

AUDITORS' REPORT

To,
**The Members,
Suzlon Towers and Structures Limited**

- 1 We have audited the attached Balance Sheet of Suzlon Towers and Structures Limited as at 31st March 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 As required by 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 Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, profit and loss account and 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 31st March, 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 31st March, 2010;
 - b. in the case of the **Profit and Loss Account**, of the **profit** of the company for the year ended on that date;
 - c. In the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date.

For **SNK & CO,**
FRN : 109176W
Chartered Accountants,

Jasmin B. Shah
Partner
M.No. 46238

Place: Pune
Date : 07/05/2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report to the members of Suzlon Towers and Structures Limited (The Company) for the year ended on 31st March 2010)

Re: Suzlon Towers and Structures Limited

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by management during the year in accordance with 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) There was no substantial disposal of fixed assets during the year.
- 2 (a) The Management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its business.
(b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The Company has maintained proper records of inventories and no material discrepancies noticed on physical verification of stocks, as compared to book records.
- 3 (a) The Company has not granted any loan, secured or unsecured, to companies, firms or any other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence clauses 4(iii)(a) to 4(iii)(d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.
(b) The Company has taken unsecured loan from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 8,600 lacs and the year-end balance of loans taken from such party was Rs. Nil.
(c) According to the information and explanations given to us, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
(d) The company is regular in repaying the principal amounts as stipulated and has been regular for the payment of interest.
- 4 In our opinion and according to the information and explanations given to us, there is 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 weaknesses has been noticed in the internal control system in respect of these areas.
- 5 (a) In our opinion and according to the information and explanations given to us, 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 the company has an internal audit system commensurate with the size and nature of its business.
- 8 We have broadly reviewed the books of account maintained by The Company pursuant to the rules made by the Central Government for maintenance of the 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 maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 9 (a) According to the records of the Company, 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 have been regularly deposited with the appropriate authorities.

- (b) According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, Investor education and protection fund, Employees State Insurance, Income tax, Wealth tax, Sales tax, Service Tax, Custom duty, Excise duty and Cess and other undisputed statutory dues were outstanding at end of the year for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues outstanding of Sales Tax, Income Tax, Wealth Tax, Customs Duty, Service Tax, Excise Duty and Cess which have not been deposited with appropriate authorities on account of any dispute.
- 10 The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year. Accordingly, Clause 4(x) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the company.
- 11 Based on our audit procedures, and as per the information and explanation given by the management and relevant confirmation from the applicable banks and financial institutions, we are of opinion that the company has not defaulted in repayment of dues to a 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 chit fund or a nidhi / mutual benefit society / fund. 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 or 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, terms and conditions of which are not prejudicial to the interest of The Company.
- 16 In our opinion and according to the information and explanations given to us, on an overall basis, term loans have been applied for the purpose for which they were obtained.
- 17 According to the information and explanations given to us, 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.
- 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 explanations 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.
FRN : 109176W
Chartered Accountants,

Jasmin B. Shah
Partner
M. No. 46238

Place : Pune
Date : 07/05/2010

SUZLON TOWERS AND STRUCTURES LIMITED
Profit and Loss Account for the year ended March 31, 2010



| Particulars | Schedule | Year Ended March 31, | |
|--|----------|----------------------|----------------------|
| | | 2010 | 2009 |
| Income | | | |
| Sales | | 5,331,078,350 | 6,706,283,138 |
| Other Income | I | 8,825,582 | 76,857,802 |
| | | 5,339,903,932 | 6,783,140,940 |
| Expenditure | | | |
| Cost of Goods Sold | J | 4,325,422,985 | 5,657,183,474 |
| Operating and Other Expenses | K | 263,428,120 | 392,217,949 |
| Employees' Remuneration and Benefits | L | 34,335,771 | 35,153,923 |
| Financial Charges | M | 275,022,856 | 283,570,599 |
| Depreciation | | 122,550,482 | 118,183,245 |
| | | 5,020,760,214 | 6,486,309,190 |
| Profit Before Taxation | | 319,143,718 | 296,831,750 |
| Provision for Taxation | | | |
| Current Tax | | 54,238,000 | 33,551,000 |
| MAT Credit / (Reserve) | | (8,146,000) | (33,551,000) |
| Prior Period Tax | | 403,464 | 1,616,083 |
| Deferred Tax | | 61,324,907 | 96,647,854 |
| Fringe Benefit Tax | | - | 707,000 |
| | | 107,820,371 | 98,970,937 |
| Net Profit | | 211,323,347 | 197,860,813 |
| Balance Brought Forward | | 869,762,055 | 679,505,917 |
| Profit available for appropriations | | 1,081,085,402 | 877,366,730 |
| Appropriations | | | |
| Final Dividend on Preference Shares | | - | 6,500,000 |
| Tax on Dividend | | - | 1,104,675 |
| Balance Carried to Balance Sheet | | 1,081,085,402 | 869,762,055 |
| Earning Per Share (Face Value of Rs.10) | | 5.09 | 4.76 |
| 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.

For SNK & Co.
FRN: 109176W
Chartered Accountants

Vinod R Tanti
Director

Jasmin B. Shah
Partner
M. No. 46238
Place : Pune
Date : 07/05/2010

Shailesh Tanti
Company Secretary

Harish H Mehta
Director

Place : Pune
Date : 07/05/2010

SUZLON TOWERS AND STRUCTURES LIMITED
Cash Flow Statement For the Year Ended March 31, 2010



| Particulars | Year Ended March 31, | |
|---|------------------------|----------------------|
| | 2010 | 2009 |
| Cash Flow from Operating Activities | | |
| Profit Before Tax | 319,143,718 | 296,831,750 |
| Adjustment For: | | |
| Depreciation | 122,550,482 | 118,183,245 |
| (Reversal) / Provision for Doubtful Debt and Assets | - | (16,199,641) |
| Interest Expenses | 265,987,337 | 265,892,628 |
| Interest Income | (3,019,283) | (7,316,501) |
| Dividend Income | (5,000) | (5,000) |
| Exchange rate Difference | - | 12,650,839 |
| Operating Profit Before Working Capital Changes | 704,657,254 | 670,037,320 |
| Movements in Working Capital : | | |
| (Increase)/Decrease in Inventories | 1,187,071,778 | 207,383,496 |
| (Increase)/Decrease in Sundry Debtors | 798,812,973 | (1,361,412,457) |
| (Increase)/Decrease in Loans & Advances | 48,681,420 | (81,787,231) |
| (Increase)/Decrease in Margin Money Deposit | (16,000,000) | (38,700,000) |
| Increase/ (Decrease) in Current Liabilities | (712,620,321) | 399,774,175 |
| Increase/ (Decrease) in Provision | 783,310 | 1,309,695 |
| Direct Tax Paid | (20,328,489) | (29,710,920) |
| Net Cash (Used in)/ generated from Operating Activities | 1,991,057,925 | (233,105,922) |
| Cash Flow from Investing Activities | | |
| Purchase of Investment | - | 14,689 |
| Purchase of Fixed Assets | (57,323,002) | (70,672,284) |
| Interest Received | 4,308,522 | 6,384,961 |
| Dividend Received | 5,000 | 5,000 |
| Net Cash used in Investing Activities | (53,009,480) | (64,267,634) |
| Cash Flow from Financing Activities | | |
| Proceeds from Borrowings | 81,585,002 | 919,326,045 |
| Repayment of Borrowings | (1,295,784,126) | (414,737,645) |
| Preference Dividend & CDT On Preference Dividend | (7,604,675) | (7,604,675) |
| Interest Paid | (265,987,337) | (265,892,628) |
| Net Cash From Financing Activities | (1,487,791,137) | 231,091,097 |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 450,257,308 | (66,282,459) |
| Cash and Cash Equivalents at the beginning of the year | 38,130,489 | 104,412,948 |
| Cash and Cash Equivalents at the end of the year | 488,387,797 | 38,130,489 |
| Components of Cash and Cash Equivalents | As at March 31, | |
| | 2010 | 2009 |
| Cash on hand | 64,362 | 233,758 |
| With Scheduled Banks | | |
| in Current Account | 488,323,435 | 37,896,731 |
| in Term Deposit Account | - | - |
| | 488,387,797 | 38,130,489 |

Notes :

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

As per our report of even date

For and on behalf of the Board,

For SNK & Co.
FRN: 109176W
Chartered Accountants

Vinod R Tanti
Director

Jasmin B. Shah
Partner
M. No. 46238
Place : Pune
Date : 07/05/2010

Shailesh Tanti
Company Secretary

Harish H Mehta
Director

Place : Pune
Date : 07/05/2010

SUZLON TOWERS AND STRUCTURES LIMITED
Schedules forming part of Balance Sheet As at March 31, 2010



| Particulars | As at March 31, | |
|---|----------------------|----------------------|
| | 2010 | 2009 |
| Schedule- A : Share Capital | | |
| Authorised: | | |
| 55,000,000 (55,000,000) Equity Shares of Rs. 10/- each | 550,000,000 | 550,000,000 |
| 500,000 (500,000) Preference Shares of Rs. 100/- each | 50,000,000 | 50,000,000 |
| | 600,000,000 | 600,000,000 |
| Issued, Subscribed & Paid Up : | | |
| Equity: | | |
| 40,000,000 (40,000,000) Equity Shares of Rs.10/- each fully paid up | 400,000,000 | 400,000,000 |
| Preference: | | |
| 5,00,000 (5,00,000), 13 % Cumulative Redeemable Preference Shares of Rs. 100/- each fully Paid up (Refer Point No. 6(c) of Schedule N - Notes to Accounts) Note : 100% Equity and Preference shares held by Suzlon Energy Limited | 50,000,000 | 50,000,000 |
| | 450,000,000 | 450,000,000 |
| Schedule- B : Reserves & Surplus | | |
| General Reserve | | |
| As per last Balance Sheet | 500,000,000 | 500,000,000 |
| Add : Addition during the year | - | - |
| | 500,000,000 | 500,000,000 |
| Securities Premium | | |
| As per last Balance Sheet | 375,000,000 | 375,000,000 |
| Add : Addition during the year | - | - |
| | 375,000,000 | 375,000,000 |
| Profit and Loss Account | 1,081,085,402 | 869,762,055 |
| | 1,956,085,402 | 1,744,762,055 |
| Schedule- C : Secured Loans | | |
| Term Loan | | |
| -From Bank (Term loans secured by a first charge on all present and future movable and immovable assets(excluding certain identified assets) as well as current assets of the Suzlon Entities (refer Note 6(d)) and also by pledge of shares of certain subsidiaries of the holding | 502,904,110 | 806,468,699 |
| - From Others (Loan is secured by way of charge over windmill projects at Rajasthan and Sale Proceeds of Power generation and corporate guarantee given by Suzlon Energy Limited) | 21,373,000 | 29,145,000 |
| Working Capital Facilities | | |
| -From Bank | | |
| Rupee Loan (Working capital facilities secured by a first charge on all present and future movable and immovable assets(excluding certain identified assets) as well as current assets of the Suzlon Entities (refer Note 6(d)) and also by pledge of shares of certain subsidiaries of the holding Company) | 672,998,904 | 865,726,810 |
| | 672,998,904 | 865,726,810 |
| | 1,197,276,014 | 1,701,340,509 |

SUZLON TOWERS AND STRUCTURES LIMITED
Schedules forming part of Balance Sheet As at March 31, 2010



| Particulars | As at March 31, | |
|--------------------------------------|-----------------|--------------------|
| | 2010 | 2009 |
| Schedule- D : Unsecured Loans | | |
| Long Term | | |
| From Other than Banks | | |
| From Body Corporate | - | 700,000,000 |
| | - | 700,000,000 |



SUZLON TOWERS AND STRUCTURES LIMITED

Schedule Forming Part of Balance Sheet As at March 31, 2010

Schedule - E : Fixed Assets

| Particulars | Gross Block | | Depreciation | | Net Block | |
|-------------------------|------------------------|-------------------|-------------------------|------------------------|-------------------------|-------------------------|
| | As at April 1, 2009 | Additions | As at March 31, 2010 | As at April 1, 2009 | As at March 31, 2010 | As at March 31, 2009 |
| Land | 37,630,260 | 1,611,000 | 39,241,260 | - | 39,241,260 | 37,630,260 |
| Leasehold Land | 13,690,000 | - | 13,690,000 | 878,356 | 12,309,912 | 12,811,644 |
| Plant & Machinery | 2,278,047,170 | 55,473,055 | 2,333,520,225 | 273,719,782 | 1,938,055,064 | 2,004,327,388 |
| Computer | 1,187,423 | 95,902 | 1,283,325 | 481,193 | 628,747 | 706,230 |
| Vehicle | 1,095,154 | - | 1,095,154 | 52,020 | 939,095 | 1,043,134 |
| Other Office Equipment | 468,914 | 143,046 | 611,960 | 34,867 | 551,146 | 434,047 |
| TOTAL | 2,332,118,921 | 57,323,002 | 2,389,441,923 | 275,166,218 | 122,550,481 | 1,991,725,224 |
| Previous Year's Figures | 2,238,009,637 | 94,109,284 | 2,332,118,921 | 156,982,972 | 118,183,246 | 2,056,952,703 |
| | | | | | | 2,081,026,665 |

SUZLON TOWERS AND STRUCTURES LIMITED
Schedules forming part of Balance Sheet As at March 31, 2010



| Particulars | As at March 31, | |
|---|----------------------|----------------------|
| | 2010 | 2009 |
| Schedule- F : Investments | | |
| Long Term Investments (At cost) | | |
| Unquoted | | |
| (i) Government And Other Securities (Non Trade) | | |
| National Saving Certificate | 23,353 | 23,353 |
| (ii) Other Than Trade Investments : | | |
| 2,500 (2,500) Equity Shares of Rs. 10 Each of Saraswat Co. Op. Bank Ltd. | 25,000 | 25,000 |
| | 48,353 | 48,353 |
| Schedule- G : Current Assets, Loans & Advances | | |
| Current Assets | | |
| Inventories | | |
| (As taken, valued and certified by the Management) | | |
| Raw Material | 119,534,601 | 338,896,915 |
| Semifinished Goods | 90,471,347 | 272,172,273 |
| Stock of Traded goods | 12,750,000 | 798,758,539 |
| | 222,755,948 | 1,409,827,727 |
| Sundry Debtors | | |
| (Unsecured. Considered good) | | |
| Over six months | 219,877,131 | 1,162,673,408 |
| Others | 1,907,754,229 | 1,763,770,925 |
| | 2,127,631,360 | 2,926,444,333 |
| Cash And Bank Balances | | |
| Cash on hand | 64,362 | 233,758 |
| Balance with Scheduled Banks: | | |
| In Current Accounts | 488,323,435 | 37,896,731 |
| In Margin Accounts | 54,700,000 | 38,700,000 |
| In Term Deposit Accounts | - | |
| | 543,087,797 | 76,830,489 |
| Loans And Advances | | |
| (Unsecured considered good, except otherwise stated) | | |
| Deposits | 1,400,603 | 1,402,603 |
| Advance Income Tax (Net of provision) | - | 1,665,357 |
| Other Current Assets | 60,829,306 | 110,839,800 |
| Intercompany Deposits | 10,134,630 | |
| Advances Recoverable in Cash or in Kind or value to be received | 366,793 | 324,958 |
| MAT credit entitlement | 109,003,145 | 101,297,971 |
| | 181,734,477 | 215,530,689 |

SUZLON TOWERS AND STRUCTURES LIMITED
Schedules forming part of Balance Sheet As at March 31, 2010



| Particulars | As at March 31, | |
|---|--------------------|----------------------|
| | 2010 | 2009 |
| Schedule- H : Current Liabilities & Provisions | | |
| Current Liabilities | | |
| Sundry Creditors | 763,753,617 | 1,533,021,993 |
| Advance from Customers | 61,528,234 | 1,626,752 |
| Other Current Liabilities | 34,484,722 | 37,738,149 |
| | 859,766,573 | 1,572,386,894 |
| Provisions | | |
| Income Tax (Net of Advance Tax) | 32,206,792 | - |
| Gratuity, Retention Bonus and Leave Encashment | 2,920,661 | 2,137,351 |
| Dividend on Preference Shares | - | 6,500,000 |
| Corporate Tax on Dividend | - | 1,104,675 |
| | 35,127,453 | 9,742,026 |

SUZLON TOWERS AND STRUCTURES LIMITED

Schedules forming part of Profit and Loss Account for the Year Ended March 31, 2010



| Particulars | Year Ended March 31, | |
|--|----------------------|----------------------|
| | 2010 | 2009 |
| Schedule - I : Other Income | | |
| Interest Received | | |
| - From Banks | 2,868,200 | 4,104,371 |
| - From Others | 151,083 | 3,212,130 |
| Dividend | 5,000 | 5,000 |
| Sales -Leasehold Land Right | 4,800,000 | 3,825,000 |
| Rent Income | - | 48,000,000 |
| Miscellaneous Income | 1,001,299 | 17,711,301 |
| | 8,825,582 | 76,857,802 |
| Schedule - J : Cost Of Goods Sold | | |
| Consumption of Raw Material | | |
| Opening Stock | 338,896,915 | 462,217,265 |
| Add: Purchases | 582,813,588 | 821,739,193 |
| | 921,710,503 | 1,283,956,458 |
| Less Closing Stock | 119,534,601 | 338,896,915 |
| | 802,175,902 | 945,059,543 |
| Job Work Charges | 217,408,336 | 157,656,045 |
| Trading Purchases | 2,338,129,282 | 4,470,404,741 |
| <u>(Increase) / Decrease in Stock</u> | | |
| Opening Balances : | | |
| Semi-Finished goods | 272,172,273 | 1,097,500,139 |
| Traded Goods | 798,758,539 | 57,493,818 |
| | 1,070,930,812 | 1,154,993,957 |
| Less : Closing Balance : | | |
| Semi-Finished Goods | 90,471,347 | 272,172,273 |
| Traded Goods | 12,750,000 | 798,758,539 |
| | 103,221,347 | 1,070,930,812 |
| (Increase) / Decrease in Stock | 967,709,465 | 84,063,145 |
| | 4,325,422,985 | 5,657,183,474 |

SUZLON TOWERS AND STRUCTURES LIMITED

Schedules forming part of Profit and Loss Account for the Year Ended March 31, 2010



| Particulars | Year Ended March 31, | |
|---|----------------------|--------------------|
| | 2010 | 2009 |
| Schedule - K : Operating And Other Expenses | | |
| Inspection Fees | 2,806,678 | 11,454,679 |
| Freight Outward and Packing Expenses | 194,889,790 | 250,630,984 |
| Insurance | 3,027,365 | 4,693,932 |
| Travelling, Conveyance and Vehicle Expenses | 5,359,089 | 3,249,006 |
| Communication Expenses | 762,104 | 448,883 |
| Rent | 5,595,163 | 53,779,077 |
| Rates & Taxes | 66,594 | 56,690 |
| Sales Tax Expenses | 184,272 | 1,476,170 |
| Legal and Consultancy charges | 3,919,271 | 1,953,090 |
| Auditor Remuneration | 606,650 | 616,950 |
| Donation | - | 2,694 |
| Exchange Differences (Net) | (6,293,503) | 22,381,692 |
| Operation & Maintenance - Wind Mill | 44,861,032 | 35,498,989 |
| Other Expenses | 7,643,615 | 5,975,113 |
| | 263,428,120 | 392,217,949 |
| Schedule - L : Employees Remuneration And Benefits | | |
| Salary, Wages, allowances and Bonus | 32,392,415 | 32,316,361 |
| Contribution to Provident and Other Funds | 1,898,249 | 2,783,959 |
| Staff Welfare Expenses | 45,107 | 53,603 |
| | 34,335,771 | 35,153,923 |
| Schedule - M : Finance Cost | | |
| Interest | | |
| Fixed Loans | 77,726,628 | 109,987,580 |
| Others | 188,260,709 | 155,905,048 |
| Bank Charges | 9,035,519 | 17,677,971 |
| | 275,022,856 | 283,570,599 |



SUZLON TOWERS AND STRUCTURES LIMITED

SCHEDULE N: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS (All amounts in Rupees Lacs unless otherwise stated)

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 ('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 presentation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

c) Revenue Recognition

Sale of goods

Revenue from sale of goods is recognised 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. Sales are recorded net of taxes.

Interest

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

Dividend

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

Power Generation Income

Power Generation Income is recognized on the basis of electrical units generated, net of wheeling and transmission loss as applicable, as shown in Power Generation Reports issued by the concerned Authorities.

d) Fixed Assets and Intangible 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.

Capital Work-in-Progress comprises 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.

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 assets' CGU, assets are written down to their recoverable amount.



Further, assets held for disposal are stated at the lower of the net book value or the estimated net realisable value.

e) Depreciation/Amortization

Depreciation on fixed assets is provided on Straight Line Method at the rates prescribed in Schedule XIV of the companies Act, 1956.

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

Leasehold land is amortised over the period of lease.

f) Inventories

Inventories of raw materials including scrap, traded goods, semi-finished goods and finished goods, are valued at the lower of the cost and estimated net realisable value. Cost is determined on weighted average basis.

The cost of semi-finished goods and finished goods includes the cost of material, labour and manufacturing overheads.

g) Investments

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) Foreign Currency Transactions

Transactions in foreign currencies are normally recorded at the average exchange rate prevailing in the period during which the transactions occur.

Outstanding balances of foreign currency monetary items are reported using the period end rates.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined.

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

In case of forward contracts, the difference between the forward rate and the exchange rate, being the premium or discount, at the inception of a forward exchange contract is recognized as income or expense over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the reporting period in which the rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

i) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised 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.



j) Retirement and other employee benefits

Defined Contributions to provident fund and family pension fund are charged to the Profit and Loss Account on accrual basis. Liabilities with regard to gratuity are determined under Group Gratuity Scheme with Life Insurance Corporation of India (LIC). The provision required is determined as per actuarial valuation carried out by actuary, as at the balance sheet date.

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

Short term compensated absences are provided for on based on estimates. Long term compensated absences are provided for based on actuarial valuation. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

k) 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.

Contingent assets are not recognized or disclosed.

l) Income Tax

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 recognised 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 realised. If there is unabsorbed depreciation or carry forward of losses under Income tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after tax holiday period is recognised 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 has reassesses unrecognized deferred tax assets. It recognizes unrealised deferred tax assets to the extent it has become reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realised.



Minimum Alternate 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 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 Company will pay income tax higher than MAT during the specified period.

m) Lease Assets

Operating Leases

Assets acquired as leases 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 lease are expensed off in the year in which such costs are incurred.

n) Earnings Per Share

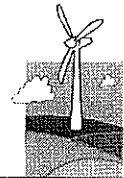
Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

o) Cash and Cash Equivalents

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

2. Accumulated Deferred Tax Asset / (Liability), Net

| Particulars | As at March 31, 2009 | During the Year 2009-10 | As at March 31, 2010 |
|--|----------------------|-------------------------|----------------------|
| A. Deferred Tax Asset: | | | |
| Provision for Leave encashment | 1.28 | (0.18) | 1.10 |
| Unabsorbed Depreciation | 438.53 | (438.53) | 0.00 |
| (A) | 439.81 | (438.71) | 1.10 |
| B. Deferred Tax Liability: | | | |
| Depreciation on Fixed Assets | (5,513.83) | (174.55) | (5,688.38) |
| (B) | (5,513.83) | (174.55) | (5,688.38) |
| C. Deferred Tax Liability (Net) (A-B) | (5,074.02) | (613.26) | (5,687.28) |



3. Earnings per Share ('EPS')

All amounts in Rs. Lacs except per share data

| PARTICULARS | 2010 | 2009 |
|--|----------------|-----------------|
| Basic Earnings per share | | |
| Net Profit after Tax | 2,113.23 | 1,978.61 |
| Less : | | |
| Preference Dividend and tax thereon | 76.05 | 76.05 |
| Net Profit attributable to equity shareholders [Numerator for computation of basic and diluted EPS](a) | 2037.18 | 1,902.56 |
| Weighted average number of equity shares in calculating basic EPS [Denominator for computation of basic EPS] (b) - Nos. | 40,000,000 | 40,000,000 |
| Basic and Diluted Earning per share of face value of Rs. 10/- each (a/b *1,00,000) –Rs. | 5.09 | 4.76 |

4. Post Employment Benefits

Gratuity Benefit

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

The following table summarises the component of net benefit expenses recognized in Profit and Loss Account.

(i) Changes in the present value of the defined benefit gratuity plan are as follows:

| Particulars | 2009-10 | 2008-09 |
|---|---------|---------|
| Opening defined benefit obligation | 17.94 | 8.23 |
| Interest Cost / return | 1.42 | 0.70 |
| Current Service Cost | 6.94 | 6.43 |
| Benefits Paid | NIL | NIL |
| Actuarial (gain) / losses on obligation | (2.19) | 2.58 |
| Closed Defined benefit obligation | 24.10 | 17.94 |

(ii) Change in Fair Value of Asset

| Particular | 2009-10 | 2008-09 |
|--------------------------------------|---------|---------|
| Fair Value of Assets at beginning | 23.73 | 19.50 |
| Expected Return | 2.06 | 1.70 |
| Employer's Contribution* | 0.15 | 1.00 |
| Actuarial Gain/(Loss) | (0.98) | 1.53 |
| Fair Value of plan assets at the end | 25.93 | 23.73 |

*The Contribution made by the employer during the year was Rs. 0.15 lacs was paid towards approved fund.

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

| Particulars | 2009-10 | 2008-09 |
|------------------------------|---------|---------|
| Investments in approved fund | 100% | 100% |



(iii) Details of defined benefit gratuity plan

| Particulars | 2009-10 | 2008-09 |
|--|---------|---------|
| Defined benefit obligation (A) | 24.10 | 17.94 |
| Fair value of plan assets (B) | 25.93 | 23.73 |
| Present value of unfunded obligation (C=A-B) | (1.83) | (5.79) |
| Less: Unrecognised past service cost (D) | NIL | NIL |
| Plan Liability / (Asset) (E=C-D) | (1.83) | (5.79) |

(iv) Net Employee Benefit expenses recognized in Profit and Loss Account

| Particulars | 2009-10 | 2008-09 |
|--|---------|---------|
| Current Service Cost | 6.94 | 6.43 |
| Interest Cost on benefit obligation | 1.42 | 0.70 |
| Expected return on plan assets | (2.06) | (1.70) |
| Net Actuarial (gain) / loss recognised in the year | (1.21) | 1.05 |
| Past Service Cost | NIL | NIL |
| Net Benefit Expense | 5.08 | 6.48 |

(v) Amounts for the current and previous periods are as follows:

| Particular | 2009-10 | 2008-09 |
|--|---------|---------|
| Defined Benefit obligation | 24.10 | 17.94 |
| Plan Assets | 25.93 | 23.73 |
| Surplus/(Deficit) | 1.83 | 5.79 |
| Experience adjustments on Plan Liabilities | (1.38) | (0.50) |
| Experience adjustments on Plan Assets | 0.98 | 1.53 |

(vi) The principal assumption used in determining the defined benefit gratuity plan obligations are shown below.

| Particulars | 2009-10 | 2008-09 |
|--|--|--|
| Discount Rate % | 8.20% | 7.90% |
| Expected rate of return on plan assets % | 8.50% | 8.50% |
| Salary escalation rate % | 8.00% | 8.00% |
| Attrition Rate % | 10% At younger ages reducing to 1% at lower ages | 10% At younger ages reducing to 1% at lower ages |

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.

Retention Bonus

Below is the working for tax effect under AS 15:-

| | |
|---|----------------|
| Provision required for retention bonus as at 31.03.2010 | Rs. 22.21 Lacs |
| Provision required for retention bonus as at 31.03.2009 | Rs. 17.62 Lacs |
| | Rs. 4.59 Lacs |

Rs. 4.59 Lacs has been debited to Profit and Loss Account as Bonus Expenses under Employees Remuneration, being current year charge.



5. 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. 55.95 lacs (Rs. 537.79 lacs).

6. Other Notes

a) The company has accounted For Minimum Alternate Tax reserve of Rs. 81.46 Lacs (Rs. 335.51 Lacs) in accordance with the 'Guidelines note on credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961' issued by Institute of Chartered Accountants of India.

b) The Leasehold land worth Rs. 90 Lacs (Rs. 90 Lacs) purchased during the Financial Year 2007-08 pertaining to 7.50MW wind power project in the state of Karnataka is not yet registered in the name of the Company.

c) Terms of Redemption of Preference Shares

500,000 (P.Y 500,000), 13% Redeemable Cumulative Preference shares of Rs.100/- each fully Paid up are redeemable at par at the discretion of the board before 20 years from the date of allotment.

d) Scheme for Debt consolidation and refinancing

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. 311.06 Lacs, as consultancy and processing charges in regard to the Arrangement, the cost of which will be amortised over the tenure of respective facilities.

e) Suzlon Energy Limited ('SEL' or 'Suzlon'), the holding company, has issued Employee Stock Option Plans (ESOPs) to certain employees of its group companies, including certain employees of Suzlon Towers and Structures Limited. The costs in regard to such ESOPs are borne by Suzlon, and are expensed off in the books of Suzlon. Out of the total ESOP costs expensed off during the year ended March 31, 2010 in Suzlon's books, Rs.4.38 Lacs (Rs.Nil) pertains to the Company.

7. Managerial Remuneration to Directors

| Particulars | 2009-10 | 2008-09 |
|--|---------------|---------------|
| (a) Salaries | 109.74 | 98.66 |
| (b) Contribution to Superannuation Fund & Provident Fund | 8.38 | 17.99 |
| Total | 118.12 | 116.65 |



The directors are covered under the Company's scheme for gratuity along with the other employees of the Company. The proportionate amount of gratuity is not included in the aforementioned disclosure, as the amount attributable to directors is not ascertainable.

8. a. Contingent Liabilities

| Particulars | As at March 31, | |
|---|-----------------|--------|
| | 2010 | 2009 |
| Bank Guarantee | 712.66 | 741.29 |
| Preference Dividend Payable for the financial year 2009-10 on 13% Redeemable Cumulative Preference shares | 76.05 | 0.00 |

The Company is a co-guarantor towards certain loans granted to holding company and other fellow subsidiaries.

b. Capital Commitments

| Particulars | As at March 31, | |
|--|-----------------|------|
| | 2010 | 2009 |
| Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances | NIL | NIL |

9. Particulars of unhedged foreign currency exposure as at the Balance Sheet Date;

| Particulars | 2010 | 2009 |
|-------------|-------|----------|
| Creditors | 60.75 | 2,234.21 |

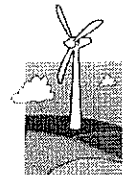
10. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule VI of the Companies Act, 1956.

a) Auditors' Remuneration and Expenses

| Particulars | 2009-10 | 2008-09 |
|---|-------------|-------------|
| (i) Statutory Audit Fees | 5.52 | 5.62 |
| (ii) Tax Audit Fees | 0.55 | 0.55 |
| (iii) Reimbursement of Out of Pocket Expenses | Nil | Nil |
| Total | 6.07 | 6.17 |

b) Production

| Particulars | Units Produced (In Nos.) | |
|----------------|--------------------------|---------|
| | 2009-10 | 2008-09 |
| Tubular Towers | 122 | 169 |



c) Details of opening stock, turnover and closing stock

| Particulars | 2009-10 | | | 2008-09 | | |
|--------------------------------|---------|---------|-----------|---------|--------|-----------|
| | Nos. | KWH | Rs. | Nos. | KWH | Rs. |
| Opening Stock | | | | | | |
| Tubular Towers (Manufacturing) | Nil | NA | Nil | Nil | NA | Nil |
| Tubular Towers (Trading) | 66 | NA | 7,987.59 | 4 | NA | 574.94 |
| Purchases (Trading) | 200 | NA | 23,381.29 | 392 | NA | 44,704.05 |
| Turnover | | | | | | |
| Tubular Towers (Manufacturing) | 122 | NA | 15087.06 | 169 | NA | 19,615.56 |
| Tubular Towers (Trading) | 265 | NA | 34120.45 | 330 | NA | 41,020.31 |
| Power Generation | NA | 1058.01 | 3458.01 | NA | 940.72 | 2,890.34 |
| Others | Nil | NA | 645.28 | Nil | NA | 3,536.61 |
| Closing Stock | | | | | | |
| Tubular Towers (Manufacturing) | Nil | NA | Nil | Nil | NA | Nil |
| Tubular Towers (Trading) | 1 | NA | 127.50 | 66 | NA | 7,987.59 |

d) (i) Raw materials Consumed:

| Item | Year Ended March 31, | | | |
|-------------------------|----------------------|-----------------|---------|-----------------|
| | 2010 | | 2009 | |
| | Qty. | Rs | Qty. | Rs. |
| M S Plate (MT) | 6,250 | 5,726.88 | 9,189 | 4,162.97 |
| Flanges (Nos.) | 806 | 1,549.52 | 566 | 1,113.27 |
| Others (see Note below) | Various | 745.36 | Various | 4,174.35 |
| Total | | 8,021.76 | | 9,450.59 |

Note:

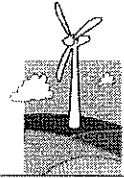
It is not practicable to furnish quantitative information in view of large number of items, which differ in size and nature, each being less than 10% in value of the total raw materials consumed.

(ii) Raw material: - Opening and Closing Stock

| Item | 2010 | | 2009 | |
|----------------|---------|-----------------|---------|-----------------|
| | Qty | Rs. | Qty | Rs. |
| M S Plate (MT) | 6,851 | 811.85 | 5,347 | 2,544.58 |
| Flanges (Nos.) | 188 | 248.51 | 378 | 638.40 |
| Others | Various | 134.99 | Various | 205.99 |
| Total | | 1,195.35 | | 3,388.97 |

e) Imported and Indigenous consumption of Raw materials, stores, components and spare parts.

| Particulars | 2010 | | 2009 | |
|-------------|----------------|------------|----------------|------------|
| | Rs. | % | Rs. | % |
| Imported | 3,263.54 | 40.68 | 4,920.60 | 52.07 |
| Indigenous | 4,758.22 | 59.32 | 4,529.99 | 47.93 |
| | 8021.76 | 100 | 9450.59 | 100 |



f) Value of Import on CIF basis

| Particulars | 2009-10 | 2008-09 |
|---------------------|---------------|-----------------|
| Raw Material (Mfg.) | 252.26 | 5,590.94 |
| Total | 252.26 | 5,590.94 |

g) Expenditure in Foreign Currencies (on accrual basis)

| Particulars | Year ended March 31, | |
|------------------------------|----------------------|---------------|
| | 2010 | 2009 |
| Foreign Travelling Expenses | 3.03 | 4.31 |
| Books & Periodicals | 0.00 | 1.72 |
| Meeting & Conference Expense | 1.15 | 0.00 |
| Interest | 0.00 | 280.19 |
| Total | 4.18 | 285.73 |

h) Earnings in foreign currency (on accrual basis)

The company has not earned any amount in foreign currency during the year. (Rs. Nil)

i) 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.

11. Related Party Disclosures:

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(A) List of the related parties and nature of relationship where control exists

| Sr.No | Name of the party | Nature of Relationship |
|-------|--|---------------------------|
| 1 | Suzlon Energy Limited | Holding Company |
| 2 | Suzlon Infrastructure Services Limited | Fellow Subsidiary Company |
| 3 | Suzlon Structures Limited | Fellow Subsidiary Company |
| 4 | Suzlon Gujarat Windpark Limited | Fellow Subsidiary Company |
| 5 | Suzlon Wind International Limited | Fellow Subsidiary Company |
| 6 | SE Composites Limited | Fellow Subsidiary Company |
| 7 | Suzlon Engitech Limited | Fellow Subsidiary Company |
| 8 | Suzlon Generators Limited | Fellow Subsidiary Company |
| 9 | SE Forge Limited | Fellow Subsidiary Company |

(B) Other Related Parties with whom transactions have taken place during the year

Key Management Personnel

Vinod R. Tanti, Girish R. Tanti, B.A. Parmar, Harish H. Mehta.

Where control of Key Management Personnel exists

Sarjan Realities Limited



Employee Funds

Suzlon Towers and Structures Limited. – Superannuation Fund

Suzlon Towers and Structures Limited. – Gratuity Fund

(C) Transactions between the Company and Related Parties and the status of outstanding balances as at March 31, 2010:

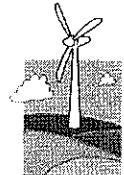
| Transactions | Holding Companies | Fellow Subsidiary | KMP | Where Control of KMP exist | RKMP | Employee Funds |
|--|-------------------------|-------------------------|--------------------|----------------------------|--------------|-----------------|
| Sale of Goods | 3,738.71 (4776.12) | 2,253.56 (5975.90) | Nil (Nil) | Nil (3654.00) | Nil | Nil |
| Purchase of Goods & Services | Nil (130.00) | 24,515.39 (43087.91) | Nil | Nil | Nil | Nil |
| Purchase of Fixed Assets | 335.00 (344.45) | 114.83 (218.97) | Nil | 16.11 (16.11) | Nil (Nil) | Nil |
| Lease Rent & Operating Lease Rent Paid | Nil (481.80) | Nil | Nil | Nil | Nil | Nil |
| Interest Paid | 636.93 (431.44) | 38.62 (83.82) | Nil | Nil | Nil | Nil |
| Interest Received | Nil | 1.50 (0.22) | Nil | Nil | Nil | Nil |
| Dividend on Preference Shares Paid | Nil (65.00) | Nil | Nil | Nil | Nil | Nil |
| Unsecured Loan Taken | 12,244.33 (18820.00) | 1,688.00 (6050.00) | Nil | Nil | Nil | Nil |
| Unsecured Loan Repaid | 19,244.33 (13491.06) | 1,688.00 (6050.00) | Nil | Nil | Nil | Nil |
| Inter Corporate Deposit Given | Nil | 500.00 (100.00) | Nil | Nil | Nil | Nil |
| Inter Corporate Deposit Return | Nil | 400.00 (100.00) | Nil | Nil | Nil | Nil |
| Operation & Maintenance Charges | Nil | 399.44 (308.62) | Nil | Nil | Nil | Nil |
| Donation Given | Nil | Nil | Nil | Nil (0.03) | Nil | Nil |
| Managerial Remuneration | Nil | Nil | 118.12 (116.65) | Nil | Nil | Nil |
| Contribution to various funds | Nil | Nil | Nil | Nil | Nil | 0.15 (20.11) |

| Outstanding Balance | Holding Companies | Fellow Subsidiary | KMP | Where Control of KMP exist | RKMP | Employee Funds |
|-----------------------------|--------------------|-----------------------|-----|----------------------------|--------------|----------------|
| Unsecured Outstanding Loans | Nil (7,000.00) | Nil | Nil | Nil | Nil | Nil |
| Sundry Debtors | Nil (Nil) | Nil (1226.00) | Nil | Nil (2437.26) | Nil (Nil) | Nil |
| Sundry Creditors | 122.82 (521.55) | 5020.30 (10843.96) | Nil | Nil (Nil) | Nil (Nil) | Nil |
| Loans given | Nil | 100.00 (Nil) | Nil | Nil | Nil | Nil |
| Corporate Guarantee Taken | 213.73 (291.45) | Nil | Nil | Nil | Nil | Nil |



(D) Disclosure of Significant Transactions with Related Parties

| Type of the Transaction | Type of relationship | Name of the entity/person | 2009-10 | 2008-09 |
|--|--|---|--------------|--------------------|
| Sale of Goods | Holding Company Fellow Subsidiary | Suzlon Energy Limited | 3,738.71 | 4,776.12 |
| | | Suzlon Structures Limited | 324.15 | 3,445.75 |
| | Suzlon Engitech Limited | 1,837.89 | 2,035.80 | |
| | Suzlon Infrastructures Services Limited | 91.52 | 494.35 | |
| | Where Control of KMP exist Where Control of KMP exist | Super Wind Projects Limited Simran Wind Projects Limited | Nil Nil | 2,871.00 783.00 |
| Purchase of Goods and Services | Holding Company Fellow Subsidiary | Suzlon Energy Limited | Nil | 130.00 |
| | | Suzlon Structures Limited | 23,528.61 | 43,087.91 |
| | | SE Forge Limited | 986.78 | Nil |
| Purchase of Fixed Assets | Holding Company Fellow Subsidiary | Suzlon Energy Limited | 335.00 | 344.35 |
| | | Suzlon Infrastructure Services Limited | 114.83 | 196.77 |
| | Where Control of KMP exist Where Control of KMP exist | Suzlon Gujarat Windpark Limited Sarjan Realities Limited | Nil 16.11 | 22.20 Nil |
| | Shubh Realty (South) Private Limited | Nil | 16.11 | |
| Lease Rent & Operating Lease Rent paid | Holding Company | Suzlon Energy Limited | Nil | 481.80 |
| Operation & Maintenance Charges | Fellow Subsidiary | Suzlon Infrastructure Services Limited | 399.44 | 308.62 |
| Interest paid | Holding Company Fellow Subsidiary | Suzlon Energy Limited | 636.93 | 431.44 |
| | | SE Composites Limited | Nil | 3.05 |
| | | Suzlon Wind International Limited | Nil | 80.76 |
| | | Suzlon Infrastructure Services Limited | 38.62 | Nil |
| Interest Received | Fellow Subsidiary | Suzlon Wind International Limited | 1.50 | 0.22 |
| Dividend paid | Holding Company | Suzlon Energy Limited | Nil | 65.00 |
| Unsecured Loan Taken | Holding Company Fellow Subsidiary | Suzlon Energy Limited | 12,244.33 | 18,820.00 |
| | | SE Composites Limited | Nil | 1,850.00 |
| | | Suzlon Wind International Limited | Nil | 4,200.00 |
| | | Suzlon Infrastructure Services Limited | 1,688 | Nil |
| Unsecured Loan Repaid | Holding Company Fellow Subsidiary | Suzlon Energy Limited | 19,244.33 | 13,491.06 |
| | | SE Composites Limited | Nil | 1,850.00 |
| | | Suzlon Wind International Limited | Nil | 4,200.00 |
| | | Suzlon Infrastructure Services Limited | 1,688.00 | Nil |



| | | | | |
|--------------------------------|----------------------------|--|---------------|---------------|
| Inter Corporate Deposit Given | Fellow Subsidiary | SE Composites Limited Suzlon Wind International Limited | Nil 500.00 | 100.00 Nil |
| Inter Corporate Deposit Return | Fellow Subsidiary | SE Composites Limited Suzlon Wind International Limited | Nil 400.00 | 100.00 Nil |
| Donation Given | Where control of KMP exist | Suzlon Foundations | Nil | 0.03 |

12. Dues with the Companies under same management:

| Sr. No. | Particulars | March 31, 2010 | March 31, 2009 |
|---------|---------------------------------------|----------------|----------------|
| 1. | Sundry Debtors | | |
| | Suzlon Infrastructure Service Limited | Nil | 4.52 |
| | Suzlon Engitech Limited. | Nil | 1,221.48 |

13. Segment Reporting

For management purpose, the Company is currently organised into two major operating divisions - Power Generation and Tubular Towers Business. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Power Generation Division

Power generation from the windmills.

Tubular Tower Division

Dealing in Tubular Towers.

Analysis by Business Segment

Segment revenue and expense:

Segment revenue and expense are the operating revenue and expense reported in the Company's profit and loss statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and property, plant and equipment, net of allowances and provisions. Capital expenditure includes the total cost incurred to acquire property, plant and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued expense.

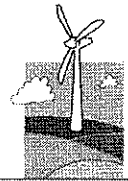


Financial period ended on March 31, 2010:

| Particulars | Power Generation | Tubular Tower | Elimination | Total |
|-----------------------------------|--------------------------------------|--|-------------|--|
| External sales | 3,458.01 (2,890.34) | 49,852.78 (64,172.49) | - - | 53,310.78 (67,062.83) |
| Inter Segment sales | - | - | - | - |
| Total Revenue | 3,458.01 (2,890.34) | 49,852.78 (64,172.49) | - - | 53,310.78 (67,062.83) |
| Profit From Operation | 1,750.92 (1,313.00) | 4,039.55 (3,722.45) | - | 5,790.47 (5,035.45) |
| Less: Finance Cost | | | | 2,750.23 (2,835.71) |
| Add: Other Income | | | | 88.26 (768.58) |
| Profit Before Tax | | | | 3,191.44 (2,968.32) |
| Less: Income Tax | | | | 542.38 (335.51) |
| Less: Deferred Tax | | | | 613.25 (966.48) |
| Less: Fringe Benefit Tax | | | | 0.00 (7.07) |
| Less: Prior Period Tax Adjustment | | | | 4.03 (16.16) |
| Add: MAT Credit | | | | 81.46 (335.51) |
| Profit after Tax | | | | 2,113.23 (1,978.61) |

| Other Information | Power Generation | Tubular Tower | Elimination | Total |
|---------------------|------------------------|-----------------|-------------|------------------------|
| Capital Expenditure | 570.84 (927.20) | 2.39 (13.89) | - - | 573.23 (941.09) |
| Depreciation | 1,222.51 (1,179.62) | 2.99 (2.21) | - - | 1,225.50 (1,181.83) |

| | Power Generation | Tubular Tower | Elimination | Total |
|--------------------------|--|--|-------------|--|
| Assets | | | | |
| Segment Assets | 21,994.21 (21,708.28) | 28,675.62 (45,131.41) | - - | 50,669.83 (66,839.69) |
| Unallocable Assets | - | - | - | 0.00 (16.65) |
| Total Assets | 21,994.21 (21,708.28) | 28,646.48 (45,148.06) | - - | 50,669.83 (66,856.34) |
| Liabilities | | | | |
| Segment Liabilities | 4,874.84 (9,019.56) | 15,724.79 (30,815.13) | - | 20,599.63 (39,834.69) |
| Deferred Tax Liabilities | | | | 5,687.28 (5,074.02) |
| Unallocable Liabilities | | | | 322.07 (0.00) |
| Total Liabilities | | | | 26,608.98 (44,908.72) |



Secondary Segment Information

The activities of the company are restricted to only one geographical segment, i.e. India. Hence the secondary segment disclosures are not applicable.

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

Schedules 'A' to 'N'

As per report of even date

For SNK & Co.
FRN : 109176W
Chartered Accountants

For and on behalf of the Board of Directors

Jasmin B. Shah
Partner
M. No. 46238

Shailesh Tanti
Company Secretary

Vinod R Tanti
Director

Harish H Mehta
Director

Place: Pune

Place: Pune

Date: 07/05/2010

Date: 07/05/2010