

SUZLON GENERATORS LIMITED

STATUTORY AUDIT

Financial Year : 2015-2016

- Auditor's Report & CARO
- Financial Statements
- Notes to Accounts

S N K & Co.

Chartered Accountants

E-2B, 4th Floor, The Fifth Avenue,

Nr. Hotel Regency, Dhole Patil Road,

Pune 411001, Maharashtra , India

Phone: (91) (20) 32549007/8

E mail: snk@snkca.com

Website: www.snkca.com

Independent Auditors' Report**To****The Members of Suzlon Generators Limited****Report on Financial Statements**

1. We have audited the accompanying Financial Statements of **Suzlon Generators Limited** (the 'Company') which comprise the Balance-sheet as at 31st March, 2016, Statement of Profit and Loss and the Cash flow Statement for the year then ended and a summary of Significant Accounting Policies and Other Explanatory Information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the Financial Position, financial performance and Cash flows of the Company in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under section 133 of The Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to Fraud or Error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to



obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report of the Other Legal and Regulatory Requirements

5. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, and according to information and explanation provided to us, we give in the Annexure - A, a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
6. **As required by Section 143(3) of the Act, we report that,**
 - i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;



- ii. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- iii. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- v. On the basis of the written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our report in Annexure – B; and
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements.
 - ii. The company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.

ICAI Firm registration no.:109176W

Chartered Accountants

Sanjay N Kapadia
Per Sanjay Kapadia

Partner

Membership No.:38292

Place: Pune

Date: May 11, 2016



Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

- (i)(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information and explanation provided to us, the company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii)(a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
- (iii)(a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, Firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions 3(iii) (a), (b), (c) of the Order, is not applicable to the company and hence not commented upon.
- (iv) According to the information and explanation given to us, the Company has not advanced loans to Directors /to a company in which the Director is interested to which provision of Section 185 of the Companies Act, 2013 apply, hence not commented upon. The Company has complied with the provisions of Section 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and securities.
- (v) According to the information and explanation given to us, the company has not accepted any deposits from the Public Accordingly the provisions 3 (v) of the Order, is not applicable to the company.
- (vi) According to the information and explanation given to us and based on our examination, the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148



of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii)(a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases.*

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess payable on account of any dispute.

- (viii) Based on our audit procedures and as per the information and explanations given by the management, *the Company has delayed in repayment of dues to banks during the year to the extent of Rs.0.04 Crores (the delay in such payments being for less than 3 days).*

- (ix) According to the information and explanations given by the Management, the company has not raised money by way of initial public offer or further public offer (including debt instruments). The company has applied the term loans for the purposes for which those are raised.

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

- (xi) Based on the information and explanations given to us by the management, no managerial remuneration is paid or provided by the company. Accordingly, Clause 3(xi) of the Order is not applicable.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, Clause 3(xii) of the Order is not applicable.

- (xiii) According to the information and explanations given by the management and based on our audit procedure, transactions with



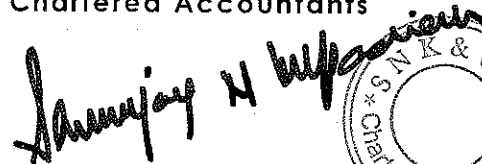

the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in notes to the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence clause 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to information and explanation given by the management, the provision of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company, hence clause 3(xvi) of the order is not applicable.

For SNK & Co.

ICAI Firm registration no.:109176W

Chartered Accountants

per Sanjay Kapadia
Partner

Membership No.:38292

Place: Pune

Date: May 11, 2016

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Suzlon Generators Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of un-authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

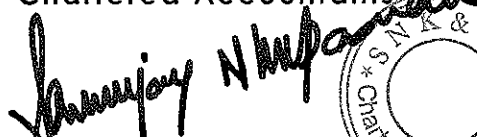
Opinion

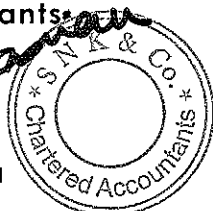
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SNK & Co.

ICAI Firm registration no.:109176W

Chartered Accountants


per Sanjay Kapadia
Partner



Membership No.:38292

Place: Pune

Date: May 11, 2016

Suzlon Generators Limited
Balance Sheet as at March 31, 2016
All amounts in Rupees Crore, unless otherwise stated

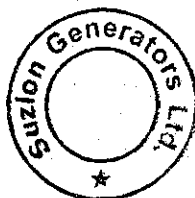
Particulars	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
(i) Share capital	6	76.28	76.28
(ii) Reserves and surplus	7	(50.03)	(36.04)
		26.25	40.24
Non-current liabilities			
(i) Long-term borrowings	8	0.59	12.44
(ii) Long-term provisions	9	0.57	1.17
		1.16	13.61
Current liabilities			
(i) Short-term borrowings	10	64.10	35.12
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (refer Note 30)		1.67	0.32
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		40.01	16.05
(iii) Other current liabilities	11	0.70	3.04
(iv) Short-term provisions	9	1.15	0.44
		107.63	54.97
Total		135.04	108.82
Assets			
Non-current assets			
(i) Fixed assets			
Tangible assets	12	36.47	41.30
(ii) Loans and advances	14	0.25	0.26
		36.72	41.56
Current assets			
(i) Inventories	15	29.35	15.08
(ii) Trade receivables	13.1	56.80	43.50
(iii) Cash and bank balances	16	0.97	0.44
(iv) Loans and advances	14	4.70	0.80
(v) Other current assets	13.2	6.50	7.44
		98.32	67.26
Total		135.04	108.82
Summary of significant accounting policies			
	3		

The accompanying notes are an integral part of financial statements.

As per our report of even date

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

per Sanjay Kapadia
Partner
Membership No. : 38292



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

Ranjitsinh A. Parmar
Managing Director
DIN : 00002613

Shivani Karmarkar
Company Secretary
Membership No. : A33098

Vinod R. Tanti
Director
DIN : 00002266

Brajesh Rai
Chief Financial Officer

Place : Pune
Date : May 11, 2016

Place : Pune
Date : May 11, 2016

Suzlon Generators Limited
Statement of profit and loss for the year ended March 31, 2016
All amounts in Rupees Crore, unless otherwise stated

Particulars	Notes	March 31, 2016	March 31, 2015
Income			
Sales and service income	17	136.14	89.80
Other operating income		0.21	0.54
		136.35	90.34
Expenses			
Cost of raw materials and components consumed	18	106.24	64.02
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	18	(3.08)	2.33
Employee benefits expense	19	6.62	4.76
Other expenses	20	27.92	8.95
		137.70	80.06
Earnings/ (loss) before interest, tax and depreciation (EBITDA)		(1.35)	10.28
Depreciation / amortisation	12	6.21	5.30
Earnings/ (loss) before interest and tax (EBIT)		(7.56)	4.98
Finance costs	21	6.44	4.70
Finance income	22	0.01	0.02
Profit/ (loss) before tax		(13.99)	0.30
Tax expense		-	-
Profit/ (loss) after tax		(13.99)	0.30
Earnings/ (loss) per equity share:			
- Basic and diluted [Nominal value of share Rs 10 (Rs 10)]	23	(2.32)	(0.03)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For SNK & Co.

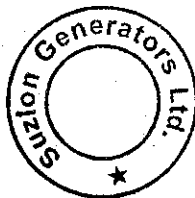
Chartered Accountants

ICAI Firm Registration number: 109176W

per Sanjay Kapadia

Partner

Membership No.: 38292



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

Ranjitsinh A. Parmar
Managing Director
DIN : 00002613

Shivani Karmarkar
Company Secretary
Membership No. : A33098

Vinod R. Tanti
Director
DIN : 00002266

Brajesh Rai
Chief Financial Officer

Place : Pune

Date : May 11, 2016

Place : Pune

Date : May 11, 2016

Suzlon Generators Limited
Cash flow statement for the year ended March 31, 2016
All amounts in Rupees Crore, unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit/ (loss) before tax	(13.99)	0.30
Adjustments for:		
Depreciation / amortisation	6.21	5.30
Interest income	(0.01)	(0.02)
Interest expenses	5.81	4.50
Amortisation of ancillary borrowing costs	0.01	0.01
Unrealised exchange loss on foreign currency loan	0.05	0.07
Operating profit / (loss) before working capital changes	(1.92)	10.16
Movements in working capital		
Decrease/ (increase) in inventories	(14.27)	1.47
Decrease/ (increase) in trade receivables	(13.30)	(13.56)
Decrease / (increase) in margin money and other deposit accounts	(3.89)	3.86
Decrease/ (increase) in loans and advances and other assets	0.94	(1.41)
(Decrease) / increase in trade payables, current liabilities and provisions	24.33	(0.23)
Cash (used in) / generated from operating activities	(8.11)	0.29
Direct taxes paid (net of refunds)	(0.01)	0.02
Net cash (used in) / generated from operating activities	A (8.12)	0.31
Cash flow from investing activities		
Payment for purchase of fixed assets including capital work-in-progress and capital advances	(1.38)	(0.04)
Interest received	0.01	0.02
Net cash (used in) / generated from investing activities	B (1.37)	(0.02)
Cash flow from financing activities		
Repayment of short-term borrowings, net	(3.43)	(0.85)
Repayment of long-term borrowings, net	(13.11)	(5.61)
Proceeds from/ (repayment) unsecured loan from related party, net	32.37	10.73
Interest paid	(5.81)	(4.50)
Net cash (used in) / generated from financing activities	C 10.02	(0.23)
Net increase in cash and cash equivalents	A+B+C 0.53	0.06
Cash and cash equivalents at the beginning of the year	0.44	0.38
Cash and cash equivalents at the end of the year	0.97	0.44
Components of cash and cash equivalents	As at March 31, 2016	As at March 31, 2015
Cash on hand	0.01	0.00*
Balances with scheduled banks		
- In current account	0.80	0.28
- In term deposit accounts	0.16	0.16
	0.97	0.44
Summary of significant accounting policies	3	

Notes:

- The figures in brackets represent outflows.
- Previous period's figures have been regrouped / reclassified, wherever necessary to confirm to current year presentation.

* Less than Rs 0.01 Crore

As per our attached report of even date

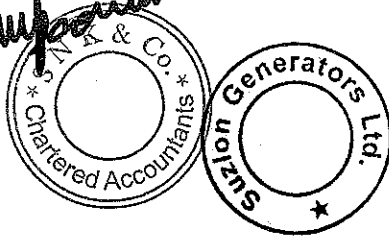
For SNK & Co.

Chartered Accountants

CAI Firm Registration number: 109176W

Sanjay Kapadia
per Sanjay Kapadia
Partner

Membership No. : 38292



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

Ranjitsinh A. Parmar
Ranjitsinh A. Parmar
Managing Director
DIN : 00002613

Shivani Karmarkar
Shivani Karmarkar
Company Secretary
Membership No. : A33098

Vinod R. Tanti
Vinod R. Tanti
Director
DIN : 00002266

Brajesh Rai
Brajesh Rai
Chief Financial Officer

Place : Pune
Date : May 11, 2016

Place : Pune
Date : May 11, 2016

Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

1. Corporate Information

Suzlon Generators Limited ('SGL' or 'Company') having CIN U31101PN2004PLC019205 is a subsidiary of Suzlon Energy Limited, a company domiciled in India. The Company is engaged in the manufacture of wind turbine generators of various capacities and its components. It is also engaged in generation of electricity. The Company caters to both domestic and international markets. The Company also provides repairing and after sales service for generators.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in accounting policy explained below.

3. Summary of significant accounting policies

Change in accounting policy

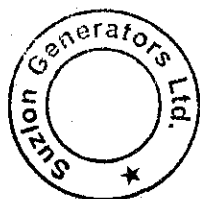
Component accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 01, 2015. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Until previous year, the Company was not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. However, now it identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier Company used to charge such cost directly to statement of profit and loss. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognised.

The above change in accounting policy does not have any material impact on depreciation, repair and maintenance expense, profit/ (loss) for the current year as well as the valuation of fixed assets as at March 31, 2016.

a. Use of estimates

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



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

b. Tangible fixed assets

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

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

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

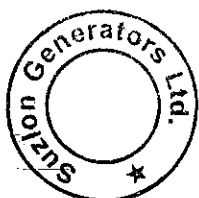
c. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is calculated on the Straight line method ('SLM') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its tangible fixed assets:

Type of asset	Useful lives (Upto Years)
Buildings	30
Plant and machinery	15
Windfarm plant and machinery	22
Computers	3
Office equipments	5
Furniture and fixtures	10
Vehicles	8

Leasehold land is amortized on a straight line basis over the period of lease.



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

d. Borrowing costs

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

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

e. Government grant and subsidies

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

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

f. Inventories

Inventories of raw materials including stores, spares and consumables; packing materials; work-in-progress; project 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. Net realisable value is determined by management using technical estimates.

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

g. Revenue recognition

Revenue comprises sales of generators and various components; repairs/service income and interest income, if any. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue is stated at, net of discounts, excise duty, sales tax, service tax, VAT or other taxes, as applicable.

Sales

Sale of generators and various components are recognised in the Statement of Profit and loss provided that the significant risks and rewards in respect of ownership of goods have been transferred to the buyer as per the terms of the respective sales order, and provided that the income can be measured reliably and is expected to be received.

Expenses relating to sales work and the winning of contracts are recognised in the Statement of Profit and loss as incurred.

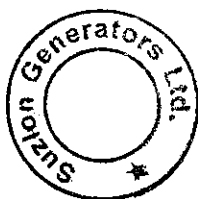
Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Finance income" in the statement of profit and loss.

h. 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.



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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 restatement of 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 are 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.

i. Retirement and other employee benefits

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

Defined contributions to superannuation fund are charged to the Statement of Profit and loss on accrual basis.

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

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

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

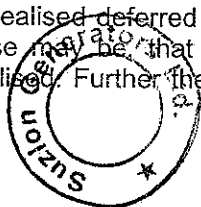
j. Taxes on income

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

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If there is unabsorbed depreciation or carry forward of losses under tax laws, all 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 tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after such tax holiday period is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date.

At each balance sheet date, the Company reassesses unrecognised deferred tax assets. It recognises unrealised deferred tax assets to the extent it has become reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realised. Further, the carrying amounts of deferred tax assets are reviewed at each balance sheet date.



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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.

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

k. Earnings/(loss) per share

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

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

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

l. Contingent liabilities

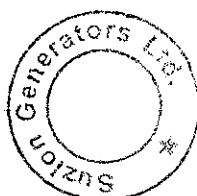
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an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

m. Cash and cash equivalents

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

n. Measurement of EBITDA and EBIT

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation expense from EBITDA to measure EBIT.



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

4. Corporate debt restructuring

During the financial year ended March 31, 2013, Suzlon Energy Limited (SEL) along with its 8 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had restructured various financial facilities (restructured facilities) from the secured CDR lenders under the Corporate Debt Restructuring Proposal. Pursuant to approval of CDR Package by the CDR Empowered Group ('CDR EG'), the implementation of the CDR package was formalised upon execution of Master Restructuring Agreement (MRA) between the CDR Lenders and Borrowers during the financial year 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited was included as Borrower under the CDR package.

The key features of the CDR package are as follows:

- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment terms of which are in similar to that of RTL with enabling mandatory prepayment obligations on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- Unpaid Interest due on certain existing facilities on cut off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11% per annum with reset option in accordance with MRA.
- Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- Contribution of Rs 250.00 Crore in the SEL by promoters, their friends, relatives and business associates in lieu of bank sacrifice in the form of equity shares/CCDs including conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- SEL to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date at the price determined in compliance with Securities and Exchange Board of India, if exercised by CDR lenders.

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

During the financial year 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan will be in accordance with terms and conditions similar to those of RTL, whereas repayment of FITL I will be made in 32 equal quarterly instalments and shall be co-terminus with RTL. Repayment of FITL II will be made in 12 quarterly instalments from December 2022 to September 2025. To give effect to the restructuring a bilateral agreement between the Borrower and PFC was entered into on August 12, 2015.



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

5. Recompense

The Borrowers and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Group is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date. In case of CDR lenders who have exercised the right for issuance of equity shares for the first three years and to whom the equity shares have been issued, as a part of recompense, the cost is amortised over the period of sacrifice and the cost amortization is completed by March 31, 2016. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet is not ascertainable.

6. Share capital

Authorised share capital	March 31, 2016	March 31, 2015
65,000,000 (65,000,000) equity shares of Rs 10/- each	65.00	65.00
14,500,000 (14,500,000) preference shares of Rs 10/- each	14.50	14.50
Total	79.50	79.50
Issued, subscribed and fully paid up shares		
Equity		
62,510,546 (62,510,546) equity shares of Rs 10/- each fully paid	62.51	62.51
Preference		
13,770,422 (13,770,422) 3% compulsorily convertible preference shares of Rs 10/- each fully paid	13.77	13.77
Total	76.28	76.28

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
Equity shares				
At the beginning of the year	6.25	62.51	6.25	62.51
Issued during the year	-	-	-	-
Outstanding at the end of the year	6.25	62.51	6.25	62.51
Preference shares				
At the beginning of the year	1.38	13.77	1.38	13.77
Issued during the year	-	-	-	-
Outstanding at the end of the year	1.38	13.77	1.38	13.77



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

c. Terms of conversion/ redemption of CCPS

The Company has 13,770,422 compulsorily convertible preference shares ("CCPS") of Rs 10/- each fully paid-up at par. CCPS carry a cumulative dividend @ 3% p.a. The dividend proposed if any, by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of CCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCPS.

The preference shares of Rs 10/- each will be fully and compulsorily converted into fully paid-up equity shares of Rs10/- each of the Company at par at the face value of Rs 10/- each on completion of five years from the date of allotment, i.e. on January 03, 2017, without any application or any further act on part of the preference shareholders.

d. Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, are as below:

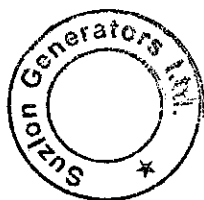
	March 31, 2016	March 31, 2015
46,882,434 (46,882,434) equity shares of Rs 10/- each	46.88	46.88
10,327,817 (10,327,817) preference shares of Rs 10/- each	10.33	10.33

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	% holding in class	Number of shares (Crore)	% holding in class
Equity shares of Rs 10/- each fully paid				
Suzlon Energy Limited, holding company	4.69	75.00%	4.69	75.00%
Trasys Asia Limited	1.56	25.00%	1.56	25.00%
Preference shares of Rs 10/- each fully paid up				
Suzlon Energy Limited, holding company	1.03	75.00%	1.03	75.00%
Trasys Asia Limited	0.34	25.00%	0.34	25.00%

7. Reserves and surplus

	March 31, 2016	March 31, 2015
Statement of profit and loss		
As per last balance sheet	(36.04)	(36.34)
Add : Profit/ (loss) for the year	(13.99)	0.30
Total	(50.03)	(36.04)



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

8. Long-term borrowings

	March 31, 2016	March 31, 2015
Indian rupee term loan from bank (secured)	0.59	12.44

a) The details of security for the secured loans are as follows:

In case of financial facilities from CDR Lenders in accordance with MRA and non-CDR lenders, RTL of Rs 0.59 Crore (Rs 13.34 Crore) of which Rs 0.59 Crore (Rs 12.44 Crore) classified as long-term borrowings and Rs Nil (Rs 0.90 Crore) classified as current maturities of long-term borrowings, fund based working capital facilities of Rs 16.04 Crore (Rs 19.41 Crore), and non fund based working capital facilities are secured by first pari passu charge on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 8 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the managing director of SEL and limited personal guarantee of one director of Suzlon Structures Limited.

In addition to above, the loans outstanding as on March 31, 2015, were secured by pledge of shares of certain overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are cede from the charge.

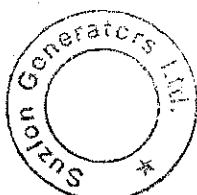
The rate of interest on long-term borrowings ranges between 11.00 % p.a. to 15.00 % p.a. depending upon the prime lending rate of the bank and financial institutions, wherever applicable, and the interest rate spread agreed with the banks.

b) The details of repayment of long-term borrowings are as follows:

Particulars	Upto 1 year	2 to 5 years	Above 5 years	Total
Secured loans	(0.90)	(6.26)	(6.18)	(13.34)

c) The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2016 is as below :

Particulars	March 31, 2016		March 31, 2015	
	Amount	Period of delay	Amount	Period of delay
	Rs in Crore	in days	Rs in Crore	in days
Repayment of term loan	-	-	0.13	Upto 01 days
Payment of interest	-	-	0.71	Upto 86 days
Letter of credit/ buyers credit/ devolvement/ cash credit	0.04	Upto 2 days	37.27	Upto 90 days



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

9. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	0.57	1.17	1.15	0.44
Total	0.57	1.17	1.15	0.44

10. Short-term borrowings

	March 31, 2016	March 31, 2015
Cash credit from banks (secured)	16.04	19.41
Loans from related party (unsecured)	48.06	15.71
Total	64.10	35.12

- i) The rate of interest on cash credit from banks is 11.00% p.a. For details of security given for short-term borrowings, refer Note 8 a.
- ii) Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @11% p.a. which is used for business operations. The said loan is repayable on demand.

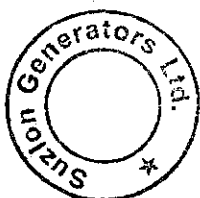
11. Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings	-	0.90
Advances from customers	0.02	0.80
Statutory dues payable	0.20	0.11
Other payables	0.48	1.23
Total	0.70	3.04

12. Fixed assets

Assets	Gross block			Depreciation / amortisation				Net block		
	As at April 1, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	As at April 1, 2015	For the year	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Tangible assets										
Freehold land	2.37	-	-	2.37	-	-	-	-	2.37	2.37
Leasehold land	0.23	-	-	0.23	-	-	-	-	0.23	0.23
Buildings	22.81	-	-	22.81	6.81	0.76	-	7.57	15.24	16.00
Plant and machinery	58.47	1.37	-	59.84	36.03	5.37	-	41.40	18.44	22.47
Computers	0.66	0.01	-	0.67	0.65	0.01	-	0.66	0.01	0.01
Office equipments	0.49	0.02	-	0.51	0.45	0.01	-	0.46	0.05	0.04
Furniture and fixtures	0.53	-	-	0.53	0.34	0.06	-	0.40	0.13	0.18
Vehicles	0.03	-	-	0.03	0.02	0.00*	-	0.02	0.00*	0.00*
Total	85.59	1.40	-	86.99	44.30	6.21	-	50.51	36.47	41.30
Previous year	85.57	0.02	-	85.59	38.99	5.30	-	44.30	41.30	

* Less than Rs 0.01 Crore



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

13. Trade receivables and other assets

13.1 Trade receivables

	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding 6 months	30.92	31.49
Others	25.88	12.01
Total	56.80	43.50

13.2 Other assets

	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise		
Interest receivable	0.00*	-
Other assets	6.50	7.44
Total	6.50	7.44

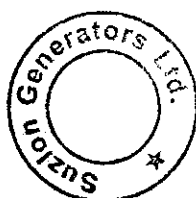
* Less than Rs 0.01 Crore

14. Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good				
Capital advances	-	-	0.02	0.17
Security deposits	0.17	0.17	-	-
Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	4.55	0.49
Other loans and advances				
Advance income tax (net of provisions)	-	-	0.07	0.08
Prepaid expenses	0.08	0.09	0.06	0.06
Total	0.08	0.09	0.13	0.14
	0.25	0.26	4.70	0.80

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

	March 31, 2016	March 31, 2015
Raw materials [including goods-in-transit of Rs 0.40 Crore (Rs 0.38 Crore)]	22.68	11.49
Semi-finished goods and work-in-progress	5.59	3.38
Finished goods	1.08	0.21
Total	29.35	15.08



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

16. Cash and bank balances

	March 31, 2016	March 31, 2015
Balances with banks:		
In current accounts	0.81	0.28
In term deposit accounts**	0.16	0.16
Cash on hand*	0.00	0.00
Total	0.97	0.44

* Less than Rs 0.01 Crore

** Under line to avail financial assistance.

17. Sales and service income

	March 31, 2016	March 31, 2015
Sale of generators	97.29	71.70
Sale of power	1.18	1.25
Income from operation services	32.63	16.47
Scrap sales	5.04	0.38
Total	136.14	89.80

18. Cost of raw material and components consumed

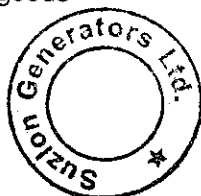
	March 31, 2016	March 31, 2015
Opening inventory	11.49	10.63
Add : Purchases during the year	117.43	64.88
	128.92	75.51
Less : Closing inventory	22.68	11.49
	106.24	64.02

Details of raw materials and components consumed

	March 31, 2016	March 31, 2015
Steel laminations (Kgs)	26.28	14.81
Copper strips and bars (Kgs)	10.25	11.40
Others	69.71	37.81
Total	106.24	64.02

(Increase)/ decrease in inventories

	March 31, 2016	March 31, 2015
Opening inventory		
Semi-finished goods and work- in- progress	3.38	3.97
Finished goods	0.21	1.95
	3.59	5.92
Closing inventory		
Semi-finished goods and work- in- progress	5.59	3.38
Finished goods	1.08	0.21
	6.67	3.59
Total	(3.08)	2.33



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

19. Employee benefit expense

	March 31, 2016	March 31, 2015
Salaries, wages and bonus	5.57	4.03
Contribution to provident and other funds	0.40	0.26
Staff welfare expenses	0.65	0.47
Total	6.62	4.76

20. Other expenses

	March 31, 2016	March 31, 2015
Stores and spares consumed	1.53	1.23
Power and fuel	1.94	1.29
Factory expenses	0.15	0.16
Repairs and maintenance:		
Plant and machinery	0.80	0.37
Building	0.09	0.04
Others	0.15	0.13
Rates and taxes	0.24	0.11
Insurance	0.10	0.13
Testing charges	0.16	0.11
Travelling, conveyance and vehicle expenses	1.68	0.94
Communication expenses	0.08	0.07
Auditors' remuneration and expenses (refer note below)	0.04	0.07
Consultancy charges	0.18	0.25
Corporate social welfare expenses	0.00*	0.50
Other selling and administrative expenses	4.07	2.96
Repair and warranty cost	15.55	-
Exchange differences, net	1.16	0.59
Total	27.92	8.95

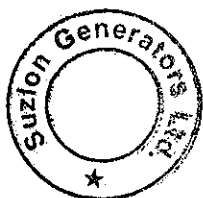
* Less than Rs 0.01 Crore

Payment to auditor:

	March 31, 2016	March 31, 2015
As auditor:		
Statutory audit fees	0.03	0.05
Tax audit fees	0.01	0.01
Others	-	0.01
Total	0.04	0.07

21. Finance costs

	March 31, 2016	March 31, 2015
Interest	5.81	4.50
Bank charges	0.62	0.19
Amortization of ancillary borrowing costs	0.01	0.01
Total	6.44	4.70



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

22. Finance income

	March 31, 2016	March 31, 2015
Interest income		
From banks on fixed deposits	0.01	0.02
Others	-	0.00*
Total	0.01	0.02

* Less than Rs 0.01 Crore.

23. Earnings/ (loss) per share (EPS)

	March 31, 2016	March 31, 2015
Basic and diluted earnings per share		
Net profit/(loss) after tax	(13.99)	0.30
Less: Preference dividend and tax thereon	(0.50)	(0.50)
Net profit/(loss) attributable to equity shareholders	(14.49)	(0.20)
Weighted average number of equity shares	62,510,546	62,510,546
Basic and diluted earnings/(loss) per share of face value of Rs 10 each*	(2.32)	(0.03)

* Since the earnings/ (loss) per share computation list on diluted weighted average no of shares is anti-diluted, the basic and diluted earnings/ (loss) per share is same.

24. Post-employment benefits

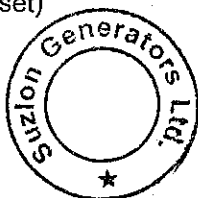
The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form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

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

	March 31, 2016	March 31, 2015
Current service cost	0.08	0.07
Interest cost on benefit obligation	0.04	0.04
Expected return on plan assets	(0.03)	(0.03)
Net actuarial (gain) / loss recognised in the year	(0.17)	(0.02)
Past service cost	-	-
Net benefit expense	0.26	0.06

Details of defined benefit obligation

	March 31, 2016	March 31, 2015
Defined benefit obligation	(0.78)	(0.56)
Fair value of plan assets	(0.38)	(0.41)
Present value of unfunded obligations	(0.40)	(0.15)
Less: Unrecognised past service cost	-	-
Plan liability/(asset)	(0.40)	(0.15)



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	0.56	0.50
Interest cost	0.04	0.04
Current service cost	0.08	0.07
Benefits paid	(0.07)	(0.05)
Actuarial (gains)/losses on obligation	0.17	(0.02)
Closing defined benefit obligation	0.78	0.56

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	0.41	0.35
Expected return	0.03	0.03
Contributions by employer*	0.01	0.07
Benefits paid	(0.07)	(0.05)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	0.38	0.41

*The contribution made by the employer during the year was Rs 0.01 Crore (Rs 0.07 Crore) towards approved fund. The actual return on plan assets during the year was Rs 0.03 Crore (Rs 0.03 Crore).

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

	March 31, 2016	March 31, 2015
Investments in approved fund	100%	100%

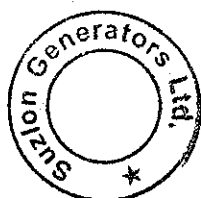
Amounts for the current and previous periods are as follows:

	2016	2015	2014	2013
Defined benefit obligation	(0.78)	(0.56)	(0.51)	(0.47)
Plan assets	(0.38)	(0.41)	0.36	0.29
Surplus/(deficit)	(0.40)	(0.15)	(0.15)	(0.18)
Experience adjustments on plan liabilities	0.18	(0.10)	(0.00*)	0.02
Experience adjustments on plan assets	0.00*	(0.00*)	(0.01)	-

* Less than Rs 0.01 Crore

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

	March 31, 2016	March 31, 2015
Discount rate	7.90%	7.80 %
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



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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.

25. Segment information

Since the Company primarily operates in one segment - manufacturing of electric generators for windmills, segment reporting as required under Accounting Standard 17 ("AS 17") issued by the Institute of Chartered Accountants of India is not applicable, further there is no geographical reporting segment.

26. Related party disclosures

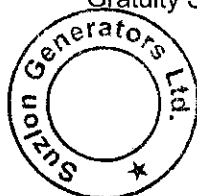
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

a. List of related parties and nature of relationship where common control exists with whom transactions have taken place during the year:

Sl. No.	Name of the party	Nature of relationship
1.	Suzlon Energy Limited	Holding company

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

Sl. No.	Name of the party	Nature of relationship
1.	Suzlon Wind International Limited	Fellow subsidiary
2.	SE Electricals Limited	Fellow subsidiary
3.	Suzlon Gujarat Wind Park Limited	Fellow subsidiary
4.	Suzlon Global Services Limited	Fellow subsidiary
5.	Suzlon Energia Eloica do Brasil Ltda	Fellow subsidiary
6.	Suzlon Energy Australia Pty. Ltd.	Fellow subsidiary
7.	Suzlon Wind Energy South Africa (PTY) Ltd	Fellow subsidiary
8.	Suzlon Energy A/S	Fellow subsidiary
9.	Suzlon Wind Energy Uruguay SA	Fellow subsidiary
10.	Suzlon Wind Energy Nicaragua Sociedad Anonima	Fellow subsidiary
11.	Suzlon Wind Energy Espana, S.L	Fellow subsidiary
12.	Suzlon Wind Energy Corporation	Fellow subsidiary
13.	Trasys Asia Limited	Joint venture
14.	Mr. Vinod R. Tanti	Key Management Personnel (KMP)
15.	Mr. Ranjitsinh A. Parmar	Key Management Personnel (KMP)
16.	Mr. Wolfgang Landler	Key Management Personnel (KMP)
17.	Mr. Vaidhyanathan Raghuraman	Key Management Personnel (KMP)
18.	SE Freight & Logistics India Pvt. Ltd	Entities where key management personnel ('KMP')/relatives of key management personnel ('RKMP') have significant influence
19.	Suzlon Generators Limited- Employee Group Gratuity Scheme	Employee funds



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

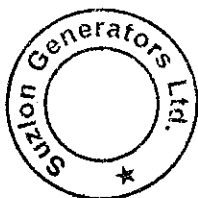
c. Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2016:

Particulars	Holding company	Fellow subsidiary	Entites where KMP has significant influence	KMP/ RKMP	Employee funds
Sale of goods	92.81 (55.91)	33.06 (26.90)	- (-)	- (-)	- (-)
Job work sales	- (-)	3.51 (2.25)	- (-)	- (-)	- (-)
Purchase of goods and services	- (-)	0.29 (1.00)	2.84 (2.93)	- (-)	- (-)
Operation and maintenance charges	- (-)	0.20 (0.19)	- (-)	- (-)	- (-)
Reimbursement of expenses payable *	15.55 (-)	- (-)	- (-)	- (-)	- (-)
Loans taken	325.24 (39.06)	- (-)	- (-)	- (-)	- (-)
Interest paid	4.24 (0.67)	- (-)	- (-)	- (-)	- (-)
Contribution to various funds	- (-)	- (-)	- (-)	- (-)	0.03 (0.05)

* Reimbursement of expenses relates to amount payable to holding company on account of guarantee and warranty obligations arising out of generator sale.

Outstanding balances

Particulars	Holding company	Fellow subsidiary	Joint ventures	Entites where KMP has significant influence	KMP/ RKMP	Employee funds
Equity share capital	46.88 (46.88)	- (-)	15.63 (15.63)	- (-)	- (-)	- (-)
Preference share capital	10.33 (10.33)	- (-)	3.44 (3.44)	- (-)	- (-)	- (-)
Advance from customers	- (0.56)	- (-)	- (-)	- (-)	- (-)	- (-)
Trade receivables	17.85 (-)	37.70 (42.49)	-	- (-)	- (-)	- (-)
Trade payables	15.57 (2.90)	- (-)	- (-)	0.54 (2.71)	- (-)	- (-)
Loans taken	48.06 (15.71)	- (-)	- (-)	- (-)	- (-)	- (-)



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

d. Disclosure of significant transactions with related parties

Type of the Transaction	Type of relationship	Name of the entity/person	March 31, 2016	March 31, 2015
Sale of goods	Fellow subsidiary	Suzlon Wind International Limited	-	9.49
		SE Electricals Limited	19.03	0.30
		Suzlon Global Services Limited	12.17	7.82
Job work sales	Fellow subsidiary	Suzlon Global Services Limited	3.46	2.20
Purchase of goods and services	Fellow subsidiary	SE Electricals Limited	0.29	0.98
	Entities where KMP has significant influence	SE Freight & Logistics India Pvt. Ltd	2.84	2.93
Operation and maintenance charges	Fellow subsidiary	Suzlon Global Services Limited	0.20	0.19
Contribution to various funds	Employee funds	Suzlon Generators Ltd – Group Gratuity Scheme	0.03	0.05

Note: As there is only one holding company, significant transactions with the holding company have not been separately disclosed in the above table.

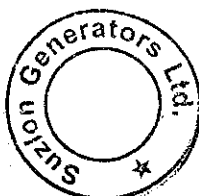
27. Capital and other commitments

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	0.42	-

28. Contingent liabilities

	March 31, 2016	March 31, 2015
Preference shares dividend and tax thereon	2.23	1.73
Amounts in respect of MSMED	2.71	2.13
Compensation in lieu of bank sacrifice	refer Note 5	refer Note 5
Others	0.05	0.21

- The Company has stood as co-borrower for loans granted to the Company and its fellow subsidiaries for which certain securities are provided, the amount of which is unascertainable.
- The Company along with other borrowers has provided securities to secure Stand-by Letter of Facilities ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds and foreign currency loan issued/ availed by AE Rotor Holding B.V. a fellow subsidiary. The borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

29. Derivative instruments and un-hedged foreign currency exposure

There are no outstanding derivative instruments as at March 31, 2016 (March 31, 2015: Nil). Particulars of un-hedged foreign currency exposure as at the balance sheet date:

	March 31, 2016	March 31, 2015
Trade payables	4.50	1.24
Trade receivables	21.20	7.37

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

Sl. No.	Particulars	March 31, 2016	March 31, 2015
1	Principal amount remaining unpaid to any supplier as at the end of the year	1.67	0.32
2	Interest due on the above amount	0.14	0.08
3	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	-	-
4	Amounts of payment made to the suppliers beyond the appointed day during the year	5.74	1.24
5	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	0.10	0.07
6	Amount of interest accrued and remaining unpaid at the end of the year	0.04	0.01
7	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	2.71	2.13

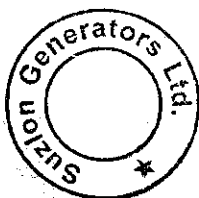
31. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013, read with section 129 of the Companies Act 2013

a. Value of imports calculated on CIF basis

	March 31, 2016	March 31, 2015
Raw materials	5.12	0.31

b. Expenditure in foreign currency (accrual basis)

Sr. No.	Particulars	March 31, 2016	March 31, 2015
1	Foreign travel	0.58	0.02
2	Interest and bank charges	0.04	0.02
		0.62	0.04



[THIS PLACE INTENTIONALLY LEFT BLANK]



Suzlon Generators Limited

Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

	Raw materials				Stores and spares			
	March 31, 2016		March 31, 2015		March 31, 2016		March 31, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	20.18	19.00	5.39	9.01	0.04	2.31	-	-
Indigenous	86.06	81.00	54.40	90.99	1.49	97.69	1.47	100.00
	106.24	100.00	59.79	100.00	1.53	100.00	1.47	100.00

d. Earnings in foreign currency (accrual basis)

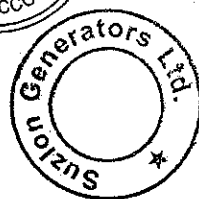
	March 31, 2016	March 31, 2015
FOB value of exports	15.67	9.72

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

As per our report of even date

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

per Sanjay Kapadia
Partner
Membership No. : 38292



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

Ranjitsinh A. Parmar
Managing Director
DIN : 00002613

Shivani Karmarkar
Company Secretary
Membership No. : A33098

Vinod R. Tanti
Director
DIN : 00002266

Brajesh Rai
Chief Financial Officer

Place : Pune
Date : May 11, 2016

Place : Pune
Date : May 11, 2016