279,311

Resolution No. 8

Special Resolution for Issue of Equity Shares to the eligible employees of the Company Under Special Employee Stock Option Plan 2014

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	9,970,507	79,866,337	11.10	88.90
Public – Others	803,746,039	47,655,274	5.93	45,885,121	1,770,153	96.29	3.71
Total	**2,417,050,939**	**1,112,497,060**	**46.03**	**1,030,860,570**	**81,636,490**	**92.66**	**7.34**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 318,589

Resolution No. 9

Special Resolution for Issue of Equity Shares to the eligible employees of the Company's subsidiary companies under Special Employee Stock Option Plan 2014

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	9,970,507	79,866,337	11.10	88.90
Public – Others	803,746,039	47,649,143	5.93	45,861,207	1,787,936	96.25	3.75
Total	**2,417,050,939**	**1,112,490,929**	**46.03**	**1,030,836,656**	**81,654,273**	**92.66**	**7.34**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 324,720

Resolution No. 10

Special Resolution for enhancement of borrowing limit of the Company from Rs 10,000 crores to Rs 20,000 crores

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,836,844	14.07	85,635,087	4,201,757	95.32	4.68
Public – Others	803,746,039	47,702,432	5.94	46,149,448	1,552,984	96.74	3.26
Total	**2,417,050,939**	**1,112,544,218**	**46.03**	**1,106,789,477**	**5,754,741**	**99.48**	**0.52**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 271,431

Resolution No. 11

Special Resolution for creation of charge / mortgage on assets of the Company

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,840,804	14.08	85,639,047	4,201,757	95.32	4.68
Public – Others	803,746,039	47,566,765	5.92	45,756,631	1,810,134	96.19	3.81
Total	**2,417,050,939**	**1,112,412,511**	**46.02**	**1,106,400,620**	**6,011,891**	**99.46**	**0.54**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 403,138

Resolution No. 12

Special Resolution to make investments, give loans, guarantees and provide securities beyond prescribed limits

Description	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]	(4)	(5)	(6)=[(4)/(2)]	(7)=[(5)/(2)]
Promoters & Promoter Group	975,004,942	975,004,942	100.00	975,004,942	0	100.00	0.00
Public – Institutional Holders	638,299,958	89,192,143	13.97	69,813,679	19,378,464	78.27	21.73
Public – Others	803,746,039	47,824,158	5.95	45,075,406	2,748,752	94.25	5.75
Total	**2,417,050,939**	**1,112,021,243**	**46.01**	**1,089,894,027**	**22,127,216**	**98.01**	**1.99**

Note: The No. of votes polled does not include the invalid votes and votes not polled, which are 794,406

Name of scrutinizer:

Mr. D S M Ram, DSMR & Associates, Company Secretaries, Hyderabad was appointed as the Scrutinizer for the purposes of the postal ballot.

Procedure of postal ballot:

The postal ballot process was conducted in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through the postal ballot.

5. **Disclosures:**

i) **Subsidiary Companies –** The requirements with respect to subsidiaries in terms of Clause 49(III) of the Listing Agreement have been complied with.

ii) **Disclosure on materially significant related party transactions** - Besides the transactions mentioned in the financial statements, there were no other materially significant related party transactions during the financial year 2013-14 that may have potential conflict with the interest of the Company at large. The details of related party transactions as per Accounting Standard-18 forms part of notes to the financial statements.

iii) **Disclosure of accounting treatment -** The Company follows mandatory accounting standards as notified by the Companies (Accounting Standards), Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with Section 133 of the Companies Act, 2013 and General Circular No.15/2013 dated September 13, 2013 issued by the Ministry of Corporate Affairs in the preparation of financial statements and in the opinion of the Company, it has not adopted a treatment different from that prescribed in any accounting standard.

iv) **Board disclosures-risk management -** The risk assessment and minimisation procedures are in place and the Audit Committee of the Board is regularly informed about the business risks and the steps taken to mitigate the same.

v) **Proceeds from public issues, rights issues, preferential issues, etc. –** During the year and up to the date of this report, the Company has allotted equity shares and compulsorily convertible debentures on preferential basis under Chapter VII – "Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the proceeds thereof have been utilised in terms of the objects of the issue, wherever applicable. The details of preferential allotments made during the year and up to the date of this report have been provided at Point No.7 of the Directors' Report under the heading "Capital".

vi) **Management Discussion and Analysis Report -** The Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

vii) **Profile of directors seeking appointment / re-appointment -** Profile of the directors seeking appointment / re-appointment as required to be given in terms of Clause 49(IV)(G)(i) of the Listing Agreement forms part of the Notice convening the ensuing Annual General Meeting of the Company.

viii) **Certification from Managing Director and Chief Financial Officer -** The requisite certification from the Chairman & Managing Director and Chief Financial Officer for the financial year 2013-14 required to be given under Clause 49(V) of the Listing Agreement was placed before the Board of Directors of the Company at its meeting held on May 30, 2014.

ix) **Details of non-compliance with regard to capital market -** With regards to the matters related to capital markets, the Company has complied with the requirements of the Listing Agreement as well as SEBI regulations and guidelines. There were no penalties imposed or strictures passed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

x) **Payment of fees to stock exchanges / depositories -** The Company has paid listing fees to the stock exchanges and annual custodial fees to the depositories for the financial year 2014-15 in terms of Clause 38 of the Listing Agreement.

xi) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement with the stock exchanges -** The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the statutory auditors of the Company to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Nomination and Remuneration Committee inter alia to consider and recommend the remuneration to the executive directors and approval and administration of Employee Stock Option Plans (ESOPs) / Employee Stock Purchase Scheme (ESPS).

xii) **Whistle Blower Policy -** The Company has adopted a whistle blower policy, which is available on its website www.suzlon.com. The employees are free to express their concerns through e-mail, telephone, fax or any other method to the persons as mentioned in the policy.

With a view to support its corporate governance philosophy, the Company has 'Project Evolution – a project on integrity values' which assesses, evaluates, strengthens and institutionalises integrity as a value, supports ethical business practices and formalises good corporate governance processes.

xiii) **Means of Communication -**

a) **Quarterly / Annual Results -** The quarterly / annual results and notices as required under Clause 41 of the Listing Agreement are normally published in the 'The Financial Express' (English & Gujarati editions).

b) **Posting of information on the website of the Company -** The annual / quarterly results of the Company, shareholding pattern, the official news releases, notifications to the stock exchanges and the presentations made by the Company to analysts and institutional investors are regularly posted on its website www.suzlon.com. The Company is in compliance of Clause 54 of the Listing Agreement.

xiv) **Details of unclaimed shares in terms of Clause 5A(I) of the Listing Agreement -** In terms of Clause 5A(I) of the Listing Agreement, the details of equity shares allotted pursuant to the Initial Public Offering (IPO) which are unclaimed and are lying in demat suspense account are given below:

Particulars	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2013	109	9,600
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2013-14	–	–
Number of shareholders to whom shares were transferred from suspense account during the year 2013-14	–	–
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2014	109	9,600

The voting rights on these shares lying in the demat suspense account shall remain frozen till the rightful owners of such shares claim the shares.

6. General Shareholder Information

i) **Annual General Meeting** : Nineteenth Annual General Meeting
Day and date : Thursday, September 25, 2014
Time : 11.00 a.m.
Venue : J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

ii) Financial calendar for 2014-15 **(tentative schedule)**

Financial year	:	April 1 to March 31
Board meetings for approval of quarterly results	:	
1st Quarter ended on June 30, 2014	:	within 45 days from the close of quarter
2nd Quarter ended on September 30, 2014	:	within 45 days from the close of quarter
3rd Quarter ended on December 31, 2014	:	within 45 days from the close of quarter
4th Quarter ended on March 31, 2014 and Annual results for financial year ended March 31, 2015 (audited)	:	Within 60 days from the close of financial year
Annual General Meeting for the year 2014-15	:	In accordance with Section 96 of Companies Act, 2013

iii) Book closure date : Monday, September 15, 2014 to Thursday, September 25, 2014 (both days inclusive)

iv) Dividend payment date : N.A.

v) Listing on stock exchanges and Stock Codes:

Securities	Name of Stock Exchanges on which listed	Stock Codes
Equity Shares	National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai-400051	SUZLON
	BSE Limited (BSE), P.J. Towers, Dalal Street, Mumbai-400001	532667
GDRs*	Luxembourg Stock Exchange, 11, av de la Porte-Neuve. L-2227 Luxembourg	US86960A1043
	London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS	SUEL
FCCBs	Singapore Exchange Securities Trading Limited, 2, Shenton Way, Suite 19-00, SGX Centre 1, Singapore, 068804	As per details given below

* GDRs are listed on Luxembourg Stock Exchange only, however are traded on both Luxembourg Stock Exchange and London Stock Exchange.

vi) International Securities Identification Number (ISIN):

Security	ISIN
Equity Shares	INE040H01021
GDRs	US86960A1043
FCCBs:	
USD 200,000,000 Zero Coupon Convertible Bonds Due 2012 (0% October 2012 Bonds)	XS0323163526*
USD 20,796,000 7.5% Convertible Bonds Due October 2012 (7.5% new October 2012 Bonds)	XS0426742572*
USD 90,000,000 Zero Coupon Convertible Bonds Due 2014 (0% July 2014 Bonds)	XS0441902656*
USD 175,000,000 5% Convertible Bonds Due 2016 (5% April 2016 Bonds)	XS0614325156
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured Bonds)	
– For Restricted Global Certificates	XS1081332873
– For Unrestricted Global Certificates	XS1081332527

*The 0% October 2012 Bonds, 7.5% New October 2012 Bonds and 0% July 2014 Bonds stand cancelled upon issuance of the Restructured Bonds.

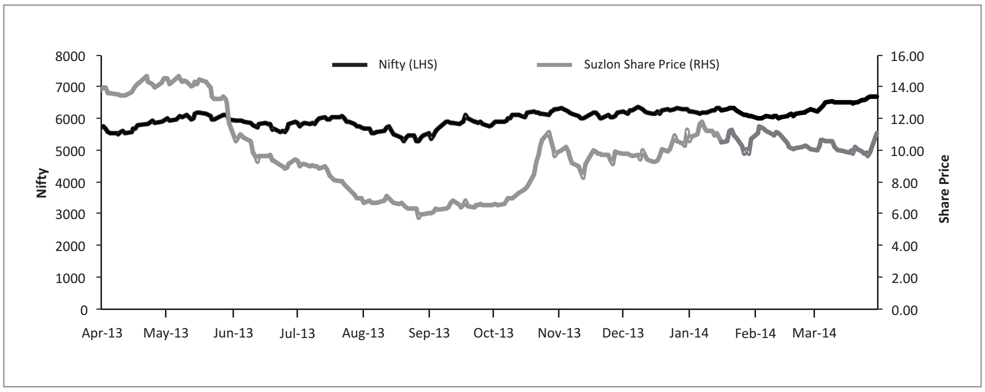
vii) Corporate Identification Number : L40100GJ1995PLC025447

viii) Market Price Data: Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2013-14 at NSE and BSE are noted below:

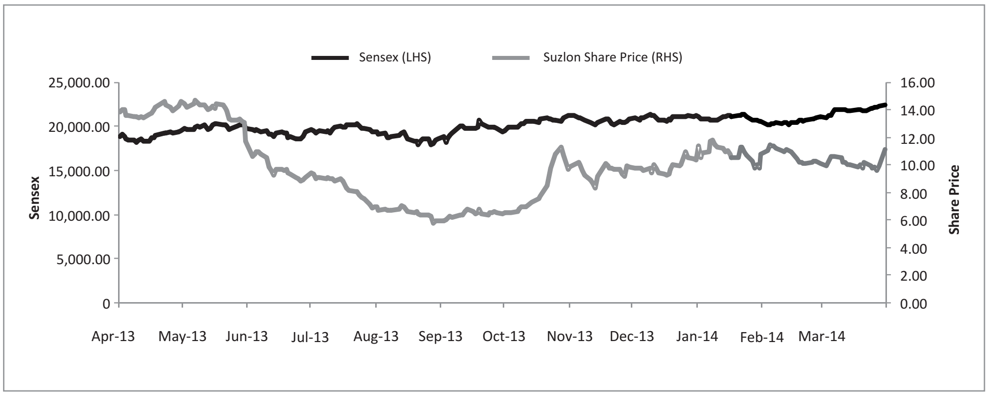
Stock Exchange	NSE			BSE		
Month	High	Low	No. of shares traded	High	Low	No. of shares traded
April-13	15.10	13.25	204,450,058	15.10	13.27	45,320,165
May-13	14.90	11.75	126,687,378	14.90	11.74	32,044,889
June-13	11.80	8.75	127,260,004	11.73	8.70	31,255,194
July-13	9.75	6.30	100,790,513	9.75	6.25	29,853,862
August-13	7.60	5.70	104,495,445	7.50	5.72	31,796,695
September-13	7.00	5.95	123,591,966	7.00	5.93	35,330,901
October-13	11.70	6.40	183,365,231	11.85	6.43	63,041,554
November-13	10.70	8.25	159,047,170	10.65	8.24	45,018,728
December-13	11.25	9.20	136,626,809	11.22	9.22	33,003,629
January-14	12.30	9.30	204,168,377	12.23	9.36	49,176,131
February-14	11.80	9.95	84,561,447	11.75	9.90	19,824,833
March-14	11.30	9.45	115,635,611	11.35	9.50	24,016,817

ix) **Performance of share price of the Company in comparison with broad-based indices**

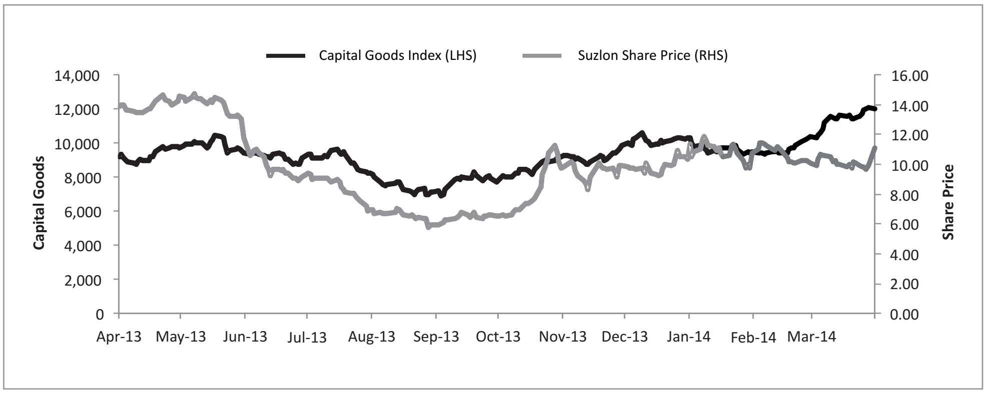
a) **Comparison of the Company's share price with NSE Nifty**



b) **Comparison of the Company's share price with BSE Sensex**



c) **Comparison of the Company's share price with BSE capital goods index**



x) **Registrar and share transfer agents :** Karvy Computershare Private Limited, Unit: Suzlon Energy Limited, 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081; Tel: (+91 40) 44655000; Fax: (+91 40) 23420814; Toll Free No. 1800-3454-001; Website: www.karvycomputershare.com; Email: einward.ris@karvy.com

Contact person: Mr. V.K.Jayaraman, General Manager and Mr. S. Krishnan, Senior Manager

xi) **Share transfer system:** The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of 15 (fifteen) days from the date of lodgement subject to documents being valid and complete in all respects. In order to expedite the process of share transfer in line with corporate governance requirements, the Company has delegated the power of share transfer to registrar and share transfer agent - Karvy Computershare Private Limited.

All communications regarding change of address (if the shares are held in physical form), transfer of shares and change of mandate (if the shares are held in physical form) can be addressed to Karvy Computershare Private Limited, Hyderabad, our Registrar & Share Transfer Agent.

xii) Distribution of shareholding as on March 31, 2014:

a) Distribution of shareholding as per nominal value of shares held as on March 31, 2014:

Nominal value of shares held	No. of Shareholders	% to total Shareholders	Total no. of shares held	Nominal amount of shares held	% to total shares
Up to 5000	876476	95.68	278,327,734	556,655,468	11.19
5001-10000	22320	2.44	81,556,508	163,113,016	3.28
10001-20000	9919	1.08	72,597,417	145,194,834	2.92
20001-30000	2727	0.30	33,820,825	67,641,650	1.36
30001-40000	1369	0.15	24,580,986	49,161,972	0.99
40001-50000	809	0.09	18,482,345	36,964,690	0.74
50001-100000	1309	0.14	46,665,642	93,331,284	1.87
100001 & above	1120	0.12	1,932,114,724	3,864,229,448	77.65
Total	**916049**	**100.00**	**2,488,146,181**	**4,976,292,362**	**100.00**

b) Shareholding pattern as on March 31, 2014:

Category of shareholders	No. of shares of Rs 2 each	% of total shares
Promoters (including persons acting in concert)	975,004,942	39.19
Foreign Institutional Investors	160,137,146	6.43
Non-resident Indians/Overseas Corporate Bodies/Foreign Nationals	38,762,764	1.56
Mutual Funds, Financial Institutions and Banks	567,781,841	22.82
Private Corporate Bodies	100,404,188	4.03
Resident Indians	638,890,588	25.68
GDRs	7,164,712	0.29
Total	**2,488,146,181**	**100.00**

xiii) Dematerialisation of shares: The equity shares of the Company are compulsorily traded in dematerialised form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) of the Company under Depository System is INE040H01021. Number of shares held in dematerialised and physical mode as on March 31, 2014 are noted below:

Particulars	No. of shares of Rs 2 each	% of total shares
Shares held in dematerialised form with NSDL	2,254,621,998	90.62
Shares held in dematerialised form with CDSL	233,490,560	9.38
Shares held in physical form	33,623	0.00
Total	**2,488,146,181**	**100.00**

xiv) Outstanding GDRs or any other convertible instruments, conversion date and likely impact on equity:

a) Global Depository Receipts (GDRs): The outstanding GDRs as on March 31, 2014 are 1,791,178 representing 7,164,712 equity shares of Rs.2/- each. Each GDR represents four underlying equity shares in the Company.

b) Foreign Currency Convertible Bonds (FCCBs): The outstanding balances of the FCCBs as on March 31, 2014 under various series are noted below:

Series	Outstanding Amount (USD)	Exchange Rate	Convertible on or before	Conversion Price
USD 200,000,000 Zero Coupon Convertible Bonds Due 2012 (0% October 2012 Bonds)	121,368,000	44.6000	October 4, 2012	97.26
USD 20,796,000 7.5% Convertible Bonds Due October 2012 (7.5% new October 2012 Bonds)	20,796,000	49.8112	October 4, 2012	76.6755
USD 90,000,000 Zero Coupon Convertible Bonds Due 2014 (0% July 2014 Bonds)	90,000,000	48.1975	July 18, 2014	90.38
USD 175,000,000 5% Convertible Bonds Due 2016 (5% April 2016 Bonds)	175,000,000	44.5875	April 6, 2016	54.01
Total outstanding FCCBs as on March 31, 2014	407,164,000	–	–	–

The 0% October 2012 Bonds, 7.5% new October 2012 Bonds, 0% July 2014 Bonds and 5% April 2016 Bonds are collectively referred to as "the Existing Bonds".

Post March 31, 2014, in terms of the approval of the Board of Directors of the Company for cashless restructuring of the Existing Bonds, the Company had issued separate notices each dated May 6, 2014 convening meetings of the holders of the 0% October 2012 Bonds, 7.5% New October 2012 Bonds, 0% July 2014 Bonds and 5% April 2016 Bonds to consider the restructuring of the Existing Bonds. In furtherance to the same, the Company had issued a consent solicitation memorandum and an information memorandum each dated June 17, 2014, providing further information in relation to the commercial terms of the proposed restructuring of the Existing Bonds, including the terms and conditions of the new foreign currency convertible bonds. The meetings of the holders of the respective series of Existing Bonds were held on July 9, 2014 and the proposed restructuring of the Existing Bonds, including the terms and conditions of the new foreign currency convertible bonds (the "Restructured Bonds") have been approved by the holders of the Existing Bonds in their respective meetings.

Pursuant to the approvals received from the holders of the Existing Bonds as also approval of the Corporate Debt Restructuring Empowered Group for the restructuring proposal and Reserve Bank of India, the Board of Directors of the Company has, on July 15, 2014, approved the allotment of Restructured Bonds amounting to USD 546,916,000 to the holders of the Existing Bonds on satisfaction of certain conditions precedents in accordance with the terms of the consent solicitation and applicable laws and regulations. Pursuant to the consent solicitation in relation to the Existing Bonds, the Restructured Bonds will mature on July 16, 2019 and the 0% October 2012 Bonds, the 7.5% October 2012 Bonds and 0% July 2014 Bonds have ceased to exist in full. In respect of the USD 175,000,000 5% April 2016 Bonds, USD 146,200,000 of the principal amount of the 5% April 2016 Bonds have also been substituted by the Restructured Bonds and USD 28,800,000 of the principal amount of the 5% April 2016 Bonds remain outstanding.

The outstanding balances of the FCCBs as on date of this report are as under:

Series	**Outstanding Amount (USD)**	**Exchange Rate**	**Convertible on or before**	**Conversion Price**
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured bonds)	546,916,000	60.225	July 9, 2019	15.46
USD 175,000,000 5% Convertible Bonds due 2016 (5% April 2016 bonds)	28,800,000	44.5875	April 6, 2016	54.01

The shares to be allotted on conversion of the FCCBs will aggregate to ~43.60% of the post conversion equity base of the Company based on equity base of July 25, 2014.

xv) Factory Locations:

Plot No.H-24 & H-25, M.G. Udyognagar Indl. Estate, Dabhel, Daman-396210	Plot No.77, 13, Opp.GDDIC, Vanakbara Road, Village Malala, Diu-362520
Plot No.306/1 & 3, Bhimpore, Nani Daman, Daman-396210	Survey No.86/3-4, 87/1-3-4, 88/1-2-3, 89/1-2, Kadaiya Road, Daman-396210
Survey No.42/2 & 3, 54, 1 to 8, Bhenslore Road, Dunetha, Daman-396210	Plot No. A/4, OIDC, M.G.Udhyog Nagar, Dabhel, Nani Daman, Daman-396210
RS.No.9/1A,9/1B,9/3,9/1C,9/2,10/1,10/3,58/1, 9/4A,9/4B,57/1,57/3,58/2,58/3,58/5,58/6,57/4, 59, Thiruvandralkoil, Opp. Whirlpool India Ltd., Pondicherry – 605107	Block No. 93, Opp. Gayatri Petroleum, National Highway No.8, Village Vadsala-Varnama, Vadodara-391242
Survey No.588, Paddar, Bhuj-370105	Survey No.282, Chhadvel (Korde), Sakri, Dhule-424305
Technical Service Centre - Plot No. H-24 & H-25, M.G. Udyognagar Indl. Estate, Dabhel, Daman – 396210	

xvi) Address for correspondence: Registered Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat, India; Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; Email: investors@suzlon.com; Website: www.suzlon.com.

For and on behalf of the Board of Directors

Place : Mumbai
Date : July 25, 2014

Tulsi R.Tanti
Chairman & Managing Director
DIN : 00002283

DECLARATION REGARDING COMPLIANCE WITH THE CODE OF ETHICS OF THE COMPANY AS PER CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT

28 May 2014.

The Board of Directors of
Suzlon Energy Limited,
''Suzlon'', 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura,
Ahmedabad-380009.

Dear Sirs,

Sub.: Declaration regarding compliance with the Code of Ethics of the Company.

Ref.: Clause 49(I)(D)(ii) of the Listing Agreement.

I, Tulsi R.Tanti, Chairman & Managing Director of Suzlon Energy Limited hereby declare that, as of 31st March 2014, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Ethics laid down by the Company.

Thanking you,

Yours faithfully,
For Suzlon Energy Limited

-sd-

Tulsi R.Tanti,
Chairman & Managing Director.

Auditors' certificate

To,

The Members of Suzlon Energy Limited,

We have examined the compliance of conditions of corporate governance by Suzlon Energy Limited, for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SNK & Co.
ICAI Firm Registration No.109176W
Chartered Accountants

per Sanjay Kapadia
Partner
Membership No. : 38292
Place : Mumbai
Date : July 25, 2014

For S.R. BATLIBOI & Co. LLP
ICAI Firm Registration No.301003E
Chartered Accountants

per Paul Alvares
Partner
Membership No. : 105754
Place : Mumbai
Date : July 25, 2014

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Suzlon Energy Limited

Report on the Financial Statements

1. We, SNK & Co. and S. R. BATLIBOI & Co. LLP, have audited the accompanying financial statements of Suzlon Energy Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 (the "Act"), read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2014;

   (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

   (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to Note 5 of the accompanying financial statements in respect of material uncertainty about the Company's ability to continue as a going concern which is in part dependent on the successful outcome of the discussions with the FCCB holders and Company's ability to generate sufficient funds to support its operations. Our opinion is not qualified in respect of this matter.

6. We draw attention to Note 4 of the accompanying financial statements in respect of contingency related to 'compensation payable in lieu of bank sacrifice', the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) 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.

   (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;

   (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SNK & Co.
Chartered Accountants
ICAI Firm registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place : Pune
Date : May 30, 2014

For S. R. Batliboi & Co.LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place : Pune
Date : May 30, 2014

Annexure referred to in paragraph 8 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Suzlon Energy Limited

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. All fixed assets have not been physically verified by management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

c. During the year, the Company has sold its operation and maintenance division, including its fixed assets, which constitute a substantial part of the fixed assets of the Company, to one of its subsidiaries. Based on the information and explanations given by management and on the basis of audit procedures performed by us, read with paragraph 5 of the Audit Report of even date, we are of the opinion that the sale of these fixed assets has not adversely affected the going concern status of the Company.

ii. a. The inventory has been physically verified by management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.

b. The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.

iii. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.

b. The Company has taken loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs 456.83 Crore and the year-end balance of the loan taken from such parties was Rs 87.65 Crore.

c. In our opinion and according to the information and explanations given to us, the rate of interest, and other terms and conditions for such loan are prima facie not prejudicial to the interest of the Company.

d. In respect of loans taken, repayment of the principal amount is as stipulated. *Payment of interest has not been regular, but the delay has been waived*.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.

v. a. According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable to the Company and hence not commented upon.

vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

viii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, wherever required. We have not, however, made a detailed examination of the same.

ix. a. Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues *have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases*.

b. *According to the information and explanations given to us, except interest on service tax aggregating Rs 1.78 cr which was outstanding for a period exceeding six months as at March 31, 2014, from the date they were payable,* no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs Crore)	Accounting year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	0.63*	2009-2010	Commissioner of Income Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Value added tax	0.50	2005-2006	Joint Commissioner of Sales Tax (Appeals), Mumbai
Finance Act, 1994	Service Tax on Consulting Engineer along with penalty and interest	3.54	1999-2000 to 2000-2003	CESTAT
Finance Act, 1994	Service Tax on Import of designs and drawings along with penalty and interest	59.42	2007-2008 to 2011-2012	CESTAT

* The amount has been paid by the Company during the year under protest.

x. *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the current and immediately preceding financial year.*

xi. Based on our audit procedures and as per the information and explanations given by the management, *the Company has defaulted on redemption of foreign currency convertible bonds aggregating Rs 1,250 Crore (US$ 209 million) (including redemption premium). The bonds were due for redemption on October 11, 2012 and have not been redeemed till the date of this report. During the year, the Company has also defaulted in repayment of dues to financial institutions and banks in respect of Letters of Credit/Buyers' Credit/Bills Discounting and Interest Liabilities. Following are the details of these defaults:*

(Amount in Rs. Crore)

Particulars	*Delay up to 30 days*	*Delay 31-90 days*	*Delay 91 to 180 days*	*Total Amount*
Letters of Credit/ Buyers' Credit/Bill Discounting	*80.98*	*233.33*	*39.28*	*353.59*
Interest Liabilities	*78.94*	*18.76*	–	*97.70*

The Company did not have any dues payable to debenture holders during the year.

xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable and hence not reported upon.

xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company and hence not reported upon.

xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company and hence not reported upon.

xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by others (subsidiaries) from banks or financial institutions, the terms and conditions whereof in our opinion are prima-facie not prejudicial to the interests of the Company.

xvi. Based on the information and explanations given to us by management, term loans were applied for the purpose for which the loans were obtained.

xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds aggregating to Rs 1,696.82 Crore raised on short-term basis in the form of working capital and working capital loans for long-term purposes to fund losses incurred during the year.*

xviii. The Company has made preferential allotment of compulsorily convertible debentures which have been converted into equity shares, to a company covered in the register maintained under section 301 of the Companies Act, 1956. Since the allotment of the shares has been made at a price determined in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, in our opinion, the price at which shares have been issued is not prejudicial to the interest of the Company.

xix. The Company had issued compulsorily convertible debentures during the year, on which no security or charge was required to be created.

xx. The Company has not raised any money by way of a public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company and hence not reported upon.

xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by management, we report that no material fraud on or by the Company has been noticed or reported during the year.

For SNK & Co.
Chartered Accountants
ICAI Firm registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place : Pune
Date : May 30, 2014

For S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place : Pune
Date : May 30, 2014

Balance sheet as at March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
Equity and liabilities			
Shareholders' funds			
(i) Share capital	7(i)	497.63	355.47
(ii) Reserves and surplus	8	2,166.33	1,921.19
		2,663.96	**2,276.66**
Share application money, pending allotment		**162.02**	**581.67**
Non-current liabilities			
(i) Long-term borrowings	9	6,119.45	6,164.01
(ii) Other long-term liabilities	12	15.70	30.01
(iii) Long-term provisions	10	139.34	233.61
		6,274.49	**6,427.63**
Current liabilities			
(i) Short-term borrowings	11	2,215.78	1,543.35
(ii) Trade payables		3,401.03	3,168.46
(iii) Other current liabilities	12	3,309.24	3,230.72
(iv) Due to customers		22.00	14.23
(v) Short-term provisions	10	562.82	428.90
		9,510.87	**8,385.66**
Total		**18,611.34**	**17,671.62**
Assets			
Non-current assets			
(i) Fixed assets			
(a) Tangible assets	13	594.72	759.56
(b) Intangible assets	13	124.40	188.79
(c) Capital work-in-progress		15.71	38.38
(ii) Investments	14	7,730.07	8,136.05
(iii) Loans and advances	15	3,139.24	2,534.46
(iv) Trade receivables	16.1	–	0.04
(v) Other non-current assets	16.2	260.11	320.18
		11,864.25	**11,977.46**
Current assets			
(i) Investments	14	–	416.93
(ii) Inventories	17	740.99	1,542.06
(iii) Trade receivables	16.1	1,547.88	1,586.25
(iv) Cash and bank balances	18	60.57	139.17
(v) Loans and advances	15	1,948.75	1,552.14
(vi) Other current assets	16.2	2,448.90	457.61
		6,747.09	**5,694.16**
Total		**18,611.34**	**17,671.62**
Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Suzlon Energy Limited

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

per Sanjay Kapadia
Partner
Membership No. : 38292
Place: Pune
Date: May 30, 2014

per Paul Alvares
Partner
Membership No. : 105754
Place: Pune
Date: May 30, 2014

Hemal A.Kanuga
Company Secretary
Membership No.: F4126

Amit Agarwal
Chief Financial Officer
Membership No. : 056880

Place: Pune
Date: May 30, 2014

Statement of profit and loss for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	March 31, 2014	March 31, 2013
Income			
Revenue from operations	19	3,036.36	1,748.11
Other operating income		28.36	5.56
Total revenue		**3,064.72**	**1,753.67**
Expenses			
Cost of materials consumed	20	1,681.74	1,699.45
Purchases of traded goods	20	36.74	72.78
(Increase)/decrease in inventories of finished goods work-in-progress and stock-in-trade	20	476.73	(320.35)
Employee benefits expense	21	255.70	257.45
Other expenses	22	957.63	1,316.55
Prior period items		52.09	–
Total expenses		**3,460.63**	**3,025.88**
Earnings/(loss) before interest, tax, depreciation and exceptional items (EBITDA)		**(395.91)**	**(1,272.21)**
Depreciation and amortisation expenses	13	174.00	214.54
Earnings/(loss) before interest, tax and exceptional items (EBIT)		**(569.91)**	**(1,486.75)**
Finance costs	23	1,221.19	1,086.41
Finance income	24	227.95	301.90
Earnings/(loss) before tax and exceptional items		**(1,563.15)**	**(2,271.26)**
Less: Exceptional items	25	(638.35)	571.71
Profit/(loss) before tax		**(924.80)**	**(2,842.97)**
Tax expense:			
MAT credit entitlement		–	156.46
Earlier years tax		(0.33)	(9.63)
Profit/(loss) after tax		**(924.47)**	**(2,989.80)**
Earnings/(loss) per equity share: [Nominal value of share Rs 2 (Rs 2)]			
- Basic and diluted		**(4.13)**	**(16.82)**
Summary of significant accounting policies	**2**		

The accompanying notes are an integral part of the statements.

As per our report of even date

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Amit Agarwal
Chief Financial Officer
Membership No. : 056880

Place: Pune
Date: May 30, 2014

Cash flow statement for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2014	March 31, 2013
Cash flow from operating activities		
Loss before tax and exceptional items	**(1,563.15)**	**(2,271.26)**
Adjustments for:		
Depreciation / amortisation	174.00	214.54
Loss on assets sold / discarded, net	8.06	11.14
Interest income	(227.95)	(301.88)
Interest expenses	1,112.82	951.29
Dividend income	(0.00)	(0.02)
Compensation in lieu of bank sacrifice	45.66	22.83
Amortization of ancillary borrowing costs	9.22	15.26
Operation, maintenance and warranty expenditure	94.82	–
Prior period expense	52.09	–
Liquidated damages expenditure	33.34	88.84
Performance guarantee expenditure	(21.18)	48.52
Bad debts written off	1.01	4.31
Provision for doubtful debts and advances	2.33	32.05
Exchange differences, net	140.52	185.92
Employee stock option scheme	(4.55)	0.60
Wealth-tax	–	0.02
Operating profit / (loss) before working capital changes	**(142.95)**	**(997.84)**
Movements in working capital		
(Increase) / decrease in trade receivables	(130.78)	1,826.69
(Increase) / decrease in inventories	670.40	(76.11)
(Increase) / decrease in loans and advances and other current assets	(308.94)	(207.37)
(Decrease) / increase in trade payables, current liabilities and provisions	(252.05)	(264.81)
Cash generated from operating activities	**(164.33)**	**280.56**
Direct taxes paid (net of refunds)	1.45	2.21
Net cash generated from operating activities	**(162.87)**	**282.77**
Cash flow from investing activities		
Payment for purchase of fixed assets	(12.01)	(237.28)
Proceeds from sale of fixed assets	6.93	5.31
Investments in subsidiaries	(0.80)	–
Redemption of investments in mutual funds	–	50.02
Proceeds from sale of stake in subsidiary	113.52	66.76
Loans granted to subsidiaries	(1,570.41)	(2,519.30)
Repayments of loans by subsidiaries	695.17	3,122.30
Interest received	228.08	319.74
Dividend received	0.00	0.02
Net cash (used in) / generated from investing activities	**(539.51)**	**807.57**
Cash flow from financing activities		
Share application money**	9.00	22.00
Proceeds from issuance of share capital including premium***	203.00	–
Premium paid on FCCB	–	(630.15)
Proceeds from long term borrowings	186.39	1,917.92
Repayment of long term borrowings	(248.00)	–
Repayment of FCCB	–	(1,371.33)
Repayment of long term borrowings	–	(196.90)
Proceeds / (repayment) from short term borrowings, net	672.43	(345.42)
Interest paid	(198.84)	(609.92)
Dividend paid	(0.01)	(0.02)
Net cash (used in) / generated from financing activities	**623.96**	**(1,213.82)**

Cash flow statement for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2014	March 31, 2013
Net increase in cash and cash equivalents (A+B+C)	**(78.42)**	**(123.48)**
Cash and cash equivalents at the beginning of the year	139.17	262.65
Less: Transfer pursuant to sale of OMS business	(0.19)	–
Cash and cash equivalents at the end of the year	**60.57**	**139.17**

Components of cash and cash equivalents	As at March 31, 2014	As at March 31, 2013
Cash on hand	0.18	0.36
Cheques / draft on hand	–	–
With scheduled banks in current account*	60.11	138.31
With non-scheduled banks in current account	0.28	0.50
	60.57	**139.17**

Summary of significant accounting policies 2

Notes

1 The figures in brackets represent outflows.

2 Previous periods' figures have been regrouped / reclassified, whereever necessary, to confirm to current year presentation.

* Includes a balance of Rs 0.16 Crore (Rs 0.17 Crore) not available for use by the Company as they represent corresponding unpaid dividend liabilities.

** During financial year ended March 31, 2014, out of total share application money of Rs 162.02 Crore, Rs 9.00 Crore has been received in cash and the balance is through conversion of liabilities.

*** The proceeds were received in the form of loan from promoters and were subsequently converted into equity share capital including share premium as per terms of CDR.

As per our report of even date

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2014

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place: Pune
Date: May 30, 2014

For and on behalf of the Board of Directors of Suzlon Energy Limited

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

Hemal A.Kanuga
Company Secretary
Membership No. : F4126

Amit Agarwal
Chief Financial Officer
Membership No. : 056880

Place: Pune
Date: May 30, 2014

Notes to financial statements for the year ended March 31, 2014
All amounts in Rupees Crore, unless otherwise stated

1. Corporate information

Suzlon Energy Limited ('SEL' or the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (the 'Act'). Its shares are listed on two stock exchanges in India. The Company is primarily engaged in the business of manufacturing of wind turbine generators ('WTGs') and related components of various capacities. During the year, on March 29, 2014, the Company sold its operation and maintenance business undertaking to one of its subsidiaries, Suzlon Global Services Limited (SGSL) on a slump sale basis, as part of its strategic reorganisation and its initiatives for realising business efficiencies.

Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India - "Indian GAAP". The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956 read with section 133 of the Companies Act 2013 and General Circular No.8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The manufacturing costs of internally generated assets comprise of direct costs and attributable overheads.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible fixed assets

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 at rates specified in schedule XIV to the Companies Act, 1956 read with section 133 of the Companies Act 2013 and General Circular No.8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs, whichever is higher.

The Company has used the following rates to provide depreciation on its fixed assets:

Type of asset	Rate (%)
Office building	5.00
Factory building	10.00
Moulds	13.91 or useful life based on usage
Plant and machinery	
- Single shift	13.91
- Double shift	20.87
- Triple shift	27.82
Patterns	30.00 or useful life based on usage
Plugs for moulds	50.00 or useful life based on usage

Type of asset	Rate (%)
Wind research and measuring equipment	50.00
Windfarm plant and machinery	15.33
Computers	40.00
Office equipment	13.91
Furniture and fixtures	18.10
Motor car and others	25.89
Trailers	30.00

Leasehold land is amortized on a straight line basis over the period of lease i.e. up to 99 years depending upon the period of lease.

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortized on a straight line basis, over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii. Its intention to complete the asset;

iii. Its ability to use or sell the asset;

iv. How the asset will generate future economic benefits;

v. The availability of adequate resources to complete the development and to use or sell the asset;

vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e. the estimated useful life. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization policies applied to the Company's intangible assets is as below:

Type of asset	Basis
Design and drawings	Straight line basis over a period of five years
SAP and other software	Straight line basis over a period of five years

e. Leases

i. Where the Company is a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

ii. Where the Company is a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

f. Borrowing costs

Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

g. Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

h. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

i. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

j. Inventories

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, project work-in-progress and finished goods are valued at the lower of cost and estimated net realisable value. Cost is determined on weighted average basis.

The cost of work-in-progress, project work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads.

Stock of land and land lease rights is valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. Net realisable value is determined by management using technical estimates.

k. Revenue recognition

Revenue comprises sale of WTGs and wind power systems, service income, interest, dividend and royalty. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The company collects sales taxes, service tax, value added taxes (VAT) as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Sales

Revenue from sale of goods is recognised in the statement of profit and loss, when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Fixed price contracts to deliver wind power systems (turnkey and projects involving installation and/or commissioning apart from supply) are recognised in revenue based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

Due from customers, if any, are measured at the selling price of the work performed based on the stage of completion less interim billing and expected losses. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The value of self-constructed components is recognised in 'Contracts in progress' upon dispatch of the complete set of components which are specifically identified for a customer and are within the scope of supply, as per the terms of the respective sale order for the wind power systems. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the selling price of a contract cannot be estimated reliably, the selling price is measured only on the expenses incurred to the extent that it is probable that these expenses will be recovered. Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

Operation and maintenance income

Revenues from operation and maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

Project execution income

Revenue from services relating to project execution is recognised on completion of respective service, as per terms of respective sales order.

Power generation income

Power generation income is recognised based on electrical units generated and sold, net of wheeling and transmission loss, as applicable, as disclosed in the power generation reports issued by the concerned authorities.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of interest charged to customers, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.

Dividend income

Dividend income from investments is recognised when the right to receive payment is established.

l. Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year end rates.

iii. Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company treats a foreign currency monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the “Foreign Currency Monetary Item Translation Difference Account” and amortized over the remaining life of the concerned monetary item. It is presented as a part of “Reserves and surplus”.

3. The Group treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

4. All other exchange differences are recognized as income or as expense in the period in which they arise.

In case of exchange differences adjusted to the cost of fixed assets or arising on long-term foreign currency monetary items, the company does not consider exchange differences as an adjustment to the interest cost.

iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

m. Derivatives

As per the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis and the net loss after considering the offsetting effect on the underlying hedge items is charged to the statement of profit and loss. Net gains on marked to market basis are not recognised.

n. Retirement and other employee benefits

Defined contributions to provident fund and employee state insurance are charged to the statement of profit and loss of the year, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the statement of profit and loss on accrual basis.

Retirement benefits in the form of gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are taken to the statement of profit and loss and are not deferred.

o. Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

p. Employee stock options

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Employee stock options outstanding" account in "Reserves and surplus". The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

q. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

r. Provisions

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. 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 estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

t. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

u. Measurement of EBITDA and EBIT

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956 read with section 133 of the Companies Act, 2013 and General Circular No.8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs, the Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation expense from EBITDA to measure EBIT.

3. Corporate debt restructuring:

During the financial year ended March 31, 2013, the Company along with its 7 identified domestic subsidiaries viz : Suzlon Structures Limited (‘SSL’), Suzlon Power Infrastructure Limited (‘SPIL’), Suzlon Generators Limited (‘SGL’), Suzlon Gujarat Wind Park Limited (‘SGWPL’), SE Electricals Limited (‘SEEL’), Suzlon Wind International Limited (‘SWIL’) and SE Blades Limited (‘SEBL’) hereinafter collectively referred to as the ‘Borrowers’ and individually as the ‘Borrower’, had availed various financial facilities from the secured lenders under the Corporate Debt Restructuring Proposal, which was approved by the CDR Empowered Group (‘CDR EG’). The Master Restructuring Agreement (‘MRA’) between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of October 01, 2012.

The key features of the CDR Proposal are as follow:

a. Repayment of Restructured Term Loans (‘RTL’) after moratorium of 2 years from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022.

b. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan (‘WCTL’). Repayment of WCTL after moratorium of 2 years from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.

c. Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.

d. Interest accrued but not paid on certain financial facilities till cut off date shall be converted into Funded Interest Term Loan (‘FITL’). The interest payable on RTL and WCTL during moratorium period of 2 years from cut off date shall also be converted to FITL. FITL shall be considered as convertible facilities which shall be converted into equity shares or compulsorily convertible debentures (CCDs) in accordance with MRA.

e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities shall be 11% with reset option in accordance with MRA.

f. Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.

g. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.

h. The Company to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date at the price agreed in compliance with Securities and Exchange Board of India, if demanded by CDR Lenders.

i. Contribution of Rs 250.00 Crore in the Company by promoters, their friends, relatives and business associates in lieu of bank sacrifice in the form of equity shares / CCDs including conversion of existing promoter’s loan of Rs 145.00 Crore into equity shares / CCDs at the price agreed in compliance with Securities and Exchange Board of India.

In case of financial facilities availed from the non-CDR Lenders, the terms and conditions shall continue to be governed by the provisions of the existing financing documents.

Expenditure on restructuring and refinancing of earlier financial facilities aggregating Rs 70.86 Crore has been charged off and disclosed under exceptional items during the financial year ended March 31, 2013.

During the year ended March 31, 2014, pursuant to approval of CDR EG, the borrowers approached CDR and non-CDR lenders seeking financial assistance to bridge the shortfall in working capital facilities assessed during preparation of CDR Proposal, by offering priority repayment against the specific receivables being financed by them along with sharing of securities under CDR Package, and accordingly the Company has availed loans against project specific receivables.

During the year ended March 31, 2014, the Company agreed a restructuring proposal with Power Finance Corporation (‘PFC’) which is a non- CDR lender, subject to CDR EG approval. As per the restructuring, the Company converted certain portion of interest accrued to FITL - I and FITL – II. Repayment of outstanding term loan and FITL - I to PFC shall be in accordance with the CDR proposal and MRA. Repayment of FITL – II shall be made in 12 quarterly instalments from December 2022 to September 2025.

4. As per the MRA executed by the Borrowers and the CDR lenders during the financial year ended March 31, 2013 as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. Further, as mentioned in Note 3 to the financial statement, the Company has an obligation to issue equity shares in lieu of the sacrifice for the first 3 years from cut-off date, if demanded by lenders. In case of lenders who have exercised this right the value of equity shares issued has been shown as equity share capital/share application money received, and this cost is amortised over the period of sacrifice. In case of lenders who have not exercised this right, the amount has been shown as contingent liability. The aggregate outstanding sacrifice made by CDR Lenders as per the MRA is approximately Rs 281.93 Crore (Rs 103.06 Crore) for the Company and Rs 365.33 Crore (Rs 129.32 Crore) for the borrowers.

5. The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,250.44 Crore) in respect of its unsecured FCCBs which were due in October 2012 (“October 2012 FCCBs”). This default triggered a cross default under the Company’s other existing unsecured FCCBs aggregating USD 90 million (Rs 539.24 Crore) and USD 175 million (Rs 1,048.51 Crore), (which otherwise were due in 2014 and 2016 respectively) (the “2014 and 2016 FCCBs”) and accordingly these triggered potential acceleration of payments, if were demanded by a specified proportion of the 2014 and/or 2016 FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs and accordingly USD 175 million (Rs 1,048.51 Crore) has been classified as non-current liability. The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2014.

On May 03, 2014, the Company entered into a standstill agreement with an adhoc committee of FCCB holders for a cashless exchange of its existing October 2012 FCCB's, 2014 FCCB's and 2016 FCCB's. The new FCCB's are expected to have maturity period of five years and a conversion price of Rs 15.46. Further, the new FCCB's will be interest bearing and no premium will be payable on redemption. However this agreement is subject to various approvals, including approval of Reserve Bank of India. The Company is in the process of restructuring of FCCBs. The Company is also taking various other steps to reduce costs, improve efficiencies to make its operations profitable and to arrange sufficient funds for its operations. Pending the final outcome of restructuring, though there exists material uncertainty these financial statements have been prepared on the basis that the Company will continue as a going concern, and no adjustments have been made to the carrying values or classification of assets and liabilities.

6. On March 29, 2014, the Company sold its Operation and Maintenance ("OMS") Business Undertaking to one of its subsidiaries, Suzlon Global Services Limited ('SGSL') (formerly SISL Green Infra Limited) on a slump sale basis as part of its strategic reorganisation and its initiatives for realising business efficiencies for a consideration of Rs 2,000.00 Crore based on a valuation done by an independent firm of valuers. The amount receivable from SGSL aggregating Rs 2,000.00 Crore has been shown under "Other assets" in the Balance sheet, and the gain on sale of this division aggregating Rs 1,922.92 Crore has been shown as "Exceptional items" in the statement of profit and loss. The financial statement as at and for the year ended March 31, 2014 are to that extent not comparable with the financial statements of the prior periods presented.

Following are the details of amounts pertaining to OMS division which have been included in the statement of profit and loss:

	April 1, 2013 March 28, 2014
Revenues	651.38
EBITDA	197.48

Following are the details of net assets pertaining to OMS division to SGSL as on the date of transfer:

	March 28, 2014
Fixed assets	77.60
Current assets	329.75
Less : Current liability	203.10
Less : Provisions	127.17
Total net assets transferred	**77.08**

7. (i) Share capital

Authorised

	March 31, 2014	**March 31, 2013**
5,500,000,000 (3,500,000,000) equity shares of Rs 2/- each	1,100.00	700.00
	1,100.00	**700.00**

Issued

	March 31, 2014	**March 31, 2013**
2,507,078,158 (1,796,297,624) equity shares of Rs 2/- each	501.42	359.26
	501.42	**359.26**

Subscribed and fully paid-up

	March 31, 2014	**March 31, 2013**
2,488,146,181 (1,777,365,647) equity shares of Rs 2/- each	497.63	355.47
	497.63	**355.47**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	March 31, 2014		**March 31, 2013**	
	Number of Shares (Crore)	**Rs in Crore**	**Number of Shares (Crore)**	**Rs in Crore**
At the beginning of the year	177.74	355.47	177.74	355.47
Issued during the year	71.07	142.16	–	–
Outstanding at the end of the year	**248.81**	**497.63**	**177.74**	**355.47**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 2 each. Each holder of equity shares is entitled to one vote per share except for the underlying depository shares held against the Global Depository Receipts ('GDRs').

Holders of the GDR have no voting rights with respect to the equity shares represented by the GDRs. Deutsche Bank Trust Company Americas (the 'Depository'), which is the shareholder on record in respect of the equity shares represented by the GDRs, will not exercise any voting rights in respect of the equity shares against which GDRs are issued, unless it is required to do so by law. Equity shares which have been withdrawn from the Depository facility and transferred on the Company's register of members to a person other than the Depository, ICICI Bank Limited (the 'Custodian') or a nominee of either the Depository or the Custodian may be voted by the holders thereof.

As regard the shares, which did not have voting rights as on March 31, 2014 are GDRs – 1,791,178 / (equivalent shares – 7,164,712) and as on March 31, 2013 are GDRs – 1,023,173 / (equivalent shares – 4,092,692).

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2014	March 31, 2013
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	3.20	3.20

In addition, the Company has issued 32,000 shares (March 31, 2013: 1,393,000 shares) during the period of five years immediately preceding the reporting date, on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

d. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, Note 28(b), under heading of "Closing balance".

For details of shares reserved for issue on conversion of FCCBs, refer Note 9 (II) (a) for terms of conversion / redemption.

For details of shares reserved for issue on conversion of Funded Interest Term Loan into equity shares or compulsory convertible debentures and issue of equity shares in lieu of sacrifice of the CDR Lenders, refer Note 3(d) for terms of conversion.

For details of shares reserved for issue on conversion of existing promoter loans and promoter contribution in lieu of bank sacrifice and to certain vendors, refer Note 3(i).

e. Details of shareholders holding more than 5% equity shares in the Company:

Name of the shareholder	**March 31, 2014**	
	Number of shares (Crore)	**% holding**
(Equity shares of Rs 2 each fully paid)		
IDBI Bank Limited	16.26	6.53%
Sugati Holdings Private Limited	18.47	7.42%
Tanti Holdings Private Limited	15.46	6.21%

Name of the shareholder	**March 31, 2013**	
	Number of shares (Crore)	**% holding**
(Equity shares of Rs 2 each fully paid)		
Mr. Girish R. Tanti	10.00	5.63%
Tanti Holdings Private Limited	15.46	8.70%
Morgan Stanley Asia (Singapore) PTE	12.27	6.90%

Note : As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(ii) Share application money pending allotment

Sr. No.	Allottee	No. of shares (Crore)	Amount per share	Aggregate amount
1	CDR lenders	6.92 (30.24)	18.51 (18.51)	128.04 (559.67)
2	Specified vendors	3.24 (–)	10.48 (–)	33.98 (–)
3	Samimeru Windfarm Private Limited	– (1.19)	– (18.51)	– (22.00)

(iii) Issue of shares / CCDs post March 31, 2014

Apart from the amount shown as share application money as on March 31, 2014, the Company issued following equity shares / CCDs post March 31, 2014 on preferential basis:

Sr. No.	Allottee	No. of shares (Crore)	Amount per share	Aggregate amount
1	Samimeru Windfarm Private Limited	1.53	10.48	16.00
2	Specified vendor	2.02	10.48	21.15
3	Promoters	4.29	10.48	45.00
4	Promoters (arising out of conversion of CCDs)	3.48	13.49	47.00
5	Specified employees (arising out of ESPS 2014)	1.01	8.10	8.18

8. Reserves and surplus

		March 31, 2014	March 31, 2013
a.	**Capital reserve**	**23.30**	**23.30**
b.	**Capital redemption reserve**	**15.00**	**15.00**
c.	**Securities premium account**		
	As per last balance sheet	4,269.47	4,477.60
	Add : Additions during the year	1,034.59	–
		5,304.06	**4,477.60**
	Less: Proportionate premium payable on redemption of FCCBs	(110.95)	(208.13)
		5,193.11	**4,269.47**
d.	**Employee stock options outstanding**		
	Employee stock options outstanding	9.54	14.10
	Less: Deferred employee stock compensation outstanding	–	(0.01)
		9.54	**14.09**
e.	**Foreign currency monetary item translation difference account**	**100.53**	**(149.99)**
f.	**General reserve**		
	As per last balance sheet	853.16	847.54
	Add : Transfer from employee stock option outstanding	–	5.62
		853.16	**853.16**
g.	**Statement of profit and loss**		
	As per last balance sheet	(3,103.84)	(114.04)
	Add: Loss for the year	(924.47)	(2,989.80)
	Net deficit in the statement of profit and loss	**(4,028.31)**	**(3,103.84)**
Total		**2,166.33**	**1,921.19**

9. Long-term borrowings

		March 31, 2014	March 31, 2013
Secured			
(i)	Term loans from		
	Banks	3,472.23	3,386.52
	Financial institutions	1,598.71	1,338.74
		5,070.94	**4,725.26**
Unsecured			
(i)	Foreign currency convertible bonds	**1,048.51**	**1,438.75**
Total		**6,119.45**	**6,164.01**

I. **The details of security for the secured loans are as follows:**

(i) In case of financial facilities from CDR lenders in accordance with MRA and non-CDR lenders, RTL, WCTL, FITL aggregating Rs 5,301.24 Crore (Rs 4,964.31 Crore) of which Rs 5,070.93 Crore (Rs 4,725.25 Crore) classified as long term borrowing and Rs 230.31 Crore (Rs 239.06 Crore) classified as current maturities of long term borrowing, fund based working capital facilities of Rs 1,768.48 Crore (Rs 1,543.33 Crore) and non fund based working capital facilities are secured by first pari passu charge on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 7 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion SE ("Senvion"), negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.

(ii) Vehicle loan of Rs Nil (Rs 0.06 Crore), of which Rs Nil (Rs 0.06 Crore) classified as current portion of long term borrowing is secured against vehicle under hire purchase contract.

(iii) Rs 447.30 Crore (Rs Nil) secured by way of priority repayment against the specific receivables being financed by certain lenders along with sharing of securities under CDR Package.

II. **Foreign currency convertible bonds**

a. **Initial terms of issue**

Following are initial key terms of bonds at the time of issue:

Particulars	Phase II	Phase II (New)	Phase III	Phase IV
Issue date	October 10, 2007	October 10, 2007	July 24, 2009	April 12, 2011
Issue size (USD)	200 million	20.80 million	90 million	175 million
Issue size (Rs in Crore)	786.20	81.75	452.64	776.83
Face value per bond (in USD)	1,000	1,000	1,000	2,00,000
No. of equity shares per bond	458.56	458.56	533.28	165,108.31
Initial conversion price per share(Rs)	97.26	97.26	90.38	54.01
Fixed exchange rate (Rs/USD)	44.60	44.60	48.20	44.59
Redemption amount as a % of principal amount (%)	144.88	157.72	134.20	108.70
Maturity date	October 11, 2012	October 11, 2012	July18,2014	April 06,2016

b. **Recent development**

On May 03, 2014, the Company entered into a standstill agreement with an ad-hoc committee of FCCB holders for a cashless exchange of its existing Phase II, Phase II (new), Phase III and Phase IV bonds for a new proposed FCCB. The new FCCB's are expected to have maturity period of five years and a conversion price of Rs 15.46. Further, the new FCCB's will be interest bearing and no premium will be payable on redemption. However, this agreement is subject to various approvals, including approval of Reserve Bank of India.

c. **Redemption premium**

The Phase II, Phase II (new), Phase III and Phase IV bonds are redeemable subject to satisfaction of certain conditions mentioned in the respective offering circular and hence have been designated as monetary liability.

During the year ended March 31, 2014, the Company provided for the proportionate redemption premium of Rs 110.95 Crore (March 31, 2013: Rs 208.13 Crore) by adjusting the same against the securities premium account. Following are the scheme-wise details of the redemption premium as of the year end date:

Rs in Crore

Phase II	March 31, 2014	March 31, 2013
Phase I	326.59	295.95
Phase II (new)	72.08	65.31
Phase III	171.18	118.36
Phase IV	49.66	28.94
Total	**619.51**	**508.56**

I. The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2014 is as below :

Particulars	March 31, 2014		March 31, 2013	
	Amount (Rs Crore)	Period of delay in days	Amount (Rs Crore)	Period of delay in days
Repayment of phase II and phase II (new) bonds including redemption premium	1,250.44	Up to 545 days	1,133.10	Up to 180 days
Repayment of term loan	–	–	39.73	Up to 90 days
Payment of interest	29.96	Up to 59 days	76.95	Up to 180 days
Letters of credit / buyers' credit / devolvement	28.95	Up to 165 days	–	–

II. The details of repayment of long term borrowings are as follow :

Particulars	Up to 1 Year	2 to 5 Years	Above 5 Years	Total
Secured loans	230.31 (239.11)	2,925.30 (2,947.08)	2,145.63 (1,778.18)	5,301.24 (4,964.37)
Unsecured loans	1,492.66 (1,033.84)	1,048.51 (1,438.75)	– –	2,541.17 (2,472.59)
Total	**1,722.97** **(1,272.95)**	**3,973.81** **(4,385.83)**	**2,145.63** **(1,778.18)**	**7,842.41** **(7,436.96)**

The rate of interest on the long term borrowings ranges between 11.00% p.a. to 15.00% p.a., during the year, depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks.

10. Provisions

	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Employee benefits	31.52	40.08	17.48	26.74
Performance guarantee, operation, maintenance and warranty and liquidated damages	58.16	46.23	374.16	402.16
Provision for FCCB redemtion premium	49.66	147.30	171.18	–
Total	**139.34**	**233.61**	**562.82**	**428.90**

In pursuance of Accounting Standard-29 (AS-29) 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	Performance guarantee	Operation, maintenance and warranty	liquidated damages
Opening balance	**149.06**	**144.73**	**154.60**
	(139.02)	(236.11)	(104.61)
Additions during the year	**54.43**	**186.59****	**33.34**
	(48.52)	(13.71)	(88.84)
Utilisation	**37.82**	**101.22***	**37.90**
	(38.48)	(105.09*)	(38.85)
Reversal	75.61	(–)	(–)
	(–)	(–)	(–)
Transferred to SGSL on account of sale	37.88	–	–
	(–)	(–)	(–)
Closing balance	**52.18**	**230.10**	**150.04**
	(149.06)	(144.73)	(154.60)

*includes expenditure booked under various expenditure heads by their nature.

** This includes amount of Rs 52.09 Crore towards prior period expenses.

Performance guarantee ('PG') represents the expected outflow of resources against claims for performance shortfall expected in future over the life of the guarantee assured. The period of performance guarantee varies for each customer according to the terms of contract. The key assumptions in arriving at the performance guarantee provisions are wind velocity, plant load factor, grid availability, load shedding, historical data, wind variation factor etc.

Operation, maintenance and warranty ('O&M') represents the expected liability on account of field failure of parts of WTG and expected expenditure of servicing the WTGs over the period of free operation, maintenance and warranty, which varies according to the terms of each sales order.

Liquidated damages ('LD') represents the expected claims which the Company may need to pay for non-fulfilment of certain commitments as per the terms of the respective sales/purchase contracts. These are determined on a case to case basis considering the dynamics of each contract and the factors relevant to that sale.

The figures shown against 'Utilisation' represent withdrawal from provisions credited to statement of profit and loss to offset the expenditure incurred during the year and debited to statement of profit and loss.

11. Short-term borrowings

	March 31, 2014	March 31, 2013
Secured		
Working capital facilities from banks	1,979.33	1,543.35
Working capital facilities from financial institutions	236.45	–
Total	**2,215.78**	**1,543.35**

The rate of interest on the working capital loans from banks ranges between 11% p.a. to 13.25% p.a. depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks. For details of security given for short term borrowings, refer Note 9 (I) above.

12. Other current liabilities

	Non-Current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current maturities of long-term borrowings	–	–	1,722.97	1,272.95
Interest accrued but not due on borrowings	–	–	35.82	28.87
Interest accrued and due on borrowings	–	–	95.15	27.99
Unclaimed dividend	–	–	0.16	0.17
Income received in advance	–	–	–	65.32
Advance from customer	–	10.00	415.46	930.41
Premium payable on redemption of FCCBs	–	–	398.67	361.26
Others*	15.70	20.01	641.01	543.75
Total	**15.70**	**30.01**	**3,309.24**	**3,230.72**

* Primarily includes statutory dues, refundable deposits, and accruals.

13. Tangible assets and intangible assets

Assets	Gross block					Depreciation / amortisation					Net block	
	As at April 1, 2013	Additions	Deductions/ adjustments	Sale of OMS Business	As at March 31, 2014	As at April 1, 2013	Additions	Deductions/ adjustments	Sale of OMS business	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible assets												
Freehold land	102.67	–	–	0.66	102.10	–	–	–	–	–	102.10	102.76
Leasehold land	2.15	–	–	–	2.15	0.21	0.03	–	–	0.25	1.89	1.94
Buildings	479.85	3.31	–	36.56	446.61	168.46	22.77	–	15.84	175.39	271.21	311.39
Plant and machinery	505.78	21.34	75.05	95.22	356.83	333.51	37.56	60.98	49.62	260.45	96.38	172.27
Wind research and measuring equipments	72.87	2.40	7.82	–	67.45	46.43	13.52	6.18	–	53.76	13.69	26.44
Computers and office equipments	192.32	0.89	0.38	19.32	173.50	123.82	14.56	0.33	13.96	124.10	49.40	68.49
Furniture and fixtures	159.02	0.74	0.28	7.79	151.70	84.39	13.67	0.25	5.34	92.46	59.24	74.65
Vehicles	8.95	–	0.44	2.25	6.25	7.33	0.41	0.40	1.88	5.45	0.80	1.62
Total tangible assets	**1,523.70**	**28.68**	**83.98**	**161.81**	**1,306.59**	**764.15**	**102.52**	**68.14**	**86.65**	**711.87**	**594.72**	**759.56**
Previous year	*1,507.27*	*47.42*	*30.98*	–	*1,523.71*	*656.02*	*129.12*	*20.99*	–	*764.15*	*759.56*	**851.25**
Intangible assets												
Design and drawings	394.86	7.35	–	17.46	384.74	211.14	68.98	–	16.93	263.24	121.51	183.71
SAP and other software	27.89	0.28	–	5.29	22.88	22.83	2.50	–	5.28	19.99	2.89	5.08
Total intangible assets	**422.74**	**7.63**	–	**22.75**	**407.62**	**233.97**	**71.48**	–	22.21	**283.22**	**124.40**	**188.79**
Previous year	*264.58*	*158.18*	–	–	*422.76*	*148.55*	*85.42*	–	–	*233.97*	*188.79*	*116.03*

The details of fixed assets held for disposal forming part of and included in tangible assets schedule.

Assets	As at March 31, 2014			Depreciation for the year
	Gross block	Accumulated depreciation	Net block	
Tangible assets				
Freehold land	13.52	–	13.52	–
Buildings	97.58	54.16	43.42	4.77
Plant and machinery	100.38	81.69	18.69	3.86
Computers and office equipments	7.60	6.08	1.52	0.30
Furniture & fixtures	5.09	3.89	1.20	0.18
Vehicles	0.55	0.52	0.03	0.01
Total tangible assets	**224.72**	**146.34**	**78.38**	**9.12**
Previous year	264.83	166.79	98.04	17.07

14. Investments

Particulars	March 31, 2014	March 31, 2013
Non current investments		
Unquoted		
Non-trade investments (valued at cost unless stated otherwise)		
Government and other securities (Non trade)		
Security Deposit with Government Departments	0.01	0.01
	0.01	**0.01**
Trade investment in subsidiaries		
Indian		
14,524,600 (14,524,600) equity shares of Rs 10 each of Suzlon Structures Limited	17.80	17.80
46,882,430 (46,882,430) equity shares of Rs 10 each of Suzlon Generators Limited	46.88	46.88
45,915,359 (45,915,359) equity shares of Rs 10 each of Suzlon Gujarat Windpark Limited	45.92	45.92
Less: Provision for diminution in value of investment	(45.92)	(45.92)
3,010,000 (3,010,000) equity shares of Rs 10 each of Suzlon Power Infrastructure Limited	3.01	3.01
Less: Provision for diminution in value of investment	(3.01)	(3.01)
10,000,000 (10,000,000) equity shares of Rs 10 each of SE Electrical Limited	10.00	10.00
10,000,000 (10,000,000) equity shares of Rs 10 each of Suzlon Wind International Limited	10.00	10.00
Less: Provision for diminution in value of investment	(10.00)	(–)
15,000,000 (15,000,000) equity shares of Rs 10 each of SE Blades Limited	15.00	15.00
Less: Provision for diminution in value of investment	(15.00)	(15.00)
49,000 (50,000) equity shares of Rs 10 each of Suzlon Global Services Ltd. (formerly SISL Green Infra Limited)	0.05	0.05
800,000 (Nil) equity shares of Rs 10 each of SE Solar Limited.	0.80	–
Less: Provision for diminution in value of investment	(0.80)	(–)
750,000 (7,50,000) 8% cumulative redeemable preference shares of Rs 100 each of Suzlon Structures Limited	7.50	7.50
19,329,550 (19,329,550) 9% cumulative redeemable preference shares of Rs 100 each of Suzlon Wind International Ltd.	193.30	193.30
Less: Provision for diminution in value of investment	(186.00)	(–)
8,590,000 (8,590,000) 9% cumulative redeemable preference shares of Rs 100 each of SE Electrical Ltd	85.90	85.90
52,398,000 (52,398,000) 9% cumulative redeemable preference shares of Rs 100 each of SE Blades Limited	523.98	523.98
Less: Provision for diminution in value of investment	(299.98)	(90.00)
10,327,817 (10,327,817) 3% compulsory convertible preference shares of Rs 10 each of Suzlon Generators Limited	10.32	10.32
20,000,000 (20,000,000) 9% cumulative redeemable preference shares of Rs 100 each of Suzlon Gujarat Windpark Limited	200.00	200.00
Less: Provision for diminution in value of investment	(200.00)	(200.00)
	409.75	**815.73**

Particulars	March 31, 2014	March 31, 2013
Overseas		
244,000 (244,000) equity shares of 10 Euro each fully paid up of AE Rotor Holding B.V., The Netherlands	13.15	13.15
19,114,864 (19,114,864) equity shares of 1 Euro each fully paid up of Suzlon Energy A/S, Denmark [Euro 59,770,000 (Euro 59,770,000) invested as additional paid up capital]	503.72	503.72
Less: Provision for diminution in value of investment	(503.72)	(503.72)
1,000 (1,000) equity shares of 1 USD each fully paid up of Suzlon Rotor Corporation, USA [USD 27,999,000 (USD 27,999,000) invested as additional paid up capital]	116.47	116.47
Less: Provision for diminution in value of investment	(116.47)	(116.47)
Suzlon Energy (Tianjin) Limited, China	58.33	58.33
4,890,621,979 (4,890,621,979) equity shares of 10 MUR each of Suzlon Energy Limited, Mauritius	7,245.62	7,245.62
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Limited , China	10.11	10.11
Less: Provision for diminution in value of investment	(6.91)	(6.91)
	7,320.30	**7,320.30**
Other than subsidiaries		
7,550 (7,550) equity shares of Rs. 10 each of Saraswat Co-operative Bank Ltd	0.01	0.01
30 (30) equity shares of Rs 10 of Godrej Millenium Condominium*	0.00	0.00
	0.01	**0.01**
Total	**7,730.07**	**8,136.05**
* Amount below Rs 0.01 crore		
Current investments		
Trade investment in subsidiaries		
241,254,125 (241,254,125) equity shares of Rs 10 each of SE Forge Limited	566.96	391.96
Less: Provision for diminution in value of investment	(566.96)	(150.00)
Suzlon Energy (Tianjin) Limited, China	–	174.97
Total	**–**	**416.93**
Aggregate amount of unquoted investments	7,730.07	8,552.98
Aggregate provision for diminution in value of investment	(1,954.77)	(1,131.03)

15. Loans and advances

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Capital advances				
Unsecured, considered good	0.03	2.69	–	–
(a)	**0.03**	**2.69**	**–**	**–**
Security deposits				
Unsecured, considered good	32.35	36.45	11.19	7.69
(b)	**32.35**	**36.45**	**11.19**	**7.69**
Loans and advances to related parties*				
Unsecured loans to subsidiaries	3,212.76	2,372.51	1,108.12	957.01
Less: Adjustment for interest derecognition as per AS-9**	153.20	–	–	–
	3,059.56	**2,372.51**	**1,108.12**	**957.01**
Unsecured, security deposits	30.00	61.48	34.48	3.00
Advances for goods and services	–	50.00	654.49	383.92
Unsecured, considered doubtful	601.77	355.00	–	–
Less: Provision for diminution in loans	(601.77)	(355.00)	–	–
(c)	**3,089.56**	**2,483.99**	**1,797.09**	**1,343.93**
Advances recoverable in cash or in kind				
Unsecured, considered good	2.58	1.57	99.56	119.39
Unsecured, considered doubtful	22.62	30.42	–	–
	25.20	**31.99**	**99.56**	**119.39**
Less : Allowance for bad and doubtful advances	22.62	30.42	–	–
(d)	**2.58**	**1.57**	**99.56**	**119.39**
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provisions)	14.72	9.76	17.79	23.88
Other assets	–	–	23.12	57.25
(e)	**14.72**	**9.76**	**40.91**	**81.13**
Total (a+b+c+d+e)	**3,139.24**	**2,534.46**	**1,948.75**	**1,552.14**

*Refer note 32

**This amount pertains to interest on loans to Indian subsidiaries aggregating to Rs 145.59 Crore (Rs Nil) and to foreign subsidiaries aggregating to Rs 7.61 Crore (Rs Nil) which has been derecognized from the statement of profit and loss on account of uncertainty towards recoverability of the amount.

16. Trade receivables and other assets

16.1 Trade receivable

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured				
Outstanding for a period exceeding six months from due date				
Considered good*	–	0.04	888.80	638.76
Considered doubtful	45.87	60.36	–	–
	45.87	**60.40**	**888.80**	**638.76**
Other receivable	–	–	659.08	947.49
	45.87	**60.40**	**1,547.88**	**1,586.25**
Provision for doubtful receivables	45.87	60.36	–	–
Total	**–**	**0.04**	**1,547.88**	**1,586.25**

*Current trade receivables includes receivables from subsidiaries of Rs 742.48 Crore (Rs 569.86 Crore).

16.2 Other assets

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, considered good unless stated otherwise				
Non-current bank balances	138.24	134.10	–	–
Prepaid compensation in lieu of bank sacrifice	22.83	68.49	45.66	45.66
Ancillary cost of arranging the borrowings	21.61	30.83	9.22	9.22
Receivable towards sale of business	–	–	2,000.00	–
Receivable towards sale of investment	–	–	52.37	–
Other current assets*	77.43	86.76	334.86	395.81
Interest receivable	–	–	6.79	6.92
Total	**260.11**	**320.18**	**2,448.90**	**457.61**

*The Company incurs expenditure on development of infrastructure facilities for power evacuation arrangements as per authorization of the State Electricity Boards ('SEB')/Nodal agencies in Maharashtra and Tamil Nadu. The expenditure is reimbursed, on agreed terms, by the SEB/Nodal agencies. In certain cases, the Company recovers the cost from customers in the ordinary course of business. The cost incurred towards development of infrastructure facility inventory is reduced by the reimbursements received from SEB/Nodal agencies and the net amount is shown as 'Infrastructure Development Asset' under other current assets. The excess of cost incurred towards the infrastructure facilities net of reimbursement received from SEB/Nodal agencies/customers is charged to statement of profit and loss as infrastructure development expenses. Other current assets include Rs 366.63 Crore as at March 31, 2014 towards infrastructure development which is similar in nature of power evacuation inventory.

17. Inventories (valued at lower of cost and net realisable value)

	March 31, 2014	March 31, 2013
Raw materials [including goods in transit of Rs 109.87 Crore (Rs 131.23 Crore)]	314.67	623.31
Semi-finished goods and work- in- progress(including goods in transit of Rs 77.35 Crore (Rs 226.72 Crore)	364.35	847.26
Land and land lease rights	25.24	19.07
Stores and spares	36.73	52.42
Total	**740.99**	**1,542.06**

18. Cash and bank balances

	March 31, 2014	March 31, 2013
Balances with banks:		
In current accounts	59.95	138.14
Unpaid dividend	0.16	0.17
Other bank balances	0.28	0.50
Cash on hand	0.18	0.36
Total	**60.57**	**139.17**

19. Revenue from operations

	March 31, 2014	March 31, 2013
Sale of wind turbines and other components	2,364.13	1,096.62
Excisable sales	0.14	–
Less : Excise duty	(0.02)	–
	2,364.25	–
Sale of services	651.38	638.46
Scrap sales	20.72	13.03
Total	**3,036.36**	**1,748.11**

Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'

	March 31, 2014	March 31, 2013
Contract revenue recognised during the period	272.27	341.46
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	521.83	530.67
Amount of customer advances outstanding for contracts in progress up to the reporting date	–	5.52
Retention amount due from customers for contract in progress up to the reporting date	–	–
Due from customers	–	–
Due to customers	22.00	14.23

20. Cost of raw material and components consumed

		March 31, 2014	March 31, 2013
Consumption of raw materials (including project business)			
Opening inventory		623.31	885.79
Add : Purchases including bought out components		1,373.10	1,436.97
		1,996.41	**2,322.76**
Less : Closing inventory		314.67	623.31
		1,681.74	**1,699.45**
Purchase of traded goods		**36.74**	**72.78**
Changes in inventories of finished goods, work-in-progress and stock-in-trade (Increase) / decrease in stocks:			
Opening inventory			
Finished, semi-finished goods and work- in- progress		847.26	525.30
Land and land lease rights		19.07	20.67
	(A)	**866.33**	**545.97**
Closing inventory			
Finished, semi-finished goods and work- in- progress		364.35	847.26
Land and land lease rights		25.24	19.07
	(B)	**389.59**	**866.32**
(Increase)/ decrease in stocks	**(C) = (A) - (B)**	**476.73**	**(320.35)**

21. Employee benefits expense

	March 31, 2014	March 31, 2013
Salaries, wages, allowances and bonus	233.63	227.78
Contribution to provident fund and other funds	13.37	14.09
Employee stock option scheme	(4.56)	0.60
Staff welfare expenses	13.26	14.98
Total	**255.70**	**257.45**

22. Other expenses

	March 31, 2014	March 31, 2013
Stores and spares consumed	22.73	41.66
Power and fuel	2.75	3.55
Factory and site expenses	5.60	10.65
Repairs and maintenance:		
Plant and machinery	0.83	2.01
Building	2.48	3.00
Others	20.26	14.58
Operation and maintenance charges	11.01	103.60
Design change and technical upgradation charges	1.31	17.94
Rent	11.76	17.80
Rates and taxes	3.72	1.05
Performance guarantee expenditure (refer note 10)		
Expenses incurred during the year	37.82	38.48
Provision made during the year	(21.18)	48.52
Less: Amount withdrawn from provision	(37.82)	(38.48)
Liquidated damages expenditure (refer note 10)		
Expenses incurred during the year	37.90	38.85
Provision made during the year	33.34	88.84
Less: Amount withdrawn from provision	(37.90)	(38.85)
Operation, maintenance and warranty expenditure (refer note 10)	42.73	(80.48)
Quality assurance expenses	59.99	99.36
R & D, certification and product development	31.69	60.41
Insurance	8.51	10.52
Advertisement and sales promotion	2.97	19.57
Infrastructure development expenses	14.36	4.80
Freight outward and packing expenses	209.42	235.10
Sales commission	6.12	2.48
Travelling, conveyance and vehicle expenses	42.47	46.07
Communication expenses	8.87	10.14
Auditors' remuneration and expenses (refer details below)	4.22	2.20
Consultancy charges	53.30	108.91
Charity and donations	0.24	0.13
Corporate social welfare expense	–	0.20
Security expenses	51.46	56.09
Miscellaneous expenses	38.40	58.22
Exchange differences, net	276.87	282.13
Bad debts written off	1.01	4.31
Provision for doubtful debts and advances	2.33	32.05
Loss on assets sold / discarded, net	8.06	11.14
Total	**957.63**	**1,316.55**

Payment to auditor:

	March 31, 2014	March 31, 2013
As auditor:		
Statutory audit fees	1.39	1.77
Tax audit fees	0.08	0.08
In other capacities:		
Certification and advisory services	2.37	0.30
Reimbursement of out of pocket expenses	0.38	0.05
Total	**4.22**	**2.20**

23. Finance costs

	March 31, 2014	March 31, 2013
Interest		
Fixed loans	632.49	493.68
Others	480.32	457.61
Bank charges	46.62	62.81
Compensation in lieu of bank sacrifice	45.66	22.83
Amortization of ancillary borrowing costs	9.22	15.26
Exchange difference to the extent considered as an adjustment to borrowing costs	6.88	34.22
Total	**1,221.19**	**1,086.41**

24. Finance income

	March 31, 2014	March 31, 2013
Interest income		
From banks on fixed deposits	11.97	21.79
From others	215.98	280.09
Dividend income	–	0.02
Total	**227.95**	**301.90**

25. Exceptional items

	March 31, 2014	March 31, 2013
Provision for diminution in value of loans and investments in subsidiaries	1,319.55	505.00
Loan to subsidiaries written off	250.00	–
Less: withdrawal from provision of earlier years	(250.00)	–
Loan to subsidiaries written off, net	–	–
Profit on sale of investment*	(34.98)	(4.15)
Profit on sale of O&M business (refer note 6)	(1,922.92)	–
Expenditure on restructuring and refinancing of financial facilities	–	70.86
Total	**(638.35)**	**571.71**

* During the year, the Company sold 75% of its stake in Suzlon Energy Tianjin Ltd, China ("SETL") and thus SETL ceased to be a wholly owned subsidiary of the Company. The Company holds 25% stake in SETL as on March 31, 2014. The profit on sale of investment in SETL has been shown under exceptional items.

26. Earnings per share (EPS)

	March 31, 2014	March 31, 2013
Basic		
Net profit / (loss) after tax	(924.47)	(2,989.80)
Weighted average number of equity shares	2,239,949,868	1,777,365,647
Basic earnings/(loss) per share of Rs 2 each	(4.13)	(16.82)
Diluted		
Net profit / (loss) after tax	(924.47)	(2,989.80)
Add: Interest on foreign currency convertible bonds (net of tax)	37.94	36.51
Interest on loan from promoters (net of tax)	12.36	13.63
Interest on share application money (net of tax)	–	0.43
Employee stock purchase scheme	1.77	–
Adjusted net loss after tax	(872.40)	(2,939.23)
Weighted average number of equity shares	2,239,949,868	1,777,365,647
Add: Potential weighted average equity shares that could arise on		
conversion of foreign currency convertible bonds**	261,629,546	398,746,880
conversion of loans from promoters	177,455,650	89,485,069
conversion of share application money	633,705	152,978,513
conversion of FITL	12,438	3,168,710
conversion of employee stock purchase scheme	12,301,100	–
Weighted average number of equity shares for diluted EPS	2,691,982,307	2,421,744,818
Diluted earnings/(loss) per share (Rs) of face value of Rs 2 each [see note below]*	(4.13)	(16.82)

*Since the earnings/ (loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/(loss) per share is the same.

** This does not include the impact of possible conversion of foreign currency convertible bonds arising out of the standstill agreement entered into with the bond holders as explained in Note 9 (II b).

27. **Post employment benefits**

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2014	March 31, 2013
Opening defined benefit obligation	25.90	24.29
Interest cost	1.93	1.98
Current service cost	4.27	4.78
Benefits paid	(4.17)	(2.53)
Actuarial (gains)/losses on obligation	(2.98)	(3.14)
Acquisition cost	(6.19)	0.52
Closing defined benefit obligation	18.76	25.90

Changes in the fair value of plan assets are as follows:

	March 31, 2014	March 31, 2013
Opening fair value of plan assets	19.20	13.11
Expected return	1.45	1.32
Contributions by employer*	–	6.78
Benefits paid	(4.17)	(2.53)
Actuarial gains / (losses)	(0.28)	–
Acquisition adjustment	(6.65)	0.52
Closing fair value of plan assets	9.55	19.20

* The contribution made by the employer during the year was Rs Nil (Rs 6.78 Crore) of which Rs Nil (Rs 6.78 Crore) was paid towards approved fund. The actual return on plan assets during the year was Rs 1.45 Crore (Rs 1.32 Crore).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2014	March 31, 2013
Investments in approved fund	100%	100%

Details of defined benefit obligation

		March 31, 2014	March 31, 2013
Defined benefit obligation	(A)	18.76	25.90
Fair value of plan assets	(B)	9.55	19.20
Present value of unfunded obligations	(C=A-B)	9.21	6.70
Less: Unrecognised past service cost	(D)	–	–
Plan liability/(asset)	(E=C-D)	9.21	6.70

Net employees benefit expense recognised in the statement of profit and loss:

	March 31, 2014	March 31, 2013
Current service cost	4.27	4.78
Interest cost on benefit obligation	1.93	1.98
Expected return on plan assets	(1.45)	(1.32)
Net actuarial (gain) / loss recognised in the year	(3.26)	(3.14)
Past service cost	Nil	Nil
Net benefit expense	1.49	2.30

Amounts for the current and previous periods are as follows:

	March 31,				
	2014	2013	2012	2011	2010
Defined benefit obligation	18.76	25.90	24.29	13.58	10.68
Plan assets	9.55	19.20	13.11	11.87	9.47
Surplus/(deficit)	(9.21)	(6.70)	(11.18)	(1.71)	(1.21)
Experience adjustments on plan liabilities	0.73	4.29	(2.36)	(0.92)	0.95
Experience adjustments on plan assets	0.28	–	0.43	(0.02)	0.05

The principal assumptions used in determining defined benefit obligation are shown below:

	March 31, 2014	March 31, 2013
Discount rate	9.25%	8.10%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	10% at younger ages and reducing to 1% at older age according to graduate scale	10% at younger ages and reducing to 1% at older age according to graduate scale

The estimated future salary increase considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

28. Employee stock option plans

a) The Company has provided various Employee Stock Option and Purchase Schemes to its employees. During the year ended March 31, 2014 the following schemes were in operation:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
Grant date	23-Nov-07	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	1-Apr-10	27-Apr-11	31-Jul-11	25-May-12	31-Mar-14
Board approval date	29-Jan-07	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	14-Feb-14
Shareholder approval	10-Mar-07	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	27-Mar-14
Options granted (Nos)	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000	12,301,100
Exercise Price (Rs)	192.20	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	72.70	54.35	54.15	20.85	8.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period												15-Apr-14
Tranche 1	23-Nov-08	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	1-Apr-11	27-Apr-12	1-Aug-12	26-May-13	
Tranche 2	23-Nov-09	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	1-Apr-12	27-Apr-13	1-Aug-13	26-May-14	
Tranche 3	23-Nov-10	–	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	1-Apr-13	27-Apr-14	1-Aug-14	26-May-15	
Vesting %												100%
Tranche 1	50%	75%	50%	50%	50%	50%	50%	33.33%	50%	50%	50%	–
Tranche 2	25%	25%	25%	25%	25%	25%	25%	33.33%	25%	25%	25%	–
Tranche 3	25%	–	25%	25%	25%	25%	25%	33.34%	25%	25%	25%	–
Exercise period (end date)	Till 23-Nov-2013	Till 21-May-2015	Till 5-Oct-2014	Till 30-Jan-2015	Till 28-July-2015	Till 30-Oct-2015	Till 21-Feb-2016	Till 31-Mar-2014	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017	Till 15-Apr-2014

b) The movement in the stock options during the year ended March 31, 2014 was below:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
Opening balance	225,500	996,000	4,793,654	135,000	100,000	50,000	–	7,099,500	50,000	40,000	25,000	–
Granted during the year	–	–	–	–	–	–	–	–	–	–	–	12,301,100
Forfeited/cancelled during the year	–	131,000	1,006,573	100,000	65,000	50,000	–	1,180,500	50,000	30,000	12,500	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	225,500	–	–	–	–	–	–	5,919,000	–	–	–	–
Closing balance	–	865,000	3,787,081	35,000	35,000	–	–	–	–	10,000	12,500	12,301,100
Exercisable at the end of the year (included in closing balance of option outstanding)	–	865,000	3,787,081	35,000	35,000	–	–	–	–	7,500	6,250	–

c) The movement in the stock options during the year ended March 31, 2014 was as per the table below:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (TrancheVII)	ESOP Perpetual-I (TrancheVIII)
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Opening balance	316,500	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000	–
Granted during the year	–	–	–	–	–	–	–	–	–	–	25,000
Forfeited / cancelled during the year	91,000	261,000	2,309,664	–	–	–	75,000	1,564,500	–	25,000	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	–	–	–	–	–	–	–	–	–	–	–
Closing balance	225,500	996,000	4,793,654	135,000	100,000	50,000	–	7,099,500	50,000	40,000	25,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	225,500	996,000	4,793,654	101,250	75,000	37,500	–	4,733,000	25,000	20,000	–

No options were exercised during the year.

d) Fair value of the options

The Company applies intrinsic value based method of accounting for determining compensation cost for Scheme II to Scheme XIII. Following are the details of the amounts that would have been charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)		ESOP Perpetual-I (Tranche II)		ESOP Perpetual-I (Tranche III)		ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS
	Scheme II	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
			Non-US	US	Non-US	US	Non-US	US							
Charge to profit and loss account	Nil	Nil	Nil		Nil		0.05		0.00	Nil	Nil	Nil	Nil	Nil	1.77
	Nil	Nil	(0.58)		(0.01)		(0.01)		(0.01)	Nil	Nil	(0.001)	(Nil)	(Nil)	(Nil)
Rate per option (Rs)	182.60	2.20	22.25	4.75	15.45	Nil	12.29	0.60	11.09	Nil	Nil	0.50	Nil	Nil	1.75
Black Scholes' Model - Cost per option (Rs)	249.11	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	29.12	24.50	22.67	9.25	1.77

If the cost per option was calculated based on the 'Black-Scholes' model, the loss after tax would have been higher by Rs 0.02 Crore (Rs 17.60 Crore).

Consequently the basic and diluted earnings/(loss) per share after factoring the above impact would be as follows:

Earnings per share	March 31, 2014	March 31, 2013
- Basic	(4.13)	(16.92)
- Diluted	(4.13)	(16.92)

29. Operating leases

a. Premises

The Company has taken certain premises under cancellable operating leases. However there is no escalation clause. Each renewal is at the option of lessee. There are no restrictions placed upon the company by entering into these leases. The total rental expense under cancellable operating leases during the period was Rs 11.26 Crore (Rs 16.54 Crore). The Company has also taken furnished/ unfurnished offices and certain other premises under non-cancellable operating lease agreement. The lease rental charge during the year is Rs 0.50 Crore (Rs 1.26 Crore) and maximum obligations on long–term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows:

Obligation on non-cancellable operating leases	March 31, 2014	March 31, 2013
Not later than one year	0.44	0.46
Later than one year and not later than five years	1.81	1.79
Later than five years	1.77	2.23

b. WTG's

Assets given on lease:

As on March 31, 2014, the Company sold some of its WTG's which were let out on operating lease earlier. The lease charges were on the basis of net electricity generated and delivered. Details are as under:

	March 31, 2014	March 31, 2013
Lease rental income recognized in statement of profit and loss for the period	2.60	2.53
Gross carrying amount	–	30.00
Accumulated depreciation	–	23.46
Depreciation charged to statement of profit and loss for the period	1.00	1.18

30. Capitalisation of expenditure

During the year, the Company has not capitalised any expenses in connection with the self-manufactured assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	March 31, 2014	March 31, 2013
Employee remuneration and benefits	–	2.76
Operating and other expenditure	–	1.02

31. **Segment information**

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Thus, disclosures required by AS 17 are given in consolidated financial statements.

32. **Related party disclosures**

As per Accounting Standard – 18 (AS 18) – 'Related Party Disclosure', as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

a. **List of related parties and nature of relationships where control exists**

Name of the party	**Nature of relationship**
AE-Rotor Holding B.V.	Subsidiary company
Big Sky Wind, LLC	Subsidiary company
Parque Eolico El Almendro S.L.	Subsidiary company
PowerBlades GmbH	Subsidiary company
PowerBlades SA	Subsidiary company
Senvion Australia Pty Ltd. (formerly REpower Australia Pty Ltd.)	Subsidiary company
Senvion Austria GmbH	Subsidiary company
RECA Holdings Pty Ltd.	Subsidiary company
Senvion Benelux b.v.b.a. (formerly REpower Benelux b.v.b.a.)	Subsidiary company
REpower Betriebs – und Beteiligungs GmbH	Subsidiary company
REpower Investitions – und Projektierungs GmbH & Co. KG	Subsidiary company
Senvion Italia s.r.l (formerly REpower Italia s.r.l)	Subsidiary company
REpower North China Ltd.	Subsidiary company
Senvion Portugal S.A. (formerly REpower Portugal - Sistemas Eolicos, S.A.)	Subsidiary company
Senvion France S.A.S. (formerly REpower S.A.S.)	Subsidiary company
Senvion Romania SRL (formerly REpower Systems DTE Romania SRL)	Subsidiary company
REpower Systems India Limited	Subsidiary company
Senvion Deutschland GmbH (formerly REpower Systems GmbH)	Subsidiary company
Senvion Canada Inc. (formerly REpower Systems Inc)	Subsidiary company
REpower Systems Northern Europe A/S	Subsidiary company
Senvion Systems Polska Sp.z o.o (formerly REpower Systems Polska Sp.z o.o).	Subsidiary company
Senvion Systems Scandinavia AB (formerly REpower Systems Scandinavia AB)	Subsidiary company
Senvion SE (formerly REpower Systems SE)	Subsidiary company
Senvion UK Ltd. (formerly REpower UK Ltd.)	Subsidiary company
Senvion USA Corp. (formerly REpower USA Corp.)	Subsidiary company
REpower Windpark Betriebs GmbH	Subsidiary company
REpower Wind Systems Trading Inc.	Subsidiary company
RETC Renewable Energy Technology Centre	Subsidiary company
RiaBlades S.A.	Subsidiary company
RPW Investments, SGPS, S.A.	Subsidiary company
SE Blades Limited	Subsidiary company
SE Blades Technology B.V.	Subsidiary company
SE Drive Technik GmbH	Subsidiary company
SE Electricals Limited	Subsidiary company
SE Forge Limited	Subsidiary company
SE Solar Limited	Subsidiary company
Suzlon Global Services limited (formerly SISL Green Infra limited)	Subsidiary company
Sure Power LLC	Subsidiary company
Suzlon Energia Eloica do Brasil Ltda	Subsidiary company
Suzlon Energy (Tianjin) Limited (refer Note 25)	Joint venture
Suzlon Energy A/S	Subsidiary company
Suzlon Energy Australia CYMWFD Pty Ltd.	Subsidiary company
Suzlon Energy Australia Pty. Ltd.	Subsidiary company

Suzlon Energy Australia RWFD Pty. Ltd.	Subsidiary company
Suzlon Energy B.V.	Subsidiary company
Suzlon Energy Chile Limitada	Subsidiary company
Suzlon Energy GmbH	Subsidiary company
Suzlon Energy Korea Co., Ltd.	Subsidiary company
Suzlon Energy Limited, Mauritius	Subsidiary company
Suzlon Generators Limited	Subsidiary company
Suzlon Gujarat Wind Park Limited	Subsidiary company
Suzlon North Asia Ltd	Subsidiary company
Suzlon Power Infrastructure Limited	Subsidiary company
Suzlon Project VIII LLC	Subsidiary company
Suzlon Rotor Corporation	Subsidiary company
Suzlon Structures Limited	Subsidiary company
Suzlon Wind Energy (Lanka) Pvt Limited	Subsidiary company
Suzlon Wind Energy bH	Subsidiary company
Suzlon Wind Energy Bulgaria EOOD	Subsidiary company
Suzlon Wind Energy Corporation	Subsidiary company
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd.	Subsidiary company
Suzlon Wind Energy Espana, S.L	Subsidiary company
Suzlon Wind Energy Italy s.r.l.	Subsidiary company
Suzlon Wind Energy Limited	Subsidiary company
Suzlon Wind Energy Nicaragua Sociedad Anonima	Subsidiary company
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	Subsidiary company
Suzlon Wind Energy Romania SRL	Subsidiary company
Suzlon Wind Energy South Africa (PTY) Ltd	Subsidiary company
Suzlon Wind Energy Uruguay SA	Subsidiary company
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Subsidiary company
Suzlon Wind International Limited	Subsidiary company
Suzlon Windenergie GmbH	Subsidiary company
Tarilo Holding B.V.	Subsidiary company
Valum Holding B.V.	Subsidiary company
Ventipower S.A	Subsidiary company
WEL Windenergie Logistik GmbH	Subsidiary company
Windpark Blockland GmbH & Co KG	Subsidiary company
Yorke Peninsula Wind Farm Project Pty Ltd	Subsidiary company

b. Other related parties with whom transactions have taken place during the year:

i. Entities where key management personnel (‘KMP’)/relatives of key management personnel ('RKMP') have significant influence:

Sarjan Realities Limited, Aspen Infrastructures Limited, Shubh Realities (South) Limited, Tanti Holdings Private Limited, Suzlon Foundation, Girish R. Tanti (HUF), Suruchi Holdings Private Limited, Sugati Holdings Private Limited, Synew Steel Limited, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited and Synefra Infrastructures Limited.

ii. Key management personnel of Suzlon Energy Limited:

Tulsi R. Tanti

iii. Relatives of key management personnel of Suzlon Energy Limited:

Jitendra R. Tanti, Nidhi T. Tanti, Vinod R. Tanti* and Girish R. Tanti

iv. Employee funds:

Suzlon Energy Limited – Superannuation Fund.

Suzlon Energy Limited – Employees Group Gratuity Scheme.

* Resigned as whole time director and continues to be a non-executive director w.e.f. June 01, 2012. Transactions entered into after June 01, 2012 have been disclosed as transactions with the relatives of KMP.

c. **Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2014:**

Particulars	Subsidiaries	Entities where KMP /RKMP has significant influence	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	7.23	–	–	–	–
	(137.94)	(6.57)	(–)	(–)	(–)
Sale of fixed assets	1.00	–	–	–	–
	(0.55)	(–)	(–)	(–)	(–)
Subscription to/ purchase of equity shares	175.80**	–	–	–	–
		(–)	(–)	(–)	(–)
Sale of equity shares	0.00*	–	–	–	–
	(–)	(–)	(–)	(–)	(–)
Loans taken	–	290.65	–	–	–
	(–)	(138.00)	(–)	(–)	(–)
Loans given	1,422.33	–	–	–	–
	(2,456.14)	(–)	(–)	(–)	(–)
Purchase of goods and services	633.71	2.58	–	–	–
	(557.46)	(11.84)	(–)	(–)	(–)
Sale of goods (net of returns)	655.88	0.24	0.18	0.73	–
	(762.76)	(0.25)	(0.21)	(0.47)	(-)
Reimbursement of other expenses receivable	114.05	–	–	–	–
	(83.42)	(-)	(-)	(-)	(-)
Reimbursement of expenses payable***	38.03	–	–	–	–
	(148.29)	(–)	(–)	(–)	(–)
Corporate social welfare expense	–	–	–	–	–
	(–)	(0.20)	(–)	(–)	(–)
Interest expense	–	18.30	–	–	
	(–)	(20.17)	(–)	(–)	(–)
Interest income	359.65	–	–	–	–
	(271.72)	(–)	(–)	(–)	(–)
Lease rent income	0.59	0.54	–	–	–
	(0.54)	(0.24)	(–)	(–)	(–)
Rent expense		0.76	–	–	–
	(–)	(0.67)	(–)	(–)	(–)
Miscellaneous income	5.17	–	–	–	–
	(0.42)	(–)	(–)	(–)	(–)
Guarantee given	136.95	–	–	–	–
	(523.65)	(–)	(–)	(–)	(–)
Managerial remuneration	–	–	0.48	–	–
	(–)	(–)	(0.58)	(0.01)	(–)
Contribution to various funds	–	–	–	–	0.10
	(–)	(–)	(–)	(–)	(7.27)
CCD's/ Shares issued	–	203.00	–	–	–
	(–)	(–)	(–)	(–)	(–)
Sale of OMS Business Undertaking	2,000.00	–	–	–	–
	(–)	(–)	(–)	(–)	(–)

Particulars	Subsidiaries	Entities where KMP /RKMP has significant influence	KMP	RKMP	Employee funds
Outstanding balances					
Investments	9,684.82	–	–	–	–
	(1,021.00)	(–)	(–)	(–)	(–)
Advance from customers	0.01	0.84	–	–	–
	(177.97)	(–)	(–)	(–)	(–)
Trade receivables	746.84	–	–	–	–
	(569.86)	(0.52)	(0.16)	(0.76)	(–)
Loans outstanding (including interest)	4,922.55	–	–	–	–
	(3,684.52)	(–)	(–)	(–)	(–)
Deposits outstanding (including interest)	–	64.48	–	–	–
	(–)	(64.48)	(–)	(–)	(–)
Other current asset receivable	2,012.19	–	–	–	–
	(–)	(–)	(–)	(–)	(–)
Unsecured loan outstanding	–	87.65	–	–	–
	(–)	(248.00)	(–)	(–)	(–)
Advance to supplier and other receivables	47.49	–	–	–	–
	(440.51)	(–)	(–)	(–)	(–)
Trade payables	2, 010.32	1.83	–	–	–
	(1,840.24)	(–)	(–)	(–)	(–)
Interest payable	–	2.62	–	–	–
	(–)	(5.84)	(–)	(–)	(–)
Corporate guarantees	847.49	–	–	–	–
	(875.47)	(–)	(–)	(–)	(–)
Advances towards charges/expenses	607.00	–	–	–	–
	(–)	(–)	(–)	(–)	(–)

*Amount less than Rs 0.01 Crore.

** During the year advances given to SE Forge Limited of Rs 175.00 Crore was converted to investment in SE Forge Limited.

*** Reimbursement of expenses relates to amount payable to subsidiaries on account of guarantee and warranty obligations arising out of WTG Sale.

Note: Certain subsidiaries and group companies have been allowed to make free of charge use of SAP software and office premises owned by the Company.

d. Disclosure of significant transactions with related parties:

Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31, 2014	2013
Purchase of fixed assets (including intangibles)	Subsidiary	SE Blades Technology B.V.	6.63	52.77
	Subsidiary	Suzlon Energy Gmbh	–	85.17
	Entities where KMP/ RKMP has significant influence	Sarjan Realities Limited	–	4.44
Sale of fixed assets	Subsidiary	SE Electricals Limited	0.01	0.32
	Subsidiary	SE Blades Limited	0.14	–
	Subsidiary	Suzlon Wind International Limited	0.48	–
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	0.37	–
	Subsidiary	Suzlon Structures Limited	–	0.22
Purchase of equity share	Subsidiary	SE Forge Limited	175.00	–
Sale of equity shares	Subsidiary	SE Blades Limited	0.00*	–
	Subsidiary	Suzlon Wind International Limited	0.00*	–
Loan taken	Entities where KMP/ RKMP has significant influence	Sugati Holdings Private Limited Tanti Holdings Private Limited	290.65 –	– 138.00
Loans given	Subsidiary	SE Blades Limited	190.79	432.25
	Subsidiary	AE Rotor Holding B.V.	–	353.90
	Subsidiary	Suzlon Wind International Limited	527.26	873.00
	Subsidiary	Suzlon Power Infrastructure Limited	104.65	150.84
	Subsidiary	Suzlon Gujarat Windpark Limited	446.63	437.27
	Subsidiary	SE Electricals Limited	147.51	–

Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31, 2014	2013
Purchase of goods and services	Subsidiary	SE Electricals Limited	95.82	55.12
	Subsidiary	Suzlon Gujarat Windpark Limited	58.87	64.08
	Subsidiary	SE Forge Limited	20.65	31.78
	Subsidiary	Suzlon Wind International Limited	74.61	61.25
	Subsidiary	SE Blades Technology B.V.	28.44	66.99
	Subsidiary	Suzlon Energy Gmbh	51.39	61.50
	Subsidiary	SE Blades Limited	57.71	69.04
	Subsidiary	Suzlon Structure Limited	164.94	96.91
Sale of goods and services	Subsidiary	Suzlon Wind International Limited	62.35	111.15
	Subsidiary	Suzlon Wind Energy Corporation	–	348.03
	Subsidiary	Suzlon Structure Limited	66.82	62.24
	Subsidiary	Suzlon Energia Eloica do Brasil Ltda	24.21	132.23
	Subsidiary	SE Blades Limited	15.15	67.98
	Subsidiary	Suzlon Energy B.V.	242.54	–
	Subsidiary	Suzlon Wind Energy South-Africa	192.72	–
Reimbursement of expenses receivable	Subsidiary	Suzlon Generators Limited	–	0.02
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	2.69	1.81
	Subsidiary	Suzlon Energy A/S	47.44	–
	Subsidiary	AE Rotor Holding B.V.	62.63	36.36
	Subsidiary	SE Drive Technik GmbH	–	29.57
Reimbursement of expenses payable	Subsidiary	Suzlon Wind Energy Corporation	34.91	115.32
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	3.11	29.44
Corporate social welfare expenses	Entities where KMP/ RKMP has significant influence	Suzlon Foundation	–	0.20
Interest expense	Entities where KMP/ RKMP has significant influence	Tanti Holdings Private Limited	15.68	20.17
	Entities where KMP/ RKMP has significant influence	Sugati Holdings Private Limited	2.62	–
Interest income	Subsidiary	AE Rotor Holding B.V.	143.24	136.11
	Subsidiary	SE Blades Limited	66.37	44.52
	Subsidiary	Suzlon Gujarat Windpark Limited	59.49	33.87
	Subsidiary	Suzlon Wind International Limited	37.95	15.75
Lease rent income	Subsidiary	SE Electricals Limited	0.59	0.54
	Entities where KMP/ RKMP has significant influence	Synefra Infrastructures Limited	0.54	0.24
Rent expense	Entities where KMP/ RKMP has significant influence	Tanti Holdings Private Limited	0.21	0.18
		Samanvaya Holdings Private Limited	0.14	0.12
		Suruchi Holdings Private Limited	0.21	0.18
		Sugati Holdings Private Limited	0.21	018
Miscellaneous income	Subsidiary	Suzlon Global Services Limited	5.00	–
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	0.17	0.10
	Subsidiary	REpower Systems India Limited	0	0.32
Guarantee given	Subsidiary	Suzlon Wind Energy South-Africa (PTY) Limited	136.95	–
Remuneration paid	KMP	Tulsi R. Tanti	0.48	0.49
	KMP	Vinod R. Tanti	–	0.09
	RKMP	Nidhi T. Tanti	–	0.01
Contribution to various funds	Employee funds	Suzlon Energy Limited - Superannuation Fund	0.11	0.32
	Employee funds	Suzlon Energy Limited - Employees Group Gratuity Scheme	–	6.95
CCD's / shares issued	Entities where KMP/ RKMP has significant influence	Sugati Holdings Private Limited	203.00	–
Sale of OMS business undertaking	Subsidiary	Suzlon Global Services Limited	2,000.00	–

* Amount less than Rs 0.01 Crore.

Disclosures as required by Clause 32 of the Listing Agreement with Stock Exchanges

Type of relationship	Name	Amount outstanding as at March 31, 2014	Maximum amount outstanding during the year
Subsidiaries	Suzlon Power Infrastructure Limited	163.33	194.32
	Suzlon Gujarat Wind Park Limited	555.40	665.40
	SE Blades Limited	582.63	692.94
	Suzlon Wind International Limited	466.45	501.71
	SE Electricals Limited	239.94	279.54
	Suzlon Rotor Corporation	15.84	15.84
	AE Rotor Holding B.V.	2,423.95	2,569.39
	Suzlon Energy A/S	114.87	114.87
	Suzlon Global Services Limited	0.33	0.33
	Suzlon Generator Ltd.	4.65	4.99
	Suzlon Structures Ltd.	0.53	5.28
Companies in which directors are interested	Synefra Engineering & Construction Limited	Nil	Nil

Note :

a. No loans have been granted by the Company to any person for the purpose of investing in the shares of Suzlon Energy Limited or any of its subsidiaries.

33. Capital and other commitments

	March 31, 2014	March 31, 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances	87.36	95.67

Note: The Company has given various letter of supports, which otherwise is not a guarantee, towards financing operations of its domestic and overseas subsidiaries and maintaining their financial creditworthiness, as and when required during the last fiscal year; the amount of which are not determinable as at Balance Sheet date.

34. Contingent liabilities

	March 31, 2014	March 31, 2013
Guarantees given on behalf of subsidiaries in respect of loans granted to them by banks/financial institutions	847.79	861.44
Tax related matters pending in appeal*	88.18	82.83
Compensation payable in lieu of bank sacrifice	281.93	103.06
Others	16.94	11.55

* includes demand from tax authorities for various matters. The Company / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management.

A few law suits have been filed on the Company and few subsidiaries of the Company by some of their suppliers for disputes in fulfilment of obligations as per supply agreements. The matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided for an amount as a matter of prudence which it believes shall be the probable outflow of resources.

The borrowers have provided certain security in relation to Stand-by Letter of Credit ("SBLC") issued by lenders for securing covered bonds issued by AE Rotor Holding B.V. a wholly owned subsidiary. The Borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.

35. Unhedged foreign currency exposure

	March 31, 2014	March 31, 2013
Current liabilities	3,020.78	2,252.90
Debtors	557.45	199.41
Loans receivable	2,707.71	2,159.00
Loans payable	114.15	92.99
Bank balance in current and term deposit accounts	0.28	0.50
Investments in overseas subsidiaries	7,947.40	8,122.38
Foreign currency convertible bonds	3,059.03	2,719.15

36. **Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

	March 31, 2014	March 31, 2013
Principal amount remaining unpaid to any supplier as at the end of the year	4.02	14.80
Interest due on the above amount	0.61	1.89
Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	–	–
Amounts of payment made to the suppliers beyond the appointed day during the year	29.02	34.69
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	5.39	3.20
Amount of interest accrued and remaining unpaid at the end of the year*	–	–
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	11.09	5.09

*Interest payable as per section 16 of the Micro, Small and medium Enterprises Development, 2006, for the year is Rs 11.09 Crore (Rs 5.09 Crore). The same has not been accrued in the books of the Company as amount is not contractually payable.

37. **Additional information pursuant to the provisions of paragraph 5 (viii) (a), (b), (c), (d) and (e) of part II of the revised Schedule VI of the Companies Act, 1956 read with section 133 of the Companies Act 2013 and General Circular No.8/2014 dated 04 April 2014 issued by the Ministry of Corporate Affairs**

a. **Value of imports calculated on CIF basis**

	March 31, 2014	March 31, 2013
Raw materials	718.03	872.53
Stores and spares	0.26	0.80
Capital goods	11.55	157.31
Total	**729.84**	**1,030.64**

b. **Expenditure in foreign currency (accrual basis)**

	March 31, 2014	March 31, 2013
Consultancy	6.88	15.31
Interest and bank charges	227.05	148.76
R & D, certification and product development and quality assurance	90.86	158.40
Design change and technical up-gradation charges	–	16.93
Operations and maintenance charges	–	89.39
Freight outward	110.63	134.42
Other expenses	10.96	12.83
Total	**446.38**	**576.04**

c. **Imported and indigenous raw materials, components and spare parts consumed**

	Raw materials				Stores and spares			
	March 31, 2014		March 31, 2013		March 31, 2014		March 31, 2013	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	963.88	57.31	1,139.31	67.04	0.97	4.25	5.25	12.60
Indigenous	717.85	42.69	560.14	32.96	21.77	95.75	36.41	87.40
Total	**1,681.74**	**100.00**	**1,699.45**	**100.00**	**22.73**	**100.00**	**41.66**	**100.00**

d. **Details of raw material consumed**

	March 31, 2014	March 31, 2013
Gear box	168.97	106.21
Others	1,512.77	1,593.24
Total	**1,681.74**	**1,699.45**

e. **Details of raw material inventory**

	March 31, 2014	March 31, 2013
Gear box	47.22	49.14
Others	267.44	574.17
Total	**314.67**	**623.31**

f. **Earnings in foreign currency (accrual basis)**

	March 31, 2014	March 31, 2013
FOB value of exports	441.80	350.30
Interest on loans	143.24	142.29
Total	**585.05**	**492.59**

38. Deferral of exchange differences

The Company has, consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011 giving an option to the companies to amortise the exchange differences pertaining to long term foreign currency monetary items up to March 31, 2020 (from March 31, 2012 earlier), adopted the said option given under paragraph 46 of Accounting Standard 11. Accordingly, the Company has revised the amortisation period for such items to the maturity of the long term foreign currency monetary items (all before March 31, 2020).

Net foreign exchange gain aggregating Rs 227.35 Crore (loss of Rs 189.39 Crore) on long term foreign currency monetary items has been adjusted in the foreign currency monetary item translation difference account during the year. Further, foreign exchange loss aggregating Rs 23.18 Crore (Rs 165.47 Crore) have been amortised during the year.

39. Prior year amounts have been reclassified wherever necessary to confirm with current year presentation.

40. Figures in the brackets are in respect of the previous year.

As per our report of even date

For and on behalf of the Board of Directors of
Suzlon Energy Limited

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2014

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place: Pune
Date: May 30, 2014

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

Hemal A.Kanuga
Company Secretary
Membership No. : F4126

Amit Agarwal
Chief Financial Officer
Membership No. : 056880

Place: Pune
Date: May 30, 2014

SECTION 212 REPORT

Statement pursuant to Section 212(8) of the Companies, Act, 1956 related to Subsidiary Companies

(Amount Rs in Crore)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Issued and subscribed share capital	Reserves	Total assets	Total liabilities	Investments in other than subsidiaries	Turnover	Profit/ (loss) before taxation	Provision for taxation & deferred tax	Profit/ (loss) after taxation	Proposed dividend equity	Country
1	AE-Rotor Holding B.V.	EURO	5,229.43	3,283.49	15,972.03	15,972.03	-	240.98	282.59	(0.13)	282.72	-	The Netherlands
2	Parque Eolico El Almendro S.L.	EURO	0.02	-	0.02	0.02	-	-	-	-	-	-	Spain
3	PowerBlades GmbH	EURO	5.14	(116.24)	253.98	253.98	-	153.24	(168.37)	0.01	(168.38)	-	Germany
4	PowerBlades SA	EURO	0.41	33.55	188.28	188.28	-	17.86	6.06	0.87	5.19	-	Portugal
5	PowerBlades Industries Inc.	CAD	41.15	(38.43)	127.16	127.16	-	22.93	(51.67)	(13.24)	(38.43)	-	Canada
6	Senvion Australia Pty Ltd. (formerly REpower Australia Pty Ltd.)	AUD	-	(24.49)	274.24	274.24	-	213.53	12.51	6.77	5.74	-	Australia
7	RECA Holdings Pty Ltd.	AUD	-*	(70.37)	208.21	208.21	-*	-	(34.06)	11.39	(45.45)	-	Australia
8	Senvion Benelux b.v.b.a. (formerly REpower Benelux b.v.b.a.)	EURO	0.21	6.34	16.15	16.15	-	63.77	1.95	0.71	1.24	-	Belgium
9	REpower Betriebs – und Beteiligungs GmbH	EURO	0.21	0.07	0.34	0.34	-	0.02	0.02	-	0.02	-	Germany
10	REpower Investitions - und Projektierungs GmbH & Co. KG	EURO	(0.19)	0.01	0.02	0.02	-	-	(0.01)	-	(0.01)	-	Germany
11	Senvion Italia s.r.l (formerly REpower Italia s.r.l)	EURO	0.41	3.41	13.53	13.53	-*	64.76	3.76	2.04	1.72	-	Italy
12	REpower North China Ltd.	RMB	174.65	(50.36)	154.94	154.94	-	37.26	(10.72)	0.40	(11.12)	-	China
13	Senvion Portugal S.A. (formerly REpower Portugal - Sistemas Eolicos, S.A.)	EURO	0.82	69.82	81.10	81.10	-*	18.94	2.23	(1.27)	3.50	-	Portugal
14	Senvion France S.A.S. (formerly REpower S.A.S.)	EURO	4.53	61.27	115.40	115.40	-	152.51	11.76	3.86	7.90	-	France
15	Senvion Romania SRL (formerly REpower Systems DTE Romania SRL)	RON	0.42	0.07	0.61	0.61	-	2.37	0.54	0.18	0.36	-	Romania
16	REpower Systems India Limited	INR	0.25	1.62	3.31	3.31	-	8.35	2.30	0.67	1.63	-	India
17	Senvion Deutschland GmbH (formerly REpower Systems GmbH)	EURO	0.21	20.57	132.75	132.75	-	307.25	51.20	0.30	50.90	-	Germany
18	Senvion Canada Inc. (formerly REpower Systems Inc)	Can-$	59.83	1.89	85.57	85.57	-	77.14	2.96	1.19	1.77	-	Canada
19	REpower Systems Northern Europe A/S	EURO	0.58	2.22	2.80	2.80	-	22.07	1.94	-	1.94	-	Denmark
20	Senvion Systems Polska Sp.z o.o (formerly REpower Systems Polska Sp.z o.o)	PLN	0.21	2.77	3.46	3.46	-	11.14	0.20	0.11	0.09	-	Poland
21	Senvion Systems Scandinavia AB (formerly REpower Systems Scandinavia AB)	SEK	0.09	1.78	3.60	3.60	-	10.01	0.88	0.20	0.68	-	Sweden
22	Senvion SE (formerly REpower Systems SE)	EURO	75.88	2,854.24	10,593.31	10,593.31	0.54	13,759.44	(96.19)	30.42	(126.61)	-	Germany
23	Senvion UK Ltd. (formerly REpower UK Ltd.)	GBP	1.00	32.12	47.82	47.82	-	160.01	6.30	3.42	2.88	-	United Kingdom
24	Senvion USA Corp. (formerly REpower USA Corp.)	USD	1.50	(8.90)	6.99	6.99	-	100.48	0.27	6.89	(6.62)	-	USA
25	REpower Windpark Betriebs GmbH	EURO	0.21	(0.01)	0.21	0.21	-	-	-	-	-	-	Germany
26	REpower Wind Systems Trading Inc.	RMB	0.60	0.61	1.59	1.59	-	5.61	0.06	0.06	-	-	China
27	RETC Renewable Energy Technology Centre	EURO	0.21	25.08	26.84	26.84	-	-	3.99	-	3.99	-	Germany
28	Senvion Austria GmbH	EURO	0.41	(0.02)	0.41	0.41	-	-	(0.02)	-	(0.02)	-	Austria
29	RiaBlades S.A.	EURO	0.41	(11.91)	375.81	375.81	-	397.08	8.25	(11.62)	19.87	-	Portugal
30	RPW Investments SGPS,SA	EURO	3.10	865.65	879.73	879.73	-	-	14.48	0.05	14.43	-	Portugal
31	SE Blades Limited	INR	538.98	(400.79)	1,271.64	1,271.64	-	241.56	(63.94)	0.02	(63.96)	-	India
32	SE Blades Technology B.V.	EURO	0.15	16.22	207.80	207.80	-	59.06	3.98	-	3.98	-	The Netherlands
33	SE Drive Technik GmbH	EURO	0.21	2,011.46	11,094.54	11,094.54	-	1.28	(487.67)	1.05	(488.72)	-	Germany
34	SE Electricals Limited	INR	95.90	(12.75)	604.42	604.42	-	182.72	(20.13)	5.86	(25.99)	-	India
35	SE Forge Limited	INR	416.25	(379.07)	824.73	824.73	-	125.90	(143.14)	-	(143.14)	-	India
36	SE Solar Limited	INR	1.00	(1.04)	0.02	0.02	-	-	(0.01)	-	(0.01)	-	India
37	Suzlon Global Services Limited (formerly SISL Green Infra Limited)	INR	0.05	(29.36)	2,330.55	2,330.55	-	-	(29.05)	-	1.44	-	India
38	Sure Power LLC	USD	-	(1.19)	1.03	1.03	-	-	(0.51)	-	(0.51)	-	USA
39	Suzlon Energia Eloica do Brasil Ltda	BRL	2.57	(956.53)	2,589.08	2,589.08	41.49	866.01	(587.86)	5.62	(593.48)	-	Brazil
40	Suzlon Energy A/S	EURO	629.33	(907.85)	1,586.72	1,586.72	0.47	97.90	(509.53)	0.06	(509.59)	-	Denmark
41	Suzlon Energy Australia CYMWFD Pty Ltd	AUD	-	-	-	-	-	-	0.14	-	0.14	-	Australia
42	Suzlon Energy Australia Pty. Ltd.	AUD	30.77	(315.74)	783.77	783.77	-	97.50	(53.42)	-	(53.42)	-	Australia

(Amount Rs in Crore)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Issued and subscribed share capital	Reserves	Total assets	Total liabilities	Investments in other than subsidiaries	Turnover	Profit/ (loss) before taxation	Provision for taxation & deferred tax	Profit/ (loss) after taxation	Proposed dividend equity	Country
43	Suzlon Energy Australia RWFD Pty Ltd	AUD	-*	(12.03)	2.11	2.11	-	-	(0.46)	-	(0.46)	-	Australia
44	Suzlon Energy B.V.	USD	41.43	(358.50)	1,255.78	1,255.78	-	774.37	(159.18)	-	(159.18)	-	The Netherlands
45	Suzlon Energy Chile Limitada	CLP	0.51	(3.46)	0.03	0.03	-	-	(0.57)	-	(0.57)	-	Chile
46	Suzlon Energy GmbH	EURO	0.21	218.76	361.51	361.51	-	84.49	(9.31)	5.11	(14.42)	-	Germany
47	Suzlon Energy Korea Co., Ltd.	KRW	0.54	(0.54)	-	-	-	-	-	-	-	-	Republic of South Korea
48	Suzlon Energy Limited	EURO	9,802.03	(12.82)	9,796.04	9,796.04	-	-	(0.13)	-	(0.13)	-	Mauritius
49	Suzlon Generators Limited	INR	76.29	(36.33)	104.43	104.43	-	57.51	0.27	(0.03)	0.30	-	India
50	Suzlon Gujarat Wind Park Limited	INR	245.92	(795.73)	737.36	737.36	-*	255.72	(103.81)	0.06	(103.87)	-	India
51	Suzlon North Asia Ltd	HKD	0.35	(0.35)	-	-	-	-	0.03	-	0.03	-	Hong Kong
52	Suzlon Power Infrastructure Limited	INR	3.01	(115.37)	296.16	296.16	-	65.12	(7.67)	0.01	(7.68)	-	India
53	Suzlon Project VIII LLC	USD	-	(6.52)	34.65	34.65	-	-	(2.76)	-	(2.76)	-	USA
54	Suzlon Rotor Corporation	USD	167.76	(330.10)	45.90	45.90	-	12.11	(23.42)	-	(23.42)	-	USA
55	Suzlon Structures Limited	INR	29.37	20.28	152.74	152.74	-*	168.76	0.91	-	0.91	-	India
56	Suzlon Wind Energy (Lanka) Pvt Limited	LKR	-	-	-	-	-	-	-	-	-	-	Sri Lanka
57	Suzlon Wind Energy bH	BAM	0.01	(0.63)	-	-	-	-	(0.17)	-	(0.17)	-	Bosnia and Herzegovina
58	Suzlon Wind Energy Bulgaria EOOD	BGN	-*	1.36	11.03	11.03	-	2.17	0.24	0.03	0.21	-	Bulgaria
59	Suzlon Wind Energy Corporation	USD	0.01	118.08	1,201.58	1,201.58	620.12	475.52	(115.07)	(6.31)	(108.76)	-	USA
60	Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.	RMB	14.36	(13.74)	9.81	9.81	-	13.83	1.70	-	1.70	-	China
61	Suzlon Wind Energy Espana, S.L	EURO	0.03	43.32	768.47	768.47	-	332.74	5.82	19.09	(13.27)	-	Spain
62	Suzlon Wind Energy Italy s.r.l.	EURO	0.08	(6.36)	12.95	12.95	-	3.05	(8.78)	-	(8.78)	-	Italy
63	Suzlon Wind Energy Limited	EURO	7,867.24	1,792.54	9,660.22	9,660.22	-	-	(0.26)	-	(0.26)	-	United Kingdom
64	Suzlon Wind Energy Nicaragua Sociedad Anonima	EURO	-	(9.53)	10.87	10.87	-	9.90	(1.10)	0.12	(1.22)	-	Nicaragua
65	Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	EURO	18.52	(34.85)	135.64	135.64	-	20.04	7.91	0.20	7.71	-	Portugal
66	Suzlon Wind Energy Romania SRL	RON	-*	3.89	19.11	19.11	-	4.76	0.68	0.27	0.41	-	Romania
67	Suzlon Wind Energy South Africa (PTY) Ltd	ZAR	-*	(116.48)	301.72	301.72	-	780.63	(89.28)	-	(89.28)	-	South Africa
68	Suzlon Wind Energy Uruguay SA	USD	-*	(0.42)	9.67	9.67	-	-	(0.42)	-	(0.42)	-	Uruguay
69	Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	TRY	0.03	7.87	7.79	7.79	-	9.87	7.25	1.65	5.60	-	Turkey
70	Suzlon Wind International Limited	INR	203.30	(202.97)	2,188.19	2,188.19	-*	481.18	(289.74)	(1.26)	(288.48)	-	India
71	Suzlon Windenergie GmbH	EURO	0.21	2,842.81	2,888.86	2,888.86	-	-	-	-	-	-	Germany
72	Tarilo Holding B.V.	EURO	0.15	119.18	126.59	126.59	-	-	(0.24)	-	(0.24)	-	The Netherlands
73	Valum Holding B.V.	EURO	0.15	(8.41)	65.61	65.61	40.37	-	(5.94)	-	(5.94)	-	The Netherlands
74	Ventipower S.A.	EURO	0.41	4.09	68.43	68.43	-	20.31	0.61	0.17	0.44	-	Portugal
75	WEL Windenergie Logistik GmbH	EURO	0.21	1.42	2.33	2.33	-	-	(0.87)	(0.40)	(0.47)	-	Germany
76	Windpark Blockland GmbH & Co KG	EURO	(10.74)	10.77	1.63	1.63	-	-	(0.01)	-	(0.01)	-	Germany
77	Yorke Peninsual Wind Farm Project Pty Ltd (Ceres)	AUD	8.46	(34.84)	2.74	2.74	-	-	(12.23)	-	(12.23)	-	Australia
78	Avind Desenvolvimento De Projetos De Energia Ltda	BRL	-*	(0.01)	-	-	-	-	(0.01)	-	(0.01)	-	Brazil
79	Big Sky Wind LLC	USD	906.03	(439.42)	2,680.18	2,680.18	-	156.63	(128.99)	-	(128.99)	-	USA

*** Amount below Rs 0.01 crore**

Note:

The Exchange rates as on March 31, 2014 - (USD 1.00 = Rs 59.9150, AUD 1.00 = Rs 55.4423, DKK 1.00 = Rs 11.0232, EURO 1.00 = Rs 82.2962, BRL 1.00 = Rs 26.5575, KRW (Korea) 1.00 = Rs 0.0560, GBP 1.00 = Rs 99.6177, RMB (China) 1.00 = Rs 9.6443, TRY 1.00 = Rs 27.3385, HKD 1.00 = Rs 7.7231, RON 1.00 = Rs 18.4561, Can $ 1.00 = Rs 54.3915, BAM 1 = Rs 42.0825, , ZAR 1 = Rs 5.6599, CLP 1 = Rs 0.1092, SEK 1 = Rs 9.2259, PLN 1 = Rs 19.7170, BGN 1 = Rs 42.0811, LKR 1.00 = Rs 0.4587)

For and on behalf of the Board of Directors of Suzlon Energy Limited

Tulsi R. Tanti
Chairman & Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

Hemal A.Kanuga
Company Secretary
Membership No.: F4126

Amit Agarwal
Chief Financial Officer
Membership No.: 056880

Place : Pune
Date : May 30, 2014

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of Suzlon Energy Limited

1. We, SNK & Co. and S. R. BATLIBOI & Co. LLP, have audited the accompanying consolidated financial statements of Suzlon Energy Limited (the "Company") and its subsidiaries as described in Note 2.2 (together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
   (b) in the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
   (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to Note 4 of the accompanying consolidated financial statements which indicates that the Company has defaulted in redemption of foreign currency convertible bonds ('FCCBs'), has overdue amounts payable to vendors and has been facing liquidity issues. These conditions alongwith other matters as set forth in Note 4, indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

6. We draw attention to Note 5 to Note 7 of the consolidated financial statements in respect of various contingencies and litigations, the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of these matters.

Other Matters

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 12,981.65 Crore as at March 31, 2014, total revenue of Rs. 16,746.63 Crore and total cash flows of Rs. 580.87 Crore for year ended March 31, 2014. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter.

8. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 669.06 Crore as at March 31, 2014, total revenue of Rs. 250.18 Crore and total cash flows of Rs. 9.75 Crore for year ended March 31, 2014. These financial statements and other financial information have been certified by Management and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on such Management certified financial statements. Our opinion is not qualified in respect of this matter.

9. We did not audit the financial statements of a joint venture included in the consolidated financial statements, Group's share of whose financial statements reflect total assets of Rs. 30.47 Crore as at March 31, 2014, total revenue of Rs. 0.69 Crore and total cash flows of Rs. 0.43 Crore for year ended March 31, 2014. These financial statements and other financial information have been certified by Management and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on such Management certified financial statements. Our opinion is not qualified in respect of this matter.

For SNK & Co.
Chartered Accountants
Firm registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place : Pune
Date : May 30, 2014

For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place : Pune
Date : May 30, 2014

Consolidated balance sheet as at March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at March 31, 2014	As at March 31, 2013
Equity and liabilities			
Shareholders' funds			
(i) Share capital	9 (i)	497.63	355.47
(ii) Reserves and surplus	10	(1,041.48)	(35.06)
		(543.85)	**320.41**
Share application money, pending allotment	9 (ii)	**162.02**	**581.67**
Preference shares issued by subsidiary company		**5.94**	**5.94**
Minority interest		**58.35**	**78.11**
Non-current liabilities			
(i) Long-term borrowings	11	11,640.92	10,857.66
(ii) Deferred tax liabilities (net)	19	792.33	558.50
(iii) Other long-term liabilities	12	80.64	109.27
(iv) Long-term provisions	13	274.07	264.72
		12,787.96	**11,790.15**
Current liabilities			
(i) Short-term borrowings	14	3,523.35	2,834.69
(ii) Trade payables		5,284.73	4,650.94
(iii) Other current liabilities	15	6,624.60	7,280.72
(iv) Due to customers	23	210.87	200.15
(v) Short-term provisions	13	2,200.82	1,473.28
		17,844.37	**16,439.78**
		30,314.79	**29,216.06**
Assets			
Non-current assets			
(i) Fixed assets			
(a) Tangible assets	16	3,278.64	3,431.09
(b) Intangible assets	16	10,235.88	8,644.59
(c) Capital work-in-progress		433.41	306.27
(ii) Investments	17	3.72	35.69
(iii) Deferred tax assets (net)	19	54.28	9.94
(iv) Loans and advances	18	518.05	672.22
(v) Trade receivables	20.1	0.15	713.09
(vi) Other non-current assets	20.2	320.47	523.13
		14,844.60	**14,336.02**
Current assets			
(i) Investments	17	702.96	–
(ii) Inventories	21	4,032.90	5,263.83
(iii) Trade receivables	20.1	2,686.85	2,732.36
(iv) Cash and bank balance	22	2,448.01	1,959.12
(v) Loans and advances	18	1,844.97	1,548.88
(vi) Due from customers	23	3,258.54	2,936.41
(vii) Other current assets	20.2	495.96	439.44
		15,470.19	**14,880.04**
		30,314.79	**29,216.06**
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2014

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

per Paul Alvares
Partner
Membership No. : 105754

Place: Pune
Date: May 30, 2014

For and on behalf of the Board of Directors of
Suzlon Energy Limited

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

Amit Agarwal
Chief Financial Officer
Membership No.: 056880

Hemal A.Kanuga
Company Secretary
Membership No.: F4126

Place: Pune
Date: May 30, 2014

Statement of consolidated profit and loss for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes		March 31, 2014	March 31, 2013
Income				
Revenue from operations	23		20,211.58	18,743.14
Other operating income			191.28	170.39
			20,402.86	**18,913.53**
Expenses				
Cost of raw materials and components consumed	24		13,375.84	14,136.60
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	24		1,059.57	(496.99)
Employee benefits expense	25		2,231.37	2,132.70
Other expenses	26		3,825.08	4,437.71
Prior period expenses	13		52.09	–
			20,543.95	**20,210.02**
Earnings/ (loss) before interest, depreciation, tax and exceptional items (EBITDA)			**(141.09)**	**(1,296.49)**
Depreciation / amortisation	16		776.88	740.47
Earnings/ (loss) before interest, tax and exceptional items (EBIT)			**(917.97)**	**(2,036.96)**
Finance costs	27		2,069.96	1,854.85
Finance income	28		71.48	152.16
Earnings/ (loss) before tax before exceptional items			**(2,916.45)**	**(3,739.65)**
Less : Exceptional items	29		487.30	642.98
Profit/ (loss) before tax			**(3,403.75)**	**(4,382.63)**
Loss from continuing operations before tax			(3,260.61)	(4,218.68)
Tax expense	30		144.43	349.32
Profit / (Loss) from continuing operations after tax			**(3,405.04)**	**(4,568.00)**
Share of loss of minority			28.21	7.99
Net Profit/(loss) from continuing operations		**(A)**	**(3,376.83)**	**(4,560.01)**
Loss from discontinuing operations before tax	31		(143.14)	(163.95)
Tax expense			–	–
Profit / (Loss) from discontinuing operations after tax		**(B)**	**(143.14)**	**(163.95)**
Net profit/ (loss) for the year		**C = (A)+(B)**	**(3,519.97)**	**(4,723.96)**
Earnings/ (loss) per equity share:	32			
- Basic and diluted [Nominal value of share Rs 2 (Rs 2)]			**(15.71)**	**(26.58)**
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For and on behalf of the Board of Directors of Suzlon Energy Limited

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

per Sanjay Kapadia
Partner
Membership No. : 38292

per Paul Alvares
Partner
Membership No. : 105754

Amit Agarwal
Chief Financial Officer
Membership No.: 056880

Hemal A.Kanuga
Company Secretary
Membership No.: F4126

Place: Pune
Date: May 30, 2014

Place: Pune
Date: May 30, 2014

Place: Pune
Date: May 30, 2014

Consolidated cash flow statement for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars		March 31, 2014	March 31, 2013
Cash flow from operating activities			
Loss before tax and exceptional items		**(2,916.45)**	**(3,739.65)**
Adjustments for:			
Depreciation / amortisation		776.88	740.47
Loss on assets sold / discarded, net		26.63	23.17
Interest income		(71.48)	(152.14)
Interest expenses		1,792.47	1,518.36
Dividend income		–	(0.02)
Compensation in lieu of bank sacrifice		45.66	22.83
Amortization of ancillary borrowing costs		72.42	60.92
Operation, maintenance and warranty expenditure		448.27	258.19
Prior period expense		52.09	–
Liquidated damages expenditure		272.21	192.17
Performance guarantee expenditure		53.05	101.26
Bad debts written off		1.37	6.49
Provision for doubtful debts and advances		67.31	143.84
Adjustments for consolidation*		365.88	8.66
Exchange differences, net		(60.52)	348.11
Employee stock option scheme		(4.55)	1.59
Wealth-tax		–	0.02
Operating profit / (loss) before working capital changes		**921.24**	**(465.73)**
Movements in working capital			
(Increase) / decrease in trade receivables and due from customer		(743.92)	1,312.54
Decrease / (increase) in inventories		1,263.39	315.97
Decrease / (increase) in loans and advances and other assets		(299.02)	(193.77)
(Decrease) / increase in trade payables, current liabilities and provisions		(591.64)	(431.18)
Cash used in operating activities		**550.05**	**537.83**
Direct taxes paid (net of refunds)		17.81	17.86
Net cash generated from operating activities	**(A)**	**567.86**	**555.69**
Cash flow from investing activities			
Payment for purchase of fixed assets including capital work in progress and capital advances		(690.53)	(689.99)
Sale of fixed assets		33.83	41.86
Proceeds on sale of stake in subsidiary		116.55	173.42
Purchase of investments		(50.87)	–
Sale / redemption of investments		–	63.97
Inter-corporate deposits granted		57.68	(35.78)
Interest received		60.45	117.35
Dividend received		–	0.02
Net cash used in from investing activities	**(B)**	**(472.89)**	**(329.15)**

Consolidated cash flow statement for the year ended March 31, 2014

All amounts in Rupees Crore unless otherwise stated

Particulars		March 31, 2014	March 31, 2013
Cash flow from financing activities			
Proceeds from issuance of share capital including premium****		203.00	–
Proceeds from covered bonds		–	3,512.83
Share application money**		9.00	22.00
Proceeds from long term borrowings		452.30	2,302.16
Repayment of long term borrowings		(365.31)	(2,903.26)
Proceeds / (repayment) from short term borrowings, net		808.10	(684.60)
Repayment of long FCCB		–	(1,371.33)
Premium paid on FCCB		–	(630.15)
Convertible bond and share issue expenses		–	(36.14)
Interest paid		(747.09)	(1,112.68)
Net cash used in from financing activities	**(C)**	**360.00**	**(901.17)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**454.97**	**(674.63)**
Add: Cash and bank balances adjusted on stake sale of subsidiary		(3.03)	(0.62)
Add/(less): Effect of exchange difference on cash and cash equivalents		36.95	1.89
Total		**488.89**	**(673.36)**
Cash and cash equivalents at the beginning of year		**1,959.12**	**2,632.48**
Cash and cash equivalents at the end of year		**2,448.01**	**1,959.12**

Components of cash and cash equivalents	**As at March 31,2014**	**As at March 31,2013**
Cash on hand	4.46	1.20
With scheduled and non scheduled banks		
In current accounts***	546.83	883.21
In term deposits	1,896.72	1,074.71
	2,448.01	**1,959.12**

Summary of significant accounting policies 2.1

Notes :

1. The figures in brackets represent outflows.
2. Previous period's figures have been regrouped / reclassified, whereever necessary to confirm to current year presentation.

*Primarily includes impact of foreign currency translation in non-integral operations.

** Out of total share application money Rs 9.00 Crore (Rs 22.00 Crore) has been received in cash and the balance is through conversion of liabilities.

*** Includes a balance of Rs 0.16 Crore (Rs 0.17 Crore) not available for use by the Group as they represent corresponding unpaid dividend liabilities.

**** The proceeds were received in the form of loan from promoters and were subsequently converted into equity share capital including share premium as per the terms of CDR.

As per our report of even date

For and on behalf of the Board of Directors of Suzlon Energy Limited

For SNK & Co. Chartered Accountants ICAI Firm Registration number: 109176W	For S.R. Batliboi & Co. LLP Chartered Accountants ICAI Firm Registration number: 301003E	Tulsi R. Tanti Chairman and Managing Director DIN : 00002283	Vinod R. Tanti Director DIN : 00002266
per Sanjay Kapadia Partner Membership No. : 38292	per Paul Alvares Partner Membership No. : 105754	Amit Agarwal Chief Financial Officer Membership No. : 056880	Hemal A.Kanuga Company Secretary Membership No. : F4126
Place: Pune Date: May 30, 2014	Place: Pune Date: May 30, 2014	Place: Pune Date: May 30, 2014	

Notes to consolidated financial statements for the year ended March 31, 2014

1. Corporate information

Suzlon Energy Limited ('SEL' or 'the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ('the Act'). Its shares are listed on two stock exchanges in India. The Company is primarily engaged in the business of manufacturing of wind turbine generators ('WTGs') and related components of various capacities.

2. Basis of preparation

The consolidated financial statements comprise the financial statements of Suzlon Energy Limited ('SEL' or 'the Company') and its subsidiaries, associates and joint venture (together referred to as 'Suzlon' or 'the Group'). The consolidated financial statements are prepared under the historical cost convention, on accrual basis of accounting except in case of assets for which provision for impairment is made to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 read with section 133 of the Companies Act, 2013 and General Circular No.8/2014 dated April 04, 2014 issued by the Ministry of Corporate Affairs. The accounting policies have been consistently applied by the Group; and the accounting policies, not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

2.1 Summary of significant accounting policies

a. Principles of consolidation

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' as notified by the Rules.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis, by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealised profits or losses resulting from the intra group transactions and intra group balances have been eliminated.

The excess of the cost to the Company of its investment in the subsidiaries over the Company's portion of equity, on the acquisition date, is recognised in the financial statements as goodwill and is tested for impairment annually. The excess of Company's portion of equity of the Subsidiary over the cost of investment therein, is treated as Capital reserve.

The Company's portion of the equity in the subsidiaries at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and the charge/(reversal) on account of realignment is adjusted to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

Share of minority interest in the net profit is adjusted against the income to arrive at the net income attributable to shareholders of the parent Company. Minority interest's share of net assets is presented separately in the balance sheet.

If the losses attributable to the minority in a consolidated subsidiary exceed the minority's share in equity of the subsidiary, then the excess, and any further losses applicable to the minority, are adjusted against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been adjusted.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

a) derecognises the assets (including goodwill) and liabilities of the subsidiary;
b) derecognises the carrying amount of any minority interest;
c) derecognises the cumulative translation differences, recorded in foreign currency translation reserve;
d) recognises the value of the consideration received;
e) recognises the value of any investment retained;
f) recognises any surplus or deficit in profit or losses;

Associates

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit and loss reflects the share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise decline, other than temporary, in the value of the Group's investment in its associates. The Group determines at each reporting date, whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of provision for diminution, as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of profit and loss.

Joint venture

The Group recognises its interest in the joint venture using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures as notified by the Rules. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. The manufacturing costs of internally generated assets comprise direct costs and attributable overheads.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

Subsequent expenditure related to an item of fixed asset is added to its book value only, if it increases the future benefits from the existing asset, beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items, pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are gross differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognized in the statement of profit and loss, when the asset is derecognised.

d. Depreciation on tangible fixed assets

Depreciation is provided on the written down value method ('WDV'), pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified by respective statutes, whichever is higher. Leasehold land is amortized on a straight line basis over the period of lease.

Some of the subsidiaries of the Group provide depreciation on straight-line method ('SLM').

e. Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss, in the year in which the expenditure is incurred. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, on the date of disposal and are recognized in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset, when the Group can demonstrate all the following:

i) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

ii) Its intention to complete the asset;

iii) Its ability to use or sell the asset;

iv) How the asset will generate future economic benefits;

v) The availability of adequate resources to complete the development and to use or sell the asset;

vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Intangible assets are amortized on a straight line basis over the estimated useful economic life, which generally does not exceed five years.

f. Leases

I. Where the Group is a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

II. Where the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

g. Borrowing costs

Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h. Impairment of tangible and intangible assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment loss recognised in prior accounting periods is reversed, if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed, by charging usual depreciation if there was no impairment.

i. Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts, over the expected useful life of the related asset.

j. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at the lower of cost and fair value, determined on an individual investment basis.

Long-term investments other than in associates are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments. Investments in associates are accounted for using the equity method.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k. Inventories

Inventories of raw materials including stores, spares and consumables, packing materials, semi-finished goods, work-in-progress, project work-in-progress and finished goods are valued at the lower of cost and estimated net realisable value. Cost is determined on weighted average basis.

The cost of work-in-progress, project work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads.

Stock of land and land lease rights is valued at lower of cost and estimated net realisable value. Cost is determined on weighted average basis. Net realisable value is determined by management using technical estimates.

l. Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured. Revenue comprises of sale of goods and services and is disclosed, net of trade discounts, excise duty, sales tax, service tax, VAT or other taxes, as applicable.

Sales

Revenue from sale of goods is recognised in the statement of profit and loss, when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer, as per the terms of the respective sales order, the income can be measured reliably and is expected to be received.

Fixed price contracts to deliver wind power systems (turnkey and projects involving installation and/or commissioning apart from supply) are recognised in revenue based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred, to the extent that it is probable that the expenses will be recovered.

Due from customers, if any, are measured at the selling price of the work performed based on the stage of completion less interim billing and expected losses. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The value of components is recognised in 'Contracts in progress' upon dispatch of the complete set of components which are specifically identified for a customer and are within the scope of contract, or on completion of relevant milestones, depending on the type of contracts. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the selling price of a contract cannot be estimated reliably, the selling price is measured only on the expenses incurred, to the extent that it is probable that these expenses will be recovered. Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

Operation and maintenance income

Revenues from operation and maintenance contracts are recognised pro-rata, over the period of the contract and when services are rendered.

Project execution income

Revenue from services relating to project execution is recognised on completion of respective service, as per terms of the respective sales order.

Power generation income

Power generation income is recognised based on electrical units generated and sold, net of wheeling and transmission loss, as applicable, as disclosed in the power generation reports issued by the concerned authorities.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of interest charged to customers, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.

Dividend income

Dividend income from investments is recognised, when the right to receive payment is established.

Royalty and license income

Royalty and license income is recognised on accrual basis in accordance with the terms of the relevant agreements.

m. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year-end rates.

(iii) Exchange differences

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset.
2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item. It is presented as a part of "Reserves and surplus".
3. The Group treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.
4. All other exchange differences are recognized as income or as expense in the period in which they arise.

In case of exchange differences adjusted to the cost of fixed assets or arising on long-term foreign currency monetary items, the Group does not consider exchange differences as an adjustment to the interest cost.

(iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

(v) Foreign operations

The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Group itself.

In translating the financial statements of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing rate; income and expense items are translated at average exchange rates (Average rates approximates the rate on the date of transaction) prevailing during the year and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in classification.

n. Derivatives

As per the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis and the net loss after considering the offsetting effect on the underlying hedge items is charged to the statement of profit and loss. Net gains on marked to market basis are not recognised.

o. Retirement and other employee benefits

Employee benefits in the nature of defined contributions are charged to the statement of profit and loss of the year, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the statement of profit and loss on accrual basis.

Retirement benefits in the form of gratuity and pension are defined benefit obligations and are provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The entire leave is presented as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are taken to statement of profit and loss and are not deferred.

p. Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities, in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions, where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that, sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that, it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed, to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that, there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available, in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement.” The Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period in future.

q. Employee stock options

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the “Employee stock options outstanding” account in ‘Reserves and surplus’. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

r. Earnings / (loss) per share

Basic earnings / (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors, for the purpose of calculating diluted earnings/(loss) per share. The net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

s. Provisions

A provision is recognised when the Group 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 and in respect of which a reliable estimate can be made of the amount of obligation. 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 estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

t. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

u. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

v. **Measurement of EBITDA and EBIT**

As permitted by the Guidance Note on the Revised Schedule VI, the Group has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Group does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Group reduces depreciation and amortisation expense from EBITDA to measure EBIT.

2.2 List of subsidiaries which are included in the consolidation and the Company's effective holdings therein are as under:

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2014	2013
AE-Rotor Holding B.V.	The Netherlands	100.00%	100.00%
Parque Eolico El Almendro S.L.	Spain	100.00%	100.00%
PowerBlades GmbH	Germany	100.00%	100.00%
PowerBlades Industries Inc. (4)	Canada	100.00%	100.00%
PowerBlades SA	Portugal	100.00%	100.00%
RECA Holdings Pty Ltd.	Australia	100.00%	100.00%
REpower Betriebs – und Beteiligungs GmbH	Germany	100.00%	100.00%
REpower Investitions – und Projektierungs GmbH & Co. KG	Germany	100.00%	100.00%
REpower North China Ltd.	China	54.42%	54.42%
REpower Systems India Limited	India	100.00%	100.00%
REpower Systems Northern Europe A/S	Denmark	100.00%	100.00%
REpower Wind Systems Trading Inc.	China	100.00%	100.00%
REpower Windpark Betriebs GmbH	Germany	100.00%	100.00%
RETC Renewable Energy Technology Centre	Germany	100.00%	100.00%
RiaBlades S.A. (3)	Portugal	3.00%	3.00%
RPW Investments, SGPS, S.A.	Portugal	100.00%	100.00%
SE Blades Limited	India	100.00%	100.00%
SE Blades Technology B.V.	The Netherlands	100.00%	100.00%
SE Drive Technik GmbH	Germany	100.00%	100.00%
SE Electricals Limited	India	100.00%	100.00%
SE Forge Limited	India	100.00%	100.00%
SE Solar Limited	India	100.00%	100.00%
Senvion Australia Pty Ltd. (formerly REpower Australia Pty Ltd.)	Australia	100.00%	100.00%
Senvion Austria GmbH	Austria	100.00%	-
Senvion Benelux b.v.b.a. (formerly REpower Benelux b.v.b.a.)	Belgium	100.00%	100.00%
Senvion Canada Inc. (formerly REpower Systems Inc)	Canada	100.00%	100.00%
Senvion Deutschland GmbH (formerly REpower Systems GmbH)	Germany	100.00%	100.00%
Senvion Espana S.L. (formerly REpower Espana S.L.) (1)	Spain	-	100.00%
Senvion France S.A.S. (formerly REpower S.A.S.)	France	100.00%	100.00%
Senvion Italia s.r.l (formerly REpower Italia s.r.l)	Italy	100.00%	100.00%
Senvion Portugal S.A. (formerly REpower Portugal - Sistemas Eolicos, S.A.)	Portugal	100.00%	100.00%
Senvion Romania SRL (formerly REpower Systems DTE Romania SRL)	Romania	100.00%	100.00%
Senvion SE (formerly REpower Systems SE)	Germany	100.00%	100.00%
Senvion Systems Polska Sp.z o.o (formerly REpower Systems Polska Sp.z o.o)	Poland	100.00%	100.00%
Senvion Systems Scandinavia AB (formerly REpower Systems Scandinavia AB)	Sweden	100.00%	100.00%
Senvion UK Ltd. (formerly REpower UK Ltd.)	United Kingdom	100.00%	100.00%
Senvion USA Corp. (formerly REpower USA Corp.)	USA	100.00%	100.00%

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2014	2013
Sure Power LLC	USA	100.00%	100.00%
Suzlon Energia Eloica do Brasil Ltda	Brazil	100.00%	100.00%
Suzlon Energy (Tianjin) Limited [2]	China	25.00%	100.00%
Suzlon Energy A/S	Denmark	100.00%	100.00%
Suzlon Energy Australia CYMWFD Pty Ltd. [1]	Australia	100.00%	100.00%
Suzlon Energy Australia Pty. Ltd.	Australia	100.00%	100.00%
Suzlon Energy Australia RWFD Pty. Ltd.	Australia	100.00%	100.00%
Suzlon Energy B.V.	The Netherlands	100.00%	100.00%
Suzlon Energy Chile Limitada [1]	Chile	100.00%	100.00%
Suzlon Energy GmbH	Germany	100.00%	100.00%
Suzlon Energy Korea Co., Ltd.	Republic of South Korea	100.00%	100.00%
Suzlon Energy Limited	Mauritius	100.00%	100.00%
Suzlon Generators Limited	India	75.00%	75.00%
Suzlon Global Services Limited (formerly SISL Green Infra Limited)	India	100.00%	100.00%
Suzlon Gujarat Wind Park Limited	India	100.00%	100.00%
Suzlon North Asia Ltd [1]	Hong Kong	100.00%	100.00%
Suzlon Power Infrastructure Limited	India	100.00%	100.00%
Suzlon Project VIII LLC	USA	100.00%	100.00%
Suzlon Rotor Corporation	USA	100.00%	100.00%
Suzlon Structures Limited	India	75.00%	75.00%
Suzlon Wind Energy (Lanka) Pvt Limited	Sri Lanka	100.00%	100.00%
Suzlon Wind Energy bH	Bosnia and Herzegovina	100.00%	100.00%
Suzlon Wind Energy Bulgaria EOOD	Bulgaria	100.00%	100.00%
Suzlon Wind Energy Corporation	USA	100.00%	100.00%
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd.	China	100.00%	100.00%
Suzlon Wind Energy Espana, S.L	Spain	100.00%	100.00%
Suzlon Wind Energy Italy s.r.l.	Italy	100.00%	100.00%
Suzlon Wind Energy Limited	United Kingdom	100.00%	100.00%
Suzlon Wind Energy Nicaragua Sociedad Anonima	Nicaragua	100.00%	100.00%
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	Portugal	100.00%	100.00%
Suzlon Wind Energy Romania SRL	Romania	100.00%	100.00%
Suzlon Wind Energy South Africa (PTY) Ltd	South Africa	80.00%	80.00%
Suzlon Wind Energy Uruguay SA	Uruguay	100.00%	-
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Turkey	100.00%	100.00%
Suzlon Wind International Limited	India	100.00%	100.00%
Suzlon Windenergie GmbH	Germany	100.00%	100.00%
Tarilo Holding B.V.	The Netherlands	100.00%	100.00%
Valum Holding B.V.	The Netherlands	100.00%	100.00%
Ventipower S.A [3]	Portugal	3.00%	3.00%
WEL Windenergie Logistik GmbH	Germany	100.00%	100.00%
Windpark Blockland GmbH & Co KG	Germany	100.00%	100.00%
Yorke Peninsula Wind Farm Project Pty Ltd	Australia	80.00%	80.00%

(1) Liquidated/ under liquidation during the year

(2) Sale of stake during the year (Refer Note 29b)

(3) REpower holds 3% stakes in RiaBlades S.A and Ventipower S.A and obtained control on February 03, 2011 as part of purchase agreement for the remaining stake in 'REpower Portugal'.

(4) This subsidiary was not consolidated during the year ended March 31, 2013 based on materiality. However the same has been consolidated during the year ended March 31, 2014.

2.3 List of subsidiaries which are not included in the consolidation based on materiality or where control is intended to be temporary:

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2014	2013
Avind Desenvolvimento De Projetos De Energia Ltda	Brazil	100.00%	100.00%
Big Sky Wind LLC (refer note 29c)	USA	100.00%	–

2.4 In respect of the following components of consolidated financial statements, it is not practicable to align the accounting policies followed by the subsidiary companies:

Components of consolidated financial statements	Particulars	Amount as at March 31, 2014	Proportion of the total component
Depreciation	Some of the subsidiaries have provided depreciation on straight line method as against the written down value method followed by the Company	488.65 (408.63)	62.90% (55.19%)
Accumulated depreciation	Some of the subsidiaries have provided depreciation on straight line method as against the written down value method followed by the Company	2,320.94 (1,846.39)	56.50% (56.94%)
Employee compensation expenses for stock option	Some of the subsidiaries have accounted stock options granted to employees using the fair value method as against the intrinsic value method followed by the Company	Nil (0.99)	Nil (62.08%)

3. Corporate debt restructuring

During the financial year ended March 31, 2013, the Company along with its 7 identified domestic subsidiaries viz : Suzlon Structures Limited ('SSL'), Suzlon Power Infrastructure Limited ('SPIL'), Suzlon Generators Limited ('SGL'), Suzlon Gujarat Wind Park Limited ('SGWPL'), SE Electricals Limited ('SEEL'), Suzlon Wind International Limited ('SWIL') and SE Blades Limited ('SEBL') hereinafter collectively referred to as the 'Borrowers' and individually as the 'Borrower', had availed various financial facilities from the secured lenders under the Corporate Debt Restructuring Proposal, which was approved by the CDR Empowered Group ('CDR EG'). The Master Restructuring Agreement ('MRA') between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of October 01, 2012.

The key features of the CDR Proposal are as follows:

a. Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut off date in 32 structured quarterly instalments, commencing from December 2014 to September 2022.

b. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium of 2 years from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.

c. Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.

d. Interest accrued but not paid on certain financial facilities till cut off date shall be converted into Funded Interest Term Loan ('FITL'). The interest payable on RTL and WCTL during moratorium period of 2 years from cut off date shall also be converted to FITL. FITL shall be considered as convertible facilities which shall be converted into equity shares or compulsorily convertible debentures (CCDs) in accordance with MRA.

e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities shall be 11%, with reset option in accordance with MRA.

f. Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.

g. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.

h. The Company to issue equity shares, in lieu of sacrifice of the CDR Lenders, for the first three years from cut off date at the price agreed in compliance with Securities and Exchange Board of India, if demanded by CDR Lenders.

i. Contribution of Rs 250.00 Crore in the Company by promoters, their friends and relatives and business associates in lieu of bank sacrifice in the form of equity shares / CCDs, including conversion of existing promoter's loan of Rs 145.00 Crore into equity shares / CCDs, at the price agreed in compliance with Securities and Exchange Board of India.

In case of financial facilities availed from the non-CDR Lenders, the terms and conditions shall continue to be governed by the provisions of the existing financing documents.

Expenditure on restructuring and refinancing of earlier financial facilities aggregating Rs 99.90 Crore has been charged off and disclosed under exceptional items during the financial year ended March 31, 2013.

During the year ended March 31, 2014, pursuant to approval of CDR EG, the borrowers approached CDR and non-CDR lenders seeking financial assistance to bridge the shortfall in working capital facilities assessed during preparation of CDR Proposal, by offering priority repayment against the specific receivables being financed by them, along with sharing of securities under CDR Package, and accordingly the Company has availed loans against project specific receivables.

During the year ended March 31, 2014, the Company agreed a restructuring proposal with Power Finance Corporation ('PFC') which is a non- CDR lender, subject to CDR EG approval. As per the restructuring, the Company converted certain portion of interest accrued to FITL - I and FITL – II. Repayment of outstanding term loan and FITL - I to PFC shall be in accordance with the CDR proposal and MRA. Repayment of FITL – II shall be made in 12 quarterly instalments from December 2022 to September 2025.

4. The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,250.44 Crore) in respect of its unsecured FCCBs which were due in October 2012 ("October 2012 FCCBs"). This default triggered a cross default under the Company's other existing unsecured FCCBs aggregating USD 90 million (Rs 539.24 Crore) and USD 175 million (Rs 1,048.51 Crore), (which otherwise fall due in 2014 and 2016 respectively) (the "2014 and 2016 FCCBs") and accordingly these triggered potential acceleration of payments, if were demanded by a specified proportion of the 2014 and/or 2016 FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs and accordingly USD 175 million (Rs 1,048.51 Crore) has been classified as non-current liability. The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2014.

On May 03, 2014, the Company entered into a standstill agreement with an adhoc committee of FCCB holders, for a cashless exchange of its existing October 2012 FCCB's, 2014 FCCB's and 2016 FCCB's. The new FCCB's are expected to have maturity period of five years and a conversion price of Rs 15.46. Further, the new FCCB's will be interest bearing and no premium will be payable on redemption. However this agreement is subject to various approvals, including approval of Reserve Bank of India. The Company is in the process of restructuring of FCCBs. The Company is also taking various other steps to reduce costs, improve efficiencies to make its operations profitable and to arrange sufficient funds for its operations. Pending the final outcome of restructuring, though there exists material uncertainty, these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, and no adjustments have been made to the carrying values or classification of assets and liabilities.

5. The MRA executed by the Borrowers and the CDR lenders during the financial year ended March 31, 2013 as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, the CDR Lenders have a right to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors, including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. Further, as mentioned in Note 3 to the financial statements, the company has an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut off date, if demanded by CDR lenders. In case of CDR lenders who have exercised this right, the value of equity shares issued has been shown as equity share capital / share application money received, and this cost is amortised over the period of sacrifice. In case of CDR lenders, who have not exercised this right, the amount has been shown as contingent liability. The aggregate outstanding sacrifice made by CDR Lenders as per the MRA is approximately Rs 281.93 Crore (Rs 103.06 Crore) for the Company and Rs 365.33 Crore (Rs 129.32 Crore) for the borrowers.

6. The Tamil Nadu State Electricity Board ('TNEB') through a circular has been charging Infrastructure Development Charges ('IDC') to Wind Energy Developers, towards recovery of cost by TNEB towards infrastructure facilities provided to the wind energy generators to evacuate their power till the state grid. After the enactment of the Electricity Act, 2003 Indian Wind Energy Association ('InWEA') approached the Tamil Nadu Electricity Regulatory Commission ('State Commission') challenging the legality of the IDC levied by TNEB. The State Commission ruled in favour of the InWEA and by order dated September 9, 2008 ruled that, TNEB has no jurisdiction to issue such a circular imposing IDC and that charging IDC is in contravention of section 32(3) of the Act, especially when TNEB had not approached the State Commission for levy of IDC. TNEB appealed against this order of the State Commission to the Appellate Tribunal for Electricity ('Tribunal'). The Tribunal ruled in favour of TNEB vide its order dated January 8, 2010. The InWEA filed a Civil Appeal against the order of the Tribunal in the Supreme Court and the matter is pending the hearing of the Supreme Court. The Group has obtained a legal opinion which states that InWEA (and consequently the Group) has a strong case. The amount under dispute as at March 31, 2014 aggregates to Rs 64.80 Crore (Rs 64.80 Crore).

7. One of the subsidiaries of the Company is required to comply with the provisions of Rule 53 of Special Economic Zones Rules, 2006 ("SEZ Rules"), which requires the Company to achieve positive Net Foreign Exchange ("NFE") during the year ending March 31, 2014. The subsidiary on its application, received an extension of six months from Development Commissioners ("DC") for achieving positive NFE. Since the ultimate outcome of the matter cannot be presently ascertained the same has been considered as a contingent liability.

8. On March 29, 2014, the Company sold its Operation and Maintenance ("OMS") Business Undertaking to one of its subsidiary, Suzlon Global Services Limited ('SGSL'), on a slump sale basis as part of its strategic reorganisation and its initiatives for realising business efficiencies. The referred transaction does not have any impact on the consolidated financial statements. The CDR lenders continue to have a charge on the transferred assets, though SGSL is not a part of the Borrowers.

9. i) **Share capital**

Authorised

	March 31, 2014	March 31, 2013
5,500,000,000 (3,500,000,000) equity shares of Rs 2/- each	1,100.00	700.00
	1,100.00	**700.00**

Issued	March 31, 2014	March 31, 2013
2,507,078,158 (1,796,297,624) equity shares of Rs 2/- each	501.42	359.26
	501.42	**359.26**

Subscribed and fully paid-up	March 31, 2014	March 31, 2013
2,488,146,181 (1,777,365,647) equity shares of Rs 2/- each	497.63	355.47
	497.63	**355.47**

a. **Reconciliation of the equity shares outstanding at the beginning and at the end of the financial year**

	March 31, 2014		March 31, 2013	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
At the beginning of the year	177.74	355.47	177.74	355.47
Issued during the year	71.07	142.16	–	–
Outstanding at the end of the year	**248.81**	**497.63**	**177.74**	**355.47**

b. **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 2 each. Each holder of equity shares is entitled to one vote per share except for the underlying depository shares held against the Global Depository Receipts ('GDRs').

Holders of the GDR have no voting rights with respect to the equity shares represented by the GDRs. Deutsche Bank Trust Company Americas (the 'Depository'), which is the shareholder on record in respect of the equity shares represented by the GDRs, will not exercise any voting rights in respect of the equity shares against which GDRs are issued, unless it is required to do so by law. Equity shares which have been withdrawn from the Depository facility and transferred on the Company's register of members to a person other than the Depository, ICICI Bank Limited (the 'Custodian') or a nominee of either the Depository or the Custodian may be voted by the holders thereof.

As regard the shares, which did not have voting rights as on March 31, 2014 are GDRs – 1,791,178 / (equivalent shares – 7,164,712) and as on March 31, 2013 are GDRs – 1,023,173 / (equivalent shares – 4,092,692).

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	March 31, 2014	March 31, 2013
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	3.20	3.20

In addition, the Company has issued 32,000 shares (March 31, 2013: 1,393,000 shares) during the period of five years, immediately preceding the reporting date, on exercise of options granted under the employee stock option plan (ESOP) wherein part consideration was received in the form of employee services.

d. **Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 34(b), under heading of "Closing balance".

For details of shares reserved for issue on conversion of FCCBs, refer Note 11 (II) (a) for terms of conversion / redemption.

For details of shares reserved for issue on conversion of Funded Interest Term Loan into equity shares or compulsory convertible debentures and issue of equity shares in lieu of sacrifice of the CDR Lenders, refer Note 3(d) for terms of conversion.

For details of shares reserved for issue on conversion of existing promoter loans and promoter contribution in lieu of bank sacrifice and to certain vendors, refer Note 3(i).

e. **Details of shareholders holding more than 5% equity shares in the Company**

	March 31, 2014		March 31, 2013	
Name of shareholder	**Number of shares (Crore)**	**% holding in the class**	**Number of shares (Crore)**	**% holding in the class**
Equity shares of Rs 2 each fully paid-up				
IDBI Bank Ltd.	16.26	6.53%	–	–
Sugati Holdings Private Limited	18.47	7.42%	–	–
Tanti Holdings Private Limited	15.46	6.21%	15.46	8.70%
Mr. Girish R. Tanti	–	–	10.00	5.63%
Morgan Stanley Asia (Singapore) PTE	–	–	12.27	6.90%

Note: As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

ii) **Share application money, pending allotment**

Sr. No.	Allottee	No. of Shares (Crore)	Amount per share	Aggregate amount
1	CDR lenders	6.92 (30.24)	18.51 (18.51)	128.04 (559.67)
2	Specified vendors	3.24 (–)	10.48 (–)	33.98 (–)
3	Samimeru Windfarm Private Limited	– (1.19)	– (18.51)	– (22.00)

iii) **Issue of shares / CCDs post March 31, 2014**

Apart from the amount shown as share application money as on March 31, 2014, the Company issued following equity shares/CCDs post March 31, 2014 on preferential basis:

Sr. No.	Allottee	No. of Shares (Crore)	Amount per share	Aggregate amount
1	Samimeru Windfarm Private Limited	1.53	10.48	16.00
2	Specified vendor	2.02	10.48	21.15
3	Promoters	4.29	10.48	45.00
4	Promoters (arising out of conversion of CCDs)	3.48	13.49	47.00
5	Specified employees (arising out of ESPS 2014)	1.01	8.10	8.18

10. **Reserves and surplus**

		March 31, 2014	March 31, 2013
a.	**Capital reserve**		
	As per last balance sheet	23.30	41.64
	Less: Reduction due to sale of subsidiary (refer Note 29a)	–	(18.34)
		23.30	**23.30**
b.	**Capital reserve on consolidation**	**0.03**	**0.03**
c.	**Capital redemption reserve**	**15.00**	**15.00**
d.	**Legal and statutory reserve**		
	As per last balance sheet	143.33	142.22
	Add: Additions during the year	–	1.11
	Less: Deductions during the year	(10.61)	–
		132.72	**143.33**
e.	**Unrealised gain on dilution**	**160.09**	**160.09**

		March 31, 2014	March 31, 2013
f.	**Securities premium account**		
	As per last balance sheet	4,269.47	4,477.60
	Add: Additions during the year	1,034.59	–
	Less : Proportionate premium payable on redemption of FCCBs	(110.95)	(208.13)
		5,193.11	**4,269.47**
g.	**Employee stock options outstanding**		
	Employee stock options outstanding	9.54	14.10
	Less: Deferred employee stock compensation outstanding	–	(0.01)
		9.54	**14.09**
h.	**Foreign currency translation reserve**		
	As per last balance sheet	458.08	219.80
	Movement during the year	1,119.14	238.28
		1,577.22	**458.08**
i.	**Foreign currency monetary item translation difference account**	**334.43**	**(149.99)**
j.	**General reserve**		
	As per last balance sheet	856.76	851.14
	Add : Transfer from employee stock option outstanding	–	5.62
	Less: Reduction during the year	(1.51)	–
		858.27	**856.76**
k.	**Minority share of losses**	**(38.26)**	**(38.26)**
l.	**Statement of profit and loss**		
	As per last balance sheet	(5,786.96)	(1,063.00)
	Add : Loss for the year	(3,519.97)	(4,723.96)
	Net deficit in the statement of profit and loss	**(9,306.93)**	**(5,786.96)**
Total		**(1,041.48)**	**(35.06)**

11. Long-term borrowings

		March 31, 2014	March 31, 2013
Secured			
(i)	Term loans from banks and financial institutions	6,689.92	5,871.09
(ii)	Covered bonds	3,876.50	3,512.83
		10,566.42	**9,383.92**
Unsecured			
(i)	Foreign currency convertible bonds	1,048.51	1,438.75
(ii)	Loans from banks and financial institutions	25.99	34.99
		1,074.50	**1,473.74**
Total		**11,640.92**	**10,857.66**

(I) The details of security for the secured loans are as follows:

i) In case of financial facilities from CDR lenders in accordance with MRA and non-CDR lenders, RTL, WCTL, FITL aggregating Rs 6,050.62 Crore (Rs 5,690.06 Crore) of which Rs 5,783.65 Crore (Rs 5,430.21 Crore) classified as long term borrowing and Rs 266.97 Crore (Rs 259.85 Crore) classified as current maturities of long term borrowing, fund based working capital facilities of Rs 2,980.96 Crore (Rs 2,282.16 Crore) and non fund based working capital facilities are secured by first pari passu charge on all chargeable, present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 7 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion SE ("Senvion"), negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.

ii) During the year, one of the subsidiaries restructured its existing financial facilities under CDR mechanism. Term loan of Rs 488.84 Crore (Rs 306.41 Crore) and working capital loans of Rs 52.97 Crore (Rs 32.61 Crore) secured by way of first charge on all plant and machinery and other fixed assets and second charge on all current assets and corporate guarantee of a Group Company.

iii) Rs 447.30 Crore (Rs Nil) secured by way of priority repayment against the specific receivables being financed by certain lenders along with sharing of securities under CDR Package.

iv) A.E. Rotor Holding B.V. (AERH), a wholly owned subsidiary of the Company, issued covered bonds of USD 647 million on March 26, 2013. The Bonds are secured by an unconditional and irrevocable Stand-by Letters of Credit ("SBI SBLC") issued by State Bank of India. The SBI SBLC is backed by Stand-by Letters of Credit issued by certain Indian lenders (Indian Lenders SBLCs) and Stand-by Letters of Credit issued by certain overseas branches of domestic lenders (Offshore SBLCs) (Indian Lenders SBLCs and Offshore SBLCs collectively referred to as "Participating SLBCs") and such Participating SBLCs are secured by first ranking pari passu charge, in terms of the respective agreements, on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the carve out properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 7 Indian subsidiaries which are forming part of the Borrowers, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, pledge of certain equity shares of SEL held by its promoters on exclusive basis to SBI, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL. The Indian Lenders SBLCs is secured by guarantee of an overseas subsidiary and the Offshore SBLCs is guaranteed by the Borrowers.

II. Foreign currency convertible bonds

a) Initial terms of issue

Following are initial key terms of bonds at the time of issue:

Particulars	Phase II	Phase II (new)	Phase III	Phase IV
Issue date	October 10, 2007	October 10, 2007	July 24, 2009	April 12, 2011
Issue size (USD)	200 million	20.80 million	90 million	175 million
Issue size (Rs in Crore)	786.20	81.75	452.64	776.83
Face value per bond (in USD)	1,000	1,000	1,000	2,00,000
No. of equity shares per bond	458.56	458.56	533.28	165,108.31
Conversion price per share(Rs)	97.26	97.26	90.38	54.01
Fixed exchange rate (Rs/USD)	44.60	44.60	48.20	44.59
Redemption amount as a % of principal amount (%)	144.88	157.72	134.20	108.70
Maturity date	October 11, 2012	October 11, 2012	July 18, 2014	April 06, 2016

b) Recent development

On May 03, 2014, the Company entered into a standstill agreement with an ad-hoc committee of FCCB holders for a cashless exchange of its existing Phase II, Phase II (new), Phase III and Phase IV bonds for a new proposed FCCB. The new FCCB's are expected to have maturity period of five years and a conversion price of Rs 15.46. Further, the new FCCB's will be interest bearing and no premium will be payable on redemption. However, this agreement is subject to various approvals, including approval of Reserve Bank of India.

c) Redemption premium:

The Phase II, Phase II (new), Phase III and Phase IV bonds are redeemable subject to satisfaction of certain conditions mentioned in the respective offering circular and hence have been designated as monetary liability.

During the year ended March 31, 2014, the Company provided for the proportionate redemption premium of Rs 110.95 Crore (March 31, 2013: Rs 208.13 Crore) by adjusting the same against the securities premium account. Following are the scheme-wise details of the redemption premium as of the year end date:

Rs. in Crore

Phase	March 31, 2014	March 31, 2013
Phase II	326.59	295.95
Phase II (new)	72.08	65.31
Phase III	171.18	118.36
Phase IV	49.66	28.94
Total	**619.51**	**508.56**

III. **The details of repayment of long term borrowing are as follows:**

Particulars	Up to 1 Year	2 to 5 Years	Above 5 Years	Total
Secured loans*	354.22 (441.18)	7,963.27 (7,280.67)	2,603.15 (2,103.25)	10,920.64 (9,825.10)
Unsecured loans	1,534.83 (1,057.28)	1,074.50 (1,473.70)	– (–)	2,609.33 (2,530.98)
	1,889.05	**9,037.77**	**2,603.15**	**13,529.97**
Total	**(1,498.46)**	**(8,754.37)**	**(2,103.25)**	**(12,356.08)**

*For repayment details of term loans from banks and financial institutions which are part of CDR, refer note 3.

12. Other long-term liabilities

	March 31, 2014	March 31, 2013
Other long-term payables	80.64	99.27
Advance from customers	–	10.00
Total	**80.64**	**109.27**

13. Provisions

	Long-term		Short-term	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Employee benefits	64.86	56.53	33.33	41.17
Performance guarantee, operation, maintenance and warranty and liquidated damages	159.55	60.89	1,994.36	1,427.12
Provision for FCCB redemption premium	49.66	147.30	171.18	–
Provision for taxation	–	–	1.95	4.99
Total	**274.07**	**264.72**	**2,200.82**	**1,473.28**

In pursuance of Accounting Standard-29 (AS-29) 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	Performance guarantee	Operation, maintenance and warranty	Liquidated damages
Opening balance	**155.06** (149.65)	**1,078.27** (1,038.67)	**254.68** (154.02)
Additions during the year	**128.66** (101.26)	**1,028.27**** (567.18)	**272.21** (192.17)
Utilisation	**119.49** (95.85)	**412.38*** (403.91)*	**89.81** (91.51)
Deduction due to stake sale	**(–)** (–)	**40.12** (–)	**12.66** (–)
Reversal	**75.61** –	**13.17** (123.67)	**–** (–)
Closing balance	**88.62** (155.06)	**1,640.87** (1,078.27)	**424.42** (254.68)

* Includes expenditure booked under various expenditure heads by their nature.

** This includes amount of Rs 52.09 Crore towards prior period expenses. Also, the amount includes impact of movement in exchange rates.

Performance guarantee ('PG') represents the expected outflow of resources, against claims for performance shortfall expected in future over the life of the guarantee assured. The period of performance guarantee varies for each customer according to the terms of contract. The key assumptions in arriving at the performance guarantee provisions are wind velocity, plant load factor, grid availability, load shedding, historical data, wind variation factor etc.

Operation, maintenance and warranty ('O&M') represents the expected liability on account of field failure of parts of WTG and expected expenditure of servicing the WTGs over the period of free operation, maintenance and warranty, which varies according to the terms of each sales order.

Liquidated damages ('LD') represents the expected claims which the Group may need to pay for non fulfilment of certain commitments as per the terms of the sales order. These are determined on a case to case basis considering the dynamics of each sales order and the factors relevant to that sale.

The figures shown against 'Utilisation' represent withdrawal from provisions credited to statement of profit and loss to offset the expenditure incurred during the year and debited to statement of profit and loss.

14. Short-term borrowings

		March 31, 2014	March 31, 2013
a.	**Secured**		
	Working capital facilities from banks	3,290.72	2,787.63
b.	**Unsecured**		
	(i) From banks and financial institutions	–	0.09
	(ii) From others	232.63	46.97
		232.63	**47.06**
Total		**3,523.35**	**2,834.69**

The rate of interest on the working capital loans from banks ranges between 11% p.a. to 15.00%, p.a. depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks. For details of security given for short term borrowings, refer Note 11 (I) above.

15. Other current liabilities

	March 31, 2014	March 31, 2013
Current maturities of long-term borrowings	1,889.05	1,498.42
Interest accrued but not due on borrowings	42.36	37.58
Interest accrued and due on borrowings	104.38	45.60
Unclaimed dividend	0.16	0.17
Advance from customer	2,409.18	3,957.52
Statutory dues	283.39	248.09
Premium payable on redemption of FCCBs	398.67	361.26
Others*	1,497.41	1,132.08
Total	**6,624.60**	**7,280.72**

* Primarily includes refundable deposits and accruals

16. Tangible and Intangible assets

Fixed Assets	Gross block						Depreciation / amortisation						Net block	
	As at April 1, 2013	Additions	Translation adjustment	Deductions/ adjustments	Sale of subsidiary	As at March 31, 2014	As at April 1, 2013	For the year	Translation adjustment	Deductions/ adjustments	Sale of subsidiary	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
a. Tangible assets														
Land	195.16	3.10	5.70	–	18.86	185.10	24.03	1.50	0.33	–	2.92	22.94	162.16	171.13
Buildings	1,986.73	84.51	178.99	2.16	150.85	2,097.22	622.78	107.57	35.59	0.23	48.00	717.71	1,379.51	1,363.95
Site development	105.25	–	–	–	–	105.25	21.75	6.50	–	–	–	28.25	77.00	83.50
Plant and machinery	2,831.64	186.96	179.14	171.98	142.46	2,883.30	1,423.77	303.77	92.81	119.22	117.82	1,583.31	1,299.99	1,407.87
Wind research and measuring equipments	88.32	3.08	2.61	9.25	–	84.76	56.99	17.63	1.65	6.83	–	69.44	15.32	31.33
Computer and office equipments	315.52	2.32	13.86	3.00	6.49	322.21	210.81	29.13	10.26	2.34	6.24	241.62	80.59	104.71
Furniture and fixtures	662.98	45.02	86.02	38.08	13.57	742.37	398.95	79.21	51.97	34.55	13.67	481.91	260.46	264.03
Vehicles	22.27	1.05	0.18	1.16	0.37	21.97	17.70	1.95	0.16	1.08	0.37	18.36	3.61	4.57
Total tangible assets	**6,207.87**	**326.04**	**466.50**	**225.63**	**332.60**	**6,442.18**	**2,776.78**	**547.26**	**192.77**	**164.25**	**189.02**	**3,163.54**	**3,278.64**	**3,431.09**
Previous year	*6,042.75*	*413.93*	*98.39*	*104.05*	*243.15*	*6,207.87*	*2,123.94*	*716.94*	*40.69*	*52.51*	*52.28*	*2,776.78*	*3,431.09*	–
b. Intangible assets														
Goodwill on consolidation	7,727.59	–	1,420.26	–	–	9,147.85	–	–	–	–	–	–	9,147.85	7,727.59
Design and drawings	1,240.53	248.99	177.99	–	–	1,667.51	468.56	217.40	48.38	–	–	734.34	933.17	771.97
Software	326.84	12.31	39.32	13.98	–	364.49	181.81	11.76	30.02	13.96	–	209.63	154.86	145.03
Total intangible assets	**9,294.96**	**261.30**	**1,637.57**	**13.98**	–	**11,179.85**	**650.37**	**229.16**	**78.40**	**13.96**	–	**943.97**	**10,235.88**	**8,644.59**
Previous year	*8,749.23*	*347.96*	*197.81*	*0.04*	–	*9,294.96*	*435.32*	*208.73*	*6.36*	*0.04*	–	*650.37*	*8,644.59*	–

i) The depreciation / amortisation (including impairment losses) charged in the statement of profit and loss account amounting to Rs 776.88 Crore (Rs 911.84 Crore) includes Rs 0.46 Crore (Rs 0.47 Crore) for depreciation charged on capital work-in-progress.

ii) Deductions to gross block and accumulated depreciation are on account of sale of stake in Suzlon Energy Tianjin Ltd, China ("SETL") which amounts to Rs 332.60 Crore and Rs 189.02 Crore respectively (refer Note 29b).

iii) During the financial year ended March 31, 2013, the Group had identified certain assets as held for sale and recognised impairment loss of Rs 184.73 Crore on write-down value of certain assets to the recoverable amount based on its expected net selling price and the same has been disclosed under exceptional items.

iv) Gross block includes Rs 939.84 Crore (Rs 926.66 Crore) and accumulated depreciation includes Rs 293.18 Crore (Rs 245.58 Crore) towards assets of discontinued operations (refer Note 31).

Assets	As at March 31, 2014 Gross block	Accumulated depreciation	Net block	Depreciation for the year
a. Tangible assets				
Buildings	150.91	25.56	125.35	4.91
Site development	58.35	12.61	45.74	3.89
Plant and machinery	714.94	244.19	470.75	36.89
Computers and office equipments	4.55	3.40	1.15	0.59
Furniture & fixtures	4.27	1.41	2.86	0.27
Vehicles	1.48	0.90	0.58	0.17
Total tangible assets	**934.50**	**288.07**	**646.43**	**46.72**
Previous year	(921.32)	(241.36)	(679.96)	(46.70)
b. Intangible assets				
Design and drawings	3.54	3.44	0.10	0.82
Software	1.80	1.67	0.13	0.08
Total intangible assets	**5.34**	**5.11**	**0.23**	**0.90**
Previous year	(5.34)	(4.22)	(1.12)	(0.99)
Grand total	**939.84**	**293.18**	**646.66**	**47.61**
Previous year	(926.66)	(245.58)	(681.08)	(47.69)

17. Investments

	Non-current investments		Current investments	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Non-trade investments (valued at cost unless stated otherwise)				
Non-trade investments in shares (unquoted)	3.70	35.67	659.84*	–
Investments in Government or trust securities (unquoted)	0.02	0.02	–	–
Investments in debentures (unquoted)	–	–	43.12	–
Total	**3.72**	**35.69**	**702.96**	**–**

*Includes investment in Big Sky Wind LLC of Rs 620.12 Crore (refer Note 29c)

18. Loans and advances

	Non-current		Current	
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**
Capital advances				
Unsecured, considered good **(a)**	**17.64**	**3.49**	**–**	**–**
Security deposits				
Unsecured, considered good **(b)**	**148.37**	**192.04**	**46.89**	**12.63**
Advances recoverable in cash or in kind				
Secured, considered good	–	–	–	–
Unsecured, considered good	122.18	235.75	1,071.17	582.54
Unsecured, considered doubtful	31.67	92.49	16.31	–
	153.85	**328.24**	**1,087.48**	**582.54**
Less : Allowance for bad and doubtful advances	31.67	92.49	16.31	–
(c)	**122.18**	**235.75**	**1,071.17**	**582.54**
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provisions)	101.71	98.64	60.38	138.01
MAT credit entitlement	0.06	1.50	–	–
Inter-corporate deposits	108.89	121.00	53.53	99.10
Other assets	19.20	19.80	613.00	716.60
(d)	**229.86**	**240.94**	**726.91**	**953.71**
Total (a + b + c + d)	**518.05**	**672.22**	**1,844.97**	**1,548.88**

19. Deferred tax

	March 31, 2014	March 31, 2013
Deferred tax assets:		
Unabsorbed losses and depreciation	136.22	125.87
Employee benefits	1.19	0.88
Provision for guarantee and warranty	13.62	25.46
Provision for doubtful debts	5.02	12.74
Others	27.16	25.09
	183.21	**190.04**
Deferred tax liabilities		
Difference in depreciation of fixed assets as per books	253.74	258.19
Accounts receivable / liabilities from contract orders	667.52	479.44
Others	–	0.97
	921.26	**738.60**
Deferred tax liabilities (net)	**738.05**	**548.56**

20. Trade receivables and other assets

20.1 Trade receivables

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Secured				
Other receivables*	–	1,114.50	–	–
Less: Provision for doubtful receivables	–	401.60	–	–
(a)	**–**	**712.90**	**–**	**–**
Unsecured				
Outstanding for a period exceeding six months from due date				
Considered good	–	–	1,067.18	1,211.18
Considered doubtful	56.66	78.04	156.06	98.32
	56.66	**78.04**	**1,223.24**	**1,309.50**
Other receivables	0.15	0.19	1,619.67	1,521.18
	56.81	**78.23**	**2,842.91**	**2,830.68**
Provision for doubtful receivables	56.66	78.04	156.06	98.32
(b)	**0.15**	**0.19**	**2,686.85**	**2,732.36**
Total (a + b)	**0.15**	**713.09**	**2,686.85**	**2,732.36**

*Trade receivable is secured by wind farm assets of a customer (refer note 29 c).

20.2 Other assets

	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Unsecured, considered good unless stated otherwise				
Non-current bank balances	181.96	228.90	–	–
Prepaid compensation in lieu of bank sacrifice	22.83	68.49	45.66	45.66
Ancillary cost of arranging the borrowings	37.69	37.50	9.22	9.22
Interest receivable	–	101.48	7.48	7.94
Infrastructure development asset	77.43	86.76	294.81	311.93
Others	0.56	–	138.79	64.69
Total	**320.47**	**523.13**	**495.96**	**439.44**

21. Inventories

	March 31, 2014	March 31, 2013
Raw materials	2,424.04	2,574.43
Finished goods, semi-finished goods and work- in- progress	1,340.20	2,393.26
Stores and spares	170.89	191.86
Land and land lease rights	97.77	104.28
Total	**4,032.90**	**5,263.83**

22. Cash and bank balances

	March 31, 2014	March 31, 2013
Balances with banks:		
In current accounts	546.67	883.12
In term deposits	1,896.72	1,074.63
Unpaid dividend	0.16	0.17
Cash on hand	4.46	1.20
Total	**2,448.01**	**1,959.12**

23. Revenue from operations

	March 31, 2014	March 31, 2013
Revenue from sale, installation and commissioning of WTG	17,516.34	16,780.16
Income from operation and maintenance service	2,695.24	1,962.98
Total	**20,211.58**	**18,743.14**

Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'

	March 31, 2014	March 31, 2013
Contract revenue recognised during the period	14,317.66	10,867.52
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	12,370.35	9,485.98
Amount of customer advances outstanding for contracts in progress up to the reporting date	1,262.57	2,926.33
Retention amount due from customers for contract in progress up to the reporting date	–	–
Due from customers	3,258.54	2,936.41
Due to customers	210.87	200.15

24. Cost of raw material and components consumed

		March 31, 2014	March 31, 2013
Consumption of raw materials (including project business)			
Opening inventory		2,574.43	3,386.91
Add : Purchases including bought out components		13,225.45	13,324.12
		15,799.88	**16,711.03**
Less : Closing inventory		2,424.04	2,574.43
		13,375.84	**14,136.60**
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade			
(Increase) / decrease in stocks:			
Opening inventory			
Finished, semi finished goods and work-in-progress		2,393.26	1,901.74
Land and land lease rights		104.28	98.81
	(A)	**2,497.54**	**2,000.55**
Closing inventory			
Finished, semi finished goods and work-in-progress		1,340.20	2,393.26
Land and land lease rights		97.77	104.28
	(B)	**1,437.97**	**2,497.54**
(Increase) / decrease in stocks	**(C) = (A) - (B)**	**1,059.57**	**(496.99)**

25. Employee benefits expense

	March 31, 2014	March 31, 2013
Salaries, wages, allowances and bonus	1,829.70	1,734.91
Contribution to provident and other funds	344.31	308.64
Employee stock option scheme	(4.55)	1.59
Staff welfare expenses	61.91	87.56
Total	**2,231.37**	**2,132.70**

26. Other expenses

	March 31, 2014	March 31, 2013
Stores and spares consumed	55.03	83.03
Power and fuel	65.34	62.36
Factory and site expenses	39.55	40.73
Repairs and maintenance	76.41	79.65
Operation and maintenance charges	11.36	117.48
Design change and technical upgradation charges	6.91	20.35
Rent	149.17	146.80
Rates and taxes	28.93	23.68
Performance guarantee expenditure	53.05	101.26
Liquidated damages expenditure	272.21	192.17
Operation, maintenance and warranty expenditure	448.27	258.19
R&D, certification and product development and quality assurance expenses	208.28	279.26
Insurance	32.73	69.15
Advertisement and sales promotion	46.57	63.13
Infrastructure development expenses	15.29	9.17
Freight outward and packing expenses	1,086.84	1,275.14
Sales commission	6.30	4.01
Travelling, conveyance and vehicle expenses	249.22	292.51
Communication expenses	140.69	80.83
Auditors' remuneration and expenses	15.88	10.90
Consultancy charges	234.54	361.35
CSR, charity and donations	5.59	14.45
Exchange differences, net	255.79	306.83
Bad debts written off	1.37	6.49
Provision for doubtful debts and advances	67.31	143.84
Loss on assets sold / discarded, net	26.63	23.17
Miscellaneous expenses	225.82	371.78
Total	**3,825.08**	**4,437.71**

27. Finance costs

	March 31, 2014	March 31, 2013
Interest		
Fixed loans	876.23	820.38
Others	916.24	697.98
Bank charges	149.81	205.49
Amortization of ancillary borrowing costs	72.42	60.92
Compensation in lieu of bank sacrifice	45.66	22.83
Exchange difference to the extent considered as an adjustment to borrowing costs	9.60	47.25
Total	**2,069.96**	**1,854.85**

28. Finance income

	March 31, 2014	March 31, 2013
Interest income		
From banks on fixed deposits	50.85	33.07
From others	20.63	119.07
Dividend income	–*	0.02
Total	**71.48**	**152.16**

** Amount less than Rs 0.01 crore*

29. Exceptional items

	March 31, 2014	March 31, 2013
Reversal towards diminution in investments and profit on sale of investment (refer note 29a)	–	(43.25)
Expenditure on restructuring and refinancing of financial facilities (refer note 3)	–	99.90
Provision / (reversal) for impairment in tangible assets (refer note 29b)	(37.62)	184.73
Provision for doubtful debts (refer note 29c)	216.58	401.60
Restructuring cost (refer note 29d)	308.34	–
Total	**487.30**	**642.98**

a) On June 28, 2012, the Company entered into share purchase agreement with a buyer, for the sale of equity shares of its wholly owned subsidiary Suzlon Engitech Limited ('SENL'). Consequently, SENL ceased to be a subsidiary of a Company. The profit on sale of investment in SENL has been shown under exceptional item during the year ended March 31, 2013.

b) During the financial year ended March 31, 2013, the Group had identified certain assets as held for sale and recognised impairment loss of Rs 184.73 Crore on write-down value of certain assets to the recoverable amount, based on its expected net selling price and the same has been disclosed under exceptional items. Those assets pertains to 'Sale of WTG' segment. Further, during the year, the Company sold 75% of its stake in Suzlon Energy Tianjin Ltd, China ("SETL") and thus SETL ceased to be a wholly owned subsidiary of the Company. The Company holds 25% stake in SETL as on March 31, 2014 and has accounted it as a joint venture. Accordingly the consolidated financial statements for the year ended March 31, 2014 inter alia include the financial figures of SETL till November 30, 2013 as subsidiary and subsequently as a joint venture. The provision for impairment made in tangible assets of SETL during the financial year ended March 31, 2013 has been adjusted to the extent of loss incurred in the transaction and the balance has been disclosed as gain under exceptional items in the consolidated financial statements.

Details of the Company's share in joint venture included in the consolidated financial statements are as follows: (Before inter-company eliminations).

Balance sheet	**March 31, 2014**	**Profit & Loss account**	**December 01, 2013 to March 31, 2014**
Share capital	98.45	Sales	0.77
Reserves and surplus	(15.92)	Other income	–
Total sources of funds	**82.53**	**Total income**	**0.77**
Fixed assets	27.70	Cost of goods sold	0.16
Inventories	14.78	Employee's remuneration and benefits	0.55
Sundry debtors	113.54	Operating and other expenses	1.25
Cash and bank balances	2.51	Depreciation / amortisation	0.75
Loans and advances	3.13	Financial charges	0.25
Total current assets	133.96	**Total expenditure**	**2.96**
Current liabilities and provisions	79.13	**Loss before tax**	**(2.19)**
Net current assets	54.83	Tax	–
Total application of funds	**82.53**	**Loss after tax**	**(2.19)**

c) Suzlon Wind Energy Corporation, USA ("SWECO"), a wholly owned subsidiary of the Company had receivables from Big Sky Wind LLC ("Big Sky"), against the supply of WTG's and the same was secured against the primary security of the Wind Farm ("Asset") owned by Big Sky. During the year, SWECO acquired 100% equity stake of Big Sky from Edison Mission Midwest II, Inc and also entered into a definitive agreement with EverPower for sale of 100% stake of Big Sky. The sale of Big Sky to EverPower was completed in May 2014. The net loss of Rs 216.58 Crore in the transaction, for the year ended March 31, 2014, is after considering provision of Rs 401.60 Crore done during the financial year ended March 31, 2013 and accordingly the same has been disclosed as an exceptional item in the consolidated financial statements.

d) As part of the ongoing cost optimisation plan of the Group, an overseas subsidiary along with its step-subsidiaries had undertaken an "organisational redesign", and in this connection incurred cost towards lay-off and other related costs of Rs 308.34 Crore during year ended March 31, 2014 and the same is disclosed under exceptional items.

30. Tax expense

	March 31, 2014	March 31, 2013
Current tax	18.68	28.30
Deferred tax charge	89.28	158.61
MAT credit entitlement	1.44	160.17
Earlier years tax	35.03	2.24
Total	**144.43**	**349.32**

31. **Discontinuing operation**

As part of the Group's long-term strategy to focus its activities in the areas of manufacturing and sale of Wind Turbine Generators and also as per the terms of CDR MRA along with part of its initiatives for liability management, it has been proposed to divest certain non-critical assets. Accordingly, the Group proposes to divest the business of SE Forge Limited ("SEFL"), which is engaged in manufacturing and machining of large forging and casting products and the said operations have been considered as discontinued operations.

Operating results of the Group's discontinued operations (before eliminations) are summarized as follows:

The carrying amounts of the total assets and liabilities to be disposed of at March 31, 2014 are as follows:

	March 31, 2014	March 31, 2013
Total assets	824.73	873.20
Total liabilities	787.55	867.88
Net assets	37.18	5.32

The revenue and expenses in respect of ordinary activities attributable to the discontinuing operations:

	March 31, 2014	March 31, 2013
Revenues	125.90	128.39
Cost and expenses	269.04	292.34
Operating losses before taxes	(143.14)	(163.95)
Tax expenses	–	–
Loss from discontinued operations	(143.14)	(163.95)

The net cash flows attributable to the Foundry and Forging business are as follows:

	March 31, 2014	March 31, 2013
Operating activities	7.23	139.48
Investing activities	1.86	3.67
Financing activities	(4.41)	(144.57)
Net cash outflows / (inflow)	4.68	(1.41)

32. **Earnings per share (EPS)**

	March 31, 2014	March 31, 2013
Basic		
Net loss after share of profit of associates and minority interest	(3,519.97)	(4,723.96)
Less: Preference dividend and tax thereon	(0.35)	(0.35)
Loss attributable to equity shareholders	(3,520.32)	(4,724.31)
Weighted average number of equity shares	2,239,949,868	1,777,365,647
Basic earnings /(loss) per share of Rs 2 each	(15.71)	(26.58)
Diluted		
loss attributable to equity shareholders	(3,520.32)	(4,724.31)
Add: Interest on foreign currency convertible bonds (net of tax)	37.94	36.51
Interest on loan from promoters (net of tax)	12.36	13.63
Interest on share application money (net of tax)	–	0.43
Employee stock purchase scheme	1.77	–
Adjusted net loss after tax	(3,468.25)	(4,673.74)
Weighted average number of equity shares	2,239,949,868	1,777,365,647
Add: Potential weighted average equity shares that could arise on		
conversion of foreign currency convertible bonds**	261,629,546	398,746,880
conversion of loans from promoters	177,455,650	89,485,069
conversion of share application money	633,705	152,978,513
conversion of FITL	12,438	3,168,710
conversion of employee stock purchase scheme	12,301,100	–
Weighted average number of equity shares for diluted EPS	2,691,982,307	2,421,744,819
Diluted earnings / (loss) per share (Rs) of face value of Rs 2 each [see note below]*	(15.71)	(26.58)

*Since the earnings / (loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/(loss) per share is the same.

**This does not include the impact of possible conversion of foreign currency convertible bonds arising out of the standstill agreement entered into with the bond holders as explained in Note 11 (II b).

33. Post employment benefits

The Group has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Net employees benefit expense recognised in the statement of profit and loss:

	March 31, 2014	March 31, 2013
Current service cost	6.00	6.85
Interest cost on benefit obligation	2.54	2.59
Expected return on plan assets	(1.98)	(1.75)
Net actuarial (gain) / loss recognised in the year	(4.83)	(3.87)
Net benefit expense	1.73	3.82

Details of defined benefit obligation

	March 31, 2014	March 31, 2013
Defined benefit obligation	33.12	34.12
Fair value of plan assets	21.59	25.52
Present value of unfunded obligations	11.53	8.60
Plan liability / (asset)	11.53	8.60

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2014	March 31, 2013
Opening defined benefit obligation	34.12	31.99
Interest cost	2.54	2.58
Current service cost	5.99	6.85
Benefits paid	(5.43)	(3.96)
Actuarial (gains) / losses on obligation	(4.10)	(3.34)
Closing defined benefit obligation	33.12	34.12

Changes in the fair value of plan assets are as follows:

	March 31, 2014	March 31, 2013
Opening fair value of plan assets	25.52	17.46
Expected return	1.98	1.75
Contributions by employer*	0.11	9.58
Benefits paid	(5.43)	(3.79)
Actuarial gains / (losses)	(0.59)	0.52
Closing fair value of plan assets	21.59	25.52

Major category of plan assets pertains to investment in approved funds.

Amounts for the current and previous periods are as follows:

	March 31,				
	2014	2013	2012	2011	2010
Defined benefit obligation	33.12	34.12	31.99	23.39	17.22
Plan assets	21.59	25.52	17.46	17.71	12.44
Surplus / (deficit)	11.54	8.60	14.53	5.68	4.78
Experience adjustments on plan liabilities	1.42	5.41	(3.95)	(2.18)	(0.14)
Experience adjustments on plan assets	0.57	0.01	0.43	0.01	0.07

The principal assumptions with respect to discount rate, expected return on plan assets, salary escalation rate and attrition rate used in determining the defined benefit plan obligations differ from subsidiary to subsidiary. The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

34. Employee stock option plans

(a) The Company has provided various Employee Stock Option Schemes to its employees. During the year ended March 31, 2014 the following schemes were in operation:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
Grant date	23-Nov-07	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	1-Apr-10	27-Apr-11	31-Jul-11	25-May-12	31-Mar-14
Board approval date	29-Jan-07	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	14-Feb-14
Shareholder approval	10-Mar-07	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	27-Mar-14
Options granted (Nos)	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000	12,301,100
Exercise Price (Rs)	192.20	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	72.70	54.35	54.15	20.85	8.10
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period												15-Apr-14
Tranche 1	23-Nov-08	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	1-Apr-11	27-Apr-12	1-Aug-12	26-May-13	–
Tranche 2	23-Nov-09	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	1-Apr-12	27-Apr-13	1-Aug-13	26-May-14	–
Tranche 3	23-Nov-10	–	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	1-Apr-13	27-Apr-14	1-Aug-14	26-May-15	–
Vesting %												100%
Tranche 1	50%	75%	50%	50%	50%	50%	50%	33.33%	50%	50%	50%	–
Tranche 2	25%	25%	25%	25%	25%	25%	25%	33.33%	25%	25%	25%	–
Tranche 3	25%	–	25%	25%	25%	25%	25%	33.34%	25%	25%	25%	–
Exercise period (end date)	Till 23-Nov-2013	Till 21-May-2015	Till 5-Oct-2014	Till 30-Jan-2015	Till 28-July-2015	Till 30-Oct-2015	Till 21-Feb-2016	Till 31-Mar-2014	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017	Till 15-Apr-2014

(b) The movement in the stock options during the year ended March 31, 2014 was as per the table below:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
Opening balance	225,500	996,000	4,793,654	135,000	100,000	50,000	–	7,099,500	50,000	40,000	25,000	–
Granted during the year	–	–	–	–	–	–	–	–	–	–	–	12,301,100
Forfeited/cancelled during the year	–	131,000	1,006,573	100,000	65,000	50,000	–	1,180,500	50,000	30,000	12,500	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	225,500	–	–	–	–	–	–	5,919,000	–	–	–	–
Closing balance	–	865,000	3,787,081	35,000	35,000	–	–	–	–	10,000	12,500	12,301,100
Exercisable at the end of the year (included in closing balance of option outstanding)	–	865,000	3,787,081	35,000	35,000	–	–	–	–	7,500	6,250	–

(c) The movement in the stock options during the year ended March 31, 2013 was as per the table below:

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (TrancheVII)	ESOP Perpetual-I (TrancheVIII)
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Opening balance	316,500	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000	–
Granted during the year	–	–	–	–	–	–	–	–	–	–	25,000
Forfeited / cancelled during the year	91,000	261,000	2,309,664	–	–	–	75,000	1,564,500	–	25,000	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	–	–	–	–	–	–	–	–	–	–	–
Closing balance	225,500	996,000	4,793,654	135,000	100,000	50,000	–	7,099,500	50,000	40,000	25,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	225,500	996,000	4,793,654	101,250	75,000	37,500	–	4,733,000	25,000	20,000	–

No options were exercised during the year.

(d) Fair value of the options

The Company applies intrinsic value based method of accounting, for determining compensation cost for Scheme II to Scheme XIII. Following are the details of the amounts that would have been charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2006	ESOP 2007	ESOP Perpetual-I (Tranche I)		ESOP Perpetual-I (Tranche II)		ESOP Perpetual-I (Tranche III)		ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014
	Scheme II	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	Scheme XIII
			Non-US	US	Non-US	US	Non-US	US							
Charge to profit and loss account	Nil	Nil	Nil		Nil		(0.05)		0.00	Nil	Nil	Nil	Nil	Nil	1.77
	(Nil)	(Nil)	(0.58)		(0.01)		(0.01)		(0.01)	(Nil)	(Nil)	(0.001)	(Nil)	(Nil)	(–)
Rate per option (Rs)	182.60	2.20	22.25	4.75	15.45	Nil	12.29	0.60	11.09	Nil	Nil	0.50	Nil	Nil	1.75
Black Scholes' Model - Cost per option (Rs)	249.11	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	29.12	24.50	22.67	9.25	1.77

If the cost per option was calculated based on the 'Black-Scholes' model, the loss after tax would have been higher by Rs 0.02 Crore (Rs 17.60 Crore).

Consequently the basic and diluted earnings/(loss) per share after factoring the above impact would be as follows:

Earnings per share	March 31, 2014	March 31, 2013
- Basic	(15.71)	(26.68)
- Diluted	(15.71)	(26.68)

35. Operating leases

The Group has taken certain premises under operating leases. Further there are certain shipping charter agreements for offshore systems.

Expenses under cancellable operating lease and rental contracts during the year is Rs 152.44 Crore (Rs 130.78 Crore).

Expenses under non-cancellable operating lease and rental contracts during the year is Rs 16.16 Crore (Rs 26.04 Crore).

Future minimum rentals payable under non-cancellable operating lease and rental contracts as per the respective agreements are as follows:

Obligation on non-cancellable operating leases	March 31, 2014	March 31, 2013
Not later than one year	129.76	104.48
Later than one year and not later than five years	723.89	404.03
Later than five years	1,942.12	1,796.25

Assets given on lease (Windmills):

As on March 31, 2014, the Group sold some of its WTG's which were let out on operating lease earlier. The lease charges were on the basis of net electricity generated and delivered. Details are as under:

	March 31, 2014	March 31, 2013
Lease rental income recognized in statement of profit and loss for the period	2.60	2.53
Gross carrying amount	–	30.00
Accumulated depreciation	–	23.46
Depreciation charged to statement of profit and loss for the period	1.00	1.18

36. Segment information

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

The Group's operations predominantly relate to sale of WTGs and allied activities including sale/sub-lease of land, project execution; and sale of foundry and forging components. Others primarily include power generation operations.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments allocated on a reasonable basis. Inter segment transfers have been carried out at mutually agreed prices.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

(A) Primary business segment

Particulars	March 31, 2014						March 31, 2013					
	Continuing operations			Discontinuing operations*	Elim	Grand total	Continuing operations			Discontinuing operations*	Elim	Grand total
	Sale of WTG	Others	Total	Foundry & Forging			Sale of WTG	Others	Total	Foundry & Forging		
Total external sales	20,115.31	11.88	20,127.19	84.39	–	20,211.58	18,651.79	21.23	18,673.02	70.12	–	18,743.14
Add: Inter segment sales	1.33	–	1.33	41.51	(42.84)	–	2.63	–	2.63	58.27	(60.90)	–
Segment revenue	20,116.64	11.88	20,128.52	125.90	(42.84)	20,211.58	18,654.42	21.23	18,675.65	128.39	(60.90)	18,743.14
Segment results before exceptional items	(869.26)	2.21	(867.05)	(51.71)	0.79	(917.97)	(1,964.02)	7.19	(1,956.83)	(76.80)	(3.33)	(2,036.96)
Add/(less) items to reconcile with profit as per statement of profit and loss												
Add : Other income						71.48						152.16
Less : Financial charges						(2,069.96)						(1,854.85)
Loss before tax before exceptional items						(2,916.45)						(3,739.65)
Less/ (add) : Exceptional items						487.30						642.98
Loss before tax						(3,403.75)						(4,382.63)
Provision for current tax						18.68						28.30
MAT credit entitlement						1.44						158.61
Deferred tax						89.28						160.17
Earlier year tax						35.03						2.24
Total tax						144.43						349.32
Loss after tax						(3,548.18)						(4,731.95)
Less: Share of loss/(profit) of minority						28.21						7.99
Net loss for the year						(3,519.97)						(4,723.96)
Segment assets	26,222.12	82.84	26,304.96	799.04	–	27,104.00	25,404.64	101.67	25,506.31	856.97	–	26,363.28
Common assets						3,210.79						2,852.78
Enterprise assets						30,314.79						29,216.06
Segment liabilities	11,853.21	–	11,853.21	165.29	–	12,018.50	11,526.71	–	11,526.71	357.20	–	11,883.91
Common liabilities						18,840.14						17,011.74
Enterprise liabilities						30,858.64						28,895.65
Capital expenditure during the year	703.58	–	703.58	10.90	–	714.48	683.33	13.79	697.12	(2.81)	–	694.31
Segment depreciation	721.73	7.55	729.28	47.60	–	776.88	682.13	10.67	692.80	47.67	–	740.47

*Refer Note 31

(B) Geographical business segment

(Rs. in crore)

Particulars	Year ended March 31, 2014							Year ended March 31, 2013						
	India	Europe	USA & Canada	China	Aus-tralia	Others	Total	India	Europe	USA & Canada	China	Aus-tralia	Others	Total
Segment revenue	2,615.87	11,076.56	2,821.09	54.93	1,306.60	2,336.53	20,211.58	1,439.38	11,190.95	5,632.82	68.07	122.70	289.22	18,743.14
Segment assets	5,910.21	17,985.67	1,663.09	137.28	576.57	831.18	27,104.00	6,806.13	15,305.66	2,008.09	613.48	192.80	1,437.12	26,363.28
Capital expenditure incurred	30.11	629.23	53.09	–	0.65	1.40	714.48	121.39	550.92	7.78	0.38	2.34	11.50	694.31

37. Related party disclosures

(A) Related parties with whom transactions have taken place during the year

a. Entities where Key Management Personnel ('KMP') / Relatives of Key Management Personnel ('RKMP') have significant influence

Sarjan Realities Limited, Aspen Infrastructures Limited, Shubh Realty (South) Limited, Tanti Holdings Private Limited, Suzlon Foundation, Girish R. Tanti (HUF), Suruchi Holdings Private Limited, Sugati Holdings Private Limited, Synew Steel Limited, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited and Synefra Infrastructures Limited.

b. Key Management Personnel of Suzlon Energy Limited

Tulsi R. Tanti

c. Relatives of Key Management Personnel of Suzlon Energy Limited

Jitendra R. Tanti, Pranav T. Tanti, Nidhi T. Tanti, Vinod R. Tanti*, Girish R. Tanti

d. Employee funds

SE Blades Limited	Superannuation Fund
SE Blades Limited	Employees Group Gratuity Scheme
SE Electricals Limited	Superannuation Fund
SE Electricals Limited	Employees Group Gratuity Scheme
Suzlon Energy Limited	Superannuation Fund
Suzlon Energy Limited	Employees Group Gratuity Scheme
Suzlon Generators Limited	Superannuation Fund
Suzlon Generators Limited	Employees Group Gratuity Scheme
Suzlon Gujarat Wind Park Limited	Superannuation Fund
Suzlon Gujarat Wind Park Limited	Employees Group Gratuity Scheme
Suzlon Power Infrastructure Limited	Superannuation Fund
Suzlon Power Infrastructure Limited	Employees Group Gratuity Scheme
Suzlon Structures Limited	Employees Group Gratuity Scheme
Suzlon Wind International Limited	Superannuation Fund
Suzlon Wind International Limited	Employees Group Gratuity Scheme
Suzlon Global Services Limited	Employees Group Gratuity Scheme

*Resigned as whole time director and continues to be a non-executive director w.e.f. June 01, 2012. Transactions entered into after June 01, 2012 have been disclosed as transactions with the relatives of KMP.

(B) Transactions between the Group and related parties during the year and the status of outstanding balances as at March 31, 2014

Particulars	Entities where KMP / RKMP has significant influence	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	–	–	–	–
	(6.68)	(–)	(–)	(–)
Sale of fixed assets	–	–	–	–
	(0.16)	(–)	(–)	(–)
Purchase of goods and services	39.74	–	–	–
	(46.36)	(–)	(–)	(–)
Sale of goods and services	0.24	0.18	0.73	–
	(0.85)	(0.17)	(0.51)	(–)
CCDs / Shares issued	203.00	–	–	–
	(–)	(–)	(–)	(–)
Loans taken	290.65	–	–	–
	(138.00)	(–)	(–)	(–)
Interest expense	18.30	–	–	–
	(20.17)	(–)	(–)	(–)
Lease rent income	0.54	–	–	–
	(0.24)	(–)	(–)	(–)
Lease rent expense	18.71	–	–	–
	(16.16)	(–)	(–)	(–)
Donation given	1.52	–	–	–
	(1.67)	(–)	(–)	(–)
Managerial remuneration	–	1.45	2.40	–
	(–)	(0.49)	(0.10)	(–)
Contribution to various funds	–	–	–	0.35
	(–)	(–)	(–)	(7.81)
Reimbursement of expenses	–	–	–	–
	(0.72)	(–)	(–)	(–)

(C) Outstanding balances

Particulars	Entities where KMP / RKMP has significant influence	KMP	RKMP	Employee funds
Advances from customers	0.84	–	–	–
	(0.01)	–	–	–
Trade receivables	2.66	0.36	1.83	–
	(1.94)	(0.16)	(0.77)	–
Deposits outstanding	129.10	–	–	–
	(130.53)	–	–	–
Advance to supplier and other assets	49.75	–	–	–
	(0.66)	–	–	–
Trade payables	2.76	–	–	–
	(24.70)	–	–	–
Unsecured loan outstanding (including interest)	90.27	–	–	–
	(253.84)	–	–	–

(D) Disclosure of significant transactions with related parties

Type of the transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2014	2013
Purchase of fixed assets (including intangibles)	Entities where KMP/ RKMP has significant influence	Sarjan Realities Limited Shubh Realty (South) Limited	– –	4.44 2.10
Sale of fixed assets	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited Sarjan Realities Limited	– –	0.12 0.04
Purchase of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited	38.05	44.63
Sale of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited Sarjan Realities Limited	0.09 0.10	0.12 0.70
	KMP RKMP RKMP RKMP RKMP	Tulsi R. Tanti Girish R. Tanti Rambhaben Ukabhai Vinod R. Tanti Jitendra R. Tanti	0.18 0.18 0.19 0.18 0.18	0.17 0.17 0.17 0.17 –
Shares issued	Entities where KMP / RKMP has significant influence	Sugati Holdings Private Limited	203.00	–
Loans taken	Entities where KMP / RKMP has significant influence	Tanti Holdings Private Limited Sugati Holdings Private Limited	– 290.65	138.00 –
Interest expense	Entities where KMP / RKMP has significant influence	Tanti Holdings Private Limited Sugati Holdings Private Limited	15.68 2.62	20.17 –
Lease rent income	Entities where KMP / RKMP has significant influence	Synefra Infrastructures Limited	0.54	0.24
Lease rent expense	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited	17.93	15.49
Donation given	Entities where KMP / RKMP has significant influence	Suzlon Foundation	1.52	1.67

Type of the transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2014	2013
Remuneration	KMP	Tulsi R. Tanti	1.45	0.49
	RKMP	Vinod R. Tanti	2.25	0.09
	RKMP	Pranav T. Tanti	0.15	0.01
Contribution to various funds	Employee Funds	Suzlon Energy Limited Superannuation Fund	0.11	0.32
		Suzlon Energy Limited Employee Group Gratuity Scheme	–	6.95
		Suzlon Wind International Limited Employees Group Gratuity Scheme	0.09	–
		Suzlon Structures Limited Employees Group Gratuity Scheme	0.14	–
		SE Electricals Limited Employee Group Gratuity Scheme	0.26	0.26

38. Capital and other commitments

	March 31, 2014	March 31, 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances	135.43	152.97
Commitment for purchase of goods	3,982.43	4,095.31
Contingent consideration payable	–	34.33

39. Contingent liabilities

	March 31, 2014	March 31, 2013
Disputed Infrastructure Development Charges (refer note 6)	64.80	64.80
Claims against the Group not acknowledged as debts-		
Excise duty, customs duty, service tax and VAT	63.56	58.96
Income-tax*	28.24	30.52
State levies	3.38	6.41
Labour related	2.34	–
Suppliers and service providers	–	0.08
Cumulative preference share dividend of subsidiary payable to minority	6.83	5.27
Interest sacrifice under CDR scheme (refer note 5)	365.33	129.32
Others	36.08	28.79

* includes demand from tax authorities for various matters. The Group / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management.

A few law suits have been filed on the Company and few subsidiaries of the Company by some of their suppliers for disputes in fulfilment of obligations as per supply agreements. The matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided for an amount as a matter of prudence which it believes shall be the probable outflow of resources.

One of the subsidiaries of the Company has filed applications for extension of due date for achieving positive Net Foreign Exchange with Development Commissioners. The matter is under approval and the outcome of the same is not ascertainable.

During the year, one of the subsidiaries received tax infraction notices from tax authorities which have been contested by the subsidiary. The management is in the process of filing responses to such infraction notices. The responses will be filed with the tax assessment officers, and the subsidiary will have a right to appeal to various tax and judicial authorities in future, in case the outcome is unfavourable. Though the Group believes that it has a good chance of getting a favourable outcome, the ultimate outcome of the cases, the timing by when the cases would be concluded and the amount that may be payable are presently uncertain.

40. Derivative instruments and unhedged foreign currency exposure

a. Derivative instruments

1. Forward contract outstanding as at balance sheet date:

	Purpose
Buy USD 42,000,000 (USD 40,000,000)	Hedge of forex USD liabilities
Buy CAD 58,000,000 (CAD Nil)	Hedge of forex CAD liabilities
Buy GBP 14,400,000 (GBP 5,700,000)	Hedge of forex GBP liabilities
Buy AUD 16,500,000 (AUD Nil)	Hedge of forex AUD liabilities
Sell SEK Nil (SEK 63,000,000)	Hedge of forex SEK receivables
Sell CAD 55,500,000 (CAD 115,800,000)	Hedge of forex CAD receivables
Sell GBP 3,000,000 (GBP Nil)	Hedge of forex GBP receivables
Sell AUD 54,300,000 (AUD 10,000,000)	Hedge of forex AUD receivables

2. Options as at balance sheet date:

CAD 39,300,000 call option outstanding as at balance sheet date.

b. Unhedged foreign currency exposure

	March 31, 2014	March 31, 2013
Current liabilities	3,889.17	2,615.71
Debtors	4,541.11	3,148.55
Loans given	2,898.22	2,159.00
Loans received	4,210.00	3,820.11
Bank balance in current and term deposit accounts	425.11	255.30
Deposit paid	0.37	1.22
Foreign currency convertible bonds	3,059.03	2,719.15

41. Deferral / capitalisation of exchange differences

The Group has, consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011, giving an option to the companies to amortise the exchange differences pertaining to long term foreign currency monetary items up to March 31, 2020 (from March 31, 2012 earlier), adopted the said option given under paragraph 46A of Accounting Standard 11. Accordingly, the Group has revised the amortisation period for such items to the maturity of the long term foreign currency monetary items (all before March 31, 2020).

Net foreign exchange gain aggregating Rs 506.84 Crore (loss of Rs 270.06 Crore) on long term foreign currency monetary items have been adjusted in the foreign currency monetary item translation difference account during the year. Further, foreign exchange gain aggregating Rs 22.99 Crore (loss of Rs 322.78 Crore) have been amortised during the year.

42. 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 report of even date

For SNK & Co.
Chartered Accountants
ICAI Firm Registration number: 109176W

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2014

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration number: 301003E

per Paul Alvares
Partner
Membership No. :105754

Place: Pune
Date: May 30, 2014

For and on behalf of the Board of Directors of
Suzlon Energy Limited

Tulsi R. Tanti
Chairman and Managing Director
DIN : 00002283

Vinod R. Tanti
Director
DIN : 00002266

Amit Agarwal
Chief Financial Officer
Membership No. : 056880

Hemal A.Kanuga
Company Secretary
Membership No. : F4126

Place: Pune
Date: May 30, 2014

Notice

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of Suzlon Energy Limited will be held on Thursday, September 25, 2014 at 11.00 a.m. at J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements, etc. for the financial year 2013-14

To receive, consider and adopt the Financial Statements of the Company for the year ended on March 31, 2014 including the audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date on standalone and consolidated basis and the reports of the Board of Directors and Auditors thereon.

2. Re-appointment of Mr. Tulsi R.Tanti as Director

To appoint a director in place of Mr. Tulsi R.Tanti (DIN: 00002283), who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Statutory Auditors

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. SNK & Co., Chartered Accountants, Pune (Firm Registration No.109176W) and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, Pune (Firm Registration No.301003E) be and are hereby appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company, i.e. for a period of 3 (Three) years, subject to ratification of their appointment at every annual general meeting, at such remuneration plus service tax, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors and M/s. SNK & Co., Chartered Accountants, Pune and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, Pune respectively."

SPECIAL BUSINESS:

4. Regularisation of Mrs. Medha Joshi, Nominee of IDBI Bank Limited as Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Medha Joshi (DIN: 00328174) who was appointed as a Nominee Director of the Company with effect from May 3, 2014 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of Office shall not be liable to determination by retirement of directors by rotation."

5. Appointment of Mr. V.Raghuraman as an Independent Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. V.Raghuraman (DIN: 00411489), who retires at the ensuing Annual General Meeting of the Company and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from September 25, 2014 to September 24, 2019."

6. Appointment of Mr. Marc Desaedeleer as an Independent Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Marc Desaedeleer (DIN: 00508623), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from September 25, 2014 to September 24, 2019."

7. Appointment of Mr. Ravi Uppal as an Independent Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ravi Uppal (DIN: 00025970), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment, and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from September 25, 2014 to September 24, 2019."

8. Increase in Authorised Share Capital and Alteration of the Capital Clause of the Memorandum of Association of the Company

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 61(1)(a), 64(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Authorised Share Capital of the Company be and is hereby increased from Rs.1,100,00,00,000/- (Rupees One Thousand One Hundred Crores Only) divided into 550,00,00,000 (Five Hundred Fifty Crores) equity shares of Rs.2/- (Rupees Two Only) each to Rs.1,500,00,00,000/- (Rupees One Thousand Five Hundred Crores Only) divided into 750,00,00,000 (Seven Hundred Fifty Crores) equity shares of Rs.2/- (Rupees Two Only) each by creation of 200,00,00,000 (Two Hundred Crores) equity shares of Rs.2/- (Rupees Two Only) each in the Authorised Share Capital of the Company."

"RESOLVED FURTHER THAT pursuant to Section 13, 61(1)(a) and 64(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Tulsi R.Tanti, Chairman & Managing Director, Mr. Vinod R.Tanti, the Director and Mr. Hemal A.Kanuga, the Company Secretary of the Company be and are hereby severally authorised to intimate the Registrar of Companies, Gujarat about such increase in the Authorised Share Capital of the Company and to do all such acts, deeds, matters and things to enable the Registrar to make necessary changes in the Capital Clause of the Memorandum of Association of the Company so that the existing Clause V of the Memorandum of Association of the Company reads as under:

V. The Authorised Share Capital of the Company is Rs.1,500,00,00,000/- (Rupees One Thousand Five Hundred Crores Only) divided into 750,00,00,000 (Seven Hundred Fifty Crores) equity shares of Rs.2/- (Rupees Two Only) each."

9. Issue of equity shares on preferential basis in terms of ICDR Regulations for the sacrifice by ICICI Bank Limited in terms of the CDR Package

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) 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, CDR EG, 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) and in furtherance to the scheme of corporate debt restructuring ("CDR Package") by and between the Company and the lenders of the Company ("CDR Lenders") which has been approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on December 31, 2012, and communicated to the Company by the Corporate Debt Restructuring Cell ("CDR Cell") vide its letter of approval dated January 23, 2013 ("CDR LOA") and any modifications to the terms thereof, as approved by the CDR Lenders and the Company, and in terms of the Master Restructuring Agreement dated March 28, 2013 ("MRA") executed by and between the Company and the CDR Lenders, and pursuant to the exercise by ICICI Bank Limited ("ICICI") of its option granted under the CDR Package to convert ICICI's sacrifice of the first three years from the Cut-off date, i.e., October 1, 2012 ("ICICI's Sacrifice"), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, up to 34,57,590 (Thirty Four Lacs Fifty Seven Thousand Five Hundred Ninety) fully paid-up equity shares of the Company, having face value of Rs.2/- (Rupees Two Only) each, at a price of Rs.18.51/- (Rupees Eighteen and Paise Fifty One Only) per equity share (being the price calculated with reference to the "Relevant Date", i.e. December 31, 2012) to ICICI in consideration of ICICI's Sacrifice in terms of the CDR Package and the MRA, which is estimated to be a sum of Rs.6,40,00,000/- (Rupees Six Crores Forty Lacs Only), calculated on the basis of the net present value of ICICI's first three years' Sacrifice (as per the CDR Guidelines) and which will be determined at the end of the period of 3 (Three) years from the Cut-Off Date, whether ICICI is a member 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 and since the actual amount of ICICI's first three years' Sacrifice not being known on the Relevant Date, the consent of the Company be and is hereby accorded to the Board to carry out any adjustment for any excess of the estimated value over the actual value of the ICICI's first three years' Sacrifice, at the end of the 3 (Three) years period from the Cut-Off Date or at any other time thereafter up to the exit of the Company from the CDR Package, as per the MRA."

"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 ICICI, on a preferential basis, is December 31, 2012, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG."

"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, 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, CDR EG, 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."

10. Issue of Securities to the extent of Rs.5,000 Crores

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, Securities and Exchange Board of India (SEBI) and / or any other competent authorities, and such other approvals, permissions, consents and sanctions as may be necessary in terms of the provisions of the Foreign Exchange Management Act, 1999 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the enabling 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 Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee thereof) consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets and / or domestic market, for a value of up to Rs.5,000 Crores (Rupees Five Thousand Crores Only), representing such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and / or equity shares through Depository Receipt Mechanism and / or Fully Convertible Debentures (FCDs) and / or Non Convertible Debentures (NCDs) with warrants or any Other Financial Instruments, by whatever name called (OFIs), convertible into or linked to equity shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, Employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through public issue(s) by prospectus, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the provisions of Chapter VIII of the Securities And Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Board may at its absolute discretion, issue, offer and allot equity shares or securities convertible into equity shares or NCDs with warrants for a value up to the amount of Rs.5,000 Crores (Rupees Five Thousand Crores Only) inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the SEBI ICDR Regulations."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT:

(a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and

(b) the underlying equity shares shall rank pari passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the issue of equity shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

(a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the equity shares, the number of shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event of the Company making a rights offer by issue of equity shares prior to the allotment of the equity shares, the entitlement to the equity shares shall stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and

(c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the existing equity shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the Issue(s), including the class of the Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s)."

"RESOLVED FURTHER THAT all the aforesaid powers and authorities be and are hereby further sub-delegated to the Securities Issue Committee of the Board and that the said Securities Issue Committee be and is hereby authorised to sign and execute such letters, deeds, documents, writings, etc. and to do all such acts, deeds, matters and things as might be required in connection with the issue of the Securities which in the opinion of the said Securities Issue Committee ought to have been done, executed and performed in relation to issue of the Securities as aforesaid and the matters incidental and ancillary thereto as duly and effectually as the Board could have done without further reference to the Board."

By order of the Board of Directors of Suzlon Energy Limited

Place : Mumbai — **Hemal A.Kanuga,**
Dated : July 25, 2014 — **Company Secretary.**
M.No. : F4126

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

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than 10 (Ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (Ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing proxy in order to be effective must be deposited at the Company's Registered Office not less than 48 (Forty Eight) hours before commencement of the Nineteenth Annual General Meeting of the Company.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the aforesaid items of Ordinary / Special Business is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 15, 2014 to Thursday, September 25, 2014 (both days inclusive) for the purpose of the Nineteenth Annual General Meeting.
5. Profile of directors seeking appointment / re-appointment as stipulated under Clause 49 of the Listing Agreement is enclosed herewith.
6. Corporate members intending to send their authorised representatives to attend the Nineteenth Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Members desirous of asking any questions at the Nineteenth Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 (Seven) days before the date of the Nineteenth Annual General Meeting so that the same can be suitably replied to.

8. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

9. Keeping in view the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs and in continuation to the practice adopted in previous years, the Company proposes to continue to send notices / documents including annual reports, etc. to the members in electronic form. Members who have still not registered their email addresses are requested to register their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081; email id einward.ris@karvy.com. Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants to enable servicing of notices / documents / Annual Reports electronically to their email address. Please note that as a valued Member of the Company, you are always entitled to request and receive all such communication in physical form free of cost. Further, the documents served through email are available on the Company's website www.suzlon.com and are also available for inspection at the Company's Registered Office during office hours.

10. In terms of provisions of Section 205A read with Section 205C of the Companies Act, 1956, as amended, the amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the unpaid or unclaimed interim dividend for the financial year 2005-06 aggregating to Rs.1,26,578/- (Rupees One Lac Twenty Six Thousand Five Hundred Seventy Eight Only) has been transferred to IEPF. During the year and up to the date of this Notice, unpaid or unclaimed final dividend for the financial year 2005-06 aggregating to Rs.1,48,831/- (Rupees One Lac Forty Eight Thousand Eight Hundred Thirty One Only) and the unpaid or unclaimed interim dividend for the financial year 2006-07 aggregating to Rs.5,52,840/- (Rupees Five Lacs Fifty Two Thousand Eight Hundred Forty Only) has been transferred to IEPF.

    The information pertaining to date of declaration of dividend and corresponding dates after which such other unpaid or unclaimed dividends would be transferred to IEPF are given as under:

Financial Year	**Type of Dividend**	**Date of declaration**	**Date after which unclaimed dividend would be transferred to IEPF**
2007-08	Final	July 30, 2008	July 30, 2015

    Please note that no claim shall lie against the Company or IEPF for such unclaimed dividend once such amount is transferred to IEPF. Members who have not yet encashed their dividend warrants for financial year 2007-08, are therefore requested to contact the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081; email id einward.ris@karvy.com, at the earliest for revalidation.

11. The Company had conducted postal ballot process vide notice dated March 8, 2013 and notice dated February 14, 2014 for obtaining approval of shareholders inter alia for issuance of securities on preferential basis in terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The details of preferential allotments made / to be made are given in Annexure II to this Notice for the information of shareholders.

12. Procedure for E-voting

Pursuant to Clause 35B of the listing agreement and Section 108 of Companies Act, 2013 and Rules made thereunder, the Company is providing e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the Notice.

The Company has appointed Mr. Ravi Kapoor, Practicing Company Secretary (Membership No. F2587 and Certificate of Practice No. 2407) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders / beneficiary owners shall be reckoned on the equity shares held by them as on July 25, 2014, being the Cut-off date for the purpose. The shareholders of the Company holding shares either in dematerialised or in physical form, as on the Cut-off date, may cast their vote electronically.

The instructions for E-Voting are as under:

1. The Company has entered into an arrangement with Karvy Computershare Private Limited ("Karvy") for facilitating e-voting for the ensuing Annual General Meeting. The instructions for e-voting are as under:

    (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.

    (ii) Enter the login credentials, i.e. user-id & password, mentioned on the Attendance Slip / Email forwarded through the electronic notice:

User-ID	For shareholder(s)/ Beneficial Owner(s) holding Shares In Demat Form:- (a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID (b) For CDSL:- 16 Digits Beneficiary ID (c) For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

(iii) After entering these details appropriately, click on "LOGIN".

(iv) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that such company opts for e-voting through Karvy's e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID., etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.

(v) You need to login again with the new credentials.

(vi) On successful login, system will prompt to select the 'Event', i.e. 'SUZLON ENERGY LIMITED'.

(vii) If you are holding shares in Demat form and had logged on to https://evoting.karvy.com and casted your vote earlier for any other company, then your existing login id and password are to be used.

(viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.

(ix) After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xi) Corporate / Institutional Members (corporate / FIs / FIIs / Trust / Mutual Funds / Banks, etc.) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ravi@ravics.com with a copy to evoting@karvy.com. The file scanned image / pdf file of the Board Resolution should be in the naming format "Corporate Name".

2. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently. Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

3. The Portal will remain open for voting from: 10.00 a.m. on September 19, 2014 to 5.00 p.m. on September 21, 2014 (both days inclusive).

4. 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 download section of https://evoting.karvy.com or contact Mr. Varghese P A of Karvy Computershare Private Limited at 040-44655000 or at 1800-3454-001 (toll free).

5. The Scrutinizer shall within a period not exceeding 3 (Three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (Two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.

6. The results on the resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.

7. The results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.suzlon.com) and on Karvy's website (https://evoting.karvy.com) within 2 (Two) days of passing of the resolutions and communication of the same to National Stock Exchange of India Limited and BSE Limited.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Agenda Item No.3: Appointment of Statutory Auditors

M/s. SNK & Co., Chartered Accountants, Pune (Firm Registration No.109176W) and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, Pune (Firm Registration No.301003E), the Statutory Auditors hold Office as Joint Statutory Auditors of the Company till the conclusion of the ensuing Nineteenth Annual General Meeting of the Company. The said Auditors have been holding office as Joint Statutory Auditors of the Company for a period of 10 (Ten) or more consecutive financial years. In terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, a listed company cannot appoint or re-appoint an audit firm as an Auditor for more than two terms of 5 (Five) consecutive years. The period for which the firm has held office as Auditor prior to the commencement of the Companies Act, 2013 shall be taken into account for calculating the period of 10 (Ten) consecutive years, as the case may be. Further Section 139 of the Companies Act, 2013 has also provided a period of 3 (Three) years from the date of commencement of the Act to comply with this requirement and accordingly they can be appointed as Auditors for a further period of 3 (Three) years only in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

In terms of the Companies Act, 2013 and based on the recommendation of the Audit Committee, the Board recommends the appointment of M/s. SNK & Co. and M/s. S.R.Batliboi & Co. LLP as Joint Statutory Auditors of the Company to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company, i.e. for a period of 3 (Three) years (subject to ratification of their appointment at every annual general meeting).

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.3 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

Agenda Item No.4: Regularisation of Mrs. Medha Joshi as Director

Mrs. Medha Joshi was appointed as a Nominee Director of the Company, with effect from May 3, 2014. In terms of the provisions of Section 161 of the Companies Act, 2013, Mrs. Medha Joshi holds office up to the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Medha Joshi for the office of the Director of the Company.

The details of Mrs. Medha Joshi as required to be given in terms of Clause 49(IV)(G) of the Listing Agreement have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board recommends the appointment of Mrs. Medha Joshi as the Director of the Company. In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.4 of the accompanying Notice.

Except for Mrs. Medha Joshi, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

Agenda Item Nos.5, 6 and 7: Appointment of Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal as Independent Directors

The Board had appointed Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal as Independent Directors of the Company in terms of Clause 49 of the Listing Agreement with the stock exchanges. In terms of Section 149 of the Companies Act, 2013, which became effective from April 1, 2014, every listed company is required to have one third of total number of directors as independent directors who shall be appointed by the shareholders for a maximum term of 5 (Five) years and shall not be liable to retire by rotation.

Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal have given a declaration to the Board that they meet the criteria for independence as provided under Section 149(6) of the Companies Act, 2013.

The Board of Directors of the Company have recommended the appointment of these directors as Independent Directors for a period of 5 (Five) years from the ensuing Nineteenth Annual General Meeting of the Company. In the opinion of the Board, Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as independent directors and are independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of these Directors as Independent Directors is now being placed before the shareholders for their approval. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal for the office of the Independent Directors of the Company.

A copy of the draft letter of appointment of the Independent Directors setting out the terms and conditions for appointment shall be open for inspection at the Company's Registered Office during business hours on all working days (except Saturdays, Sundays and Holidays).

The details of Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal as required to be given in terms of Clause 49(IV)(G) of the Listing Agreement have been provided separately under Profile of Directors seeking appointment / re-appointment.

In light of above, you are requested to accord your approval to the Ordinary Resolutions as set out at Agenda Item Nos.5, 6 and 7 of the accompanying Notice.

Except for Mr. V.Raghuraman, Mr. Marc Desaedeleer and Mr. Ravi Uppal, being the appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives have any concern or interest, financial or otherwise, in the proposed resolution.

Agenda Item No.8: Increase in Authorised Share Capital and Alteration of the Capital Clause of the Memorandum of Association of the Company

The present Authorised Share Capital of the Company is Rs.1,100,00,00,000/- (Rupees One Thousand One Hundred Crores Only) divided into 550,00,00,000 (Five Hundred Fifty Crores) equity shares of Rs.2/- (Rupees Two Only) each. In view of (a) preferential allotment to be made to the CDR Lenders in terms of the approved CDR Package, (b) allotment to be made to employees of the Company and its subsidiary companies under Special Employee Stock Option Plan 2014, (c) possible conversion of outstanding Foreign Currency Convertible Bonds issued by the Company, and (d) to meet any other future eventualities, it is considered necessary to increase the authorised share capital of the Company.

As a consequence of the above, it would be necessary to alter the Capital Clause of the Memorandum of Association of the Company. As per the provisions of Sections 61(1)(a) and 13 of the Companies Act, 2013, the increase in the Authorised Share Capital and alteration of the Capital Clause of the Memorandum of Association of the Company respectively require the consent of the shareholders in a general meeting.

A copy of the Memorandum and Articles of Association of the Company is available for inspection at the Company's Registered Office during business hours on all working days (except Saturdays, Sundays and Holidays) till the date of the ensuing Annual General Meeting.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.8 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

Agenda Item No.9: Issue of equity shares on preferential basis in terms of ICDR Regulations for the sacrifice by ICICI Bank Limited in terms of the CDR Package

The CDR LOA provides that the CDR Lenders of the Company, with the approval of the CDR EG, have the right to recompense amount of the reliefs / sacrifices / waivers extended by the respective CDR Lenders as per the CDR Guidelines / MRA. The Company is required to pay the recompense amount to the CDR Lenders in accordance with the CDR Guidelines / MRA. The CDR LOA provides that the CDR Lenders have an option to convert the sacrifice for the first three years into equity shares of the Company. ICICI Bank Limited ("ICICI") has decided to exercise its option to convert the first three years of its sacrifice ("ICICI's Sacrifice") into the equity share of the Company.

The following details of the proposed preferential issue of the equity shares are disclosed in accordance with the provisions of Chapter VII – "Preferential Issue" of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), as amended from time to time:

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

The object of the issue is to comply with the CDR Package of the Company by allotment of equity shares of the Company for ICICI's Sacrifice, pursuant to the exercise of option by ICICI as envisaged in the CDR LOA.

(ii) The total number of shares or other securities to be issued

The Board intends to offer, issue and allot up to 34,57,590 (Thirty Four Lacs Fifty Seven Thousand Five Hundred Ninety) fully paid-up equity shares of the Company, having face value of Rs.2/- (Rupees Two Only) each, at a price of Rs.18.51/- (Rupees Eighteen and Paise Fifty One Only) per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the "Relevant Date" of December 31, 2012, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG, to ICICI in consideration of the ICICI's Sacrifice. Since the actual amount of ICICI's first three years' Sacrifice not being known on the Relevant Date, ICICI's first three years' Sacrifice is estimated to be a the sum of Rs.6,40,00,000/- (Rupees Six Crores Forty Lacs Only) and is calculated on the basis of the net present value of ICICI's first three years' Sacrifice (as per the CDR Guidelines) and will be determined at the end of the period of 3 (Three) years from the Cut-Off Date, being October 1, 2012. Any excess of the estimated value over the actual amount of ICICI's first three years' Sacrifice so determined will be adjusted, at the end of the 3 (Three) years period from the Cut-off Date or at any other time thereafter up to the exit of the Company from the CDR Package, by a suitable mechanism as agreed between the Company and ICICI as per the MRA.

(iii) The price or price band at / within which the allotment is proposed

The issue price is Rs.18.51/- (Rupees Eighteen and Paise Fifty One Only) per equity share, being the price calculated in accordance with Regulation 76(1) of the ICDR Regulations with reference to the "Relevant Date" of December 31, 2012, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG.

(iv) Basis on which the price has been arrived at along with report of the registered valuer

The same is not applicable in the present case since the Company is a listed company; the pricing is in terms of ICDR Regulations.

(v) Relevant date with reference to which the price has been arrived at:

The "Relevant Date" in terms of Regulation 71(a) of the ICDR Regulations for determination of issue price for allotment to ICICI is December 31, 2012, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG.

(vi) The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to ICICI in terms of the CDR package.

(vii) The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential offer:

None of the Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential offer.

(viii) Proposed time within which the allotment shall be completed:

The Company will issue and allot equity shares to ICICI within the time limit specified under the ICDR Regulations or any longer time limit as may be permitted under the ICDR Regulations.

(ix) The identity of the proposed allottee, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the proposed allottee:

Details of the proposed allottee:

Sr. No.	Proposed Allottee	Natural person who ultimately controls the Proposed Allottee	Maximum no. of equity shares to be allotted	Pre-Issue shareholding as of July 22, 2014		Post-Issue shareholding	
				No. of shares	%	No. of shares	%
1.	ICICI Bank Limited	Not required to be given since the proposed allottee is a Listed Bank	34,57,590	56,78,604	0.20	91,36,194	0.33

Notes:

1. 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 in terms of Resolution No.3 of the Postal Ballot Notice dated March 8, 2013; (ii) exercise of options granted under existing ESOPs of the Company, if any, as well as under any new ESOPs; and (iii) the conversion of the existing convertible securities issued by the Company and consequently the post-issue shareholding percentage mentioned above may also stand altered.
2. The 'Relevant Date' for the purpose of allotment of equity shares to ICICI Bank Limited is December 31, 2012, being the date on which the corporate debt restructuring package of the Company was approved by the CDR EG and accordingly the Issue Price has been calculated in accordance with Regulation 76(1) of the ICDR Regulations is Rs.18.51 per equity share.

(x) The change in control, if any, in the Company that would occur consequent to the preferential offer:

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.

(xi) Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post March 31, 2014 and up to the date of this Notice, the following preferential allotments have been made:

Date of allotment	No. of Securities allotted	Issue Price	No. of allottee(s)	Remarks
April 25, 2014	6,91,70,785 equity shares of Rs.2/- each	Rs.18.51 (Relevant date of December 31, 2012)	16	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from January 1, 2014 till March 31, 2014 under CDR package in terms of ICDR Regulations
April 25, 2014	6,78,70,655 equity shares of Rs.2/- each	Rs.10.48 (Relevant date of February 25, 2014)	17	Preferential allotment to certain persons / entities in terms of ICDR Regulations
April 25, 2014	4,29,38,931 equity shares of Rs.2/- each	Rs.10.48 (Relevant date of February 25, 2014)	1	Preferential allotment to promoters in consideration for conversion of unsecured loan of Rs.45 Crores in terms of ICDR Regulations
May 16, 2014	47 compulsorily convertible debentures of Rs.1,00,00,000/- each	Face value of Rs.1,00,00,000/-	1	Preferential allotment to promoters in consideration for conversion of promoter contribution of Rs.47 Crores under CDR package in terms of ICDR Regulations
May 16, 2014	3,48,40,583 equity shares of Rs.2/- each	Conversion Price of Rs.13.49 (Relevant date of April 16, 2014)	-	Allotment to promoters pursuant to conversion notice received for conversion of 47 compulsorily convertible debentures issued on preferential basis in terms of ICDR Regulations
July 22, 2014	7,16,32,902 equity shares of Rs.2/- each	Rs.18.51 (Relevant date of December 31, 2012)	18	Preferential allotment to CDR Lenders in consideration for conversion of funded interest term loan accrued for a period from April 1, 2014 till June 30, 2014 under CDR package in terms of ICDR Regulations

(xii) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

The same is not applicable in the present case since the Company being a listed company; the pricing is in terms of ICDR Regulations.

(xiii) The pre issue and post issue shareholding pattern of the Company:

The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to ICICI is provided hereunder:

Sr. No.	Category	Pre-Issue as of July 22, 2014		Post-Issue	
		Number of shares	%	Number of shares	%
A	**Promoters' Shareholding:**				
1	Indian:				
	Individual	59,83,84,000	21.49	59,83,84,000	21.46
	Bodies Corporate	45,44,00,456	16.32	45,44,00,456	16.30
	Sub Total (A1)	**105,27,84,456**	**37.81**	**105,27,84,456**	**37.76**
2	Foreign Promoters	0	0.00	0	0.00
	Sub Total (A2)	**0**	**0**	**0**	**0.00**
	Sub Total A [(A1) + (A2)]	**105,27,84,456**	**37.81**	**105,27,84,456**	**37.76**
B	**Non-Promoters' Shareholding**				
1	Institutional Investors				
	Financial Institutions / Banks	59,61,69,763	21.41	59,96,27,353	21.51
	Insurance Companies	8,17,94,012	2.94	8,17,94,012	2.93
	Others	19,66,84,766	7.06	19,66,84,766	7.05
	Sub-Total (B1)	**87,46,48,541**	**31.41**	**87,81,06,131**	**31.49**
2	Non-Institutions:				
	Private Corporate Bodies	17,71,33,043	6.36	17,71,33,043	6.35
	Directors and Relatives (other than Promoters)	1,000	0.00	1,000	0.00
	Indian Public	63,06,17,601	22.64	63,06,17,601	22.62
	Others (including NRI)	4,16,95,672	1.50	4,16,95,672	1.50
	Sub-Total (B2)	**84,94,47,316**	**30.50**	**84,94,47,316**	**30.47**
	Sub Total B [(B1) + (B2)]	**172,40,95,857**	**61.91**	**172,75,53,447**	**61.96**
C	**GDRs**	**78,14,724**	**0.28**	**78,14,724**	**0.28**
	GRAND TOTAL [(A) + (B) + (C)]	**278,46,95,037**	**100.00**	**278,81,52,627**	**100.00**

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

(xiv) Undertaking to recomputed price:

The same is not applicable in the present case.

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

The same is not applicable in the present case.

(xvi) Certificate from Statutory Auditors:

A copy of the certificate from the statutory auditors certifying that the issue is being made in accordance with the requirements of ICDR Regulations shall be placed before the shareholders at the ensuing Annual General Meeting of the Company.

(xvii) Lock-in Period:

The securities allotted to ICICI shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The consent of the shareholders is sought for the issue of equity shares in terms of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) 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.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution. Further the Promoters or Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the proposed allottee.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.9 of the accompanying Notice.

Agenda Item No.10: Issue of Securities to the extent of Rs.5,000 Crores

The resolution contained in the business of the Notice is an enabling resolution to enable the Company to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, FCDs, NCDs with warrants, OFIs, and / or such other securities convertible into or linked to equity shares and / or any other instruments and / or combination of instruments as stated in the resolution (the "Securities") to an extent of Rs.5,000 Crores.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI ICDR Regulations. The Board of Directors may at its discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI ICDR Regulations for raising the funds, without the need for fresh approval from the shareholders.

With a view to meet the financial requirements of the Company, it is proposed to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, FCDs, NCDs with warrants, OFIs, and / or such other securities convertible into or linked to equity shares and / or any other instruments and / or combination of instruments to the extent of Rs.5,000 Crores in one or another manner and in one or more tranches. Such further issue of such securities would provide a platform to the Company to meet to its fund requirements and improve the financial leveraging strength of the Company.

Similar enabling resolution was passed by the shareholders at the Eighteenth Annual General Meeting held on September 20, 2013. Since the market conditions have changed since the last approval as also to meet to various regulatory requirements and as a matter of prudent practice, a fresh resolution is proposed to be passed to create, offer, issue and allot Securities to the extent of Rs.5,000 Crores in one or another manner and in one or more tranches.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The pricing of the international issue(s), if any, will be free market pricing and may be at a premium or discount to the market price in accordance with international practices, subject to applicable Indian laws and guidelines. The same would be the case if the Board of Directors decides to undertake a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities or shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the Indian stock exchanges and / or international stock exchange(s) and may be represented by Securities or other Financial Instruments outside India.

The Special Resolution seeks to give the Board the powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit.

The consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force); Chapter VIII of the SEBI ICDR Regulations and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the equity shares of the Company are listed.

The Board believes that the issue of Securities is in the interest of the Company and therefore recommends passing of the Special Resolution for issue of Securities. In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.10 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

By order of the Board of Directors of Suzlon Energy Limited

Place : Mumbai
Dated : July 25, 2014

Hemal A.Kanuga,
Company Secretary.
M.No.: F4126

ANNEXURE I TO THE NOTICE

Profile of Directors seeking appointment / re-appointment at the Nineteenth Annual General Meeting as stipulated under Clause 49 of the Listing Agreement is as under:

Mr. Tulsi R.Tanti (DIN : 00002283)

Brief resume - Mr. Tulsi R.Tanti is the founder of Suzlon Energy Limited and has been its 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 of 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.

Shareholding - Mr. Tulsi R.Tanti holds 39,05,000 equity shares aggregating to 0.14% of the paid-up capital of the Company. He also holds shares in the capacity as karta of HUF and jointly with others.

Interse-relationship - Mr. Tulsi R.Tanti is brother of Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the non-executive directors.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Tulsi R.Tanti are given as under:

Name of the Indian company in which Director	Name of Committee in which member
Suruchi Holdings Private Limited	Nil
Sugati Holdings Private Limited	Nil

Mrs. Medha Joshi (DIN : 00328174)

Brief resume - Mrs. Medha Joshi started the career with ICICI Projects and Follow up Department in Mumbai after that joined IDBI as officer and presently is a Chief General Manager.

Worked all through in corporate finance and related area such as project appraisal & Follow up, merchant banking, etc. which constituted the core operational business of IDBI and other critical assignments such as Head-HRD, Head-Risk and Head -Personal Banking (West zone)

Current assignment is CGM-Retail Banking (Corporate Centre) – for the past 1 (One) year; responsible for overall policy formulation / product guidelines, etc. for the retail vertical of the bank.

Shareholding - Mrs. Medha Joshi does not hold any shares in the Company.

Interse-relationship - Mrs. Medha Joshi is not related to any of the Directors of the Company.

Other Directorships - Mrs. Medha Joshi does not hold any directorship or any committee position in any other company.

Mr. V. Raghuraman (DIN : 00411489)

Brief resume - Mr. V. Raghuraman is a Post graduate in Chemical Engineering. He has over 40 years experience as Consultant, Trainer, Chief Executive and has Primary specialisation in combustion, fuel efficiency, in-depth industrial consulting and training activities in Energy Conservation, Energy Management. He pioneered Energy Audit Methodology in the Country and was involved with Inter-Ministerial working group on utilisation and Conservation of Energy (1981-83). He coordinated 200 Energy Audits for projecting potential of Energy Savings in the Indian Economy.

As Principal Adviser (Energy) to the Confederation of Indian Industry (CII), Mr. Raghuraman worked with Policymakers, Indian Government Ministries and other National and International bodies on energy sector issues.

Mr. Raghuraman has served as Deputy Director General of the National Productivity Council and subsequently Secretary General of ASSOCHAM. He was also Chairman of the World Energy Efficiency Association in Washington, DC (1994-98). Mr. Raghuraman helped set up the Petroleum Conservation Association after the oil crisis in 1973 and was Deputy Project Manager (1976-77) and Joint Project Manager (1981-83). His responsibilities included organising Petroleum Conservation activities such as field studies in industry on furnace oil conservation, diesel conservation in transport fleet and agricultural pump sets. Mr. Raghuraman was the Chairman of SAREC Board and Director in the Board of Orissa Sponge Iron Ltd., Cosmos International & currently he is on the board of the Company. Mr. Raghuraman was a member of the Energy Research & Development Advisory Committees of ICICI. He is a former member of the Research Council of the Indian Institute of Petroleum, the Board of Governors of the National Institute of Industrial Engineering, PACER, ICICI, the EMCAT Advisory Committee, IDBI and the All-India Council for Technical Education.

Mr. Raghuraman organised Energy Audit studies sponsored by Adviser (Energy Conservation) Cabinet Secretariat (1990-91); led a team for Energy Code for Buildings sponsored by the Ministry of Non-Conventional Energy Sources (1991-92); helped identify ESCO opportunities as a member of EMCAT review committee. Mr. Raghuraman was a member of a cogeneration mission sponsored by USAID in 1988. He is also former member of the Task Force on Biomass Cogeneration constituted by the Ministry of Non-Conventional Energy Sources. He undertook a study for the Advisory Board on Energy (1987-88) on identifying and implementing "Co-generation Projects". He Co-chaired the India –EU Wind Energy Project 2005-2007. As part of his work for CII, Mr. Raghuraman drew up policy recommendations and convened meetings to enhance the conservation of energy, promote the use of renewable energy and preserve the environment. He presented the Indian response to the Kyoto Protocol at the US-Japan Energy policy dialogue meeting held in November 1998. He was associated with the "Integrated Energy Policy" exercise and a signatory of the report. He is a member of The Study Group on Nuclear Energy – An Indian Perspective (2000) of Indian National Academy of Engineering (INAE). He has been Convener of the CII-USIBC Working Group on Civil Nuclear Cooperation. He has served as adviser of the Climate Group, UK Astarc Power Pvt. Ltd., besides other corporates. His publications include "Fuel efficiency in Industrial Practice; case studies in Furnace Oil Conservation; Building a low Carbon Indian Economy; Securing India's Energy Future.

Shareholding - Mr. V.Raghuraman does not hold any shares in the Company.

Interse-relationship - Mr. V.Raghuraman is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Raghuraman are given as under:

Name of the Indian company in which Director	Name of Committee in which member
SE Electricals Limited	Nil
SE Blades Limited	Nil
Suzlon Wind International Limited	Nil

Mr. Marc Desaedeleer (DIN: 00508623)

Brief resume - Mr. Marc Desaedeleer is a partner at TRG (The Rohatyn Group) and a member of its Executive Committee. Prior to his current role, he was the Chief Investment Officer of Citi Venture Capital International (CVCI) and prior to that he led CVCI's business in CEEMEA and India. Prior to this he was a senior manager of Citibank's Corporate Banking business covering over 20 countries focusing on Central Europe and Russia. In prior positions within Citigroup, Mr. Marc Desaedeleer was Business Manager for Citibank's Corporate and Investment Banking business in France; managed several international businesses within Citibank's Investment Banking group including ADRs; and was responsible for Citibank's strategy in Global Equities. Before joining Citigroup, Mr. Marc Desaedeleer worked for several international companies including Sulzer (Switzerland) and Lisnave (Portugal). Mr. Marc Desaedeleer holds an M.B.A. degree from

Carnegie Mellon University and Masters in Science degrees from the University of Louvain (Belgium).

Shareholding - Mr. Marc Desaedeleer does not hold any shares in the Company.

Interse-relationship - Mr. Marc Desaedeleer is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Marc Desaedeleer are given as under:

Name of the Indian company in which Director	Name of Committee in which member
Sherkhan Limited	Nil
Global Capital Market Limited	Nil

Mr. Ravi Uppal (DIN: 00025970)

Brief resume - Mr. Ravi Uppal as the Managing Director & Group CEO of US$ 4 billion Jindal Steel and Power Limited (JSPL) Group, is presently driving the said company's growth and responsible for business excellence, both in the domestic and global markets. With wide-ranging business experience, spanning over 36 years in engineering and infrastructure segments in India and abroad, Mr. Uppal is known for his entrepreneurial experience. Before joining JSPL, he served as the whole-time Director and President & CEO (Power) at L&T. Earlier he held various positions in ABB Group including President of Global Market, Member of Group Executive Committee, President of ABB in Asia Pacific Region & Chairman & Managing Director of ABB India. He has also to his credit of being the Founding Managing Director of Volvo in India.

Mr. Uppal has been awarded the Royal Order of the Polar Star by the King of Sweden that named him Knight of this Order in recognition of his invaluable services to the Kingdom of Sweden. He was also conferred with the Marketing Award 2005 by the Institute of Marketing Management, India and named among 'India's Best of the Best' by Smart Manager magazine.

He holds a degree in Mechanical Engineering from the Indian Institute of Technology (IIT) Delhi, which has honoured him as a Distinguished Alumni. He is also an alumnus of the Indian Institute of Management (IIM) Ahmedabad. He has also done Advanced Management Program from Wharton Business School, USA. Mr. Uppal is actively involved in several industry forums & academic institutions and holds a keen interest in social and community development initiatives.

Shareholding - Mr. Ravi Uppal holds 1,000 equity shares aggregating to 0.00% of the paid-up capital of the Company.

Interse-relationship - Mr. Ravi Uppal is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Ravi Uppal are given as under:

Name of the Indian company in which Director	Name of Committee in which member
Jindal Steel and Power Limited	Nil

ANNEXURE II TO THE NOTICE

UPDATES ON PREFERENTIAL ISSUE OF THE COMPANY IN TERMS OF POSTAL BALLOT NOTICE DATED MARCH 8, 2013 AND THE POSTAL BALLOT NOTICE DATED FEBRUARY 14, 2014

A. Allotment to promoters

1. BACKGROUND

The Company had obtained approval of the shareholders in terms of Resolution No.6 of the Postal Ballot Notice dated March 8, 2013 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 Notice dated July 20, 2013 convening Eighteenth Annual General Meeting for issue of CCDs 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. For balance Rs.45 Crores, allotment of equity shares has been made pursuant to fresh approval of shareholders obtained in terms of Resolution No.5 of the Postal Ballot Notice dated February 14, 2014.

The details of allotments made to promoters are given as under:

Sr. No.	Particulars	Amount (Rs. in Crores)	Security allotted	Date of allotment	Remarks
a.	Allotment in consideration of conversion of unsecured loan of Rs.145 Crores given by the Promoters to the Company	100	100 CCDs of Rs.1,00,00,000/- each which were subsequently converted to 9,09,91,800 equity shares of Rs.2/- each at a conversion price of Rs.10.99 per share	October 28, 2013	Allotted in full
		45	4,29,38,931 equity shares of Rs.2/- each at an issue price of Rs.10.48 per share	April 25, 2014	
b.	Allotment in consideration of conversion of unsecured loan of Rs.103 Crores given by the Promoters to the Company forming part of the Promoter Contribution under the CDR Package	103	103 CCDs of Rs.1,00,00,000/- each which were subsequently converted to 9,37,21,554 equity shares of Rs.2/- each at a conversion price of Rs.10.99 per share	October 28, 2013	Allotted in full
c.	Allotment in consideration of additional promoter contribution up to Rs.129 Crores to be brought in by the Promoters, from time to time, as per the CDR Package	47	47 CCDs of Rs.1,00,00,000/- each which were subsequently converted to 3,48,40,583 equity shares of Rs.2/- each at a conversion price of Rs.13.49 per share	May 16, 2014	Allotment for balance amount may or may not be made depending upon requirement under CDR
	Total	**295**	-	-	-

2. DISCLOSURES WITH RESPECT TO ALLOTMENT MADE IN TERMS OF RESOLUTION NO.6 OF THE POSTAL BALLOT NOTICE DATED MARCH 8, 2013 READ WITH ANNEXURE II TO THE POSTAL BALLOT NOTICE DATED FEBRUARY 14, 2014

The Company had made disclosures to the shareholders regarding details of allotments to be made in terms of ICDR Regulations under Resolution No.6 of the Postal Ballot Notice dated March 8, 2013 and Annexure II to the Postal Ballot Notice dated February 14, 2014. 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 Annexure II of the Postal Ballot Notice dated February 14, 2014	Actual details	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	Allotment was made for Rs.47,00,00,000/- brought-in by the Promoters towards Promoter Contribution	Allotment for balance amount may or may not be made depending upon requirement under CDR
2.	Securities to be issued and issue / conversion price	Compulsorily Convertible Debentures (CCDs) in one or more tranches	47 CCDs of Rs.1,00,00,000/- each were issued aggregating to Rs.47,00,00,000/- which were subsequently converted into 3,48,40,583 equity shares of Rs.2/- each at a conversion price of Rs.13.49 per share.	The conversion price arrived in terms of ICDR Regulations with reference to Relevant Date is Rs.13.49
3.	Name of the Allottee	Sugati Holdings Private Limited or any of the Promoter Affiliates mentioned at point no.6 below	Sugati Holdings Private Limited	
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.	May 16, 2014 being the date of allotment, i.e. the CCDs are convertible into equity shares any time on or after May 16, 2014 however not later than 11 (Eleven) months from the date of allotment.	
5.	Relevant Date	Relevant Date shall be a date which is 30 (Thirty) 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.	April 16, 2014 being 30 days prior to the entitlement date, i.e. May 16, 2014	

6	Pre-issue 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:			
Proposed allottee	Pre-issue as on January 30, 2014		Post-issue as on date	
	No. of shares	%	No. of shares	%
Sugati Holdings Private Limited (Mr.Girish R.Tanti individually holds more than 25% equity)	18,47,18,354	7.42	26,24,97,868	9.43
Total Promoter Group Holding	97,50,04,942	39.19	1,05,27,84,456	37.81

7	Pre-issue and Post-issue Shareholding Pattern of the Company				
Sr. No.	Category	Pre-issue as on 30th January 2014		Post-issue as on date	
		No. of shares	%	No. of shares	%
A	Promoter & Promoter Group	97,50,04,942	39.19	1,05,27,84,456	37.81
B	Public Shareholding				
1	Institutions				
	Financial Institutions / Banks	47,44,33,508	19.07	59,61,69,763	21.41
	Insurance Companies	6,51,76,875	2.62	8,17,94,012	2.94
	Others	18,57,19,136	7.46	19,66,84,766	7.06
	Sub-Total	72,53,29,519	29.15	87,46,48,541	31.41
2	Non-Institutions				
	Bodies Corporate	9,59,51,378	3.86	17,71,33,043	6.36
	Individuals	64,24,99,793	25.82	63,06,18,601	22.64
	Others	4,22,15,837	1.70	4,16,95,672	1.50
	Sub-Total	78,06,67,008	31.38	84,94,47,316	30.50
	Total Public Shareholding	150,59,96,527	60.53	172,40,95,857	61.91
C	GDRs	71,44,712	0.29	78,14,724	0.28
	GRAND TOTAL	248,81,46,181	100.00	278,46,95,037	100.00

3. DISCLOSURES WITH RESPECT TO ALLOTMENT MADE IN TERMS OF RESOLUTION NO.5 OF THE POSTAL BALLOT NOTICE DATED FEBRUARY 14, 2014

Sr. No.	**Particulars**	**Details of disclosures made in Annexure II of the Postal Ballot Notice dated February 14, 2014**	**Actual details**	**Remarks**
1.	Name of the Allottee	Tanti Holdings Private Limited and / or Sugati Holdings Private Limited and / or its / Promoters' affiliates	Sugati Holdings Private Limited	

B. ALLOTMENT TO CDR LENDERS

1. BACKGROUND

The Company had obtained approval of the shareholders in terms of Resolution No.3 read with Resolution No.1 of the Postal Ballot Notice dated March 8, 2013 for allotment of equity shares / compulsorily convertible debentures ("CCDs") to the CDR Lenders for an amount not exceeding Rs.1314 Crores translating to a maximum of 70,96,00,000 equity shares of Rs.2/- each at an issue price of Rs.18.51/- per share in consideration of the following:

(a) Funded Interest Term Loan – I ("FITL-I") being the outstanding interest payable by the Company to CDR Lenders until the cut-off date, being October 1, 2012 ("Cut-off Date");

(b) the Funded Interest Term Loan – II ("FITL-II") being the interest for the period of two (2) years from the Cut-off Date on the Rupee Term Loan and the Working Capital Term Loan, as and when the same accrues and is payable to the CDR Lenders, as per the master restructuring agreement; and

(c) the Funded Interest Term Loan – III ("FITL-III") being the interest for the period of six (6) months from the Cut-off Date on the Working Capital Fund Based Loan payable to the CDR Lenders.

The allotments in consideration of FITL-I and FITL-III have been completed in totality on April 23, 2013 and the allotment for FITL-II is required to be made to CDR Lenders on quarterly basis in tranches for conversion of FITL-II accrued for a period from April 1, 2013 till September 30, 2014. Till date following allotments have been made under Resolution No. 3 of the Postal Ballot Notice dated March 8, 2013:

Date	Particulars	No. of equity shares allotted
April 23, 2013	Preferential allotment to CDR Lenders in consideration for conversion of FITL-I, FITL-II and FITL-III under CDR package in terms of ICDR Regulations	22,83,56,864
July 31, 2013	Preferential allotment to CDR Lenders in consideration for conversion of FITL-II accrued for a period from April 1, 2013 till June 30, 2013 under CDR package in terms of ICDR Regulations	7,05,25,613
October 28, 2013	Preferential allotment to CDR Lenders in consideration for conversion of FITL-II accrued for a period from July 1, 2013 till September 30, 2013 under CDR package in terms of ICDR Regulations	7,01,99,351
January 30, 2014	Preferential allotment to CDR Lenders in consideration for conversion of FITL-II accrued for a period from October 1, 2013 till December 31, 2013 under CDR package in terms of ICDR Regulations	7,10,95,242
April 25, 2014	Preferential allotment to CDR Lenders in consideration for conversion of FITL-II accrued for a period from January 1, 2014 till March 31, 2014 under CDR package in terms of ICDR Regulations	6,91,70,785
July 22, 2014	Preferential allotment to CDR Lenders in consideration for conversion of FITL-II accrued for a period from April 1, 2014 till June 30, 2014 under CDR package in terms of ICDR Regulations	7,16,32,902
	Total	58,09,80,757

Further the Company is required to make preferential allotment in consideration for conversion of FITL-II accrued for a period from July 1, 2014 till September 30, 2014 under CDR Package in terms of ICDR Regulations on or before October 31, 2014. Based on estimated calculations, the Company had provided following details of FITL-I, FITL-II and FITL-III to the shareholders in the Postal Ballot Notice dated March 8, 2013:

NAME OF CDR LENDER	FITL-I (Rs. In Crores)	FITL-II (Rs. In Crores) (up to)	FITL-III (Rs. In Crores) (up to)
State Bank of India	6.16	196.25	37.87
Axis Bank Limited	1.21	24.75	12.3
Bank of Baroda	7.52	82.63	7.89
Bank of India	0.31	7.89	1.38
Bank of Maharashtra	0	25.54	4.02
Central Bank of India	9.23	54.88	6.7
Corporation Bank	0.68	7.55	1.14
Dena Bank	0.95	15.04	0
Export-Import Bank of India	4.32	41.2	0
ICICI Bank Limited	1.22	14.88	10.13
IDBI Bank Limited	35.04	215.33	16.44
Indian Overseas Bank	0.99	86.94	10.58
Life Insurance Corporation of India	33.84	127.99	0
Oriental Bank of Commerce	1.32	8.37	7.26
Punjab National Bank	9.94	90.26	11.92
The Saraswat Cooperative Bank Limited	0.04	10.3	0
State Bank of Bikaner & Jaipur	0	21.46	4.31
State Bank of Patiala	0	16.3	10.7
Union Bank of India	0.02	8.82	1.48
Total CDR lenders	112.79	1056.38	144.12
Grand Total (rounded off)	1314		

In terms of the CDR package read with the Master Restructuring Agreement, the interest payable on the restructured term debt for the moratorium period shall be converted into funded interest term loan and the actual conversion amount shall be subject to reconciliation with the CDR Lenders. Based on this, the amount of FITL-II converted into equity shares on quarterly basis from April 1, 2013 till June 30, 2014 has been reconciled with all the CDR Lenders. Due to such reconciliation, the FITL-II amount is likely to increase in case of certain CDR Lenders referred to in the table herein below aggregating to approximately Rs.10 Crores up to September 2014. The major reasons for such differences are as follows:

1. The figures mentioned in CDR LOA are as per the projected facility built up and envisaged prepayment as per CDR Scheme. However in actual, there is a delay in the built up of the facility.
2. Deviation in the actual sanction amount as compared to the CDR LOA.
3. Scheme was approved for the facility built up to June 2013. However, calculation in the model was made considering the built up in March 2013.
4. Change in the fungibility envisaged in the model and actual released, which has impacted the FITL-II up to March 2013.

Considering the above, the Company has requested the CDR EG to permit the Company to approve the shortfall and in turn enable the Company to make an additional allotment of equity shares to following CDR Lenders to the maximum extent as under, which however shall be subject to exact reconciliation:

Name of the Bank	**Amount in Crores**	**No. of additional shares to be issued**
State Bank of India	2.15	11,61,535
Bank of India	0.95	5,13,237
Central Bank of India	3.60	19,44,895
Corporation Bank	0.75	4,05,187
Dena Bank	1.25	6,75,311
Export Import Bank of India	0.10	54,025
Oriental Bank of Commerce	0.40	2,16,100
Punjab National Bank	0.80	4,32,199
Total	10.00	54,02,489

However please note that the total allotment proposed to be made to CDR Lenders shall not exceed the overall approved limit of Rs.1314 Crores translating to a maximum of 70,96,00,000 equity shares of Rs.2/- each at an issue price of Rs.18.51/- per share in terms of Resolution No.3 of the Postal Ballot Notice dated March 8, 2013.

2. DISCLOSURES WITH RESPECT TO PRE AND POST ALLOTMENT SHAREHOLDING PATTERN OF THE ALLOTTEES AND THE COMPANY

Considering the aforesaid modifications, the revised pre and post shareholding details of the allottees under Resolution No.3 of the Postal Ballot Notice dated March 8, 2013 are given as under:

Sr. No.	Proposed Allottee	Pre-issue as on March 1, 2013		Post-issue as on date		Post-issue after considering all allotments to CDR Lenders for conversion of FITL-II under CDR package	
		Number of shares	%	Number of shares	%	Number of shares	%
1.	State Bank of India	-	-	11,67,54,263	4.19	It is not possible to provide the post-issue shareholding pattern after considering all allotments to CDR Lenders for conversion of FITL-II since the no. of securities to be allotted cannot be ascertained at this point of time because the FITL-II amount that will accrue for a period from July 1, 2014 till September 30, 2014 is subject to reconciliation with the CDR Lenders.	
2.	Axis Bank Limited	-	-	87,74,603	0.32		
3.	Bank of Baroda	5,50,000	0.03	4,70,54,208	1.69		
4.	Bank of India	-	-	49,97,670	0.18		
5.	Bank of Maharashtra	-	-	76,80,020	0.28		
6.	Central Bank of India	11,16,000	0.06	3,72,69,594	1.34		
7.	Corporation Bank	85,126	0.00	49,26,356	0.18		
8.	Dena Bank	-	-	82,01,557	0.29		
9.	Export Import Bank of India	-	-	2,18,22,287	0.78		
10.	ICICI Bank Limited	-	-	56,78,604	0.20		
11.	IDBI Bank Limited	13,69,895	0.08	19,04,98,967	6.84		
12.	Indian Overseas Bank	1,34,500	0.01	4,51,03,645	1.62		

Sr. No.	Proposed Allottee	Pre-issue as on March 1, 2013		Post-issue as on date		Post-issue after considering all allotments to CDR Lenders for conversion of FITL-II under CDR package	
		Number of shares	%	Number of shares	%	Number of shares	%
13.	Life Insurance Corporation of India	1,36,35,731	0.77	8,14,94,012	2.93		
14.	Oriental Bank of Commerce	1,50,000	0.01	88,13,495	0.32		
15.	Punjab National Bank	36,72,710	0.21	5,81,65,883	2.09		
16.	The Saraswat Cooperative Bank Limited	-	-	-	-		
17.	State Bank of Bikaner & Jaipur	30,000	0.00	1,15,87,157	0.42		
18.	State Bank of Patiala	-	-	1,20,58,883	0.43		
19.	Union Bank of India	4,19,616	0.02	52,67,774	0.19		
20.	Power Finance Corporation	-	-	-	-		
21.	Yes Bank Limited	-	-	-	-		
	Total	2,11,63,578	1.19	67,61,48,978	24.28		

4. Considering the aforesaid modifications, the revised pre-issue and post-issue shareholding pattern of the Company is likely to be as under:

Sr. No.	Category	Pre-issue as on March 1, 2013		Post-issue as on date		Post-issue after considering all allotments to CDR Lenders for conversion of FITL-II under CDR package	
		Number of shares	%	Number of shares	%	Number of shares	%
A	Promoter & Promoter Group	79,02,91,588	44.46	105,27,84,456	37.81	It is not possible to provide the post-issue shareholding pattern after considering all allotments to CDR Lenders for conversion of FITL-II since the no. of securities to be allotted cannot be ascertained at this point of time because the FITL-II amount that will accrue for a period from July 1, 2014 till September 30, 2014 is subject to reconciliation with the CDR Lenders.	
B	Public Shareholding						
1	Institutions						
	Financial Institutions / Banks	1,39,45,279	0.78	59,61,69,763	21.41		
	Insurance Companies	1,39,35,731	0.78	8,17,94,012	2.94		
	Others	15,57,27,829	8.76	19,66,84,766	7.06		
	Sub-Total	18,36,08,839	10.33	87,46,48,541	31.41		
2	Non-Institutions						
	Bodies Corporate	10,53,43,083	5.93	17,71,33,043	6.36		
	Individuals	47,21,44,805	26.56	63,06,18,601	22.64		
	Others	22,22,27,092	12.50	4,16,95,672	1.50		
	Sub-Total	79,97,14,980	44.99	84,94,47,316	30.50		
	Total Public Shareholding	98,33,23,819	55.32	172,40,95,857	61.91		
C	GDRs	37,50,240	0.21	78,14,724	0.28		
	GRAND TOTAL	177,73,65,647	100.00	278,46,95,037	100.00		

Notes:

SUZLON ENERGY LIMITED
[CIN: L40100GJ1995PLC025447]
Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009;
Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; website: www.suzlon.com; email id: investors@suzlon.com

PROXY FORM
(Form MGT.11)

[Pursuant to section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : ____________________

Registered Address : ____________________

____

Email ID : ____________________

Folio No. / Client ID : ____________________

DP ID : ____________________

I / We, being the member(s) of ____________________ shares of the above named Company hereby appoint:

1. Name : ____________________ E-mail Id : ____________________
   Address : ____________________
   ____________________ Signature : ____________________

   or failing him

2. Name : ____________________ E-mail Id : ____________________
   Address : ____________________
   ____________________ Signature : ____________________

   or failing him

3. Name : ____________________ E-mail Id : ____________________
   Address : ____________________
   ____________________ Signature : ____________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Nineteenth Annual General Meeting of the Company, to be held on Thursday, September 25, 2014 at 11 a.m. at J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Ordinary / Special Resolution
1.	Adoption of Financial Statements, etc. for the financial year 2013-14	Ordinary Resolution
2.	Re-appointment of Mr. Tulsi R.Tanti as Director	Ordinary Resolution
3.	Appointment of Statutory Auditors	Ordinary Resolution
4.	Regularisation of Mrs. Medha Joshi, Nominee of IDBI Bank Limited as Director	Ordinary Resolution
5.	Appointment of Mr. V.Raghuraman as an Independent Director	Ordinary Resolution
6.	Appointment of Mr. Marc Desaedeleer as an Independent Director	Ordinary Resolution
7.	Appointment of Mr. Ravi Uppal as an Independent Director	Ordinary Resolution
8.	Increase in Authorised Share Capital and Alteration of the Capital Clause of the Memorandum of Association of the Company	Special Resolution
9.	Issue of equity shares on preferential basis in terms of ICDR Regulations for the sacrifice by ICICI Bank Limited in terms of the CDR Package	Special Resolution
10.	Issue of Securities to the extent of Rs.5,000 Crores	Special Resolution

Signed this _________ day of ___________ 2014

Signature of shareholder: ______________________

Signature of proxy holder(s): ________________________

Affix Revenue Stamp not less than Rs. 0.15

Note: This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office, not less than 48 (Forty Eight) hours before the commencement of the Nineteenth Annual General Meeting of the Company.

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SUZLON ENERGY LIMITED

[CIN: L40100GJ1995PLC025447]

Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009;
Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; website: www.suzlon.com; email id: investors@suzlon.com

ATTENDANCE SLIP

Nineteenth Annual General Meeting on Thursday, September 25, 2014

DP ID / Folio No. / Client ID No. :

Full name and address of the shareholder :

No. of equity shares held :

Full name of proxy, in case proxy attending :

I / we hereby record my / our presence at the Nineteenth Annual General Meeting of the Company, to be held on Thursday, September 25, 2014 at 11 a.m. at J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

Signature of shareholder/proxy

E-voting Details

Event	User ID	Password

Procedure for E-voting

Pursuant to Clause 35B of the listing agreement and Section 108 of Companies Act, 2013 and Rules made thereunder, the Company is providing e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the notice. The Company has appointed Mr. Ravi Kapoor, Practicing Company Secretary (Membership No. F2587 and Certificate of Practice No. 2407) as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders / beneficiary owners shall be reckoned on the equity shares held by them as on July 25, 2014, being the Cut-off date for the purpose. The shareholders of the Company holding shares either in dematerialised or in physical form, as on the Cut-off date, may cast their vote electronically. The instructions for E-Voting are as under:

1. The Company has entered into an arrangement with Karvy Computershare Private Limited ("Karvy") for facilitating e-voting for the ensuing Annual General Meeting. The instructions for e-voting are as under:

   (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.

   (ii) Enter the login credentials, i.e. user-id & password, mentioned on the Attendance Slip / Email forwarded through the electronic notice:

User-ID	For shareholder(s)/ Beneficial Owner(s) holding Shares In Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID c) For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for Security reasons i.e., please enter the alphabets and numbers in the exact way as they are displayed.

   (iii) After entering these details appropriately, click on "LOGIN".

   (iv) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that such company opts for e-voting through Karvy's e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID., etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference.

(v) You need to login again with the new credentials.

(vi) On successful login, system will prompt to select the 'Event', i.e. 'SUZLON ENERGY LIMITED'.

(vii) If you are holding shares in Demat form and had logged on to https://evoting.karvy.com and casted your vote earlier for any other company, then your existing login id and password are to be used.

(viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.

(ix) After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xi) Corporate / Institutional Members (corporate / FIs / FIIs / Trust / Mutual Funds / Banks, etc.) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to ravi@ravics.com with a copy to evoting@karvy.com. The file scanned image / pdf file of the Board Resolution should be in the naming format "Corporate Name".

2. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently. Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.

3. The Portal will remain open for voting from: 10.00 a.m. on September 19, 2014 to 5.00 p.m. on September 21, 2014 (both days inclusive).

4. 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 download section of https://evoting.karvy.com or contact Mr. Varghese P A of Karvy Computershare Private Limited at 040-44655000 or at 1800-3454-001 (toll free).

5. The Scrutinizer shall within a period not exceeding 3 (Three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 (Two) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the meeting.

6. The results on the resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.

7. The results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.suzlon.com) and on Karvy's website (https://evoting.karvy.com) within 2 (Two) days of passing of the resolutions and communication of the same to National Stock Exchange of India Limited and BSE Limited.

SUZLON

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CIN: L40100GJ1995PLC025447

REGISTERED OFFICE : "Suzlon" 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009, India
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Tel.: +91.20.6702 2000 / +91.20.6135 6135 Fax.: +91.20.6702 2100 / + 91.20.6702 2200

Website : www.suzlon.com