

AUDITORS' REPORT

To,
The Members,
Suzlon Gujarat Wind Park Limited.

1. We have audited the attached Balance Sheet of **SUZLON GUJARAT WIND PARK LIMITED**, as at **March 31, 2010** and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the **Balance Sheet**, of the state of affairs of the Company as at **March 31, 2010**; and
 - b. In the case of the **Profit and Loss Account**, of the Loss of the Company for the year ended on that date.
 - c. In the case of the **Cash Flow Statement**, of the Cash Flows of the Company for the year ended on that date.

For **SNK & CO**,
Firm Registration Number: 109176W
Chartered Accountants,

Jasmin B. Shah
Partner.
M.No. 46238
Place: Pune
Date: May 7, 2010.

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report to the members of **Suzlon Gujarat Wind Park Limited** for the year ended on 31st March 2010)

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) There is a regular programme of physical verification of its fixed assets which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, a major portion of the fixed assets has been physically verified by the management during the year. No material discrepancies were noticed on such verification.
(c) The Company has not disposed off any fixed assets during the year.
- 2) (a) The inventories have been physically verified by the management at reasonable intervals during the year.
(b) The procedure of verification are reasonable and adequate having regard to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
- 3) (a) During the year company has not granted any loans to company, firms or other parties covered in the register maintained under section 301 of the Act Companies Act,1956.
(b) The company has not taken any loan from company, firm or other parties covered in the register maintained under section 301 of the Companies Act,1956.
(c) According to the information and explanations given to us, clause 4(iii)(b) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
(d) According to the information and explanations given to us, clause 4(iii)(c) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 4) 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 with regard to purchases of inventories and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls in respect of these areas.

- 5) (a) In our opinion and according to the information and explanations given to us by the management, the particulars of contracts or arrangements referred to in Section 301 of The Companies Act, 1956 have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
- 6) The Company has not accepted any deposits from the public. Accordingly, clause 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 7) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records as per the provisions contained under section 209(1)(d) of the Companies Act, 1956.
- 9) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues mentioned in clause (i) above were outstanding as at 31st March, 2010 for a period of more than 6 months from the date of becoming payable.
- (c) According to the information and explanation given to us, there are no dues in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, that have not been deposited on account of any dispute.
- 10) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current financial year. It had incurred cash losses in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, the company has not taken any loan from the financial institution or bank.

- 12) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted any loans and advances on the basis of security by the way of pledge of shares, debentures, and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 14) In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 15) According to information and explanations given to us, the Company has given guarantees for loans taken by other company from bank or financial institutions, the term and condition whereof in our opinion are not prima facie prejudicial to the interest of the Company.
- 16) In our opinion and according to the information and explanations given to us, the company has not availed any term loans. Accordingly, clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 19) The Company did not have any outstanding debentures during the year. Accordingly, clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 20) The Company has not raised any money by way of public issue during the year ended on 31st March, 2010. Accordingly, clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

21) 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 explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SNK & CO,
Firm Registration Number: 109176W
Chartered Accountants,

Jasmin B. Shah
Partner.
M.No. 46238
Place: Pune
Date: May 7, 2010.

Suzlon Gujarat Windpark Limited

Balance sheet as at March 31,2010

All amounts in Rupees unless otherwise stated

Particulars	SCHEDULE	March 31,2010	March 31,2009
I. SOURCES OF FUNDS			
Shareholders' Funds			
(a) Share Capital	A	20,000,000	20,000,000
(b) Reserves and Surplus	B	-	17,392,170
		20,000,000	37,392,170
Loan Funds			
Unsecured Loans	C	1,101,786,466	922,000,000
		1,101,786,466	922,000,000
TOTAL		1,121,786,466	959,392,170
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	47,198,469	42,975,273
Less :- Depreciation		28,834,959	16,681,803
Net Block		18,363,510	26,293,470
Capital Work-in-Progress		-	9,564,478
		18,363,510	35,857,948
Investments			
	E	38,944	36,262
Current Assets, Loans and Advances			
(a) Inventories	F	901,954,100	983,465,986
(b) Sundry Debtors		84,557,676	234,407,067
(c) Cash and Bank Balances		18,187,770	5,689,507
(d) Loans and Advances		131,252,188	83,093,167
		1,135,951,734	1,306,655,727
Less : Current Liabilities and Provisions			
(a) Current Liabilities	G	146,159,226	380,442,254
(b) Provisions		-	2,715,513
		146,159,226	383,157,767
Net Current Assets			
		989,792,508	923,497,960
Profit and Loss Account			
		113,591,504	-
TOTAL		1,121,786,466	959,392,170
Significant Accounting Policies and Notes to Accounts	N		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

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

Balrajsinh A. Parmar
Director

Jasmin B. Shah
Partner
Membership No. 46238
Place : Pune
Date : May 7, 2010

Ranjitsinh A Parmar
Director

Place : Pune
Date : May 7, 2010

Suzlon Gujarat Windpark Limited

Profit and loss account for the year ended March 31,2010

All amounts in Rupees unless otherwise stated

Particulars	SCHEDULE	Year Ended March 31, 2010	Year Ended March 31, 2009
INCOME			
Sales	H	341,777,764	453,703,972
Other Income	I	21,631	9,077,512
TOTAL		341,799,395	462,781,484
EXPENDITURE			
Cost of products and services	J	280,957,928	560,065,252
Operating and other expenses	K	46,532,807	59,298,751
Employees' Remuneration and Benefits	L	7,485,590	24,750,995
Financial Charges	M	125,651,737	56,814,102
Depreciation	D	12,153,156	12,063,015
TOTAL		472,781,218	712,992,115
Profit before tax before prior period items		(130,981,823)	(250,210,631)
Current Tax		-	-
Deferred Tax		-	505,471
Fringe Benefit Tax		-	991,720
Earlier Year		1,851	(55,377)
Profit after tax before prior period items		(130,983,674)	(251,652,445)
Profit after tax after prior period items		(130,983,674)	(251,652,445)
Balance Brought Forward		17,392,170	269,044,615
Balance Carried to Balance Sheet		(113,591,504)	17,392,170
Basic Earnings per Share (Schedules) (Face Value of Rs 10)		(65.49)	(125.83)
Significant Accounting Policies and Notes to Accounts	N		

The schedules referred to above and the notes to accounts form an integral part of the profit and loss account.

As per our report of even date

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

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

Balrajsinh A. Parmar
Director

Jasmin B. Shah
Partner
Membership No. 46238
Place : Pune
Date : May 7, 2010

Ranjitsinh A Parmar
Director

Place : Pune
Date : May 7, 2010

SUZLON GUJARAT WIND PARK LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

All amounts in Indian Rupees, unless otherwise stated

PARTICULARS	As at March 31st,	
	2010	2009
Cash Flow from operating Activities		
Profit Before Tax	(130,981,824)	(250,210,630)
Adjustment For		
Depreciation	12,153,157	12,063,015
Interest Expenses	123,773,325	55,074,718
Interest Income	(21,631)	(9,077,512)
Operating Profit Before Working Capital Adjustments	4,923,027	(192,150,410)
Movements in Working Capital		
Decrease/(Increase) in Sundry Debtors	149,849,391	(117,396,603)
Decrease/(Increase) in Inventories	81,511,885	(76,023,618)
Decrease/(Increase) in Loans & Advances	(26,331,845)	(14,095,288)
Increase/ (Decrease) in Current Liabilities & Provisions	(236,998,545)	(505,991,605)
Cash used in Operating Activities	(27,046,088)	(905,657,524)
Direct Tax Paid	(21,829,020)	(120,526,120)
Net Cash Used in Operating Activities	(48,875,108)	(1,026,183,645)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(4,223,195)	(17,713,170)
Sale of Fixed Assets	9,564,478	
Interest Received	18,946.78	9,074,713
Net Cash Used in Investing Activities	5,360,229	(8,638,457)
CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	-	941,000,000
Proceeds from Borrowings	1,021,686,466	165,000,000
Repayment of Borrowings	(841,900,000)	(19,000,000)
Interest Paid	(123,773,325)	(55,074,718)
Net Cash From Financing Activities	56,013,141	1,031,925,282
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	12,498,263	(2,896,820)
Cash and Cash Equivalents at the beginning of the Period	5,689,507	8,586,327
Cash and Cash Equivalents at the end of the period	18,187,770	5,689,507
	As at March 31st,	
Components of Cash and Cash Equivalents as at	2010	2009
Cash on hand	500,468	302,355
With Scheduled Banks	237,134	223,628
On current Account	17,450,167	5,163,524
Total of Cash and Cash Equivalents	18,187,770	5,689,507

Notes :

- 1 Previous year figures have been regrouped/reclassified wherever necessary
- 2 The figures in brackets represents cash outflow.

As per our attached report of even date.

For and on behalf of the Board of Directors
Suzlon Gujarat Wind Park Limited

For S N K & CO.

Firm Registration Number: 109176W
Chartered Accountants

Jasmin B. Shah
Partner
M. No. 46238
Place : Pune
Date : May 7, 2010

Balrajsinh A. Parmar Ranjitsinh A Parmar
Director Director

Place : Pune
Date : May 7, 2010

SUZLON GUJARAT WIND PARK LIMITED
SCHEDULES FORMING PART OF BALANCE SHEET AS AT March 31,2010

All amounts in Rupees unless otherwise stated

Particulars	As at March 31,2010	As at March 31, 2009
<u>SCHEDULE- A : SHARE CAPITAL</u>		
Authorised 2,000,000 Equity Shares of Rs.10/- each	20,000,000	20,000,000
	20,000,000	20,000,000
Issued, Subscribed		
Equity 2,000,000 Equity Shares of Rs.10/- each fully paid up (100% Equity shares held by Suzlon Energy Ltd.)	20,000,000	20,000,000
	20,000,000	20,000,000
<u>SCHEDULE- B : RESERVES AND SURPLUS</u>		
Profit and Loss Account	-	17,392,170
	-	17,392,170
<u>SCHEDULE- C : UNSECURED LOANS</u>		
From Body Corporates (From Suzlon Energy Ltd.)	1,101,786,466	922,000,000
	1,101,786,466	922,000,000
<u>SCHEDULE - E : INVESTMENTS</u>		
<u>LONG TERM INVESTMENTS (At Cost, Fully paid)</u>		
<u>UNQUOTED</u>		
(i) GOVERNMENT AND OTHER SECURITIES		
National Saving Certificates	38,944	36,262
	38,944	36,262
Total - Investments	38,944	36,262

SUZLON GUJARAT WINDPARK LIMITED
SCHEDULE FORMING PART OF BALANCE SHEET AS AT March 31 , 2010

SCHEDULE - D : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 1-Apr-09	Additions during the Year	Deduction during the	As at 31-Mar-10	As at 1-Apr-09	Depreciation for the Year	Deduction during the	As at 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
Land	815,835			815,835	-			-	815,835	815,835
Computers	2,778,481		-	2,778,481	1,456,706	528,710	-	1,985,416	793,065	1,321,776
Furniture & Fixtures	6,381,381			6,381,381	1,852,787	819,676	-	2,672,463	3,708,918	4,528,594
Office Equipments	1,895,628	134,245		2,029,874	370,811	217,925	-	588,736	1,441,138	1,524,817
Vehicle	1,156,326	35,770		1,192,096	431,870	196,823	-	628,693	563,404	724,456
Wind Research Measuring Equipment:	29,947,622	4,053,180	-	34,000,802	12,569,629	10,390,022	-	22,959,651	11,041,150	17,377,993
	42,975,273	4,223,195	-	47,198,469	16,681,803	12,153,156	-	28,834,959	18,363,510	26,293,470
CWIP (Wind Met Mast)									-	9,564,478
GRAND TOTAL	42,975,273	4,223,195	-	47,198,469	16,681,803	12,153,156	-	28,834,959	18,363,510	35,857,948
Previous Year	28,336,019	14,639,254	-	42,975,273	4,618,788	12,063,015	-	16,681,803	35,857,948	

Particulars	As at March 31, 2010	As at March 31, 2009
<u>SCHEDULE- F : CURRENT ASSETS, LOANS AND ADVANCES</u>		
CURRENT ASSETS		
<i>(a) INVENTORIES</i>		
Raw materials (Including Goods in Transit)	-	-
Project- Work In Progress	-	364,655,479
Project- Finished Goods	744,406,487	501,877,940
Land and Leasehold Land	157,547,613	116,932,567
	901,954,100	983,465,986
<i>(b) SUNDRY DEBTORS</i>		
(Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	22,649,338	25,083,737
Considered Doubtful	-	-
	22,649,338	25,083,737
Others, Considered Good	61,908,338	209,323,330
	84,557,676	234,407,067
Less: Provision for doubtful debts	-	-
	84,557,676	234,407,067
<i>(c) CASH AND BANK BALANCES</i>		
Cash on hand	500,468	302,355
Balances with Scheduled Banks		
in Current Accounts	17,450,167	5,163,524
in Fixed Deposit Accounts	237,134	223,628
	17,687,302	5,387,152
	18,187,770	5,689,507
LOANS AND ADVANCES		
(Unsecured and considered good, except otherwise stated)		
Deposit Others	12,993,300	309,800
Advance against taxes	47,002,118	25,174,942
Advances recoverable in cash or in kind or for value to be received*		
Considered Good	71,256,770	57,608,425
	131,252,188	83,093,167
<u>SCHEDULE- G : CURRENT LIABILITIES AND PROVISIONS</u>		
Current Liabilities		
Acceptances	-	104,020,081
Sundry Creditors	27,562,960	152,074,863
Advances from Customers	41,645,638	36,161,046
Other Current Liabilities	76,950,628	88,186,264
	146,159,226	380,442,254
Provisions		
Gratuity, Superannuation and Leave Encashment	-	2,715,513
For Income Tax	-	-
For Wealth Tax	-	-
	-	2,715,513
	146,159,226	383,157,767

SUZLON GUJARAT WIND PARK LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

All amounts in Rupees unless otherwise stated

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
SCHEDULE - H : SALE OF PRODUCTS AND SERVICES		
Power Evacuation Infrastructure Facility Income	163,800,000	300,060,000
Income from Land	177,374,193	149,450,952
Sales of Goods	603,571	4,193,020
	341,777,764	453,703,972
<u>SCHEDULE - I : OTHER INCOME</u>		
Interest Received		
From Banks (Including TDS Rs. 1,894/- (Rs.5,551/-)	18,948	189,544
From Others (Including TDS Rs. Nil (Rs.1,974,949)	2,683	8,887,968
	21,631	9,077,512
<u>SCHEDULE - J : COST OF PRODUCTS AND SERVICES</u>		
Project Material Consumed		
Opening Stock	-	3,618,933
Add :- Purchases	142,774,138	376,011,086
	142,774,138	379,630,019
Less :- Closing Stock	-	-
	(A) 142,774,138	379,630,019
Trading Purchase		
	-	119,730,000
	(B) -	119,730,000
Direct Operating Expenses		
Supervision Charges	-	11,564,969
Power Evacuation Labour	-	-
Cost of Land	15,506,397	51,212,574
Met Mast Cost	550,461	2,853,800
	(C) 16,056,858	65,631,343
(Increase) / Decrease in Project Stock		
Opening Balance:		
Project - Works in Progress	364,655,479	548,828,229
Project - Finished Stock	501,877,940	312,779,080
	(D) 866,533,419	861,607,308
Closing Balance:		
Project - Works in Progress	-	364,655,479
Project - Finished Stock	744,406,487	501,877,940
	(E) 744,406,487	866,533,419
(Increase) / Decrease in Project Stock		
	122,126,932	(4,926,110.53)
	(G) = (A) + (B) + (C) + (F) 280,957,928	560,065,252

Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
<u>SCHEDULE - K : OPERATING AND OTHER EXPENSES</u>		
Site and Plant Operating Expenses	24,987,202	21,009,004
Security Expenses	401,568	3,238,718
Repairs and Maintenance - Others	74,107	264,464
Rent	3,783,791	1,960,987
Rate & Taxes	6,488	151,352
Communication Expenses	241,933	1,149,278
Travelling and Conveyance expenses	859,010	8,389,969
Insurance	2,502,045	571,613
Advertisement and sales promotion	988,876	-
Consultancy Charges	10,584,951	9,406,416
General selling and administrative expenses	1,508,873	12,444,183
Bad debt Written off	547,415	-
Charity and Donation	21,000	547,317
Auditor's Remuneration	164,659	165,450
Profit on Fixed Assets sold/ discarded	(139,111)	-
	46,532,807	59,298,751
<u>SCHEDULE - L: EMPLOYEES' REMUNERATION AND BENEFITS</u>		
Salaries, Wages, Allowances and Incentives	6,862,242	20,290,020
Contribution to Provident and Other Funds	445,553	1,861,101
Staff Welfare Expenses	177,795	2,599,875
	7,485,590	24,750,995
<u>SCHEDULE - M : FINANCIAL CHARGES</u>		
Interest		
Interest on others	123,773,325	55,074,718
Bank & Finance Charges	1,878,412	1,739,384
	125,651,737	56,814,102

SUZLON GUJARAT WIND PARK LIMITED

SCHEDULE – N: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

(All amounts in Rupees Lacs unless otherwise stated)

Nature of Operations

Suzlon Gujarat Wind Park Limited (the 'Company') is primarily engaged in the business of Sale & Lease of Land and providing Power Evacuation Facility.

1 SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of accounting

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

b) Use of Estimates:

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures relating to 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) Revenue Recognition:

Revenue comprises sale of Power Evacuation, Land Lease, Sale of goods and Interest. Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is disclosed net of discounts, service tax, sales tax or other taxes, as applicable.

Power Evacuation

Revenue from power infrastructure facilities is recognized upon its commissioning and electrical installation of the Wind Turbine Generator to the said facilities followed by approval from the concerned authorities

Land Lease

Revenue from Land lease activity is recognized upon the lease / sub -lease of Lease hold rights to the customers.

Sale of Land

Revenue from sale of Land is recognized when significant risks and rewards in respect of title of Land are transferred to the customers as per the terms of the respective sales order.

Sale of goods

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the goods are transferred to the customer as per the terms of the respective sales order, net of taxes charged.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) Fixed assets:

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Own manufactured assets are capitalized inclusive of all direct costs and attributable overheads. Capital Work in Progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalised upon the commencement of commercial production. Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. The impairment loss recognised in prior accounting period is reversed if there has been a change in estimates of recoverable amount.

e) Depreciation:

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

Type of Asset	Rate of Depreciation
Computers	40%
Furniture & Fixtures	18.10%
Office Equipments	13.91%
Vehicles	25.89%
Wind Research Measuring Equipments	50%

Depreciation on additions of fixed assets is being provided on pro-rata basis from the month of such additions.

f) Inventories:

Inventories of project material, project work in progress and finished goods are valued at the lower of the cost and estimated net realizable value. The cost of project work-in-progress and finished goods includes the cost of material, Labour and attributable overheads. Net realizable value is determined using management estimates.

Stock of land / land lease rights is valued at lower of cost and estimated net realizable value. Net realizable value is determined using management estimates.

g) Investment :

Long term Investments are carried at cost. However, provision is made to recognise a decline, other than temporary, in the value of long term investments.

h) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

i) Retirement and other employee benefits:

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

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

Defined Contributions to Superannuation fund with LIC through its employees' trust are charged to the profit and loss account on an accrual basis.

Short term compensated absences are provided based on estimates. Long term compensated absences are provided based on actuarial valuation as at the balance sheet date.

Actuarial Valuations are done as per projected unit credit method at the end of each financial year.

Actuarial gains / losses are charged to profit and loss account and are not deferred.

j) Provisions, Contingent Liabilities and Contingent Assets:

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

Contingent Liabilities are disclosed by way of notes to the accounts, unless the possibility of an outflow is remote.

Contingent assets are not recognized.

k) Taxes on Income

Tax expense for a year comprises of current tax, deferred tax and fringe benefit tax.

Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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. If there is unabsorbed depreciation and carry forward business losses under tax laws, deferred tax assets recognized only to the extent, there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after tax holiday period is recognized in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted by the balance sheet date.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrealised 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.

Minimum alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

l) Operating Lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the Profit and Loss Account as incurred. Initial direct costs in respect of assets given on operating lease are expensed off in the year in which such costs are incurred.

m) 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.

n) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and in hand.

2. Earnings Per Share (EPS)

((Rs. Lacs except per share data)

Particulars	March 31, 2010	March 31, 2009
Basic Earnings per share		
Profit/(Loss) available to Equity Shareholders (a)	(1309.84)	(2516.52)
Weighted average number of Equity Shares (b)	2,000,000	2,000,000
Basic Earning per share of face value of Rs.10/- each (a / b)	(65.49)	(125.83)

3. Operating Leases

The company has taken certain premises under cancellable operating leases. The total rental expense under cancellable operating leases during the period was Rs. 17.11 lacs (Rs.17.33 lacs).

4. Post Employee Benefits

During the Year as there are no employees on the Roll of the Company, the Company has accounted for the Employee Cost under Contractual Terms and hence the company has not provided any cost for post employment benefits for the Year.

Changes in the present value of the defined benefit gratuity plan obligations are as follows:

Particulars	March 31, 2010	March 31, 2009
Opening defined benefit obligation (1st April)	11.40	6.66
Interest cost	N.A	0.56
Current service cost	N.A	1.70
Benefits paid	N.A	(0.16)
Actuarial (gains) / losses on obligation	(11.40)	2.64
Closed defined benefit obligation	N.A.	11.40

Changes in fair value of plan assets are as follows :

Particulars	March 31, 2010	March 31, 2009
Opening fair value of plan assets	6.21	5.88
Expected return on plan assets	N.A	0.49
Contribution by employer	4.82	Nil
Benefits Paid	N.A	(0.16)
Actuarial gains / (losses)	N.A	(0.00)
Closing fair value of plan assets	11.03	6.21

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

Particulars	March 31, 2010	March 31, 2009
Investments in policy of insurance	100%	100 %

Details of defined benefit gratuity plan obligations :

Particulars	March 31, 2010	March 31, 2009
Defined benefit obligation	N.A	11.40
Fair value of plan assets	11.03	6.22
Present value of unfunded obligations	(11.03)	5.18
Less: Unrecognised past service cost	N.A	Nil
Plan Liability/(Asset)	(11.03)	5.18

Net employee benefits expense recognized in the Profit and Loss Account.

Particulars	March 31, 2010	March 31, 2009
Current Service Cost	N.A.	1.70
Interest Cost on benefit obligation	N.A.	0.56
Expected return on plan assets	N.A.	(0.49)
Net actuarial (gain) / loss recognized in the year	N.A.	2.64
Past Service Cost	N.A.	Nil
Net benefit expenses	N.A.	4.41

The principal assumptions used in determining defined benefit gratuity plan obligations are shown below:

Particulars	March 31, 2010	March 31, 2009
Discount rate	N.A.	7.90%
Expected rate of return on plan assets	N.A.	8.50%
Salary escalation rate	N.A.	8.00%
Attrition Rate	N.A.	10% at younger ages reducing to 1% at lower ages

5. Suzlon Energy Limited ('SEL') along with some of its Indian subsidiaries and the Company collectively referred as "Suzlon Entities", have jointly executed a debt Consolidation and Refinancing Arrangement (the 'Arrangement') on February 5, 2010 with a consortium comprising of various banks and financial institutions ('Consortium') lead by the State Bank of India as the Facility Agent and SBI Cap Trustee Company Limited as the Security Trustee.

As per the Arrangement, the Consortium has sanctioned a consolidated loan amount and based on business requirements, the Company has drawdown various facilities of rupee term loans, fund based working capital facilities and non-fund based working capital facilities. The Arrangement also covers the earlier sanctioned loans, which have either been continued or converted into a new loan facility, as the case may be.

Company has incurred an amount of approximately Rs.243.69 Lacs, as consultancy and processing charges in regard to the Arrangement, the cost of which will be amortised over the tenure of respective facilities.

6. Inventory of the company includes Rs 53.57 Cr towards power evacuation facility of 171 MW at Suthari and Nani Singhodi Sub Stations. As certified by the Management the facility is technically sufficient to carry the load. However, clearances in form of approval yet not in place.

7. Managerial Remuneration.

Particulars	March 31, 2010	March 31, 2009
Salaries	54.71	36.00
Contribution to Superannuation Fund	-	8.99
Sitting fees	-	-
Total	54.71	44.99

In view of the losses made during the year, the Managerial Remuneration paid is in excess of the limits specified in Section II of Part II of Schedule XIII to the companies Act, 1956.

The Company is going to apply to the Central Government for necessary approval u/s 198 of the Companies Act, 1956 after shareholders' general meeting of the company.

8. a. Contingent Liabilities:

Particulars	March 31, 2010	March 31, 2009
Bank Guarantee	367.50	1,006.25
The Company has stood as Co-Guarantor for certain loans granted to Holding Company and other fellow subsidiaries.		

b. Capital commitments

Particulars	2010	2009
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	Nil	Nil

9. Additional information pursuant to the provisions of Paragraph 3, 4B, 4C and 4D of Part II of Schedule of VI of the Companies Act, 1956:

a. Auditor's Remuneration (including service tax):

Particulars	March 31, 2010	March 31, 2009
Statutory audit fees	1.40	1.40
Tax audit fees	0.25	0.25
Other services	-	-
Total	1.65	1.65

b. Value of Raw Materials, Components, Stores and Spares consumed:

Particulars	March 31, 2010	%	March 31, 2009	%
Imported	Nil	-	Nil	-
Indigenous	1,427.74	100.00	3,796.30	100.00
Total	1,427.74	100.00	3,796.30	100.00

c. Value of Imports on CIF Basis Rs. Nil (Nil)

d. Details of opening stock, turnover and closing stock:

Nature of Activity	Opening Stock		Turnover		Closing Stock	
	Quantity	Amount Rs.	Quantity	Amount Rs.	Quantity	Amount Rs.
Power Evacuation(MW)	69.90 (128.50)	1,711.20 (3,127.79)	57.40 (58.60)	1,638.00 (1,762.20)	193.5 (69.90)	7444.06 (1,711.20)
Land/Lease Land.	N.A. (N.A.)	1,169.33 (422.16)	N.A. (N.A.)	1,773.74 (1,494.51)	N.A. (N.A.)	1,575.47 (1,169.33)

e. Details of expenditure in Foreign Currency- Nil.

f. Earnings in Foreign Currency Rs. Nil (Nil)

g. Disclosure U/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006:

Based on the information available with the company, there is no amount outstanding exceeding forty five days from suppliers who are registered as micro, small or medium enterprises under " The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2010.

Other additional information pursuant to the provisions of Paragraph 3, 4C of Part II of Schedule of VI of the Companies Act, 1956 are not applicable to the company.

10. 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 with whom transaction entered during the year and nature of relationships where controls exists**

Sr.No	Name of the party	Nature of relationship
1	Suzlon Energy Ltd.	Holding Company
2	Suzlon Engitech Ltd.	Fellow Subsidiary
3	Suzlon Generators Ltd.	Fellow Subsidiary
4	Suzlon Infrastructure Services Ltd.	Fellow Subsidiary
5	Suzlon Power Infrastructure Ltd.	Fellow Subsidiary

(b) **List of other related parties with whom transactions have taken place during the year**

KMP & Relatives of KMP

1. Mr. Tulsi R. Tanti (KMP)
2. Mr. Balrajsinh A. Parmar (KMP)
3. Mr. Harish H. Mehta(KMP)
4. Ranjitsinh A Parmar (KMP)

Entities where KMP/RKMP have significant influence

- Synefra Engineering & Construction Limited..

Employee funds

- Suzlon Gujarat Wind Park Limited – Superannuation Fund.
- Suzlon Gujarat Wind Park Limited– Gratuity Fund Employee benefit plans

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**(C) Transactions between the Company and Related Parties and the Status of Outstanding Balances
as at March 31, 2010:**

Particulars	Holding Company	Fellow Subsidiary Companies	Entities Where KMP/RKMP has Significant Influence	KMP	RKMP	Employee Funds	Total
Transactions							
Sale of Fixed Assets	-	70.95	-	-	-	-	70.95
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Fixed Assets	-	4.21	-	-	-	-	4.21
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Loans/Security Deposit Received Back	-	-	-	-	-	-	-
	(-)	(1,650.00)	(-)	(-)	(-)	(-)	(1,650.00)
Loans/Security Deposit Received	3,946.00	5,114.00	-	-	-	-	9,861.00
	(9,410.00)	(-)	(-)	(-)	(-)	(-)	(9,410.00)
Purchases of Goods & Services	-	6.82	-	-	-	-	6.82
	(-)	(1,197.30)	(12.61)	(-)	(-)	(-)	(1,209.91)
Services Rendered & Sales of goods	357.04	63.00	20.00	-	-	-	440.04
	(1,606.26)	(22.20)	(6.72)	(-)	(-)	(-)	(1,635.18)
Interest Expenses	1,161.95	23.46	-	-	-	-	1,185.41
	(527.81)	-	(-)	(-)	(-)	(-)	(527.81)
Managerial Remuneration	-	-	-	54.72	-	-	54.72
	(-)	(-)	(-)	(44.99)	(-)	(-)	(44.99)
Contribution to various funds	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(8.64)	(8.64)
Reimbursement of Expenses	86.98	18.88	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Interest Income	-	-	-	-	-	-	-
	(-)	(87.16)	(-)	(-)	(-)	(-)	(87.16)
Outstanding Balances							
Sundry Debtors	183.01	21.46	18.00	-	-	-	222.47
		(2.37)	(90.04)	(-)	(-)	(-)	(92.41)
Advances from Customer	-	-	-	-	-	-	-
	(140.92)	(-)	(-)	(-)	(-)	(-)	(140.92)
Sundry Creditors	86.98	51.82	-	-	-	-	138.54
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Unsecured Loan	5,882.75	5,135.11	-	-	-	-	11,017.86
	(9,220.00)	(-)	(-)	(-)	(-)	(-)	(9,220.00)
Other Receivable	-	-	-	-	-	-	-
	(-)	(-)	(-)	(13.33)	(-)	(-)	(13.33)

(d) Disclosure of significant transactions with related parties:

Type Of Transaction	Type Of Relationship	Name of The Entity/Person	2009-10	2008-09
Purchase of Goods and Services	Fellow Subsidiary	Suzlon Infrastructure Services Limited	6.82	-
	Enterprise Owned/ Significantly influenced by KMP/RKMP	Sarjan Realities Limited	-	12.61
	Fellow Subsidiary	Suzlon Power Infrastructure Limited	-	1,197.30
Sale of Fixed Assets	Fellow Subsidiary	Suzlon Infrastructure Services Limited	70.95	-
Purchase of Fixed Assets	Fellow Subsidiary	Suzlon Infrastructure Services Limited	4.21	-
Sales of Goods and Services rendered	Fellow Subsidiary	Suzlon Towers and Structures Limited	-	22.20
	Fellow Subsidiary	Suzlon Engitech Ltd.	63.00	-
	Holding Company	Suzlon Energy Limited	357.04	1,606.26
Interest Income	Fellow Subsidiary	Suzlon Power Infrastructure Limited	-	87.16
Interest Expenses	Holding Company	Suzlon Energy Limited	1,161.95	527.81
Reimbursement of Expenses	Fellow Subsidiary	Suzlon Infrastructure Services Limited	18.88	-
	Holding Company	Suzlon Energy Limited	86.98	-
Managerial Remuneration	KMP	Balrajsinh A. Parmar	54.72	44.99
Donation Given	Enterprise Owned/ Significantly influenced by KMP/RKMP	Suzlon Foundation	-	0.35
Unsecured Loan received	Holding Company	Suzlon Energy Limited	3,946.00	9,410.00
	Fellow Subsidiary	Suzlon Infrastructure Services Limited	4,414.00	-
Unsecured Loan received back	Fellow Subsidiary	Suzlon Power Infrastructure Limited	-	1,650.00
Contribution to Fund	Employee Funds	Suzlon Gujarat Wind Park Limited – Superannuation	-	8.64

11. Dues from the Companies under same management :

Particulars	March 31,2010	Maximum Balance	March 31, 2009
Synefra Engineering & Construction Limited.	18.00	18.00	-
Suzlon Energy Limited	183.01	183.01	32.35
Suzlon Power Infrastructure Limited.	21.46	21.46	2.37

12. Segment Reporting:

The Company has disclosed business segment as the primary segment. Segments have been identified and reported taking into account nature of products & services, the differing risks and returns, the organisation structure and internal reporting system. 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

Revenue and expenses have been identified to a segment on the basis of relationship to the corresponding segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been disclosed as "Unallocable".

Segment assets and segment liabilities represents assets and liabilities in respective segments. Investments, tax related assets, other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

The company has identified two reportable segments viz., providing Power evacuation facilities and lease and sub lease of land.

(A) Primary business segment

Particulars	2009-10				2008-09			
	Power Evacuation	Lease and Sub lease of Land	Others	Total	Power Evacuation	Lease and Sub Lease of Land	Others	Total
Segment Revenue	1,638.00	1,773.74	6.04	3,417.78	3,000.60	1,494.51	41.93	4,537.04
Segment Result.	(1043.68)	1389.95	0.53	346.80	(2,133.83)	812.06	10.94	(1,310.83)
Add / (Less) items to reconcile with profit as per profit and loss account								
Add: Other Income				0.22				90.78
Less : Unallocated Expenses				400.32				713.92
Less : Financial Charges				1,256.52				568.14
Profit Before Tax				(1,309.82)				(2,502.11)
Less : Provision for Income Tax				-				-
Deferred Tax				-				5.05
Fringe Benefit Tax				-				9.92
Prior Period Tax				0.02				(0.55)
Total Tax				-				14.42
Net Profit				(1,309.84)				

Particulars	2009-10				2008-09			
	Power Evacuation	Lease and Sub lease of Land	Others	Total	Power Evacuation	Lease and Sub Lease of Land	Others	Total
								(2,516.52)
3 Other Information								
Segment Assets	7,658.70	2,715.34	-	10,374.04	8,665.33	1,169.33	-	9,834.66
Unallocated Assets				1,169.49				3,590.47
Segment Liabilities	669.55	445.03	-	1,114.59	3,178.28	294.33	-	3,472.61
Unallocated Liabilities				347.00				358.97
Capital Expenditure				42.23				166.667
Segment Depreciation				121.53				166.82
Non Cash Expenses other than depreciation				-				-

(B) Geographical Segment

As the Company operates in only in India it has no reportable geographical segment identified for the purpose of Secondary Segment Disclosures as per AS-17 "Segment Reporting"

13. Prior year's figures have been Regrouped/Rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

For SNK & Co
Firm Registration Number: 109176W
Chartered Accountants

Balrajsingh A Parmar
Director

Jasmin B. Shah
Partner
M No: 46238
Pune
May 7, 2010

Ranjitsinh A Parmar
Director

Pune
May 7, 2010