SUZLON ENERGY AUSTRALIA PTY LTD
A.B.N. 55 107 631 176
FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2016

SUZLON ENERGY AUSTRALIA PTY LTD
A.B.N. 55 107 631 176
DIRECTOR'S REPORT

Your directors present their report on the Company of Suzlon Energy Australia Pty Ltd (the Company) at the end, or during, the year ended 31 March 2016.

The names of the directors in office at any time during or since the end of the year are:

Frans Visscher	
Dan Kofoed Hansen	Resigned 30 June 2015
Rohit Modi	Resigned 28 March 2016
Rakesh Sarin	Appointed 28 March 2016
Amit Ajaikrishna Agarwal	Resigned 31 August 2015
Mukesh Kolhe	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The loss of the Company for the financial year amounted to $7,341,365 (2015: a loss of $2,390,055).

The principal activity of the Company during the financial year was the service and maintenance of wind farms within Australia.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

The Company expects to continue with the current service and maintenance contracts in the future.

No dividends were paid during the year and no recommendation is made as to dividends.

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

The financial statements have been prepared on a going concern basis. Having regard to the letter of support from Suzlon Energy Limited, the ultimate parent, to Suzlon Energy A/S and its subsidiaries, the direct parent, and the going concern uncertainty disclosed in Note 1, we consider that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Indemnification of auditors
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under Section 307c of the *Corporations Act 2001* is attached.

Signed in accordance with a resolution of the Board of Directors.

Mukesh Kolhe
21/06/2016

SUZLON ENERGY AUSTRALIA PTY LTD
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
Revenue		23,627	20,887
Cost of sales		23,063	27,132
GROSS PROFIT / (LOSS)		564	(6,245)
Other Income / (loss)			
Finance income		977	1,612
Finance costs		(257)	(294)
Foreign exchange gain / (loss)		(1,248)	6,610
Other income		69	206
Gain (Loss) on assets sold / discarded		23	(122)
Expenditure			
Administration		7,469	3,608
Project management		-	440
Project development		-	108
TOTAL EXPENDITURE		7,469	4,156
NET LOSS BEFORE INCOME TAX		(7,341)	(2,390)
Income tax expense	2	-	-
NET LOSS AFTER INCOME TAX		(7,341)	(2,390)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

SUZLON ENERGY AUSTRALIA PTY LTD
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
CURRENT ASSETS			
Cash and cash equivalents	3	2,310	26,074
Trade and other receivables	4	73,938	113,797
Other current assets	5	509	2,745
Inventories	5	7,802	6,079
Loans to third parties		253	445
TOTAL CURRENT ASSETS		84,812	149,140
NON-CURRENT ASSETS			
Property, plant and equipment	6	743	459
Land & Building	6	190	190
TOTAL NON-CURRENT ASSETS		933	649
TOTAL ASSETS		85,745	149,788
CURRENT LIABILITIES			
Trade and other payables	7	35,604	191,651
Borrowings	8	-	1,989
Provisions	9 (a)	2,588	1,914
Other liabilities	10	6,561	8,400
TOTAL CURRENT LIABILITIES		44,753	203,953
NON-CURRENT LIABILITIES			
Provisions	9 (b)	249	-
TOTAL NON CURRENT LIABILITIES		249	-
TOTAL LIABILITIES		45,002	203,953
NET ASSETS / (LIABILITIES)		40,743	(54,165)
EQUITY			
Contributed equity	13	107,778	5,550
Other reserves	17	(354)	(375)
Accumulated losses	14	(66,681)	(59,339)
TOTAL EQUITY / (DEFICIENCY)		40,743	(54,164)

The above statement of financial position should be read in conjunction with the accompanying notes.

SUZLON ENERGY AUSTRALIA PTY LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Contributed equity ($'000's)	Other reserves ($'000's)	Accumulated losses ($'000's)	Total ($'000's)
Balance at 1 April 2014	5,550	-	(56,949)	(51,399)
Loss for the year ended 31 March 2015	-	-	(2,390)	(2,390)
Loss on acquisition	-	(375)	-	(375)
Balance at 31 March 2015	5,550	(375)	(59,339)	(54,164)
Balance at 1 April 2015	5,550	(375)	(59,339)	(54,164)
Loss for the year ended 31 March 2016	-	-	(7,341)	(7,341)
Adjustment to loss on acquisition	-	21		21
Issuance of shares	102,228	-	-	102,228
Balance at 31 March 2016	107,778	(354)	(66,681)	40,743

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SUZLON ENERGY AUSTRALIA PTY LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
Cash Flow from Operating Activities			
Receipts from Customers		35,549	28,472
Payments to suppliers and employees		(31,727)	(32,768)
Interest received / (paid)		144	(294)
Net cash used in operating activities	15	3,966	(4,590)
Cash Flow from Investing Activities			
Payment for property, plant & equipment		(885)	(37)
Proceeds from sale of property, plant & equipment		1,700	90
Net cash from investment activities		815	53
Cash Flow from Financing Activities			
Repayment of borrowings		(1,797)	(975)
Issuance of capital		102,228	0
Net advance from / (to) related entities		(128,976)	30,434
Net cash from / (used in) financing activities		(28,545)	29,459
Net increase / (decrease) in cash held		(23,764)	24,922
Cash at beginning of the financial year		26,074	1,152
Cash at the end of the financial year		2,310	26,074
Cash and cash equivalents comprises:			
Cash at Bank		2,310	26,074
Cash and cash equivalents at end of financial year		2,310	26,074

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note

1 Significant accounting policies

(a) Reporting entity

Suzlon Energy Australia Pty Ltd ("the Company) is a company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office and principal place of business is: Level 1, 182 Stawell Street, Burnley, VIC 3121.

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The financial statements are for 12 months ended 31 March 2016 and the comparative period is for the 12 months ended 31 March 2015.

The financial report was authorized for issue by the directors on 21 June 2016. The directors have determined that the Company is not a reporting Company.

(b) Basis of preparation

This special purpose financial report has been prepared for distribution to the members to fulfil the director's financial reporting requirements under the Corporations Act 2001. The accounting policies used in the preparation of this financial report, as described below, are consistent with the financial reporting requirements of the Corporations Act 2001, and are, in the opinion of the directors, appropriate to meet the needs of members:

I. The financial report has been prepared on an accrual basis of accounting including the historical cost convention and going concern assumption
II. The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. It contains only those disclosures considered necessary by the directors to meet the needs of the members.

The amounts contained in this report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC CO 98/0100 and have been presented in Australian dollars (AUD).

(c) Basis of measurement

The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

Note

1 Significant accounting policies

(e) Use of estimates and judgments (continued)

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying of amounts of assets and liabilities within the next financial year are discussed below.

Warranty Provision

In determining the level of provision required for warranties the Company has made judgements in respect of the expected performance of the wind turbines, and the costs of fulfilling the performance of the warranty. Historical experience from overseas wind farms and current knowledge of the performance of the wind turbines has been used in determining the provision.

(ii) Critical judgements in applying the Company's accounting policies

Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecognised tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and reputation of retained earnings depend on management's estimate of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liability recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustments, resulting in a corresponding credit or charge to the statement of comprehensive income.

(f) Accounting policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(g) Going concern

The financial statements have been prepared on a going concern basis, wich contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors have sought and obtained a letter of support from Suzlon Energy Limited, the ultimate parent, which states:

Suzlon Energy Limited will, subject to applicable Indian Law, endeavour to continue to provide financial support to Suzlon Energy A/S and its subsidiaries to enable it to continue operations through up to 30 June 2017. Suzlon Energy A/S is the Company's direct parent. Accordingly, the financial report has been prepared on the basis that the Company is a going concern.

Note

1 Significant accounting policies

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(i) Trade and other receivables

Trade and other receivables are recognised at invoiced or to be invoiced amounts.

(j) Investment in wind farms

Preliminary development costs are incurred on initial feasibility and planning permit applications for potential wind farm sites. Such costs are expensed as incurred. When costs are reimbursable under the contract if the project fails to proceed, these costs will be capitalised.

(k) Property, plant and equipment

(i) Recognition and measurement

Each class of property, plant and equipment is carried at cost, independent or director's valuation less, where appplicable, any accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for its entended use, and the sosts of dismantling and removing the items and restoring the site on which they located. Costs also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currently purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition, construction or production of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of proprty, plant and equipment and gains are recognised net within "other income" in profit or loss.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Note

1 Significant accounting policies

(k) Property, plant and equipment (continued)

(ii) Depreciation

Depreciation of all fixed assets, excluding freehold land and buildings are recognised in profit or loss using either the prime cost or diminishing value method over the estimated useful lives of the specific assets.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Asset Class	Estimated Useful Life	Estimated Useful Life
	2016	**2015**
Motor vehicles	5 - 20 years	5 - 20 years
Office furniture and fittings	6 - 10 years	6 - 10 years
Computer equipment	2 - 5 years	2 - 5 years
Computer software	2 - 5 years	2 - 5 years
Installation Tools	2 - 5 years	2 - 5 years

Asset's depreciation methods, useful lives and residual values are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(l) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(m) Employee benefits

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made to employee superannuation funds and are charged as expenses when incurred. There is no legal obligation to cover any shortfall in the funds obligation to provide benefits to employees on retirement.

Provision is made in respect of annual leave and long service leave at balance date.

(n) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Note

1 Significant accounting policies

(p) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for a least 12 months after the balance sheet date.

Borrowing costs are recognised as an expense when incurred.

(q) Revenue recognition

Revenue from the construction of wind farms is recognised by reference to the stage of completion of a contract or contracts in progress at balance date or at the time of completion of the contract and billing to the customer.

Stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue from the sale of wind turbine generators is measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Revenue from the maintenance of wind farms is recognised by reference to the stage of completion of a contract or contracts in progress at balance date or at the time of completion of the contract and billing to the customer.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Construction work in progress
Costs associated with individual wind farm projects are held as Project WIP in the balance sheet until the revenue recognition criteria is met, at which time they are expensed.

(r) Finance income and expenses

Finance income comprises interest income on intercompany transactions and on funds invested. Interest income is recognised as it accrued in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and bank interest. All borrowing costs are recognised in profit or loss using the effective interest method.

(s) Income tax

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding business combination, where there is no effect on accounting or taxable profit or loss.

Note

1 Significant accounting policies

(s) Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of an asset cost or as part of expenses incurred. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except the GST component of investing and financing activities which are disclosed as operating cash flows.

(u) Inventory

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Finished goods – cost of direct materials and labour and a proportion of variable and fixed overheads. Costs are assigned on the basis of moving average costs.

(v) Foreign currency

Foreign currency transactions
Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign ccurencies at the balance sheet date are retranslated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetart assets and liabilities that are measured in terms of historical cost in a foreign currency are translated usung the exchange rate at the stae of the transaction. Non-monetart assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair values was determined.

(w) Financial instruments

Non-derivative financial instruments
Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

(x) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Note

1 Significant accounting policies

(y) Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 31 March 2016 are outlined in the table below:

Reference	Title	Summary	Application date of standard	Application date for Company	Impact on Company financial statement
AASB 9	Financial Instruments	AASB 9 (December 2014) - Financial Instruments: is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The Company reviewing the changes to the standard. No material impacts on the Company's financial statements.	1 January 2018	1 January 2018	The Company reviewing the changes to the standard. No material impacts on the Company's financial statements.
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The Company reviewing the changes to the standard. No material impacts on the Company's financial statements.	1 January 2017	1 January 2017	The Company reviewing the changes to the standard. No material impacts on the Company's financial statements.
IFRS 16	Leases	Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. IFRS 16 contains disclosure requirements for lessees. IFRS 16 supersedes: (a) IAS 17 Leases (b) IFRIC 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases – Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.	1 January 2019	1 January 2019	The Company is reviewing the changes to the standard. No material impacts on the Company's financial statements.

Note		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
2	**INCOME TAX EXPENSE**		

Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate

Accounting loss before tax	(7,341)	(2,390)
Prima facie income tax at 30% (2015: 30%)	2,202	717
Adjustments to income tax expense in respect of prior years		
Benefit of current year losses not recognised	(2,202)	(717)
Aggregate income tax expense	-	-

A deferred tax asset has not been recognised in respect of temporary timing differences. Based upon management's view it is not considered probable that sufficient future taxable income will arise to enable utilisation of existing tax temporary differences.

		Year Ended 31 March 2016 ($'000's)	Year ended 31 March 2015 ($'000's)
3	**CASH AND CASH EQUIVALENTS**		
	Cash at bank	2,310	26,074
		2,310	26,074
4	**TRADE AND OTHER RECEIVABLES**		
	Receivables from Suzlon Group companies	71,853	106,465
	Trade receivables	887	5,425
	Provision for doubtful debts	(60)	(337)
	Uninvoiced revenue	791	1,142
	Other	467	1,102
		73,938	113,797
5	**OTHER ASSETS**		
	Inventory	7,802	6,079
	Prepaid expenses & advances	507	579
	Crane - asset held for sale	-	2,126
	Other	2	40
		8,311	8,824

Note		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
6	**PROPERTY, PLANT AND EQUIPMENT**		
	Plant & equipment	1,401	5,614
	Less: Accumulated depreciation	(772)	(3,179)
		629	2,434
	Fixtures & equipment	218	154
	Less: Accumulated depreciation	(104)	(4)
		114	150
	Land & building	194	190
	Less: Accumulated depreciation	(4)	-
		190	190
	Total property, plant and equipment	933	2,773

Movements in carrying amounts for each class of property, plant and equipment for the year ended 31 March 2016.

	Plant and Equipment ($'000's)	Fixtures and Equipment ($'000's)	Land and Building ($'000's)	Total ($'000's)
Year ended 31 March 2016				
Carrying amount at 1 April 2015	2,434	150	190	2,774
Additions	372	65	4	441
Disposals	(1,680)	(1)	-	(1,681)
Depreciation for the year	(497)	(100)	(4)	(601)
Carrying amount as at 31 March 2016	629	114	190	933

Impairment of property plant and equipment
There are no other indicators of impairment related to plant and equipment assets.

Sale of crane assets
The Company sold crane assets with a book value of $1,676,757 to Smith Cranes Construction Ltd (New Zealand) for $1,700,000 AUD. The difference of $23,243 was recognised as gain on sale.

		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
7	**TRADE AND OTHER PAYABLES**		
	Others creditors	(2,504)	2,324
	GST Payable	(171)	276
	Intercompany payable	(32,929)	189,029
	Other payable	-	18
		(35,604)	191,646
8	**BORROWINGS**		
	Current loan	-	1,989
		-	1,989

Note		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
9	**PROVISIONS**		
	a) Current provision		
	Provision for warranty	(486)	1,133
	Provision for project completion costs	(606)	758
	Other employee liabilities	(718)	12
	Other provisions	(778)	11
	Total current provisions	(2,588)	1,914
	b) Non-current provision		
	Provision for LSL	(249)	-
	Total Non current provisions	(249)	-
10	**OTHER LIABILITIES**		
	Accruals	(4,069)	5,935
	Deferred revenue	(2,492)	2,465
		(6,561)	8,400
11	**BORROWINGS**		
	Non-current loan - external	-	-
		-	-

12 CONTINGENT LIABILITIES

a) The following bank guarantees are entered into on behalf of Suzlon Energy Australia Pty Ltd by parent and related entities of Suzlon Energy Australia Pty Ltd.

	Bank	Expiry	($'000's)
Contract Security for AGL	SBI Sydney	30/09/2016	1,000
Contract Security for AGL	SBI Sydney	30/09/2016	1,500
Contract Security for AGL	ANZ	25/11/2016	1,158
Contract Security for AGL	SBI Sydney	30/09/2016	1,500
Contract Security for AGL	SBI Sydney	30/04/2016	500
Contract Security for AGL	ANZ	30/09/2016	1,000
Contract Security for AGL	SBI Sydney	15/01/2017	467
Contract Security for AGL	SBI Sydney	31/01/2017	467
Contract Security for AGL	SBI Sydney	31/01/2017	588
Contract Security for Infigen	ANZ	17/06/2017	2,797
Contract Security for Pacific Hydro	ANZ	30/09/2016	4,848
Contract Security for Trustpower	ANZ	30/09/2016	2,500
Total			**18,325**

b) Since balance date, the ATO has advised that the Australian Tax Office (ATO) will undertake an audit of the Company. No date has been provided for when this audit will commence. The Company has written-off tax losses in previous years. On this basis, the Company believes no adverse impact will result from this audit.

		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
13	**CONTRIBUTED EQUITY**		
	Opening balance ($)	5,550	5,550
	Issued during year ($)	102,228	-
	Closing balance ($)	107,778	5,550
	Opening balance (shares)	5,550	5,550
	Issued during year (shares)	102,228	-
	Closing balance (shares)	107,778	5,550
14	**ACCUMULATED LOSSES**		
	Opening accumulated losses 1 April 2014	(59,339)	(56,949)
	Loss for the year	(7,341)	(2,390)
	Closing accumulated losses 31 March 2015	(66,681)	(59,339)

Note		Year Ended 31 March 2016 ($'000's)	Year Ended 31 March 2015 ($'000's)
15	**CASH FLOW FROM OPERATIONS**		
	Reconciliation of cash flow from operations		
	Net loss after income tax	(7,341)	(2,390)
	Non-cash items		
	Depreciation	602	210
	Unrealised FX loss	6,432	(179)
	Interest receivable on related party advances	(576)	(1,596)
	Fixed asset impairment	-	504
	Movement in provisions and deferred income	(1,095)	(3,046)
	Changes in assets and liabilities		
	Decrease / (increase) in receivables	6,698	(14,069)
	(Increase) / decrease in other assets	(1,163)	767
	(Decrease) / increase in payables	(2)	9,685
	Increase / (decrease) in provisions	2,224	(266)
	(Decrease) / increase in other liabilities	(1,813)	5,789
	Net Cash Used in Operating Activities	3,966	(4,590)
16	**AUDITOR'S REMUNERATIOIN**		
	Ernst & Young Australia		
	Audit fees	32	25
	Other assurance services	-	2

17 ACQUISTION OF BUSINESS

On 31 March 2015, the Company acquired the assets and employees associated with the operation and maintenance of Suzlon Energy Australia's wind farms from Senvion Australia Pty Ltd, a related company. Purchase price agreed between parties has been determined as follows:

	($'000's)
Assets acquired	
Inventory of spare parts	4,917
Land, property, plant and equipment	792
Total assets acquired	5,709
Liabilities assumed	
Employee entitlements	(1,229)
Net assets acquired	4,480

The Company paid $4,834,874 as purchase consideration. The difference of $354,220 between the consideration and the value of the net assets acquired is recorded in other reserves under equity on the basis that the transaction is a common control transaction which has been accounted for using the book value acquisition method.

18 COMPANY DETAILS

The Company's registered office and principal place of business is located at Level 1, 182 Stawell Street, Burnley, VIC 3121.

19 SUBSEQUENT EVENTS

On 24 May 2016, the maintenance service agreement with AGL for North Brown Hill Wind farm was extended until 23 March 2017.

During the year, ATO has advised that the Australian Tax Office (ATO) will undertake an audit of the Company. No date has been provided for when this audit will commence. As at 2 June 2016, SEA and the ATO had a follow up meeting where the pending information request was discussed and some queries were resolved at the meeting. Once the remainder of the information is received the ATO will discuss the next steps of the audit plan. The Company has written-off tax losses in previous years. On this basis, the Company believes no adverse impact will result from this audit.

SUZLON ENERGY AUSTRALIA PTY LTD
DIRECTORS DECLARATION

In accordance with a resolution of the directors of Suzlon Energy Australia Pty Ltd, I state that:

(a) The Company is not a reporting entity as defined in the Australian Accounting Standards;

(b) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
(i) complying with the Australian Accounting Standards to the extent described in note 1, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Company's financial position as at 31 March 2016 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the financial year ended on that date; and

(c) Having regard to the letter of support received from the ultimate parent, Suzlon Energy Limited, and the going concern uncertainty disclosed in Note 1, we consider that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the board

Mukesh Kolhe
Director
21/06/2016

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the members of Suzlon Energy Australia Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report of Suzlon Energy Australia Pty Ltd, which comprises the statement of financial position as at 31 March 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Suzlon Energy Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the company's financial position as at 31 March 2016 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1(b) to the financial report, which describes the basis of preparation. The financial statement has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial statement may not be suitable for another purpose.

Ernst & Young

Kester Brown
Partner

Melbourne
21 June 2016