

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Suzlon Gujarat Wind Park Limited

**Report on the Financial Statements**

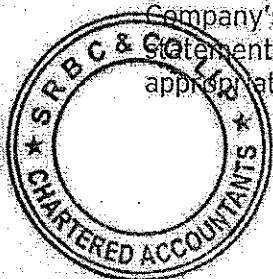
1. We have audited the accompanying financial statements of Suzlon Gujarat Wind Park Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other 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 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 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 safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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 thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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.
4. 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 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. An audit also includes evaluating the appropriateness of 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**

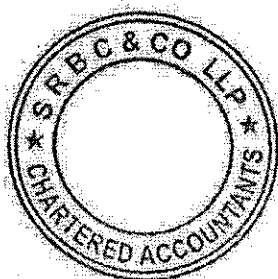
5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the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

**Emphasis of Matter**

6. We draw attention to Note 5 of the accompanying financial statements in respect of contingency related to 'compensation payable in lieu of bank sacrifice', the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

7. 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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143 (3) of the Act, we report that:
- (a) 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;
  - (b) 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;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) 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;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) 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 separate Report in "Annexure 2" to this report;



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# SRBC & CO LLP

Chartered Accountants

(g) 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 34 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts 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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

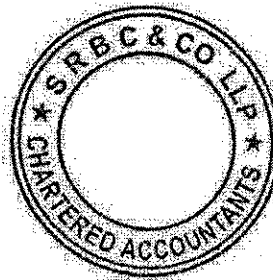
per Paul Alvares

Partner

Membership Number: 105754

Place of Signature: Pune

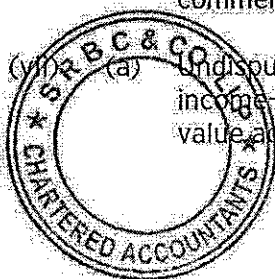
Date: July 20, 2016



**Annexure 1 - Annexure referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"**

Re: Suzlon Gujarat Wind Park Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties, included in fixed assets are held in the name of the company except for 14 freehold lands cases aggregating to Rs. 1.14 Crores for which title deed are held by other companies or persons. As explained to us, the company is in process of registration of title deeds in respect of these immovable properties.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such 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, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, have



# SRBC & CO LLP

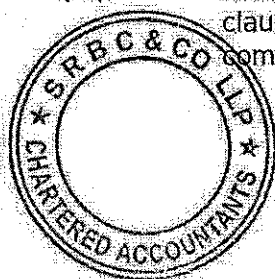
Chartered Accountants

not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

| Name of the statute                  | Nature of the dues | Amount (in Rs. Crore ) | Period to which the amount relates | Forum where the dispute is pending            |
|--------------------------------------|--------------------|------------------------|------------------------------------|---|
| Andhra Pradesh Value Added Tax, 2005 | Value Added Tax    | 0.02                   | 2011-12                            | Appellate Deputy Commissioner (CT), Hyderabad |

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to repayment to banks. The Company did not have any outstanding dues payable to financial institution or debenture holders or to the government during the year.
- (ix) In our opinion and according to information and explanations given by the management, monies raised by the company by way of term loans were applied for the purpose for which the loans were obtained. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, the Company has not raised any money by way of initial public offer, further public offer including debt instruments and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration in the nature of sitting fees has been paid / provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.




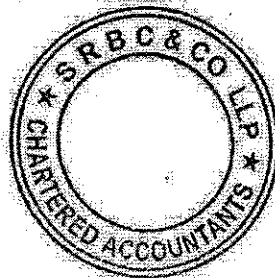
# **S R B C & CO LLP**

Chartered Accountants

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of private placement of equity shares. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- The company has not made any preferential allotment of shares or preferential allotment or private placement of fully or partly convertible debentures during the year.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Pune  
Date: July 20, 2016



Annexure 2 - Annexure referred to in paragraph 8 (f) of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

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

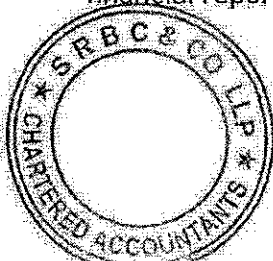
1. We have audited the internal financial controls over financial reporting of Suzlon Gujarat Wind Park Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. 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. 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 the 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.

#### Auditor's Responsibility

3. 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 as specified 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.





**Meaning of Internal Financial Controls Over Financial Reporting**

6. 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 unauthorised 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**

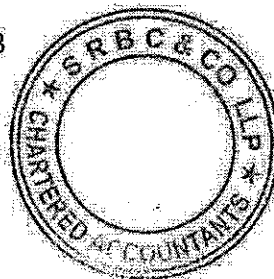
7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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**

8. 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 March 31, 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 S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Pune  
Date: July 20, 2016





**Suzlon Gujarat Wind Park 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  |
|--|-------|-----------------|-----------------|
| <b>Income</b>  |       |                 |                 |
| Revenue from operations  | 20    | 814.33          | 347.49          |
| Other operating income   |       | 0.97            | 0.30            |
| <b>Total</b>   |       | <b>815.30</b>   | <b>347.79</b>   |
| <b>Expenses</b>  |       |                 |                 |
| Cost of raw material consumed/ services rendered   | 21    | 793.41          | 350.03          |
| (Increase)/ decrease in inventories of work-in-progress and finished goods               | 21    | (19.67)         | 2.96            |
| Employee benefits expense  | 22    | 39.22           | 30.24           |
| Other expenses   | 23    | 58.10           | 39.28           |
| <b>Total</b>   |       | <b>871.06</b>   | <b>422.51</b>   |
| <b>Earnings/ (loss) before interest, tax, depreciation and exceptional items (EBITD)</b> |       | <b>(55.76)</b>  | <b>(74.72)</b>  |
| Depreciation   | 13    | 1.26            | 2.79            |
| <b>Earnings/ (loss) before interest, tax and exceptional items (EBIT)</b>                |       | <b>(57.02)</b>  | <b>(77.51)</b>  |
| Finance costs  | 24    | 150.10          | 100.28          |
| Finance income   | 25    | 0.82            | 0.94            |
| <b>Earnings/ (loss) before tax and exceptional items</b>                                 |       | <b>(206.30)</b> | <b>(176.85)</b> |
| Exceptional items  | 26    | -               | 55.00           |
| <b>Profit/ (loss) before tax</b>   |       | <b>(206.30)</b> | <b>(231.85)</b> |
| <b>Tax expense:</b>  |       |                 |                 |
| Earlier years' current tax   |       | -               | -               |
| <b>Profit/ (loss) after tax</b>  |       | <b>(206.30)</b> | <b>(231.85)</b> |
| <b>Earnings/ (loss) per equity share:</b>  |       |                 |                 |
| Basic and diluted [Nominal value of share Rs 10 (Rs 10)]                                 | 27    | (23.30)         | (55.08)         |
| <b>Summary of significant accounting policies</b>  | 3     |                 |                 |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership No. : 10575



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

Harish H. Mehta  
Managing Director  
DIN: 00002753

Balrajsinh A. Parmar  
Director  
DIN: 00002276

Tantish  
Shailesh D. Tanti  
Company Secretary  
Membership No. : A16931



Place : Pune  
Date : July 20, 2016.

Place : Pune  
Date : July 14, 2016

**Suzlon Gujarat Wind Park Limited**  
**Balance Sheet as at March 31, 2016**  
All amounts in Rupees Crore, unless otherwise stated

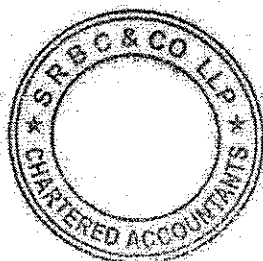
| Particulars  | Notes | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------|-------------------------|-------------------------|
| <b>Equity and liabilities</b>  |       |                         |                         |
| <b>Shareholders' funds</b>   |       |                         |                         |
| (i) Share capital  | 6     | 1,245.92                | 245.92                  |
| (ii) Reserves and surplus  | 7     | (1,233.88)              | (1,027.58)              |
|  |       | <u>12.04</u>            | <u>(781.66)</u>         |
| <b>Non-current liabilities</b>   |       |                         |                         |
| (i) Long-term borrowings   | 8     | 54.31                   | 234.64                  |
| (ii) Other long-term liabilities   | 9     | 22.85                   | 17.25                   |
| (iii) Long-term provisions   | 10    | 5.88                    | 6.87                    |
|  |       | <u>83.04</u>            | <u>258.76</u>           |
| <b>Current liabilities</b>   |       |                         |                         |
| (i) Short-term borrowings  | 11    | 690.59                  | 781.06                  |
| (ii) Trade payables  |       |                         |                         |
| Total outstanding dues of micro enterprises and small enterprises (refer Note 35)      |       | 12.84                   | 3.09                    |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 339.34                  | 311.70                  |
| (iii) Other current liabilities  | 12    | 80.80                   | 184.12                  |
| (iv) Short-term provisions   | 10    | 3.79                    | 3.61                    |
|  |       | <u>1,127.36</u>         | <u>1,283.58</u>         |
| <b>Total</b>   |       | <u><b>1,222.44</b></u>  | <u><b>760.68</b></u>    |
| <b>Assets</b>  |       |                         |                         |
| <b>Non-current assets</b>  |       |                         |                         |
| (i) Fixed assets   | 13    |                         |                         |
| (a) Tangible assets  |       | 23.49                   | 20.17                   |
| (ii) Non-current investments   | 14    | 0.02                    | 0.02                    |
| (iii) Loans and advances   | 15    | 59.98                   | 94.82                   |
| (iv) Other non-current assets  | 17    | 2.73                    | 3.15                    |
|  |       | <u>86.22</u>            | <u>118.16</u>           |
| <b>Current assets</b>  |       |                         |                         |
| (i) Inventories  | 18    | 324.24                  | 179.64                  |
| (ii) Trade receivables   | 16    | 537.62                  | 272.21                  |
| (iii) Cash and bank balances   | 19    | 21.95                   | 7.49                    |
| (iv) Loans and advances  | 15    | 252.41                  | 183.18                  |
|  |       | <u>1,136.22</u>         | <u>642.52</u>           |
| <b>Total</b>   |       | <u><b>1,222.44</b></u>  | <u><b>760.68</b></u>    |
| <b>Summary of significant accounting policies</b>                                      | 3     |                         |                         |

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Members ip No.: 105754



Place: Pune  
Date: July 20, 2016

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

Harish H. Melita  
Managing Director  
DIN: 00002753

Balrajsinh A. Parmar  
Director  
DIN: 00002276

Tantish D.  
Shantesh D. Tantish  
Company Secretary  
Membership No.: A16931

Place: Pune  
Date: July 14, 2016



**Suzlon Gujarat Wind Park 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              |
|--|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>   |                             |                             |
| Loss before tax and exceptional items  | -206.30                     | -231.85                     |
| Adjustments for:   |                             |                             |
| Depreciation   | 1.26                        | 2.79                        |
| Profit on assets sold/ discarded, net  | -0.01                       | -0.03                       |
| Interest income  | -0.82                       | -0.94                       |
| Interest expense   | 147.31                      | 96.58                       |
| Amortisation of ancillary borrowing cost   | 0.17                        | 0.17                        |
| Reversal for estimated loss on contracts   | -6.08                       | -33.86                      |
| Provision for doubtful debts and advances  | -3.11                       | 2.66                        |
| Bad debts written off  | 2.78                        | 0.00                        |
| Liabilities/ provisions no longer required written back                                      | 0.03                        | 0.48                        |
| <b>Operating profit/ (loss) before working capital changes</b>                               | <b>-64.77</b>               | <b>-164.00</b>              |
| <b>Movements in working capital</b>  |                             |                             |
| (Increase)/ decrease in inventories  | -144.60                     | 19.10                       |
| (Increase)/ decrease in trade receivables  | -285.07                     | -95.15                      |
| (Increase)/ decrease in loans and advances   | -37.77                      | 47.81                       |
| (Decrease)/ increase in trade payables, liabilities and provisions                           | -30.56                      | -6.12                       |
| <b>Cash (used in)/ generated from operating activities</b>                                   | <b>-542.77</b>              | <b>-198.36</b>              |
| Direct taxes (paid)/ refunds   | 4.81                        | 4.14                        |
| <b>Net cash (used in)/ generated from operating activities</b>                               | <b>A -538.16</b>            | <b>-194.22</b>              |
| <b>Cash flow from investing activities</b>   |                             |                             |
| Payment for purchase of fixed assets including capital work in progress and capital advances | -4.82                       | -3.77                       |
| Proceeds from sale of fixed assets   | 0.01                        | 0.10                        |
| Purchase of investments  | 0.00                        | -0.01                       |
| Interest received  | 0.81                        | 0.92                        |
| <b>Net cash (used in)/ generated from investing activities</b>                               | <b>B -4.00</b>              | <b>-2.76</b>                |
| <b>Cash flow from financing activities</b>   |                             |                             |
| Proceeds/ (repayment) of long-term borrowings, net   | -52.48                      | -6.12                       |
| Proceeds/ (repayment) from short-term borrowings, net  | 1.93                        | -4.45                       |
| Proceeds from loan from related party, net   | -277.65                     | 293.87                      |
| Redemption of preference shares  | -200.00                     | 0.00                        |
| Issue of equity shares   | 1,200.00                    | 0.00                        |
| Interest paid  | -115.18                     | -85.24                      |
| <b>Net cash (used in)/ generated from financing activities</b>                               | <b>C 556.62</b>             | <b>198.06</b>               |
| <b>Net increase in cash and cash equivalents (A + B + C)</b>                                 | <b>14.46</b>                | <b>1.08</b>                 |
| Cash and cash equivalents at the beginning of the year                                       | 7.49                        | 6.41                        |
| <b>Cash and cash equivalents at the end of the year</b>                                      | <b>21.95</b>                | <b>7.49</b>                 |
| <b>Components of cash and cash equivalents</b>   | <b>As at March 31, 2016</b> | <b>As at March 31, 2015</b> |
| Cash on hand   | 1.41                        | 0.56                        |
| With banks in current account  | 20.54                       | 6.93                        |
|  | <b>21.95</b>                | <b>7.49</b>                 |

**Summary of significant accounting policies**

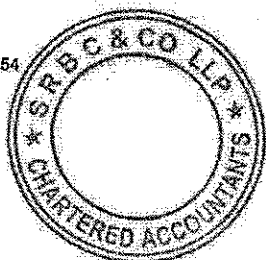
**Notes**

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

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares  
Partner  
Membership No. : 105754



Place: Pune  
Date: July 20, 2016.

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

Harish H. Mehta  
Managing Director  
DIN: 00002753

Balrajsinh A. Parmar  
Director  
DIN: 00002276

Tantti S  
Shallesh D. Tantti  
Company Secretary  
Membership No. : A-16931



Place: Pune  
Date: July 14, 2016

# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 1. Corporate information

Suzlon Gujarat Wind Park Limited (the 'Company') having CIN U40108GJ2004PLC044409 is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in erection, installation and commissioning and construction and sale of power evacuation facility and sale and lease/sub lease of land for wind turbine generators ('WTG's').

### 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.

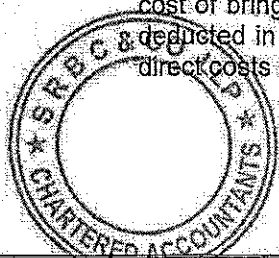
The above change in accounting policy does not have any material impact on depreciation, repair and maintenance expense, profit/ (loss) for the current period as well as the valuation of fixed assets as at March 31, 2016.

#### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, 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 material adjustments to the carrying amounts of assets or liabilities in future periods.

#### b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalisation 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.



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

Capital work-in-progress comprises of 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.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

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.

### c. Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is calculated on the written down value method ('WDV') 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 assets:

| Type of asset                         | Useful lives (Up to years) |
|---------------------------------------|----------------------------|
| Factory building                      | 28                         |
| Plant and machinery                   | 15                         |
| Wind research and measuring equipment | 04                         |
| Computers                             | 03                         |
| Office equipments                     | 05                         |
| Furniture and fixtures                | 10                         |
| Vehicles                              | 10                         |

### d. Operating leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

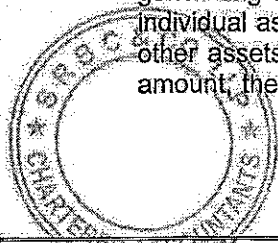
### e. Borrowing costs

Borrowing cost includes interest and amortisation 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 capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### f. Impairment of tangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

are recognised in the statement of profit and loss. 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 the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment loss recognised 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.

### g. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### h. Inventories

Inventories of raw materials, project materials, stock in trade, work-in-progress and finished goods are valued at the lower of the cost and estimated net realisable value. Cost is determined on a weighted average basis. However, materials and other items held for use in the construction of civil, electrical line and PE facility are not written down below cost; if the finished products in which they will be incorporated are expected to be sold at or above cost.

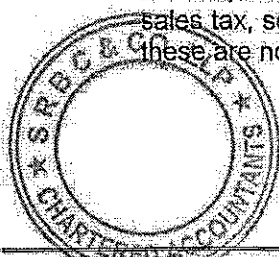
The cost of work-in-progress and finished goods includes the cost of material, labour and a proportion of overheads. Work-in-progress includes cost of civil, electrical line, installation of WTG's and portion of non-utilised charges paid for capacity allocation, power evacuation infrastructure facilities which are in process as at the balance sheet date. Further, cost incurred for laying external lines at the wind farm site is expensed to the extent of Mega Watt (MW) installed as compared to the planned MW for the wind farm site and the balance is carried as work in progress.

Stock of land and land lease rights is valued at lower of cost and estimated net realisable value. Cost is determined on specific identification basis. Net realisable value is determined by management using technical estimates.

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

### i. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue from operation comprises of project execution income, land revenue and power evacuation infrastructure facility offered to customer. The Company collects sales tax, service tax and value added taxes (VAT) as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### Project execution

Revenue from project execution, consisting of installation, erection and commissioning of WTG's is recognised on completion of the respective activities identified as per terms of the sales order, net of taxes charged.

### Land revenue

Revenue from land lease activity is recognised upon the lease / sub lease of lease hold rights to the customers. Revenue from sale of land/right to sale land is recognised when significant risks and rewards in respect of title of land are transferred to the customers as per the terms of the respective sales order. Revenue from land development is recognised upon rendering of the service as per the terms of the respective sales order.

### Power evacuation infrastructure facility

Revenue from power evacuation infrastructure facilities is recognised upon commissioning and electrical installation of WTG's to the said facilities, net of taxes charged.

### Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods have been passed to the buyer as per the terms of the respective sales order, net of taxes charged.

### Interest income

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

### Dividend

Dividend income from investments is recognised when the right to receive dividend is established as at the reporting date.

## j. Foreign currency transactions

### i. Initial recognition

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

### ii. Conversion

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

### iii. Exchange differences

Exchange differences are recognised as income or as expenses in the period in which they arise.

## k. Retirement and other employee benefits

Defined contributions to provident fund and employee state insurance are charged to the statement of profit and loss of the year when an employee renders the related service. 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. The Company presents the entire leave as a current liability in





# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

### 1. Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of 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.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

### m. Earnings/ (loss) per share

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

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 year is adjusted for the effects of all dilutive potential equity shares.



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### n. Provisions

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

### o. 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

### p. Cash and cash equivalents

Cash and cash equivalents for the purpose of 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.

### q. Measurement of EBITD and EBIT

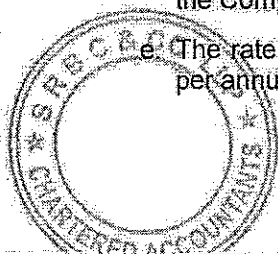
The Company has elected to present earnings before interest, tax, depreciation ('EBITD') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITD, the Company does not include depreciation, finance cost, finance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

## 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 ("the Group") during the financial year 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. During the financial year ended March 31, 2015, Suzlon Global Services Limited was also 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 an enabling mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non-fund based financial 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.



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in the Company by promoters, their friends, relatives and business associates as stipulated conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price agreed in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- a. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- b. 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 agreed 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 Company has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan would be in accordance with terms and conditions similar to those of RTL, whereas repayment of FITL I would be made in 32 equal quarterly instalments and should be co-terminus with RTL. Repayment of FITL II would 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.

### 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 upon the exit by the Borrowers which is inter-alia dependent upon improved financial performance and various factors, 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

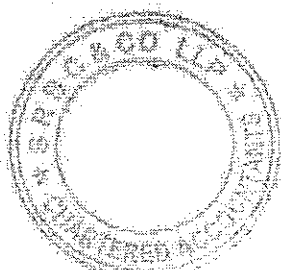
#### Authorised share capital

| Particulars  | March 31, 2016  | March 31, 2015 |
|--|-----------------|----------------|
| 1,250,000,000 (50,000,000) equity shares of Rs 10/- each   | 1,250.00        | 50.00          |
| 20,000,000 (20,000,000) preference shares of Rs 100/- each | 200.00          | 200.00         |
|  | <u>1,450.00</u> | <u>250.00</u>  |

#### Issued, subscribed and fully paid-up share capital

|   |                 |               |
|---|-----------------|---------------|
| 1,245,915,359 (45,915,359) equity shares of Rs 10/- each                      | 1,245.92        | 45.92         |
| Nil (20,000,000) 9% redeemable cumulative preference shares of Rs 100/- each. | -               | 200.00        |
|   | <u>1,245.92</u> | <u>245.92</u> |

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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

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

| Particulars                               | March 31, 2016           |                 |                          |             | March 31, 2015           |              |                          |              |
|---|--------------------------|-----------------|--------------------------|-------------|--------------------------|--------------|--------------------------|--------------|
|   | Equity shares            |                 | Preference shares        |             | Equity shares            |              | Preference shares        |              |
|   | Number of shares (Crore) | Rs in Crore     | Number of shares (Crore) | Rs in Crore | Number of shares (Crore) | Rs in Crore  | Number of shares (Crore) | Rs in Crore  |
| At the beginning of the year              | 4.59                     | 45.92           | 2.00                     | 200.00      | 4.59                     | 45.92        | 2.00                     | 200.00       |
| Issued during the year                    | 120.00                   | 1,200.00        | -                        | -           | -                        | -            | -                        | -            |
| Redeemed during the year                  | -                        | -               | (2.00)                   | (200.00)    | -                        | -            | -                        | -            |
| <b>Outstanding at the end of the year</b> | <b>124.59</b>            | <b>1,245.92</b> | <b>-</b>                 | <b>-</b>    | <b>4.59</b>              | <b>45.92</b> | <b>2.00</b>              | <b>200.0</b> |

### b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. 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 the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders 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 redemption of preference shares

Redeemable cumulative preference shares shall be redeemable in one or more instalments at par and the board shall have the sole discretion to decide the date/dates and manner of redemption subject however if not redeemed earlier, the same shall automatically and compulsorily be redeemed at the end of 15 (Fifteen) years from the date of allotment i.e. March 5, 2012.

The Company as well as the preference shareholders respectively shall have the Call and Put Option to redeem the preference shares so issued at any time after 3 (Three) months from the date of allotment subject however to the consent of the other party.

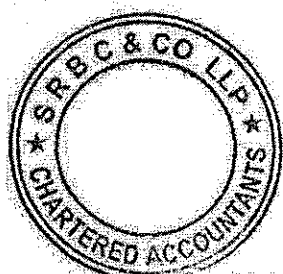
Preference shares shall carry a dividend at the rate of 9% per annum; which shall be payable quarterly or annually or otherwise at the sole discretion of the Board of Directors.

The board of directors shall have the sole discretion to vary the rate of dividend from time to time, however the same shall not exceed 12% per annum. The dividend proposed by the Board of Directors is subject to approvals of the shareholders in ensuing Annual General Meeting. Each holder of preference share is entitled to one vote per share, only on resolutions placed before company which directly affect rights attached to preference shares.

During the year ended March 31, 2016, the Company has redeemed 20,000,000 9% redeemable cumulative preference shares of Rs 100/- each fully paid at face value out of the proceeds received from the fresh issue of equity shares.

In view of the losses, the Company was not in a position to pay dividend on the said preference shares and requested SEL to waive their right to receive dividend on the said preference shares from the date of allotment till the date of redemption.

Accordingly, SEL has waived their right to receive dividend accumulated on the said preference shares from the date of allotment till the date of redemption.



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### d. Shares held by holding company

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

|   | March 31, 2016** | March 31, 2015* |
|---|------------------|-----------------|
| 1,245,915,359 (45,915,359) equity shares of Rs 10 each fully paid | 1,245.92         | 45.92           |
| Nil (20,000,000), 9% redeemable cumulative preference shares of   | -                | 200.00          |

\* Held by Suzlon Energy Limited

\*\* Held by Suzlon Power Infrastructure Limited

### e. Details of shareholders holding more than 5% shares in the company:

| Particulars  | March 31, 2016           |           | March 31, 2015           |           |
|--|--------------------------|-----------|--------------------------|-----------|
|  | Number of shares (Crore) | % holding | Number of shares (Crore) | % holding |
| <b>Equity shares of Rs 10 each fully paid</b>                    |                          |           |                          |           |
| Suzlon Energy Limited, Holding company (along with its nominees) | -                        | -         | 4.59                     | 100%      |
| Suzlon Power Infrastructure Limited Holding company              | 124.59                   | 100%      | -                        | -         |
| <b>Preference shares of Rs 100 each fully paid</b>               |                          |           |                          |           |
| Suzlon Energy Limited, Holding company                           | -                        | -         | 2.00                     | 100%      |

### 7. Reserves and surplus

|   | March 31, 2016    | March 31, 2015    |
|---|-------------------|-------------------|
| <b>Statement of profit and loss</b>                               |                   |                   |
| Balance as per last balance sheet                                 | (1,027.58)        | (795.73)          |
| Add : Profit/ (loss) for the year                                 | (206.30)          | (231.85)          |
| <b>Net surplus/ (deficit) in the statement of profit and loss</b> | <b>(1,233.88)</b> | <b>(1,027.58)</b> |

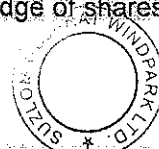
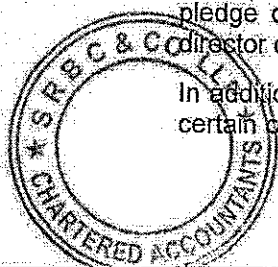
### 8. Long-term borrowings

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| (i) Term loan from bank (secured) (refer Note 12) | 54.31          | 84.64          |
| (ii) Loans from related parties (unsecured)       | -              | 150.00         |
| <b>Total</b>                                      | <b>54.31</b>   | <b>234.64</b>  |

#### 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 54.31 Crore (Rs 92.00 Crore) of which Rs 54.31 Crore (Rs 84.64 Crore) classified as long-term borrowings and Rs Nil (Rs 6.44 Crore) classified as current maturities of long-term borrowings, WCTL of Rs Nil (Rs 15.70 Crore) of which Rs Nil (Rs Nil) classified as long-term borrowings and Rs Nil (Rs 15.70 Crore) classified as current maturities of long-term borrowings, fund based working capital facilities of Rs 14.13 Crore (Rs 12.20 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 Suzlon Energy Limited (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



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

of Servion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are ceded from the charge.

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

|                 | Up to 1 year   | 2 to 5 years    | Above 5 years  | Total           |
|-----------------|----------------|-----------------|----------------|-----------------|
| Secured loans   | -              | 24.87           | 29.44          | 54.31           |
|                 | (22.15)        | (40.48)         | (44.16)        | (106.79)        |
| Unsecured loans | -              | -               | -              | -               |
|                 | (-)            | (150.00)        | (-)            | (150.00)        |
| <b>Total</b>    | -              | <b>24.87</b>    | <b>29.44</b>   | <b>54.31</b>    |
|                 | <b>(22.15)</b> | <b>(190.48)</b> | <b>(44.16)</b> | <b>(256.79)</b> |

### 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<br>Rs In Crore | Period of delay<br>in days | Amount<br>Rs in Crore | Period of delay<br>in days |
| Repayment of term loan                 | -                     | -                          | 0.92                  | Up to 1 day                |
| Repayment of working capital term loan | -                     | -                          | 0.30                  | Up to 1 day                |
| Payment of interest                    | -                     | -                          | 3.01                  | Up to 60 days              |

## 9. Other long-term liabilities

Other long-term liabilities comprise of lease rent payable of Rs 22.85 Crore (Rs 17.25 Crore).

## 10. Provisions

|                   | Long-term      |                | Short-term     |                |
|-------------------|----------------|----------------|----------------|----------------|
|                   | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| Employee benefits | 5.88           | 6.87           | 3.79           | 3.61           |
| <b>Total</b>      | <b>5.88</b>    | <b>6.87</b>    | <b>3.79</b>    | <b>3.61</b>    |

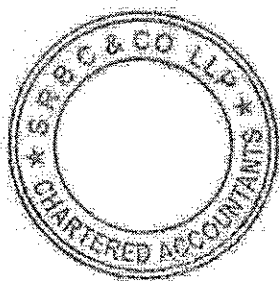
## 11. Short-term borrowings

|  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| a. Working capital loan from banks (secured)           | 14.13          | 12.20          |
| b. Loans and advances from related parties (unsecured) | 676.46         | 768.86         |
| <b>Total</b>   | <b>690.59</b>  | <b>781.06</b>  |

i. The rate of interest on the working capital loans is 11.00% p.a., being the interest rate agreed with CDR lenders pursuant to the CDR proposal. For details of security given for short-term borrowings, refer Note 8a above.

ii. Loans from related parties comprise of Inter Corporate Deposit from the ultimate holding company SEL, which carry interest @11% p.a. and used for business operations. Short-term loans are repayable on demand.

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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 12. Other current liabilities

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Current maturities of long-term borrowings (refer Note 8) | -              | 22.15          |
| Interest accrued and due on borrowings                    | -              | 3.01           |
| Advances from customers                                   | 58.93          | 135.97         |
| Other:  |                |                |
| Statutory dues payable                                    | 10.23          | 5.17           |
| Employee payable  | 2.03           | 5.39           |
| Other payable   | 9.61           | 12.43          |
| <b>Total</b>  | <b>80.80</b>   | <b>184.12</b>  |

### 13. Fixed assets

| Particulars                            | Gross block         |             |             | Accumulated depreciation |                     |              |             | Net block            |                      |                      |
|--|---------------------|-------------|-------------|--------------------------|---------------------|--------------|-------------|----------------------|----------------------|----------------------|
|  | As at April 1, 2015 | Additions   | Deductions  | As at March 31, 2016     | As at April 1, 2015 | For the year | Deductions  | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| <b>Tangible assets</b>                 |                     |             |             |                          |                     |              |             |                      |                      |                      |
| Freehold land                          | 15.20               | 2.14        | -           | 17.34                    | -                   | -            | -           | -                    | 17.34                | 15.20                |
| Building                               | 4.38                | 1.19        | -           | 5.57                     | 1.73                | 0.46         | -           | 2.19                 | 3.38                 | 2.65                 |
| Plant and machinery                    | 4.14                | 0.32        | -           | 4.46                     | 3.09                | 0.21         | -           | 3.30                 | 1.16                 | 1.05                 |
| Wind research and measuring equipments | 1.55                | -           | -           | 1.55                     | 1.55                | -            | -           | 1.55                 | -                    | -                    |
| Furniture and fixtures                 | 2.13                | 0.10        | -           | 2.23                     | 1.76                | 0.12         | -           | 1.88                 | 0.35                 | 0.37                 |
| Office equipments                      | 3.96                | 0.10        | -           | 4.06                     | 3.59                | 0.16         | -           | 3.75                 | 0.31                 | 0.37                 |
| Computers                              | 4.73                | 0.53        | -           | 5.26                     | 4.61                | 0.18         | -           | 4.79                 | 0.47                 | 0.12                 |
| Vehicles                               | 2.90                | 0.20        | 0.03        | 3.07                     | 2.49                | 0.13         | 0.03        | 2.59                 | 0.48                 | 0.41                 |
| <b>Total</b>                           | <b>38.99</b>        | <b>4.58</b> | <b>0.03</b> | <b>43.54</b>             | <b>18.82</b>        | <b>1.26</b>  | <b>0.03</b> | <b>20.05</b>         | <b>23.49</b>         | <b>20.17</b>         |
| Previous year                          | 35.45               | 3.80        | 0.26        | 38.99                    | 16.22               | 2.79*        | 0.19        | 18.82                | 20.17                |                      |

- a. Out of total freehold land of Rs 17.34 Crore (Rs 15.20 Crore), land of Rs 4.43 Crore (Rs 4.43 Crore) has been leased out to lessees for installation of wind turbine generators.
- b. \* The charge for the year includes Rs Nil (Rs. 1.03 Crore) written off related to assets with Nil revised useful life.

### 14. Non-current investments

Non-current investments comprise of Government securities (unquoted) of Rs 0.02 Crore (Rs 0.02 Crore).



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 15. Loans and advances

|   | Non-current    |                | Current        |                |
|---|----------------|----------------|----------------|----------------|
|   | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| Unsecured, considered good              |                |                |                |                |
| Capital advances                        | 0.75           | 0.02           | -              | -              |
| Security deposits                       | 16.08          | 28.22          | -              | -              |
| Advances to related parties             | -              | -              | 40.31          | 64.01          |
| Advances recoverable in cash or in kind |                |                |                |                |
| Unsecured, considered good              | 41.05          | 46.75          | 157.33         | 71.09          |
| Unsecured, considered doubtful          | 33.84          | 8.92           | -              | -              |
| Total                                   | 74.89          | 55.67          | 157.33         | 71.09          |
| Less: Provision for doubtful advances   | (33.84)        | (8.92)         | -              | -              |
|   | 41.05          | 46.75          | 157.33         | 71.09          |
| Other loans and advances                |                |                |                |                |
| Advance income tax (net of provisions)  | 2.10           | 7.68           | 3.14           | 2.17           |
| Prepaid expenses                        | -              | 0.15           | 2.12           | 1.78           |
| Balances with government authorities    | -              | 12.00          | 49.51          | 44.13          |
|   | 2.10           | 19.83          | 54.77          | 48.08          |
| Total                                   | 59.98          | 94.82          | 252.41         | 183.18         |

### 16. Trade receivables

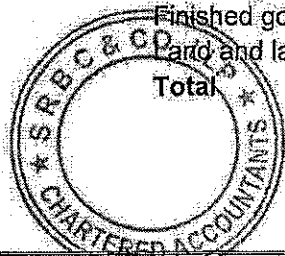
|   | Non-current    |                | Current        |                |
|---|----------------|----------------|----------------|----------------|
|   | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| Unsecured   |                |                |                |                |
| Outstanding for a period exceeding six months from due date |                |                |                |                |
| Considered good   | -              | -              | 111.02         | 120.68         |
| Considered doubtful   | 10.33          | 13.45          | -              | -              |
|   | 10.33          | 13.45          | 111.02         | 120.68         |
| Other receivables   | -              | -              | 426.60         | 151.53         |
|   | 10.33          | 13.45          | 537.62         | 272.21         |
| Less: Provision for doubtful receivables                    | (10.33)        | (13.45)        | -              | -              |
| Total   | -              | -              | 537.62         | 272.21         |

### 17. Other non-current assets

Other non-current assets comprise of margin money deposits of Rs 2.73 Crore (Rs 3.15 Crore) which are subject to charge towards non-funded facilities from borrowers.

### 18. Inventories

|  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Raw materials (including goods-in-transit of [Rs 1.02 Crore (Rs Nil)]) | 82.71          | 51.10          |
| Work-in-progress   | 56.50          | 48.25          |
| Finished goods   | 11.42          | -              |
| Patent and land lease rights   | 173.61         | 80.29          |
| Total  | 324.24         | 179.64         |



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### Details of finished goods

|                  | March 31, 2016 | March 31, 2015 |
|------------------|----------------|----------------|
| Power evacuation | 11.42          | -              |
| <b>Total</b>     | <b>11.42</b>   | <b>-</b>       |

### 19. Cash and bank balances

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Balances with banks in current accounts | 20.54          | 6.93           |
| Cash on hand                            | 1.41           | 0.56           |
| <b>Total</b>                            | <b>21.95</b>   | <b>7.49</b>    |

### 20. Revenue from operations

|  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Project execution income                 | 621.62         | 261.87         |
| Income from land and land development    | 121.89         | 50.76          |
| Power evacuation Infrastructure facility | 55.18          | 8.09           |
|  | <b>798.69</b>  | <b>320.72</b>  |
| <b>Other operating revenue</b>           |                |                |
| Sale of goods                            | 15.51          | 26.58          |
| Scrap sales                              | 0.13           | 0.19           |
|  | <b>15.64</b>   | <b>26.77</b>   |
| <b>Total</b>                             | <b>814.33</b>  | <b>347.49</b>  |

### 21. Cost of raw material consumed/ services rendered

|                          | March 31, 2016 | March 31, 2015 |
|--------------------------|----------------|----------------|
| Opening inventory        | 51.10          | 75.00          |
| Add : Purchases          | 262.00         | 120.23         |
|                          | <b>313.10</b>  | <b>195.23</b>  |
| Less : Closing inventory | 82.71          | 51.10          |
|                          | <b>230.39</b>  | <b>144.13</b>  |

|  |               |               |
|--|---------------|---------------|
| Cost of land   | 120.56        | 4.27          |
| (Reversal)/ provision for estimated loss on contracts*           | (6.08)        | (33.86)       |
| Cost of project services and infrastructure development expenses | 448.54        | 235.49        |
|  | <b>563.02</b> | <b>205.90</b> |
| <b>Cost of raw material consumed/ services rendered</b>          | <b>793.41</b> | <b>350.03</b> |

### (Increase)/ decrease in inventories of work-in-progress and finished goods

|                   |              |              |
|-------------------|--------------|--------------|
| Opening inventory |              |              |
| Work-in-progress  | 48.25        | 49.13        |
| Finished goods    | -            | 2.08         |
|                   | <b>48.25</b> | <b>51.21</b> |

### Closing inventory

|                  |              |              |
|------------------|--------------|--------------|
| Work-in-progress | 56.50        | 48.25        |
| Finished goods   | 11.42        | -            |
|                  | <b>67.92</b> | <b>48.25</b> |

### (Increase)/decrease in inventory

|  |                |             |
|--|----------------|-------------|
|  | <b>(19.67)</b> | <b>2.96</b> |
|--|----------------|-------------|

\* The Company had earlier provided for estimated loss on certain contracts. During the year, the same has been reversed to the extent not required as at year end.



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 22. Employee benefits expense

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Salaries, wages, allowances and bonus           | 33.58          | 25.84          |
| Contribution to provident funds and other funds | 2.67           | 2.49           |
| Staff welfare expenses                          | 2.97           | 1.91           |
| <b>Total</b>                                    | <b>39.22</b>   | <b>30.24</b>   |

### 23. Other expenses

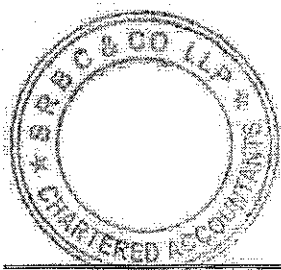
|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Factory and site expenses                                 | 12.53          | 8.61           |
| Security expenses   | 5.30           | 5.33           |
| Repairs and maintenance:                                  |                |                |
| - Plant and machinery                                     | 0.11           | 0.07           |
| - Others  | 0.52           | 0.42           |
| Rent  | 2.78           | 2.47           |
| Rates and taxes   | (0.30)         | 1.30           |
| Insurance   | 3.23           | 1.70           |
| Business promotion expenses                               | 2.40           | 2.31           |
| SEB and nodal agency charges                              | 2.16           | 1.04           |
| Travelling, conveyance and vehicle expenses               | 2.36           | 1.89           |
| Vehicle hire charges                                      | 8.08           | 4.96           |
| Communication expenses                                    | 0.88           | 0.79           |
| Auditors' remuneration and expenses (refer details below) | 0.30           | 0.22           |
| Consultancy charges                                       | 6.69           | 3.50           |
| Corporate social responsibility, charity and donations    | 5.47           | 0.74           |
| Other selling and administrative expenses                 | 5.24           | 2.56           |
| Provision/ (reversal) for doubtful debts and advances     | (3.11)         | 2.66           |
| Bad debts written off                                     | 2.77           | -              |
| Exchange differences, net                                 | 0.70           | (1.26)         |
| (Profit)/ loss on assets sold/ discarded, net             | (0.01)         | (0.03)         |
| <b>Total</b>  | <b>58.10</b>   | <b>39.28</b>   |

#### Payment to auditor:

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Statutory audit fees                    | 0.28           | 0.20           |
| Tax audit fees                          | 0.01           | 0.01           |
| Reimbursement of out of pocket expenses | 0.01           | 0.01           |
| <b>Total</b>                            | <b>0.30</b>    | <b>0.22</b>    |

### 24. Finance costs

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Interest                                  |                |                |
| Fixed loans                               | 6.48           | 12.23          |
| Others                                    | 140.84         | 84.35          |
| Bank charges                              | 2.61           | 3.53           |
| Amortisation of ancillary borrowing costs | 0.17           | 0.17           |
| <b>Total</b>                              | <b>150.10</b>  | <b>100.28</b>  |



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 25. Finance income

|                    | March 31, 2016 | March 31, 2015 |
|--------------------|----------------|----------------|
| Interest income on |                |                |
| - Bank deposits    | 0.27           | 0.25           |
| - Others           | 0.55           | 0.69           |
|                    | <u>0.82</u>    | <u>0.94</u>    |

### 26. Exceptional item

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Expense due to amount written off related to Infrastructure development charges paid earlier. | -              | 55.00          |

The Indian Wind Energy Association ("InWEA") of which the Company is a member had filed a civil appeal in the Supreme Court against an order of the Appellate Tribunal for Electricity in regard to levy of Infrastructure Development Charges ("IDC") by Tamil Nadu State Electricity Board, and the matter is pending the hearing of the Supreme Court. The Company continues to expect a favourable outcome. However, in view of delay in hearing, as a prudent measure, the Company has made a provision of Rs 55.00 Crore in respect of the above and disclosed the same under exceptional items. Accordingly, the matter of emphasis reported by the auditors in the previous year's towards uncertainty on contingencies has been resolved.

### 27. Earnings/ (loss) per share (EPS)

|  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Profit/ (loss) after tax   | (206.30)       | (231.85)       |
| Preference dividend and tax thereon  | -              | 21.06          |
| Net profit/ (loss) for calculation of basic and diluted EPS                    | (206.30)       | (252.91)       |
| Weighted average number of equity shares for calculating basic and diluted EPS | 88,538,310     | 45,915,359     |
| Basic and diluted* earnings/ (loss) per share of face value of Rs 10 each      | (23.30)        | (55.08)        |

\* Since the earnings/ (loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/ (loss) per share is the same.

### 28. Post-employment benefits

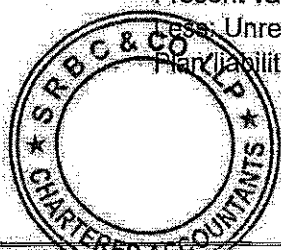
The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded through an insurance company in the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

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

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Current service cost                              | 0.50           | 0.47           |
| Interest cost on benefit obligation               | 0.26           | 0.22           |
| Expected return on plan assets                    | (0.12)         | (0.12)         |
| Net actuarial (gain)/ loss recognised in the year | 0.35           | 0.69           |
| Net benefit expense                               | <u>0.99</u>    | <u>1.26</u>    |

#### Details of defined benefit obligation

|                                       | March 31, 2016 | March 31, 2015 |
|---------------------------------------|----------------|----------------|
| Defined benefit obligation            | 4.37           | 3.58           |
| Fair value of plan assets             | 2.01           | 1.15           |
| Present value of unfunded obligations | 2.36           | 2.42           |
| Less: Unrecognised past service cost  | -              | -              |
| Plan liability/ (asset)               | <u>2.36</u>    | <u>2.42</u>    |



# Suzlon Gujarat Wind Park 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      | 3.58           | 3.11           |
| Interest cost                           | 0.26           | 0.22           |
| Current service cost                    | 0.50           | 0.47           |
| Benefits paid                           | (0.54)         | (0.99)         |
| Acquisition adjustment                  | 0.23           | -              |
| Transfer in/ (out)                      | -              | (0.58)         |
| Actuarial (gains)/ losses on obligation | 0.34           | 1.36           |
| Closing defined benefit obligation      | 4.37           | 3.58           |

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

|                                   | March 31, 2016 | March 31, 2015 |
|-----------------------------------|----------------|----------------|
| Opening fair value of plan assets | 1.15           | 1.86           |
| Expected return                   | 0.12           | 0.12           |
| Contributions by employer         | 1.06           | 0.08           |
| Acquisition adjustment            | 0.23           | -              |
| Benefits paid                     | (0.54)         | (0.99)         |
| Transfer in/ (out)                | -              | (0.58)         |
| Actuarial gains/ (losses)         | (0.01)         | 0.67           |
| Closing fair value of plan assets | 2.01           | 1.15           |

### The 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 with insurer | 100%           | 100%           |

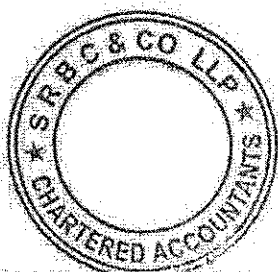
### Amounts for the current and previous periods are as follows:

|   | 2016   | 2015   | 2014   | 2013   | 2012   |
|---|--------|--------|--------|--------|--------|
| Defined benefit obligation                              | 4.37   | 3.58   | 3.11   | 3.44   | 3.76   |
| Plan assets   | 2.01   | 1.15   | 1.86   | 2.10   | 1.07   |
| Surplus/ (deficit)                                      | (2.36) | (2.42) | (1.25) | (1.34) | (2.69) |
| Experience gain/ (loss) adjustments on plan liabilities | 0.39   | 0.79   | 0.24   | 0.67   | (1.40) |
| Experience gain/ (loss) adjustments on plan assets      | 0.01   | 0.67   | 0.15   | -      | (0.04) |
| Actuarial gain/ (loss) due to change on assumptions     | 0.35   | 0.69   | 0.40   | (0.15) | Nil    |

### 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%  |
| Withdrawal rates                       | 10% at younger age and reducing to 1% at older age | 10% at younger age and reducing to 1% at older age |

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 the balance sheet date, applicable to the period over which the obligation is to be settled.



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 29. Operating leases

The Company has taken certain premises under cancellable operating leases. The total rental expense under cancellable operating leases during the year was Rs 2.54 Crore (Rs 2.14 Crore). The Company has also taken furnished/unfurnished offices and certain other premises under non-cancellable operating lease agreement. The lease rental charge during the year is Rs 0.19 Crore (Rs Nil) and maximum obligations on long-term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows:

#### Obligation on non-cancellable operating leases

|   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Not later than one year                           | 0.17           | -              |
| Later than one year and not later than five years | 0.05           | -              |
| Later than five years                             | -              | -              |

### 30. Segment information

The Company has disclosed business segment as the primary segment. Segments have been identified and reported taking into account nature of products & services, the differing risks and returns, the organisation structure and internal reporting system. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

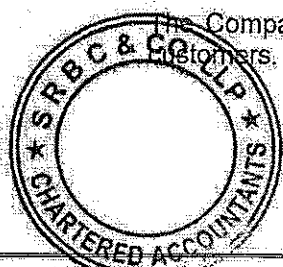
Revenue and expenses have been identified to a segment on the basis of relationship to the corresponding segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on reasonable basis, have been disclosed as "Un-allocable".

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

The Company has identified two reportable business segment viz. Project and Land.

| Particulars  | March 31, 2016 |         |          | March 31, 2015 |        |          |
|--|----------------|---------|----------|----------------|--------|----------|
|  | Project        | Land    | Total    | Project        | Land   | Total    |
| Segment revenue  | 637.47         | 176.86  | 814.33   | 293.68         | 53.81  | 347.49   |
| Segment result before exceptional items  | 16.59          | (50.97) | (34.38)  | (90.83)        | 26.03  | (64.80)  |
| Add/ (less) items to reconcile with profit/ (loss) as per statement of profit and loss |                |         |          |                |        |          |
| Add : Other operating income   |                |         | 0.97     |                |        | 0.30     |
| Add : Finance income   |                |         | 0.82     |                |        | 0.94     |
| Less : Un-allocated expenses   |                |         | (23.61)  |                |        | (13.01)  |
| Less : Finance cost  |                |         | (150.10) |                |        | (100.28) |
| Profit/ (loss) before tax and exceptional items  |                |         | (206.30) |                |        | (176.85) |
| Less : Exceptional item  |                |         | -        |                |        | 55.00    |
| Less : Earlier year tax  |                |         | -        |                |        | -        |
| Net profit/ (loss) after tax   |                |         | (206.30) |                |        | (231.85) |
| Other information  |                |         |          |                |        |          |
| Segment assets   | 635.08         | 557.20  | 1,192.28 | 313.19         | 329.73 | 642.92   |
| Un-allocated assets  |                |         | 30.16    |                |        | 117.77   |
| Segment liabilities  | 140.18         | 325.32  | 465.50   | 487.35         | 30.48  | 517.83   |
| Un-allocated liabilities   |                |         | 744.90   |                |        | 1,024.50 |
| Capital expenditure  | 2.44           | 2.14    | 4.58     | 0.24           | 3.56   | 3.80     |
| Depreciation   | 1.06           | 0.18    | 1.24     | 2.40           | 0.32   | 2.72     |
| Un-allocable depreciation  |                |         | 0.02     |                |        | 0.07     |

The Company has only one geographical segment based on location of asset and based on location of customers. Hence additional information regarding geographical segment has not been disclosed.



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

### 31. Related party disclosures

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

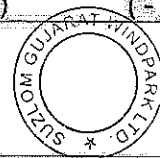
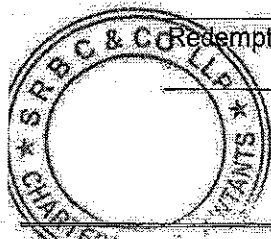
| Sr. No. | Name of the entity                  | Nature of relationship   |
|---------|-------------------------------------|--------------------------|
| 1       | Suzlon Energy Limited               | Ultimate holding company |
| 2       | Suzlon Power Infrastructure Limited | Holding company          |

- b. Other related parties with whom transactions have taken place during the year:

| Sr. No. | Name of the entity                             | Nature of relationship                        |
|---------|--|---|
| 1       | Suzlon Global Services Limited                 | Fellow subsidiary                             |
| 2       | Suzlon Generators Limited                      | Fellow subsidiary                             |
| 3       | Suzlon Structures Limited                      | Fellow subsidiary                             |
| 4       | SE Electricals Limited                         | Fellow subsidiary                             |
| 5       | SE Blades Limited                              | Fellow subsidiary                             |
| 6       | SE Solar Limited                               | Fellow subsidiary                             |
| 7       | Prathamesh Solarfarms Limited                  | Fellow subsidiary                             |
| 8       | Rudra Solarfarms Limited                       | Fellow subsidiary                             |
| 9       | Mr. Harish H. Mehta                            | Key management personnel ("KMP")              |
| 10      | Sarjan Realities Limited                       | Entities where KMP have significant influence |
| 11      | Aspen Infrastructures Limited                  | Entities where KMP have significant influence |
| 12      | Shubh Realities (South) Private Limited        | Entities where KMP have significant influence |
| 13      | Suzlon Foundation                              | Entities where KMP have significant influence |
| 14      | Tanti Holdings Private Limited                 | Entities where KMP have significant influence |
| 15      | SE Freight and Logistics India Private Limited | Entities where KMP have significant influence |
| 16      | M/s. PT Wind Energy                            | Entities where KMP have significant influence |
| 17      | Sandla Wind Project Private Limited            | Entities where KMP have significant influence |
| 18      | Suzlon Gujarat Wind Park Limited               | Employee funds                                |
| 19      | Suzlon Gujarat Wind Park Limited-Gratuity fund | Employee funds                                |

- c. Transactions between the Company and the related party and the status of outstanding balances:

| Particulars                     | Ultimate holding company/ holding company | Fellow subsidiaries | Entities where KMP have significant influence | Employee funds |
|---------------------------------|---|---------------------|---|----------------|
| <b>Transactions</b>             |   |                     |   |                |
| Sale of fixed assets            | (-)                                       | (0.07)              | (-)   | (-)            |
| Loans / ICD received            | 1,116.01<br>(571.48)                      | (-)                 | (-)   | (-)            |
| Advances given                  | (-)                                       | (-)                 | (6.30)  | (-)            |
| Advances received               | (-)                                       | (-)                 | 11.98<br>(7.88)                               | (-)            |
| Purchases of goods and services | 5.12<br>(15.85)                           | 0.48<br>(3.00)      | 70.26<br>(0.02)                               | (-)            |
| Sales of goods and services     | 52.41<br>(62.99)                          | 44.89<br>(5.38)     | 15.60<br>(0.27)                               | (-)            |
| Interest expense                | 136.50<br>(78.84)                         | (-)                 | (-)   | (-)            |
| Donation given                  | (-)                                       | (-)                 | 3.47<br>(0.67)                                | (-)            |
| Reimbursement of expenses       | 0.73<br>(-)                               | 0.01<br>(-)         | (-)   | (-)            |
| Redemption of preference shares | 200.00<br>(-)                             | (-)                 | (-)   | (-)            |





# Suzlon Gujarat Wind Park Limited

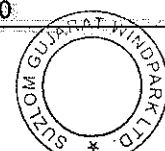
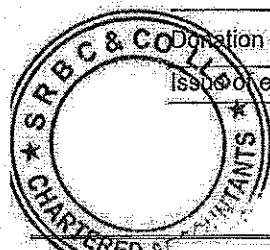
## Notes to financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

|  |          |        |         |        |
|--|----------|--------|---------|--------|
| Issue of equity shares                   | 1,200.00 | -      | -       | -      |
|  | (-)      | (-)    | (-)     | (-)    |
| Contribution to superannuation fund      | -        | -      | -       | 0.01   |
|  | (-)      | (-)    | (-)     | (0.02) |
| Contribution to gratuity fund            | -        | -      | -       | 1.06   |
|  | (-)      | (-)    | (-)     | (0.08) |
| <b>Outstanding balances</b>              |          |        |         |        |
| Trade payables / other current liability | 2.86     | 6.51   | 9.11    | -      |
|  | (43.11)  | (9.06) | (1.31)  | (-)    |
| Advances from customer                   | -        | -      | 3.15    | -      |
|  | (-)      | (-)    | (7.88)  | (-)    |
| Advances to creditors / suppliers        | -        | -      | 40.31   | -      |
|  | (-)      | (-)    | (64.01) | (-)    |
| Unsecured loan                           | 676.46   | -      | -       | -      |
|  | (918.86) | (-)    | (-)     | (-)    |
| Trade receivables                        | 28.83    | 38.51  | 2.47    | -      |
|  | (2.63)   | (6.89) | (3.09)  | (-)    |

### d. Disclosure of significant transactions with related parties:

| Type of transaction            | Type of relationship                          | Name of entity / person             | March 31, 2016 | March 31, 2015 |
|--------------------------------|---|-------------------------------------|----------------|----------------|
| Sales of goods and services    | Holding company                               | Suzlon Power Infrastructure Limited | 25.78          | 0.28           |
|                                | Ultimate holding company                      | Suzlon Energy Limited               | 26.63          | 62.71          |
|                                | Fellow subsidiary                             | SE Solar Limited                    | 25.31          | -              |
|                                | Entities where KMP have significant influence | Sandla Wind Projects Pvt Ltd        | 15.60          | -              |
|                                | Fellow subsidiary                             | Prathamesh Solarfarms Limited       | 8.43           | -              |
|                                | Fellow subsidiary                             | Suzlon Global Services Limited      | 8.25           | 4.30           |
|                                | Fellow subsidiary                             | Rudra Solarfarms Limited            | 2.90           | -              |
| Purchase of goods and services | Holding company                               | Suzlon Power Infrastructure Limited | 0.37           | -              |
|                                | Fellow subsidiary                             | SE Electricals Limited              | 0.29           | 2.76           |
|                                | Entities where KMP have significant influence | Tanti Holdings Private Limited      | 32.60          | -              |
|                                | Entities where KMP have significant influence | Sarjan Realities Limited            | 20.72          | -              |
|                                | Entities where KMP have significant influence | Shubh Realty (South) Pvt Ltd        | 15.47          | -              |
|                                | Ultimate holding company                      | Suzlon Energy Limited               | 4.75           | 15.75          |
| Sale of fixed asset            | Fellow subsidiary                             | Suzlon Global Services Limited      | -              | 0.07           |
| Interest expense               | Ultimate holding company                      | Suzlon Energy Limited               | 136.50         | 78.84          |
| Loans / ICD received           | Ultimate holding company                      | Suzlon Energy Limited               | 1,116.01       | 571.48         |
| Advances given                 | Entities where KMP have significant influence | Sarjan Realities Limited            | -              | 1.77           |
|                                | Entities where KMP have significant influence | Shubh Realty South Limited          | -              | 4.53           |
| Advances received              | Entities where KMP have significant influence | Sandla Wind Project Private Limited | 11.98          | 7.88           |
| Reimbursement of expenses      | Ultimate holding company                      | Suzlon Energy Limited               | 0.68           | -              |
|                                | Entities where KMP have significant influence | Aspen Infrastructures Limited       | -              | 0.25           |
|                                | Entities where KMP have significant influence | Tanti Holdings Private Limited      | -              | 0.09           |
|                                | Holding company                               | Suzlon Power Infrastructure Limited | 0.06           | -              |
| Donation given                 | Entities where KMP have significant influence | Suzlon Foundation                   | 3.47           | 0.67           |
| Issue of equity shares         | Holding company                               | Suzlon Power Infrastructure Limited | 1,200.00       | -              |



# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

|                                     |                          |  |        |      |
|-------------------------------------|--------------------------|--|--------|------|
| Redemption of preference shares     | Ultimate holding company | Suzlon Energy Limited                                | 200.00 | -    |
| Contribution to superannuation fund | Employee fund            | Suzlon Gujarat Wind Park Limited-Superannuation Fund | 0.01   | 0.02 |
| Contribution to gratuity fund       | Employee fund            | Suzlon Gujarat Wind Park Limited-Gratuity Fund       | 1.06   | 0.08 |

### 32. Un-hedged foreign currency exposure

|                    | March 31, 2016 | March 31, 2015 |
|--------------------|----------------|----------------|
| Trade payables     | 6.44           | 6.42           |
| Loans and advances | 0.06           | -              |

### 33. 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 | 1.15           | 0.15           |

### 34. Contingent liabilities

|  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Disputed legal cases   | 12.08          | 11.97          |
| Disputed dues with government authorities                            | 0.02           | 0.02           |
| Interest payable under MSMED Act, 2006                               | 20.33          | 15.81          |
| Unpaid dividend on cumulative preference shares (inclusive of taxes) | -              | 64.68          |
| Compensation in lieu of bank sacrifice                               | refer Note 5   | refer Note 5   |

- 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 not ascertainable.
- The Company along with other borrowers has provided securities to secure Stand-by Letter of Credit ("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.
- It includes demand from tax authorities for various matters. The Company / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management. Below are the details of the same.

| Name of the statute                      | Nature of dues                | Amount (Rs Crores) | Period to which the amount relates | Forum where the dispute is pending       |
|--|-------------------------------|--------------------|------------------------------------|--|
| Andhra Pradesh Value Added Tax Act, 2005 | Penalty order on late payment | 0.02               | FY 2011-12                         | Appellate Deputy Commissioner, Hyderabad |



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# Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

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

| Particulars  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| The principal amount remaining unpaid to any supplier as at the end of the year  | 12.84          | 3.09           |
| Interest due on the above amount   | 0.09           | 0.85           |
| The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006   | Nil            | Nil            |
| Amounts of the payment made to the supplier beyond the appointed day during the year.  | 17.88          | 22.19          |
| Amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act  | Nil            | Nil            |
| Amount of interest accrued and remaining unpaid at the end of the year*  | Nil            | Nil            |
| The 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 | 20.33          | 15.81          |

\* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs 20.33 Crore (Rs 15.81 Crore). The same has been not accrued in the books of the company as the amount is not contractually payable.

### 36. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013

#### a. Value of imports calculated on CIF basis

There are no imports during the current and previous year.

#### b. Expenditure in foreign currency (accrual basis)

|                           | March 31, 2016 | March 31, 2015 |
|---------------------------|----------------|----------------|
| Travelling and conveyance | 0.12           | 0.51           |
| Staff training expenses   | 0.09           | -              |
| Others                    | 0.01           | -              |
| <b>Total</b>              | <b>0.22</b>    | <b>0.51</b>    |

#### c. Imported and indigenous raw materials consumed

|            | March 31, 2016 |             | March 31, 2015 |             |
|------------|----------------|-------------|----------------|-------------|
|            | Amount         | %           | Amount         | %           |
| Imported   | -              | -           | -              | -           |
| Indigenous | 230.39         | 100%        | 144.13         | 100%        |
|            | <b>230.39</b>  | <b>100%</b> | <b>144.13</b>  | <b>100%</b> |

#### d. Earnings in foreign currency (accrual basis)

There are no foreign currency earnings during the current and previous year.

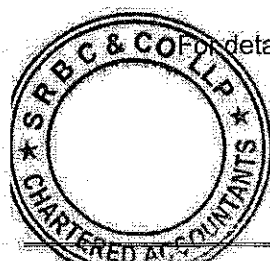
### 37. Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain inter-corporate deposits the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013.

| Name of the loanee                  | Rate of interest | Secured/unsecured | March 31, 2016 | March 31, 2015 |
|-------------------------------------|------------------|-------------------|----------------|----------------|
| Kishangarh Hi-Tech Textile Park Ltd | 12%              | Unsecured         | 0.66           | 0.76           |

The loans have been utilized for meeting their working capital requirements.

For details of security provided refer Note 8a.



## Suzlon Gujarat Wind Park Limited

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

All amounts in Rupees Crore, unless otherwise stated

38. Previous year amounts have been regrouped / reclassified, where necessary, to conform with current year presentation. Figures in brackets are in respect of the previous year.

As per our report of even date

For S R B C & Co LLP

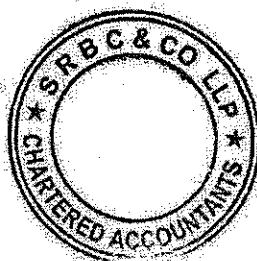
Chartered Accountants

ICAI Firm Reg. No. 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754



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

Harish H. Mehta  
Managing Director  
DIN: 00002753

Balrajsinh A. Parmar  
Director  
DIN: 00002276

Tanti  
Shailesh D. Tanti  
Company Secretary  
Membership No.: A16931



Place: Pune

Date: July 20, 2016

Place: Pune

Date: July 14, 2016