

SUZLON WIND INTERNATIONAL LIMITED  
FINANCIAL STATEMENTS -- MARCH 31, 2010  
TOGETHER WITH AUDITORS' REPORT

S.R. BATLIBOI & Co.  
Chartered Accountants  
Panchshil Techpark  
C-401, Fourth Floor  
Yerwada  
Pune411006

SNK & Co.  
Chartered Accountants  
E-2-B, The Fifth Avenue  
Dhole Patil Road  
Near Regency Hotel  
Pune 411 001

## Auditors' Report

To  
The Members of Suzlon Wind International Limited

1. We have audited the attached Balance Sheet of Suzlon Wind International Limited (the 'Company') 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 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, as on March 31, 2010, 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;

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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;
- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S. R. Batliboi & Co.  
Firm Registration No:301003E  
Chartered Accountants

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

per Arvind Sethi  
Partner  
Membership No: 89802  
Pune  
May 21, 2010

Per Jasmin B. Shah  
Partner  
Membership No: 46238  
Pune  
May 21, 2010

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Annexure referred to in paragraph 3 of our report of even date

Re: Suzlon Wind International Limited

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) Fixed assets which have been capitalised during the year have been physically verified by the management during the year. All other fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years 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.  
(b) The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and we have been informed that no material discrepancies were noticed on physical verification carried out by the Company during the year.
3. (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956; and hence clauses 4 (iii) (a), 4 (iii) (b), 4 (iii) (c) and 4 (iii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.  
(b) The Company had taken loan from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 498.93 crores and the year-end balance of loans taken from such parties was Rs. 319.09 crores including accrued interest.  
(c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.  
(d) The loan taken is re-payable on demand. As informed, the lenders have not demanded repayment of any such loan during the year, thus, there has been no default on the part of the Company. The payment of interest has been regular.
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, for the purchase of inventory and fixed assets and for the sale of goods and services. Based on our procedures, no major weaknesses have been noticed in the internal control system in respect of these areas.
5. (a) According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and hence clause 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the Company. Accordingly clause 4(viii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
9. (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess, where applicable have generally been regularly deposited with the appropriate authorities. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute, except as given below:

Name of the statute	Nature of dues	Amount (Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Duties of customs being export duties on procurement of goods from any place in India (outside a Special Economic Zone) to a Special Economic Zone in India	0.22	May 2008 to October 2008	High Court of Karnataka

10. The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year. Accordingly clause 4(x) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
11. Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of dues to Banks in respect of Letters of Credit, Term Loan, and Interest Liabilities. The following are the details of the defaults:

Particulars	Amount (Rs. crores)	Range of Defaults
Letters of Credit	284.98	up to 76 days
Term Loans repayment	7.30	up to 7 days
Interest Liabilities on term loan	5.27	up to 41 days

As at March 31, 2010, these defaults have been rectified and hence no default exist as at March 31, 2010.

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 loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.

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13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies. Accordingly clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
16. Based on information and explanations given to us by management, term loans were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on 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 and companies covered in the register maintained under section 301 of the Act.
19. The Company does not have any debentures outstanding during the year and hence clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
20. The Company has not raised any money through a public issue during the year and hence clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
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 management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S. R. Batliboi & Co.  
Firm Registration No: 301003E  
Chartered Accountants

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

per Arvind Sethi  
Partner  
Membership No: 89802  
Pune  
May 21, 2010

Per Jasmin B. Shah  
Partner  
Membership No: 46238  
Pune  
May 21, 2010

**Suzlon Wind International Limited**  
**Balance Sheet as at March 31, 2010**

All amounts in Rupees unless otherwise stated

	Particulars	Schedules	As at March 31, 2010	As at March 31, 2009
<b>I.</b>	<b><u>SOURCES OF FUNDS</u></b>			
	<b>1. Shareholders' funds</b>			
	(a) Share capital	A	2,032,955,000	1,182,655,000
	(b) Reserves and surplus	B	6,351,175,451	5,460,625,289
			<b>8,384,130,451</b>	<b>6,643,280,289</b>
	<b>2. Loan funds</b>			
	(a) Secured loans	C	6,813,366,342	3,530,224,065
	(b) Unsecured loans	D	3,201,057,431	1,950,178,513
			<b>10,014,423,773</b>	<b>5,480,402,578</b>
	<b>3. Deferred tax liabilities, net</b> (Refer Schedule N, Note No.14)		<b>11,288,059</b>	<b>13,165,744</b>
	<b>TOTAL</b>		<b>18,409,842,283</b>	<b>12,136,848,611</b>
<b>II.</b>	<b><u>APPLICATION OF FUNDS</u></b>			
	<b>1. Fixed assets</b>			
	Gross block	E	1,307,824,143	1,038,054,186
	Less :- Accumulated depreciation / amortisation		217,260,519	87,650,911
	Net block		1,090,563,624	950,403,275
	Capital work-in-progress including capital advances		215,916,111	471,521,181
			<b>1,306,479,735</b>	<b>1,421,924,456</b>
	<b>2. Investments</b>	F	<b>19,445,000</b>	<b>18,445,000</b>
	<b>3. Current assets, loans and advances</b>	G		
	(a) Inventories		2,619,897,119	2,107,012,464
	(b) Sundry debtors		17,987,049,734	15,794,945,898
	(c) Cash and bank balances		1,479,553,937	268,362,704
	(d) Loans and advances		432,720,718	512,938,455
			<b>22,519,221,508</b>	<b>18,683,259,521</b>
	<b>Less : Current liabilities and provisions</b>	H		
	(a) Current liabilities		5,369,513,948	7,899,754,903
	(b) Provisions		65,790,012	87,025,463
			<b>5,435,303,960</b>	<b>7,986,780,366</b>
	Net current assets		<b>17,083,917,548</b>	<b>10,696,479,155</b>
	<b>TOTAL</b>		<b>18,409,842,283</b>	<b>12,136,848,611</b>
	<b>Significant accounting policies and notes to accounts</b>	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 Wind International Limited**

**For S. R. Batliboi & Co.**  
Firm Registration No. 301003E  
Chartered Accountants

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

**Vinod R. Tanti**  
Managing Director

**per Arvind Sethi**  
Partner  
M.No. 89802

**per Jasmin B. Shah**  
Partner  
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**Ranjitsinh A. Parmar**  
Director

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Company Secretary

Place : Pune  
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**Suzlon Wind International Limited**  
**Profit and Loss Account for the year ended March 31, 2010**  
All amounts in Rupees unless otherwise stated

	Particulars	Schedules	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
	<b>INCOME</b>			
	Sales		8,686,172,040	15,930,538,941
	Other income	I	15,937,889	20,164,643
	<b>TOTAL</b>		<b>8,702,109,929</b>	<b>15,950,703,584</b>
	<b>EXPENDITURE</b>			
	Cost of goods sold	J	4,917,533,680	9,012,612,023
	Operating and other expenses	K	1,794,652,051	681,895,183
	Employee remuneration and benefits	L	79,842,501	35,450,606
	Financial expenses	M	843,943,632	325,554,755
	Depreciation / amortisation	E	129,883,823	87,028,732
	<b>TOTAL</b>		<b>7,765,855,687</b>	<b>10,142,541,299</b>
	<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>936,254,242</b>	<b>5,808,162,285</b>
	Exceptional items		-	231,305,873
	<b>PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS</b>		<b>936,254,242</b>	<b>5,576,856,412</b>
	<b>PROVISION FOR TAX</b>			
	Current tax		47,000,000	13,000,000
	Deferred tax Charge /(Credit)		(1,877,685)	13,165,744
	Fringe benefit tax		(10,065)	470,000
	Earlier year current tax		279,505	(179,106)
	<b>NET PROFIT</b>		<b>890,862,487</b>	<b>5,550,399,774</b>
	Balance brought forward		5,460,625,289	(10,612,765)
	<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>6,351,487,776</b>	<b>5,539,787,009</b>
	<b>APPROPRIATIONS</b>			
	Dividend on preference shares		266,956	67,662,481
	Tax on dividend		45,369	11,499,239
	<b>Surplus carried to Balance Sheet</b>		<b>6,351,175,451</b>	<b>5,460,625,289</b>
	<b>Earnings per share (in Rs.)</b>			
	<u>Before exceptional items</u>			
	Basic / diluted [Nominal value of share Rs. 10(Rs.10)] (Refer schedule N, Note no. 6)		<b>71.11</b>	<b>570.29</b>
	<u>After exceptional items</u>			
	Basic / diluted [Nominal value of share Rs. 10(Rs.10)] (Refer schedule N, Note no. 6)		<b>71.11</b>	<b>547.16</b>
	<b>Significant accounting policies and notes to accounts</b>	<b>N</b>		

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 Wind International Limited**

**For S. R. Batliboi & Co.**  
Firm Registration No. 301003E  
Chartered Accountants

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

**Vinod R. Tanti**  
Managing Director

**per Arvind Sethi**  
Partner  
M.No. 89802

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

**Ranjitsinh A. Parmar**  
Director

**Mukesh Kumar Mantri**  
Company Secretary

**Place : Pune**  
**Date : May 21, 2010**

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**Place : Pune**  
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**Suzlon Wind International Limited**  
**Cash Flow Statement for the year ended March 31, 2010**  
All amounts in Rupees unless otherwise stated

Sr. No.	Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Profit before tax and exceptional items</b>	<b>936,254,242</b>	<b>5,808,162,285</b>
	<b>Adjustments for</b>		
	Depreciation / amortisation	129,883,823	87,028,732
	Provision for operation and maintenance charges	45,875,000	-
	Loss on sale / disposal of assets	4,252,943	(66,639)
	Interest expenses	756,915,196	211,148,856
	Interest income	(13,439,854)	(14,694,841)
	Unrealised exchange gain on foreign currency loans	(27,719,348)	62,160,000
	<b>Operating profit before working capital changes</b>	<b>1,832,022,002</b>	<b>6,153,738,393</b>
	<b>Movements in working capital</b>		
	Decrease / (increase) in deposits and advances	79,556,798	(438,983,361)
	Decrease / (increase) in sundry debtors	(2,192,103,836)	(15,710,145,905)
	Decrease / (increase) in margin money accounts	(18,421,384)	(112,645,487)
	Decrease / (increase) in inventories	(512,884,655)	(2,102,002,512)
	(Decrease) / increase in current liabilities and provisions	(2,078,039,744)	7,102,055,339
	<b>Cash used in operating activities before exceptional items</b>	<b>(2,889,870,819)</b>	<b>(5,107,983,533)</b>
	Exceptional items	-	(196,555,571)
	<b>Cash used in operating activities after exceptional items</b>	<b>(2,889,870,819)</b>	<b>(5,304,539,104)</b>
	Direct taxes paid (net of refunds)	(37,343,010)	(8,463,570)
	<b>Net cash used in operating activities</b>	<b>(2,927,213,829)</b>	<b>(5,313,002,674)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Payment for purchase of fixed assets	(434,734,955)	(542,300,045)
	Sale of fixed assets	16,785,494	672,045
	Purchase of investments	(1,000,000)	(18,435,000)
	Loans granted to subsidiaries	(200,000)	-
	Interest income	14,300,793	8,076,438
	<b>Net cash used in investing activities</b>	<b>(404,848,668)</b>	<b>(551,986,562)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from issue of new preference share capital	850,300,000	682,655,000
	Dividend on Preference share paid	(67,929,437)	-
	Tax on Preference share dividend paid	(11,544,608)	-
	Term loan received during the year	4,067,000,000	580,000,000
	Term loan repaid during the year	(109,500,000)	-
	Proceeds from short term borrowing, net	(707,671,716)	2,936,100,307
	Loan received during the year	9,573,704,096	2,498,500,000
	Loan repaid during the year	(8,508,656,552)	(624,100,000)
	Interest paid	(560,869,437)	(131,565,235)
	<b>Net cash flow from financing activities</b>	<b>4,524,832,346</b>	<b>5,941,590,072</b>
<b>D</b>	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>1,192,769,849</b>	<b>76,600,836</b>
	Cash and cash equivalents at the beginning of the year	155,717,217	79,116,381
	Cash and cash equivalents at the end of the year	1,348,487,066	155,717,217
	<b>Components of cash and cash equivalents</b>	<b>As at March 31, 2010</b>	<b>As at March 31, 2009</b>
	<b>Cash on hand</b>	60,889	105,588
	<b>Balances with scheduled banks</b>		
	in current accounts	1,294,962,757	105,611,629
	in margin money accounts	131,066,871	112,645,487
	in term deposit accounts	53,463,420	50,000,000
	Less : margin money accounts	(131,066,871)	(112,645,487)
		<b>1,348,487,066</b>	<b>155,717,217</b>

**Note:**

- 1 The figures in brackets represents outflows.
- 2 Previous year figures have been reclassified/regrouped wherever necessary.
- 3 Purchase of assets includes payment for items in capital work in progress, advances for purchase of fixed assets and payment to creditors.

As per our report of even date

**For S. R. Batliboi & Co.**  
**Firm Registration No. 301003E**  
**Chartered Accountants**

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

**For and on behalf of the Board of Directors of**  
**Suzlon Wind International Limited**

**Vinod R. Tanti**  
**Managing Director**

**per Arvind Sethi**  
**Partner**  
**M.No. 89802**

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

**Ranjitsinh A. Parmar**  
**Director**

**Mukesh Kumar Mantri**  
**Company Secretary**

**Place : Pune**  
**Date : May 21, 2010**

**Place : Pune**  
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**Place: Pune**  
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**Place: Pune**  
**Date : May 21, 2010**

**Suzlon Wind International Limited**  
**Schedules forming part of the 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
<b><u>SCHEDULE- A : SHARE CAPITAL</u></b>		
<b>Authorised</b>		
10,000,000 (10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
20,000,000 (20,000,000) cumulative redeemable preference shares of Rs. 100 each	2,000,000,000	2,000,000,000
	<b>2,100,000,000</b>	<b>2,100,000,000</b>
<b>Issued, subscribed and paid up</b>		
<b>Equity</b>		
10,000,000 (10,000,000) equity shares of Rs. 10 each fully paid up	100,000,000	100,000,000
( Of the above equity shares, 10,000,000 (10,000,000) equity shares of Rs. 10 each are held by Suzlon Energy Limited, the holding company and its nominees)		
<b>Preference</b>		
19,329,550(10,826,550) 9% cumulative redeemable preference shares of Rs. 100 each (Refer Schedule N, Note No. 5)	1,932,955,000	1,082,655,000
	<b>2,032,955,000</b>	<b>1,182,655,000</b>
<b><u>SCHEDULE- B : RESERVES AND SURPLUS</u></b>		
Profit and loss account	6,351,175,451	5,460,625,289
	<b>6,351,175,451</b>	<b>5,460,625,289</b>
<b><u>SCHEDULE - C : SECURED LOANS</u></b>		
<b>A. Term loans from Banks</b>	4,550,497,098	582,431,233
(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 Schedule N, Note no. 4) and also by pledge of shares of certain subsidiaries of the holding company)		
<b>B. Working capital facilities from banks</b>		
<b>Rupee loans</b>	1,509,017,490	1,268,582,003
<b>Foreign currency loans</b>	753,851,754	1,679,210,829
(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 Schedule N, Note no. 4) and also by pledge of shares of certain subsidiaries of the holding company)		
	<b>6,813,366,342</b>	<b>3,530,224,065</b>
<b><u>SCHEDULE - D :- UNSECURED LOANS</u></b>		
<b>Short-term</b>		
From banks	-	50,467,475
From others	3,201,057,431	1,899,711,038
	<b>3,201,057,431</b>	<b>1,950,178,513</b>

<b>Suzlon Wind International Limited</b>		
<b>Schedules forming part of the Balance Sheet as at March 31, 2010</b>		
All amounts in Rupees unless otherwise stated		
Particulars	As at March 31, 2010	As at March 31, 2009
<b><u>SCHEDULE - F : INVESTMENTS</u></b>		
<b><u>LONG TERM INVESTMENTS (At cost, fully paid)</u></b>		
<b><u>OTHER THAN TRADE - UNQUOTED</u></b>		
<b>(i) Government and other securities (Non trade)</b>		
Security with government departments	10,000	10,000
<b>(ii) Other investments - Indian Subsidiaries</b>		
996,750 (946,750) equity shares of Rs. 10 each of S E Solar Limited (Formerly known as SE Solar Pvt. Ltd)	19,435,000	18,435,000
Aggregate value of Unquoted Investments	<b>19,445,000</b>	<b>18,445,000</b>
<b><u>SCHEDULE- G : CURRENT ASSETS, LOANS AND ADVANCES</u></b>		
<b>CURRENT ASSETS</b>		
<b>(a) Inventories</b>		
Raw materials [Including goods-in-transit Rs. 1,234,374,598 (Rs.976,474, 374)]	2,339,924,011	2,001,326,056
Stores and spares (Including goods in transit Rs. Nil (Rs. Nil)	40,841,526	45,020,629
Semi finished goods and work-in-progress	174,329,185	48,447,270
Finished goods	64,802,397	12,218,509
	<b>2,619,897,119</b>	<b>2,107,012,464</b>
<b>(b) Sundry debtors</b>		
<b>(Unsecured, considered good) (Refer Schedule N, Note No. 16(d))</b>		
Debtors outstanding for a period exceeding six months	12,104,850,745	521,534,971
Other debtors	5,882,198,989	15,273,410,927
	<b>17,987,049,734</b>	<b>15,794,945,898</b>
<b>(c) Cash and bank balances</b>		
Cash on hand	60,889	105,588
Balances with scheduled banks		
in current accounts	1,294,962,757	105,611,629
in margin money accounts	131,066,871	112,645,487
in term deposit accounts	53,463,420	50,000,000
	<b>1,479,553,937</b>	<b>268,362,704</b>
<b>(d) Loans and advances</b>		
<b>(Unsecured, considered good)</b>		
Deposits	249,580,087	248,665,845
Loans to subsidiaries	209,271	-
Advances recoverable in cash or in kind or for value to be received	182,931,360	264,272,610
	<b>432,720,718</b>	<b>512,938,455</b>
	<b>22,519,221,508</b>	<b>18,683,259,521</b>

**Suzlon Wind International Limited**  
**Schedules forming part of the 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
<b><u>SCHEDULE- H : CURRENT LIABILITIES AND PROVISIONS</u></b>		
<b>(a) CURRENT LIABILITIES</b>		
Sundry creditors		
Dues of micro, small and medium enterprises (Refer schedule N, Note no. 17 (i))	23,033,002	145,824,050
Dues of others	5,279,063,031	7,689,790,308
Other current liabilities	66,394,634	12,298,308
Interest accrued but not due	1,022,393	51,841,349
Advances from customers	888	888
	<b>5,369,513,948</b>	<b>7,899,754,903</b>
<b>(b) PROVISIONS</b>		
Provision for income tax [Net of advance tax and tax deducted at source Rs. 45,021,752 (Rs.13,279,505)]	15,257,753	5,261,324
Provision for fringe benefit tax (net of advance tax Rs. Nil (Rs. 459,935))	-	70,000
Gratuity, superannuation, long term retention bonus and leave encashment	4,657,259	2,532,419
Provision for warranty, operation & maintenance charges (Refer Schedule N, Note No. 11)	45,875,000	-
Dividend on preference shares	-	67,662,481
Tax on dividend	-	11,499,239
	<b>65,790,012</b>	<b>87,025,463</b>
	<b>5,435,303,960</b>	<b>7,986,780,366</b>

<b>Suzlon Wind International Limited</b>		
<b>Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010</b>		
All amounts in Rupees unless otherwise stated		
Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b><u>SCHEDULE - I : OTHER INCOME</u></b>		
Interest income		
From banks [Tax deducted at source Rs. 1,711,216 (Rs.1,808,555)]	13,429,553	6,618,403
From others [Tax deducted at source Rs. 1,030 (Rs.1,830,121)]	10,301	8,076,438
Miscellaneous income	2,498,035	5,469,802
	<b>15,937,889</b>	<b>20,164,643</b>
<b><u>SCHEDULE - J : COST OF GOODS SOLD</u></b>		
<b>Consumption of raw materials and components :</b>		
Inventories as at April 1, 2009	2,001,326,056	4,996,043
Add : - Purchases	5,434,597,438	11,011,046,018
	7,435,923,494	11,016,042,061
Less : - Inventories as at March 31, 2010	2,339,924,011	2,001,326,056
	<b>(A) 5,095,999,483</b>	<b>9,014,716,005</b>
<b>Trading purchases</b>	<b>(B) -</b>	<b>58,561,796</b>
<b>(Increase) / decrease in stocks:-</b>		
<b>Inventories as at April 1, 2009:</b>		
Semi finished goods and work-in-progress	48,447,270	-
Finished goods	12,218,509	-
	<b>(C) 60,665,779</b>	<b>-</b>
<b>Inventories as at March 31, 2010:</b>		
Semi finished goods and work-in-progress	174,329,185	48,447,270
Finished goods	64,802,397	12,218,509
	<b>(D) 239,131,582</b>	<b>60,665,779</b>
<b>(Increase) / decrease in stocks</b>	<b>(E) = (C) - (D)</b>	<b>(60,665,779)</b>
	<b>(F) = (A) + (B) + (E)</b>	<b>9,012,612,022</b>
	<b>4,917,533,680</b>	<b>9,012,612,022</b>
<b><u>SCHEDULE - K : OPERATING AND OTHER EXPENSES</u></b>		
<b>(Refer Schedule N, Note no. 16 (c))</b>		
Stores and spares consumed	40,765,166	40,132,200
Power and fuel	5,340,829	8,853,724
Factory expenses	79,701,347	22,606,009
Repairs and maintenance :-		
- Plant and machinery	484,467	2,866,075
- Building	32,528	1,092,185
- Others	958,031	691,116
Warranty, Operation and Maintenance Charges	45,875,000	-
Design change and technological upgradation charges	68,207,517	-
Rent, rates and taxes	1,284,400	1,613,829
Land Lease Rent	23,192,754	5,018,361
Insurance	5,564,585	3,043,366
Freight outward and packing expenses	295,991,203	586,309,878
Travelling, conveyance and vehicle expenses	8,576,897	11,201,918
Communication expenses	702,187	525,076
Auditors' remuneration and expenses	1,349,637	1,323,348
Consultancy charges	11,710,404	12,814,669
Donations	15,801,001	6,000,000
(Profit) / loss on sale of assets sold/disposed, net (Refer Schedule N, Note no. 16 (b))	4,252,943	(66,639)
Liquidated damages (Refer Schedule N, Note no. 12)	225,940,232	-
Other selling and administrative expenses	11,594,222	27,132,443
Exchange differences, net	947,326,701	(49,262,375)
	<b>1,794,652,051</b>	<b>681,895,183</b>

<b>Suzlon Wind International Limited</b>		
<b>Schedules forming part of the Profit and Loss Account for the year ended March 31, 2010</b>		
All amounts in Rupees unless otherwise stated		
<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
<b><u>SCHEDULE - L : EMPLOYEES' REMUNERATION AND BENEFITS</u></b>		
<b>(Refer Schedule N, Note no. 16 (c))</b>		
Salaries, wages, allowances and bonus	73,000,246	29,525,941
Contribution to provident and other funds	3,359,022	1,638,181
Staff welfare expenses	3,483,233	4,286,484
	<b>79,842,501</b>	<b>35,450,606</b>
<b><u>SCHEDULE - M : FINANCIAL EXPENSES</u></b>		
<b>(Refer Schedule N, Note no. 16 (c))</b>		
<b>Interest</b>		
Fixed loans	82,814,659	2,431,233
Others	674,100,537	208,717,623
<b>Bank charges</b>	87,028,436	114,405,899
	<b>843,943,632</b>	<b>325,554,755</b>

**Suzlon Wind International Limited**  
Schedules forming part of the Balance Sheet as at March 31, 2010  
All amounts in Rupees unless otherwise stated

**SCHEDULE E : FIXED ASSETS**

Assets	Gross Block				Depreciation/Amortisation				Net Block	
	As at April 1 2009	Additions	Deductions/Adjustments	As at 31st Mar, 2010	As at April 1 2009	For the year	Deductions/Adjustments	As at 31st Mar, 2010	As at 31st Mar, 2010	As at March 31, 2009
Factory buildings	406,442,959	196,544,353	-	602,987,312	15,699,034	46,412,774	-	62,111,808	540,875,504	390,743,925
Land development charges	191,516,114	-	-	191,516,114	10,639,784	10,639,784	-	21,279,568	170,236,546	180,876,330
Office building	-	17,166,806	-	17,166,806	-	71,528	-	71,528	17,095,278	-
Plant & machinery	428,602,901	52,217,208	1,460,136	479,359,973	58,029,426	70,011,380	274,215	127,766,591	351,593,382	370,573,475
Computers	3,148,210	1,068,578	-	4,216,788	838,963	1,022,594	-	1,861,557	2,355,231	2,309,247
Furniture & fixtures	7,102,391	3,354,438	-	10,456,829	2,231,837	1,552,346	-	3,784,183	6,672,646	4,870,554
Office equipments	1,239,321	878,710	-	2,118,031	209,577	173,417	-	382,994	1,735,037	1,029,744
Vehicles	2,290	-	-	2,290	2,290	-	-	2,290	-	-
<b>TOTAL</b>	<b>1,038,054,186</b>	<b>271,230,093</b>	<b>1,460,136</b>	<b>1,307,824,143</b>	<b>87,650,911</b>	<b>129,883,823</b>	<b>274,215</b>	<b>217,260,519</b>	<b>1,090,563,624</b>	<b>950,403,275</b>
Capital work-in-progress including capital advances	-	-	-	-	-	-	-	-	215,916,111	471,521,181
<b>TOTAL</b>	<b>1,038,054,186</b>	<b>271,230,093</b>	<b>1,460,136</b>	<b>1,307,824,143</b>	<b>87,650,911</b>	<b>129,883,823</b>	<b>274,215</b>	<b>217,260,519</b>	<b>1,306,479,735</b>	<b>1,421,924,456</b>
Previous year	1,707,382	1,037,005,671	658,867	1,038,054,186	549,150	87,155,223	53,462	87,650,911	1,421,924,456	554,893,226

**Note:**

1. Depreciation charge for the current year includes Rs. Nil (Rs. 126,491) which has been capitalised as part of pre-operative expenditure. The depreciation charged in profit and loss account amounting to Rs. 129,883,823 (Rs. 87,028,732) is net of the amount capitalised.

2. Capital work in progress includes advances for capital goods aggregating Rs. 2,827,698 (Rs.37,625,397)

Suzlon Wind International Limited  
SCHEDULE N – SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS  
All amounts in Rupees unless otherwise stated

**1. Nature of operations**

Suzlon Wind International Limited ('SWIL' or the 'Company'), is engaged in the manufacture of Nacelles, Hubs and Nose Cones for Wind Turbine Generators ('WTGs'). The Company has set up its manufacturing facilities as "Units in Notified SEZ" at Udupi in the State of Karnataka. The Company has obtained an approval from the Office of Development Commissioner, Suzlon Infrastructure Special Economic Zone for setting up of the manufacturing facilities as "Units in the Notified SEZ" vide letter No 37/17/2007: SuzlonSEZ/6193 dated September 21, 2007.

**2. Significant accounting policies**

**(a) Basis of Preparation**

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

**(b) Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations 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 Nacelles, Hubs and Nose Cones; and Interest income. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can reliably be measured. Revenue is disclosed net of discounts, excise duty, sales tax, value added tax or other taxes, as applicable.

**Sales**

Sales of Nacelles, Hubs and Nose Cone are recognised in the profit and loss account when the 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 and that the income can reliably be measured and is expected to be received.

**Interest Income**

Interest income is recognised 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. 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



at the balance sheet date. In the case of new undertaking, certain expenses incurred till the date of commencement of commercial production and identified as pre-operative expenses are capitalised upon the commencement of commercial production.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the company makes a reasonable estimate of the value in use.

After impairment, depreciation is provided on the revised carrying amount of assets over the remaining useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. Further, assets held for disposal are stated at the lower of the net book value or the estimated net realisable value.

### **(e) Depreciation**

Depreciation is provided on written down value method unless otherwise mentioned, pro-rata to the period of use of the 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
Office building	5%
Factory building	10%
Plant and machinery	13.91% for Single Shift 20.87% for Double Shift
Moulds	13.91% for Single Shift 20.87% for Double Shift or useful life based on usage whichever is higher
Computers	40%
Office equipment	13.91%
Furniture and fixture	18.10%

Land development charges are amortised over the period of the land lease.

Assets costing up to Rs. 5,000 per unit are depreciated at the rate of 100% in the period of addition.

### **(f) Borrowing Costs**

Borrowing costs 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. Cost incurred in connection with debt consolidation and refinancing are amortised over the tenure of respective facilities. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **(g) Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership, are classified as operating leases. Operating lease payments are recognized as an expense in 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.

In the case of new undertaking, lease rentals incurred upto the date of commencement of commercial production are capitalised. Lease rentals incurred from the date of commencement of commercial production are recognized as an expense in profit and loss account as incurred.

## **(h) Inventories**

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

The cost of work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity.

However, materials and other items held for use in production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **(i) Investments**

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

## **(j) Foreign Currency Transactions**

### **i) Initial Recognition**

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

### **ii) Conversion**

At the year end, foreign currency monetary items are reported using the year end exchange rate. Non-monetary items which are 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 rates that existed when the values were determined.

### **iii) Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

**iv) Forward exchange contracts not intended for trading or speculation purposes**

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

**(k) Derivatives**

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange and option contracts, where the counterparty is a bank. The forward contracts or options are not used for trading or speculation purposes.

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 recognised as income/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.

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

**(l) Retirement and other employee benefits**

Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions 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 statutory authority.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made as at each balance sheet date.

Defined contributions to superannuation fund are charged to the profit and loss account on accrual basis. There are no other obligations other than the contribution payable to the respective funds.

Short-term compensated absences are provided based on estimates. Long term compensated absences are provided for on the basis of an actuarial valuation, using projected unit credit method, as at the balance sheet date.

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

### **(m) Provisions, contingent liabilities and contingent assets**

A provision is recognised when an enterprise has a present obligation as a result of past event 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 its present value and are determined based on best estimates 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, if any are disclosed by way of notes to the accounts.

Contingent assets are not recognised.

### **(n) Income Taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India.

Deferred income taxes 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 tax laws, deferred tax assets are recognised 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 taxes resulting from timing differences which originate during the tax holiday period but are expected to reverse after tax holiday period, are 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 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 realised.

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

### **(o) Earnings per share**

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

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

### **(p) Cash and Cash Equivalents**

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

### 3. Exceptional items

During the year, the company has incurred Mark to market (MTM) losses of Rs. Nil (Rs. 231,305,873) on account of realised loss on cancellation of forward and option contracts and unrealised MTM loss on such outstanding contracts.

### 4. 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. 10.44 crores, as consultancy and processing charges in regard to the Arrangement, the cost of which will be amortised over the tenure of respective facilities.

### 5. Redeemable preference shares

The Company has issued 9% cumulative redeemable preference shares of Rs. 100 each at par value to Suzlon Energy Limited, the holding company.

The preference shares carry a fixed dividend rate of 9%. Per the terms of the preference shares, the Company as well as the preference shareholders respectively shall have the Call and Put Option to redeem the Preference Shares any time after 3 months from the date of allotment subject to the consent of the Preference Shareholders and the Company, as the case may be. If either parties does not exercise their options, the same shall automatically and compulsorily be redeemed at the end of 15 (Fifteen) years from the respective dates of allotment.

### 6. Earnings per share (EPS)

Particulars		April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Net Profit after tax and exceptional items		890,862,487	5,550,399,774
Less: Preference dividend and tax thereon		(179,793,185)	(78,825,252)
Net profit attributable to equity shareholders	A	711,069,302	5,471,574,522
Add: Exceptional items		-	231,305,873
Net Profit before exceptional items	B	711,069,302	5,702,880,395
Weighted average number of equity shares	C	10,000,000	10,000,000
Basic and Diluted earnings per share of face value of Rs 10 each			
- before exceptional items	B/C	71.11	570.29
- after exceptional items	A/C	71.11	547.16

## 7. Operating leases

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Rental expenses on premises hired under cancelable operating leases	516,000	916,942
Rental expenses on offices / premises hired under non cancelable operating leases	Nil	Nil

The above expenses do not include lease rental expenses capitalised Rs. Nil (Rs. 802,988).

## 8. Post employment benefits

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

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the Defined Benefit.

Profit and Loss Account-net employee benefit expense recognised:

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Current service cost	580,240	227,932
Interest cost on benefit obligation	36,290	5,510
Expected return on plan assets	(70,650)	(22,403)
Net actuarial (gain) / loss recognized	141,840	160,736
Past service cost	Nil	Nil
<b>Net benefit expense</b>	<b>687,720</b>	<b>371,775</b>

Balance Sheet -details of defined benefit obligation:

Particulars	As at March 31, 2010	As at March 31, 2009
Defined benefit obligation	1,220,270	459,317
Fair value of plan assets	1,185,790	(549,860)
<b>Plan (Asset)/Liability</b>	<b>34,480</b>	<b>(90,543)</b>

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

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Opening defined benefit obligation	459,317	64,815
Interest cost	36,285	5,510
Current service cost	580,235	227,932

Benefits paid	Nil	Nil
Actuarial (gains) / losses on obligation	144,430	161,060
<b>Closing defined benefit obligation</b>	<b>1,220,267</b>	<b>459,317</b>

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

<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
Opening fair value of plan assets	549,860	Nil
Expected return	70,650	22,403
Contributions by employer	562,690	527,133
Benefits paid	Nil	Nil
Actuarial gains / (losses)	2,590	324
<b>Closing fair value of plan assets</b>	<b>1,185,790</b>	<b>549,860</b>

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

<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
Investments with Insurer	100%	100%

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

<b>Particulars</b>	<b>Year ended March 31</b>	
	<b>2010</b>	<b>2009</b>
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 and reducing to 1% at older age according to graduated scale	10% at younger ages and reducing to 1% at older age according to graduated scale
Retirement Age	65 Years	65 Years

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

Experience history - amounts for the current and previous periods are as follows:

<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
Defined benefit obligation	(1,220,270)	(459,317)
Plan assets	1,185,790	549,860

Surplus/(deficit)	(34,480)	90,543
Experience adjustments on plan liabilities	(197,770)	219,840
Experience adjustments on plan assets	2,590	324
Actuarial gain/(loss) due to change on assumptions	53,340	(71,070)

9. **The expense recognised during the year for each contribution plan is as follows:**

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Employer's contribution to provident fund	2,542,638	1,350,352*
Employer's contribution to superannuation fund	128,664	Nil *

\* Employer's contribution to superannuation fund and employers contribution to provident fund are net of amounts capitalised amounting to Rs. Nil (Rs. 198,537) Rs. Nil (Rs. 445,717) respectively.

10. **Managerial remuneration to directors**

The Company has not paid any remuneration to the managerial personnel during the current and previous years.

11. **Provisions**

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

Particulars	Operation and maintenance warranty	Provision for liquidated damages
Opening Balance as at April 1, 2009	Nil	Nil
	(Nil)	(Nil)
Additions	45,875,000	225,940,232
	(Nil)	(Nil)
Utilisation	Nil	225,940,232
	(Nil)	(Nil)
Reversal	Nil	Nil
	(Nil)	(Nil)
Closing Balance as at March 31, 2010	45,875,000	Nil
	(Nil)	(Nil)

Notes:

- The provision for operation, maintenance and warranty (O & M) represents the expected liability on account of failure of parts of WTG and expected expenditure of servicing the WTGs over the period of free operation, maintenance and warranty, which varies according to the terms of each sales order.
- Provision for liquidated damages (LD) represents the expected claims which the company may need to pay for non fulfillment of certain commitments as per the terms of the sales order. These are determined on a case to case basis considering the dynamics of each sales order and the factors relevant to that sale.
- Figures in brackets represent transactions/outstanding balances for the previous year ended March 31, 2009.



12. **Contingent liabilities**

Particulars	As at March 31, 2010	As at March 31, 2009
Preference Share Dividend and tax thereon	179,480,860	Nil
Import duty( see note (a) below)	2,151,970	2,151,970
Guarantees given by the Company	See note (b) below	N.A.
Others	7,091,611	Nil
<b>Total</b>	<b>188,724,441</b>	<b>2,151,970</b>

**Notes:**

- a) The Government of India with a view to curtail the increasing price of steel products imposed an export duty of 15% from May 2008, on TMT steel bars used in construction industry; and the Authorities held that the supplies to Special Economic Zones from Domestic tariff area are to be treated as exports and took the view that such supplies would attract export duty (import customs duty from SEZ unit holder's perspective). The Company being an SEZ unit holder, the Government of India has demanded import customs duty from the Company on the imports of TMT steel bars for use in the construction of the plant and buildings in the SEZ notified area vide letter F. No. 6/2/2008 – SEZ (pt) dated 30.06.2008. The Company has filed writ petition in the High Courts of Karnataka in this regard for which stay/extension orders have been granted to the Company by the respective High Courts. However if at the time of hearing, the verdict is not in favour of the Company, the Company would have to pay Rs. 21,51,970 as at March 31, 2010.
- b) The Company has stood as co- guarantor for certain loans granted to holding company and fellow subsidiaries.

13. **Capital commitments**

Particulars	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	118,684,840	238,433,942
Commitments for investments in subsidiary	30,565,000	31,565,000

14. **Deferred taxes, net**

Particulars	Deferred Tax Asset / (Liability) as at April 1, 2009	Current year Charge / (Credit)	Deferred Tax Asset / (Liability) as at March 31, 2010
<b>a. Deferred tax asset:</b>			
Preliminary Expenses	90,363	45,181	45,182
<b>b. Deferred tax liability:</b>			
Depreciation on fixed assets	(13,256,107)	(1,922,866)	(11,333,241)
<b>c. Deferred tax Asset/ (Liability):</b>	<b>(13,165,744)</b>	<b>(1,877,685)</b>	<b>(11,288,059)</b>

## 15. Derivative instruments and unhedged foreign currency exposure

Particulars of hedged foreign currency exposure as at the Balance Sheet date:

Particulars of derivatives	Purpose
<b>Forward contract outstanding as at balance sheet date:</b>	
Buy Euro Nil (Euro 202,119.92)	Hedge of Euro liabilities
Sell USD 39,000,000 (USD 45,000,000)	Hedge of USD receivables
Sell Euro Nil (Euro 14,700,000)	Hedge of Euro receivables
Sell AUD 30,000,000 (AUD 15,000,000)	Hedge of AUD receivables

Particulars of unhedged foreign currency exposure as at the Balance Sheet date:

Particular	As at March 31, 2010	As at March 31, 2009
Creditors	3,874,539,417	6,523,197,912
Debtors	14,240,979,596	15,734,983,649
Loans availed	753,851,754	1,679,210,829
Bank balance in EEFC Account	12,617	3,187,732
Interest Payable	85,780,543	51,841,349
Other Liabilities	450,198,311	34,526,897

## 16. Other Notes

- 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 the Company. 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.1,100,788 ( Rs. Nil ) pertains to the Company.
- During the year, the Company has sold construction materials, included under Capital Work In Progress, such as cement and steel to group companies at prevailing market prices; and has incurred a net loss of Rs. 4,404,063 in this regard which have been expensed off to the profit and loss account of the Company.
- The Company commenced its commercial production on September 1, 2008. Certain expenditure incurred by the Company till the date of commencement of commercial production have been identified by the management as costs which are attributable to the construction activities; and have been capitalised along with the related assets during the year ended March 31, 2009. Accordingly, the expenses disclosed under the heads- Operating and Other Expenditure, Employees Remuneration and Benefits and Financial Charges for the year ended March 31, 2010 are not comparable with the corresponding expenses for the year ended March 31, 2009.
- Dues from companies under the same management, as per the provisions of Section 370 (1B) of the Companies Act, 1956

Company	Particulars	Amount outstanding as at March 31, 2010	Maximum amount outstanding during the year
Synefra Engineering & Construction Limited (Formerly Suzlon Infrastructure Limited)	Deposits	251,900,000	251,900,000
Synefra Engineering & Construction Limited (Formerly Suzlon Infrastructure Limited)	Debtors	95,93,875	95,93,875
SE Composites Limited	Debtors	9,561,663	96,764,460

SE Electricals Limited	Debtors	406,000	406,000
Suzlon Energy Limited	Debtors	518,189,101	806,068,140

17. **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	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
Statutory audit fees	1,150,000	1,150,000
Tax audit fees	50,000	50,000
Other matters	100,000	100,000
Reimbursement of out of pocket Expenses	49,637	23,348
<b>Total</b>	<b>1,349,637</b>	<b>1,323,348</b>

**b) Licensed and installed capacities and production**

**Licensed capacity** - The products manufactured and sold by the Company i.e., WTG's and components have not been included in the list of mandatory items, which require a license under the New Industrial Policy in terms of Notification no. S.O.477 (E) dated 25th July, 1991; and hence, licensing requirements are not applicable to the products manufactured by the Company.

**Installed capacity** - The installed capacities are not precisely ascertainable, given the nature of operations, changes in product mix and utilization of manufacturing facilities; and hence, have not been disclosed.

**Details of Production**

Particulars	Units produced			
	2009-10		2008-09	
	(in Nos.)	( in MW's )	(in Nos.)	( in MW's )
Nacelle Assembly (2.1 MW)	147	308.70	275	577.50
Hub Assembly (2.1 MW)	147	308.70	278	583.80

**c) Details of opening stock, turnover and closing stock**

Particulars	April 1, 2009 to March 31, 2010			April 1, 2008 to March 31, 2009		
	Nos.	Mw	Amount	Nos.	Mw	Amount
<b>Opening stock</b>						
Nacelle Assembly	Nil	Nil	Nil	Nil	Nil	Nil
Hub Assembly	2	4.20	11,642,029	Nil	Nil	Nil
Others			576,480			
<b>Total</b>			<b>12,218,509</b>			
<b>Turnover</b>						
Nacelle Assembly	145	304.50	6,797,828,239	275	577.50	13,294,107,703
Hub Assembly	147	308.70	1,201,295,321	276	579.60	2,315,416,244
WTG parts			444,409,209			255,996,678
Others			242,639,271			65,018,316

Particulars	April 1, 2009 to March 31, 2010			April 1, 2008 to March 31, 2009		
	Nos.	Mw	Amount	Nos.	Mw	Amount
<b>Total Turnover</b>			<b>8,686,172,040</b>			<b>15,930,538,941</b>
<b>Closing stock</b>						
Nacelle Assembly	2	4.20	53,223,414	Nil	Nil	Nil
Hub Assembly	2	4.20	11,033,455	2	4.20	11,642,029
Others			545,528			576,480
<b>Total</b>			<b>64,802,397</b>			<b>12,218,509</b>

**d) Raw materials and components consumed**

Sr.No	Particulars	April 1, 2009 to March 31, 2010		April 1, 2008 to March 31, 2009	
		Qty.	Amount	Qty.	Amount
(i)	Gear Box (Nos.)	<b>153</b>	1,726,272,492	<b>275</b>	3,160,469,504
(ii)	Others (see note below)	<b>Various</b>	3,369,726,991	<b>Various</b>	5,854,246,501
	<b>Total</b>		<b>5,095,999,483</b>		<b>9,014,716,005</b>

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 and components consumed.

**e) Imported and indigenous consumption**

**i) Raw materials and components**

Particular	April 1, 2009 to March 31, 2010		April 1, 2008 to March 31, 2009	
	Amount	%	Amount	%
Imported	3,488,964,733	<b>68</b>	6,992,878,255	<b>78</b>
Indigenous	1,607,034,750	<b>32</b>	2,021,837,750	<b>22</b>
<b>Total</b>	<b>5,095,999,483</b>	<b>100</b>	<b>9,014,716,005</b>	<b>100</b>

**ii) Stores and spares**

Particulars	April 1, 2009 to March 31, 2010		April 1, 2008 to March 31, 2009	
	Amount	%	Amount	%
Imported	10,747,708	26	9,168,779	23
Indigenous	30,017,458	74	30,963,421	77
<b>Total</b>	<b>40,765,166</b>	<b>100</b>	<b>40,132,200</b>	<b>100</b>

**f) Value of imports on CIF basis**

Sr.No.	Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
(i)	Raw materials and components*	3,510,560,829	8,731,779,361
(ii)	Stores and spares	7,124,213	18,359,992
(iii)	Capital goods*	Nil	287,978,974
	<b>Total</b>	<b>3,517,685,042</b>	<b>9,038,118,327</b>

\*Includes high sea purchases aggregating to Rs. 43,025,965 (Rs. 56,724,787) and Rs. Nil (Rs. 142,831,521) for raw materials and components and capital goods respectively.

**g) Expenditure in foreign currency (on accrual basis)**

<b>Sr.No:</b>	<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
(i)	Consultancy	Nil	9,509,378
(ii)	Interest	156,439,639	88,016,928
(iii)	Bank charges and processing fees	4,255,664	27,287,037
(iv)	Ocean Freight	181,549,509	354,686,421
(V)	Design change and technical upgradation charges	68,207,517	Nil
(VI)	Liquidated Damages	225,940,232	Nil
	<b>Total</b>	<b>636,392,561</b>	<b>479,499,764</b>

**h) Earnings in foreign currency (on accrual basis)**

<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
Export sales (F.O.B. value)*	7,260,358,243	15,412,957,943
<b>Total</b>	<b>7,260,358,243</b>	<b>15,412,957,943</b>

\* Does not include sales made to SEZ/EOU entities, denominated in Indian currency amounting to Rs. 179,606,371 (Rs.267, 504, 952) and high seas sales amounting to Rs. 45,486,786 (Rs. 205,026,110).

**i) Disclosure u/s 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

<b>Sr. No</b>	<b>Particulars</b>	<b>As at March 31, 2010</b>	<b>As at March 31, 2009</b>
(i)	Principal amount remaining unpaid to any supplier as at the end of the year	23,033,002	142,761,847
	Interest due on the above amount	212,350	3,062,203
(ii)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
	Amounts of payment made to the suppliers beyond the appointed day during the year	88,120,799	Nil

<b>Sr. No</b>	<b>Particulars</b>	<b>As at March 31, 2010</b>	<b>As at March 31, 2009</b>
(iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	Nil	Nil
(iv)	Amount of interest accrued and remaining unpaid at the end of the year	Nil	3,062,203
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	7,091,611	3,062,203

\* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs. 7,091,611 and the same is not accrued in the books of accounts.

#### 18. **Related party disclosures**

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

##### **(I) List of related parties and nature of relationship where control exists**

###### **Name of the party**

Suzlon Energy Limited  
S E Solar Limited \*

###### **Nature of relationship**

Holding Company  
Subsidiary company

\* SE Solar Limited (formerly known as SE Solar Private Limited) became 100% subsidiary of the Company effective March 16, 2009.

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**(II) Other related parties where transactions have taken place during the year**

<b>Name of the party</b>	<b>Nature of relationship</b>
Suzlon Towers and Structures Limited (STSL)	Fellow subsidiary
S E Composites Limited (SECL)	Fellow subsidiary
S E Electricals Limited (SEEL)	Fellow subsidiary
Suzlon Generator Limited (SGL)	Fellow subsidiary
Suzlon Enrgy Portugal Energia Eo Un Lda	Fellow subsidiary
Suzlon Wind Energy Corporation USA (SWECO)	Fellow subsidiary
Suzlon Wind Energy A/S (SWEAS)	Fellow subsidiary
Suzlon Energy Australia Pty. Ltd (SEA)	Fellow subsidiary
Suzlon Energy A/s	Fellow subsidiary
Suzlon Energia Eólica do Brasil Ltda	Fellow subsidiary
S E Forge Limited (SEFL)	Fellow subsidiary
Hansen Transmissions International N.V., Belgium	Fellow subsidiary / Associate
Hansen Wind Energy Drive (China) Co. Ltd.	Fellow subsidiary
Hansen Drive India	Fellow subsidiary
Suzlon Infrastructure Services Limited (SISL)	Fellow subsidiary
Synefra Engineering & Construction Limited (Formerly known as Suzlon Infrastructure Limited)	Entity where the control of Key Management Personnel ('KMP') exists
Suzlon Wind International Limited Superannuation Fund	Employee Funds
Suzlon Wind International Limited Employees Group Gratuity scheme	Employee Funds

Note: During the year ended March 31, 2010, a subsidiary of holding company has offloaded a substantial portion of its holding in Hansen Transmissions International, Belgium (Hansen Belgium), as a result of which the status of Hansen has changed from a subsidiary to an associate of the group effective December, 2009. Accordingly, for the purpose of reporting related party disclosures, Hansen Belgium and its subsidiaries have been treated as "fellow subsidiaries" till November, 2009 in the books of the company. Post November, 2009, only Hansen Belgium (and not its subsidiaries namely Hansen Drives Limited, India and Hansen Wind Energy Drives Limited, China ) would continue to be considered and disclosed as an "associate" for related party disclosures.

**(III) Transactions between the Company and the related parties and the status of outstanding balances:**

<b>Particulars</b>	<b>Holding company</b>	<b>Subsidiary</b>	<b>Fellow Subsidiary</b>	<b>Associates</b>	<b>Entities where KMP /RKMP has significant influence</b>	<b>Employee Funds</b>
<b>Transactions</b>						
Issue of preference shares	850,300,000 (682,655,000)					
Investments		1,000,000 (18,435,000)				
Loans received	9,363,704,095 (2,498,500,000)		210,000,000 (Nil)			
Loans repaid	8,333,967,591 (624,100,000)		200,000,000 (Nil)			
Inter corporate deposit given		200,000 (Nil)	(Nil) (420,000,000)			

<b>Particulars</b>	<b>Holding company</b>	<b>Subsidiary</b>	<b>Fellow Subsidiary</b>	<b>Associates</b>	<b>Entities where KMP /RKMP has significant influence</b>	<b>Employee Funds</b>
Inter corporate deposit received back			(Nil) (420,000,000)			
Dividend on preference shares	266,956 (67,662,481)					
Interest income on ICD		10,301 (Nil)	(Nil) (8,076,438)			
Interest expense	273,268,336 (27,233,370)		3,658,082 (Nil)			
Interest and penalties			60,608,519 (Nil)	24,147,019 (Nil)		
Land development charges					Nil (190,722,514)	
Purchase of capital goods and services	Nil (38,388,211)		1,456,000 (5,695,750)		3,692,640 (Nil)	
Purchase of goods and services	112,245,925 (210,288,947)		1,178,710,658 (4,242,393,785)		Nil (2,951,187)	
Sale of goods	821,969,683 (46,581,016)		7,501,739,900 (16,086,444,561)			
Sale of fixed assets	1,363,226 (Nil)		6,632,920 (672,045)		9,224,880 (Nil)	
Reimbursement of expenses*	63,596,504 (Nil)		463,822,350 (Nil)			
Project management consultancy charges					4,140,000 (34,000,000)	
Land lease rent					23,192,754 (14,861,475)	
Facility management charges					55,711,420 (35,667,540)	



<b>Particulars</b>	<b>Holding company</b>	<b>Subsidiary</b>	<b>Fellow Subsidiary</b>	<b>Associates</b>	<b>Entities where KMP /RKMP has significant influence</b>	<b>Employee Funds</b>
Water charges					104,910 (Nil)	
Electricity charges					4,836,043 (Nil)	
Deposits paid					Nil (140,900,000)	
Electricity deposits					2,000,000 (79,000,000)	
Advances paid					Nil (9,930,253)	
Contribution to various funds						816,384 (730,832)
<b><u>Outstanding Balances</u></b>						
Sundry debtors	518,189,101 (28,227,318)		17,236,304,258 (15,766,718,581)		9,593,875 (Nil)	
Sundry creditors	140,871,782 (149,759,287)		768,585,296 (2,597,627,336)	1,070,555,654 (Nil)	9,541,150 (27,550,123)	
Dividend payable	Nil (67,662,481)					
Other receivable	Nil (12,311,960)		Nil (672,045)			
Advances paid					2,500,000 (9,930,253)	
Security deposits					168,400,000 (168,400,000)	
Electricity deposits					81,000,000 (79,000,000)	
Loans taken (including interest)	3,190,922,801 (1,899,711,038)		10,134,630 (Nil)			
Loans given (including interest)		210,301 (Nil)				
Preference share capital	1,932,955,000 (1,082,655,000)					
Investments		19,435,000 (18,435,000)				

\* Reimbursement of expenses to fellow subsidiaries relate to amount payable to subsidiaries on account of non conformity charges; design changes and technological upgradation charges; and liquidated damages arising out of WTG Sales. Reimbursement of expenses to holding company is towards processing fees and consultancy charges paid for refinancing by the parent company.

**Note:** Figures in bracket represents transactions / outstanding balances for the previous year ended March 31, 2009.

**(IV) Disclosure of Significant Transactions with Related Parties**

Type of the Transaction	Type of Relationship	Name of the Entity	Year Ended	
			March 31, 2010	March 31, 2009
Issue of 9% preference shares	Holding company	Suzlon Energy Limited	850,300,000	682,655,000
Investments	Subsidiary	SE Solar Limited.	1,000,000	18,435,000
Loans received	Holding company	Suzlon Energy Limited	9,363,704,095	2,498,500,000
Loans repaid	Holding company	Suzlon Energy Limited	8,333,967,591	624,100,000
Inter corporate deposit Given	Fellow Subsidiary	Suzlon Towers and Structures Limited	Nil	420,000,000
	Subsidiary	SE Solar Limited	200,000	Nil
Inter corporate deposit received back	Fellow Subsidiary	Suzlon Towers and Structures Limited	Nil	420,000,000
Interest received on ICD	Fellow Subsidiary	Suzlon Towers and Structures Limited	Nil	8,076,438
	Subsidiary	SE Solar Limited	10,301	Nil
Interest expense	Holding company	Suzlon Energy Limited	273,268,336	27,233,370
Interest and penalties	Subsidiary /Associates	Hansen Transmissions International	83,249,077	Nil
Purchase of capital goods	Fellow Subsidiary	SE Composites Limited	1,456,000	Nil
	Holding company	Suzlon Energy Limited	Nil	38,388,211
	Entity where KMP has significant influence	Synefra Engineering and Construction Limited(Formerly known as Suzlon Infrastructure Limited)	3,692,640	5,695,750
Purchase of goods and services	Associate / Fellow subsidiary (See Note above)	Hansen Transmission International NV	11,724,593	2,917,809,220
	Fellow subsidiary (See Note above)	Hansen Wind Energy Drive (China) Co. Limited	270,057,326	Nil
		SE Electricals Limited	515,595,713	796,710,000
Sale of goods	Holding company	Suzlon energy Limited	821,969,683	46,581,016
	Fellow Subsidiary	Suzlon Energy Australia Pty. Limited	2,723,010,335	3,100,172,384

Type of the Transaction	Type of Relationship	Name of the Entity	Year Ended	
			March 31, 2010	March 31, 2009
	Fellow Subsidiary	Suzlon Wind Energy A/S.	918,331,947	1,673,937,630
	Fellow Subsidiary	Suzlon Wind Energy Corporation USA	3,651,291,196	10,564,397,936
	Fellow Subsidiary	SE Composites Limited	76,893,578	220,923,936
Preference share dividend	Holding company	Suzlon Energy Limited	266,956	67,662,481
Sale of fixed assets	Fellow Subsidiary	SE Composites Limited	6,632,920	Nil
	Fellow Subsidiary	SE Electricals Limited	Nil	672,045
	Entity where KMP has significant influence	Synefra Engineering and Construction Ltd. (Formerly known as Suzlon Infrastructure Limited )	9,224,880	Nil
Reimbursement of expenses	Holding company	Suzlon Energy Limited	63,596,504	Nil
	Fellow Subsidiary	Suzlon Energy Australia Pty. Limited	208,385,642	Nil
	Fellow Subsidiary	Suzlon Wind Energy Corporation	255,436,707	Nil
Lease rent charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	23,192,754	14,861,475
Facility maintenance charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	55,711,420	35,667,540
Project management consultancy charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	4,140,000	34,000,000
Water charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	104,910	Nil

Type of the Transaction	Type of Relationship	Name of the Entity	Year Ended	
			March 31, 2010	March 31, 2009
Electricity charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	4,836,043	Nil
Deposits paid	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	Nil	140,900,000
Electricity deposit	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	2,000,000	79,000,000
Prepaid expenses	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	Nil	7,430,253
Advances	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	Nil	2,500,000
Land development charges	Entity where KMP has significant influence	Synefra Engineering and Construction Limited (Formerly known as Suzlon Infrastructure Limited)	Nil	190,722,514
Group gratuity scheme	Employee funds	Suzlon Wind International Limited Employees Group Gratuity scheme	687,720	572,450
Superannuation	Employee funds	Suzlon Wind International Limited Superannuation Fund	128,664	158,382

## 19. Segment reporting

### Primary Segment: Business Segment

The Company's operations predominantly comprise of only one segment, parts of Wind Turbine Generators. In view of the same, separate segmental information is not required to be disclosed as per the requirements of Accounting Standard 17, (AS 17): Segment Reporting as notified by the Companies (Accounting Standards) Rules, 2006.

**Secondary Segment: Geographical Segment**

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- India
- Europe
- USA
- Australia
- Others

**Secondary Segment information**

(a) Details of segment revenue

<b>Particulars</b>	<b>April 1, 2009 to March 31, 2010</b>	<b>April 1, 2008 to March 31, 2009</b>
India	1,261,731,718	65,018,316
Europe	918,331,947	2,200,950,304
USA	3,651,291,196	10,564,397,936
Australia	2,723,010,335	3,100,172,385
Others	131,806,844	
<b>Total</b>	<b>8,686,172,040</b>	

**15,930,538,941**

(b) Details of carrying amount of segment assets and costs incurred to acquire the fixed assets on the geographical base are as follows:

<b>Territory</b>	<b>Period</b>	<b>Carrying Value of the Assets</b>	<b>Additions to Fixed Assets</b>
India	Year Ended March 31, 2010	5,119,601,439	14,164,887
	Year Ended March 31, 2009	4,101,837,625	954,132,992
Europe	Year Ended March 31, 2010	2,934,233,314	
	Year Ended March 31, 2009	2,343,454,155	
USA	Year Ended March 31, 2010	9,978,908,685	
	Year Ended March 31, 2009	10,300,770,068	
Australia	Year Ended March 31, 2010	3,747,591,970	
	Year Ended March 31, 2009	3,090,759,425	
Others	Year Ended March 31, 2010	115,404,315	
	Year Ended March 31, 2009	Nil	
<b>Total</b>	<b>Year Ended March 31, 2010</b>	<b>21,895,739,723</b>	<b>14,164,887</b>
	<b>Year Ended March 31, 2009</b>	<b>19,836,821,273</b>	<b>954,132,992</b>

**20. Prior Period Comparatives**

Previous year's figures have been regrouped wherever necessary to confirm to current year's classification.

**As per our report of even date**

**For and on behalf of the Board of  
Directors of Suzlon Wind International  
Limited**

**For S. R. Batliboi & Co.**  
Firm Registration No.  
301003E  
Chartered Accountants

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

Vinod R. Tanti  
Managing Director

per Arvind Sethi  
Partner  
Membership No: 89802

per Jasmin B. Shah  
Partner  
Membership No: 46238

Ranjitsinh A. Parmar  
Director

MukeshKumar Mantri  
Company Secretary

**Place :** Pune  
**Date :** May 21, 2010

**Place :** Pune  
**Date :** May 21, 2010

**Place :** Pune  
**Date :** May 21, 2010

**Place :** Pune  
**Date :** May 21, 2010