

SRBC & CO LLP

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Suzlon Power Infrastructure Limited

Report on the Financial Statements

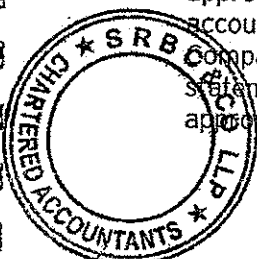
1. We have audited the accompanying financial statements of Suzlon Power Infrastructure Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and 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.



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Opinion

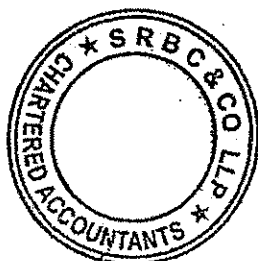
5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the 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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- (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 30 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



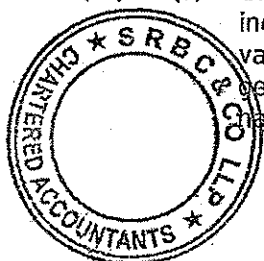
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Annexure 1 - Annexure referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: Suzlon Power Infrastructure 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 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 management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3 (i) (c) of the Order are not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on 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 generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



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- (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 information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) According to the information and explanations given by the management, the Company has delayed in repayment of dues to banks during the year to the extent of Rs. 2.74 Crores (the delay in such repayments being for less than 3 days in each individual case) and Rs. Nil of such dues were in arrears as on the balance sheet date.

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.

(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.



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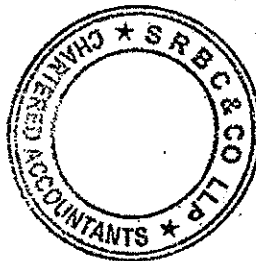
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- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.
- (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



S R B C & CO LLP

Chartered Accountants

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 Power Infrastructure 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.

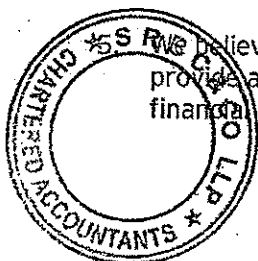
Management's Responsibility for Internal Financial Controls

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.

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.



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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 Power Infrastructure Limited
Balance sheet as at March 31, 2016
All amounts in Rupees Crores, unless otherwise stated

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
(i) Share capital	6	194.61	3.01
(ii) Reserves and surplus	7	(175.97)	(169.77)
		<u>18.64</u>	<u>(166.76)</u>
Non-current liabilities			
(i) Long-term borrowings	8	85.60	110.03
(ii) Long-term provisions	9	0.42	0.95
		<u>86.02</u>	<u>110.98</u>
Current liabilities			
(i) Short-term borrowings	10	537.34	297.76
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer Note 31)		0.46	0.06
Total outstanding dues of creditors other than micro enterprises and small enterprises		37.45	47.24
(iii) Other current liabilities	11	10.86	50.06
(iv) Short-term provisions	9	0.60	1.09
		<u>586.71</u>	<u>396.21</u>
Total		<u>691.37</u>	<u>340.43</u>
Assets			
Non-current assets			
(i) Fixed assets			
Tangible fixed assets	12	0.16	0.18
(ii) Investments	15	191.60	-
(iii) Trade receivables	13.1	-	0.15
(iv) Loans and advances	14	1.13	2.10
(v) Other non-current assets	13.2	2.01	2.00
		<u>194.90</u>	<u>4.43</u>
Current assets			
(i) Inventories	16	229.22	252.02
(ii) Trade receivables	13.1	148.65	32.65
(iii) Cash and bank balances	17	1.52	7.65
(iv) Loans and advances	14	117.03	41.75
(v) Other current assets	13.2	0.05	1.93
		<u>496.47</u>	<u>336.00</u>
Total		<u>691.37</u>	<u>340.43</u>

Summary of significant accounting policies

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.: 105754

Place : Pune

Date : July 26, 2016



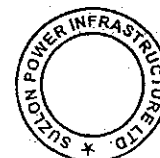
For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN: 00002276

Place : Pune

Date : JULY 14, 2016

Vinod R. Tanti
Director
DIN: 00002266



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

Particulars	Notes	March 31, 2016	March 31, 2015
Income			
Revenue from operations	18	211.53	69.08
Other operating income		0.01	-
		211.54	69.08
Expenses			
Cost of materials consumed and bought out services	19	131.51	67.69
(Increase)/ decrease in inventories of work-in-progress and finished goods	19	17.96	4.90
Employee benefits expense	20	4.96	4.56
Other expenses	21	6.87	4.00
		161.30	81.15
Earnings/ (loss) before interest, tax and depreciation (EBITDA)		50.24	(12.07)
Depreciation		0.05	0.38
Earnings/ (loss) before interest and tax (EBIT)		50.19	(12.45)
Finance costs	22	56.54	42.41
Finance income	23	0.15	0.46
Profit/ (loss) before tax		(6.20)	(54.40)
Tax expense		-	-
Profit/ (loss) after tax		(6.20)	(54.40)
Earnings/ (loss) per equity share:	24		
Basic and diluted [Nominal value of share Rs 10 (Rs 10)]		(13.54)	(180.74)
Summary of significant accounting policies	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.: 105754

Place : Pune

Date : July 20, 2016



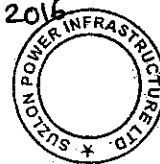
For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN: 00002276

Vinod R. Tanti
Director
DIN: 00002266

Place : Pune

Date : July 14, 2016



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

Particulars	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit/ (loss) before tax	(6.20)	(54.40)
Adjustments for:		
Depreciation	0.05	0.38
Interest income	(0.15)	(0.18)
Interest expenses	55.21	41.21
Amortisation of ancillary borrowing cost	0.18	0.18
Provision for doubtful debts and advances	(4.15)	(0.15)
Loss on sale of fixed asset	0.01	-
Bad debts and advances written back	4.53	-
Operating profit/ (loss) before working capital changes	49.48	(12.96)
Movements in working capital		
(Increase)/ decrease in inventories	22.80	(10.45)
(Increase)/ decrease in trade receivables	(116.23)	(12.20)
(Increase)/ decrease in loans and advances and other assets	(71.95)	(16.77)
(Decrease)/ increase in trade payables, other current liabilities and provisions	(22.85)	(5.95)
Increase/ (Decrease) in margin money accounts	(0.02)	(0.07)
Cash (used in)/ generated from operating activities	(138.77)	(58.40)
Direct taxes paid (net of refunds)	(0.66)	2.15
Net cash (used in)/ generated from operating activities	(139.43)	(56.25)
Cash flow from investing activities		
Payment for purchase of fixed assets	(0.04)	0.01
Interest received	0.15	0.18
Net cash (used in)/ generated from investing activities	0.11	0.19
Cash flow from financing activities		
Repayment of long-term borrowings	(47.84)	(5.32)
Proceeds from unsecured loan taken from related party	7.25	2.45
Proceeds from short-term borrowings, net	212.87	98.97
Interest paid	(39.10)	(32.69)
Net cash generated/ (used in) from financing activities	133.18	63.41
Net increase in cash and cash equivalents	(6.14)	7.35
Cash and cash equivalents at the beginning of the year	7.66	0.31
Cash and cash equivalents at the end of the year	1.52	7.66
Components of cash and cash equivalents	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	0.01	0.02
With banks in current account	1.51	7.64
	1.52	7.66

Summary of significant accounting policies

3

Notes:

- The figures in brackets represent outflows.
- Previous period's figures have been regrouped / reclassified, wherever necessary to confirm to current year presentation.
- During the year ended March 31, 2016, the holding company, Suzlon Energy Limited transferred its investment in Suzlon Gujarat Wind Park Limited to company, at a consideration of Rs. 191.60 Crores, which is discharged by the Company through issue of 19.16 crore fully paid up equity shares of Rs 10 each.

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 Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN: 00002276

Place : Pune

Date : JULY 14, 2016

Vinod R. Tanti
Director
DIN: 00002266



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

1. Corporate Information

Suzlon Power Infrastructure Limited ('SPIL' or 'the Company') having CIN U45203TZ2004PLC011180 is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of construction and sale of power evacuation infrastructure facility.

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.

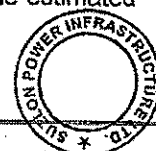
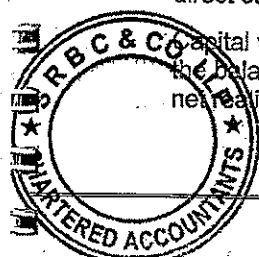
a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the 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 a material adjustment 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 capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The manufacturing costs of internally generated assets comprise direct costs and attributable overheads.

Capital work-in-progress comprises of 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.



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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. Inventories

Inventories of raw materials, work-in-progress and finished goods are valued at the lower of cost and estimated net realisable value. However, raw material and other items held for use in the power evacuation facilities are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

Cost of work-in-progress and finished goods include the cost of material, labour and attributable overheads based on normal operating capacity.

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.

h. Revenue recognition

Revenue comprises sale of power infrastructure facilities, project consultancy service and interest income. Revenue is recognized to the extent it is probable that the economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is disclosed, net of discounts, sales tax, service tax or other taxes, as applicable.

Power evacuation infrastructure facilities

Revenue from power evacuation infrastructure facilities is recognised upon commissioning and electrical installation of the Wind Turbine Generator (WTG) to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

Interest income

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

i. 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.

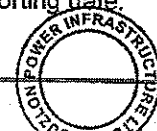
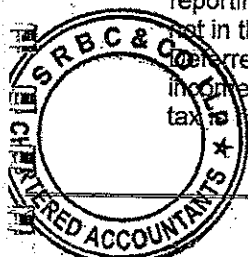
Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The Company presents the entire leave as a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

j. 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.



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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 recognizes 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 taxes 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 recognizes 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 recognizes 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.

k. Earnings/ (loss) per share

Basic earnings/ (loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders 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.

l. Provisions

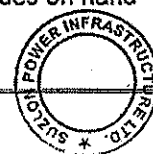
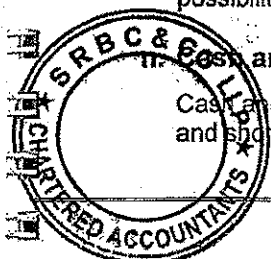
A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their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

m. Contingent liabilities

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

n. Cash and cash equivalents

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



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

o. Measurement of EBITDA and EBIT

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation from EBITDA 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 during the financial year 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited ('SGSL') was included as Borrower under the CDR package.

The key features of the CDR package are as follows:

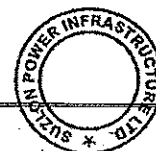
- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.
- Conversion of various irregular/outstanding/devolved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

Other key features of the CDR Package are:

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

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

During the financial year 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan 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 42 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.



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

5. Recompense

The Borrowers and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Group is contingent 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

	March 31, 2016	March 31, 2015
Authorised shares		
197,000,000 (5,000,000) equity shares of Rs 10/- each	197.00	5.00
	197.00	5.00
Issued, subscribed and fully paid-up shares		
194,610,000 (3,010,000) equity shares of Rs 10/- each	194.61	3.01
	194.61	3.01

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
Equity shares				
At the beginning of the year	0.30	3.01	0.30	3.01
Issued during the year	19.16	191.60	-	-
Outstanding at the end of the year	19.46	194.61	0.30	3.01

b. Terms/rights attached to equity shares

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

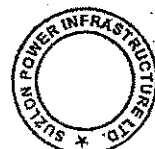
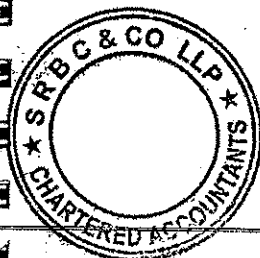
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

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

	March 31, 2016	March 31, 2015
194,610,000 (3,010,000) equity shares of Rs 10/- each fully paid up	194.61	3.01

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Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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

Name of shareholder	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	% holding in class	Number of shares (Crore)	% holding in class
Equity shares of Rs 10/- each fully paid up				
Suzlon Energy Limited, holding company (along with its nominees)	194.61	100%	3.01	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2016 Number of shares (Crore)	March 31, 2015 Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to arrangement for consideration other than cash	19.16	Nil

During the year, the Company has acquired 100% stake of Suzlon Gujarat Windpark Limited from its holding company for consideration of Rs 191.60 Crore, which is discharged by Company through issue of 19.16 Crore fully paid up equity shares of Rs 10 each.

7. Reserves and surplus

	March 31, 2016	March 31, 2015
Statement of profit and loss		
Balance as per last balance sheet	(169.77)	(115.37)
Add: Profit/ (loss) for the year	(6.20)	(54.40)
Net surplus/ (deficit) in the statement of profit and loss	(175.97)	(169.77)

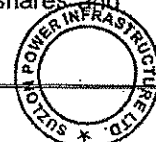
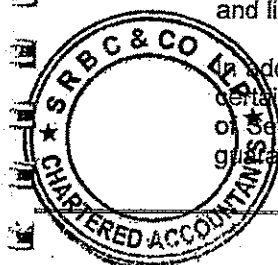
8. Long-term borrowings

	March 31, 2016	March 31, 2015
Secured		
Term loan from banks	85.60	110.03
Total	85.60	110.03

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 85.60 Crore (Rs 119.60 Crore), of which Rs 85.60 Crore (Rs 110.03 Crore) is classified as long-term borrowings and Rs Nil (Rs 9.57 Crore) is classified as current maturities of long-term borrowing, WCTL of Rs Nil (Rs 13.84 Crore) of which Rs Nil (Rs Nil) classified as long-term borrowings and Rs Nil (Rs 13.84 Crore) classified as current maturities of long-term borrowing, fund based working capital facilities of Rs 17.86 Crore (Rs 10.61 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 of Servion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are ceded from the charge.



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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

Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Term loan from banks	-	47.33	38.27	85.60
	(9.57)	(52.62)	(57.41)	(119.60)
WCTL loan	-	-	-	-
	(13.84)	-	-	(13.84)

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

Particulars	March 31, 2016		March 31, 2015	
	Amount	Period of delay in days	Amount	Period of delay in days
Repayment of term loan	-	-	1.20	Up to 1 days
Repayment of working capital term loan	-	-	0.22	Up to 90 days
Payment of interest	-	-	3.71	Up to 59 days

9. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	0.42	0.95	0.60	1.09
Total	0.42	0.95	0.60	1.09

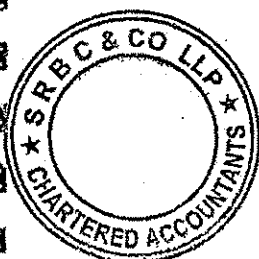
10. Short-term borrowings

	March 31, 2016	March 31, 2015
Working capital loans from banks (secured)	17.86	10.61
Loans and advances from related parties (unsecured)	519.48	287.15
Total	537.34	297.76

- The rate of interest on the working capital loans is 11.00% p.a., being the interest rate spread agreed with CDR lenders pursuant to the CDR proposal. For details of security given for short-term borrowings, refer Note 8(a) above.
- Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @11% p.a. and used for business operations. Short-term loans are repayable on demand.

11. Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings	-	23.41
Interest accrued but not due on borrowings	-	3.35
Advances from customers	0.82	14.92
Others :		
Statutory dues payable	2.25	1.69
Employee payables	0.19	0.83
Other payables	7.60	5.86
Total	10.86	50.06



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Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

12. Fixed assets

Tangible Assets	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
Buildings	0.05	-	-	0.05	0.03	0.00*	-	0.03	0.02	0.02
Plant and machinery	0.01	-	-	0.01	0.01	0.00*	-	0.01	-	-
Furniture & fixtures	0.18	-	-	0.18	0.15	0.01	-	0.16	0.02	0.03
Office equipments	0.68	0.00*	-	0.68	0.63	0.01	-	0.64	0.04	0.05
Computers	1.01	0.04	-	1.05	0.95	0.03	-	0.98	0.07	0.06
Vehicles	0.13	-	0.09	0.04	0.11	0.00*	0.08	0.03	0.01	0.02
	2.06	0.04	0.09	2.01	1.88	0.05	0.08	1.85	0.16	0.18
Previous year	2.06	-	0.00*	2.06	1.50	0.38	-	1.88	0.18	0.57

* Less than Rs 0.01 Crore

13. Trade receivables and other assets

13.1 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	-	0.15	24.23	10.56
Considered doubtful	2.79	6.94	-	-
	2.79	7.09	24.23	10.56
Other receivables	-	-	124.42	22.09
	2.79	7.09	148.65	32.65
Less : Provision for doubtful receivables	(2.79)	(6.94)	-	-
Total	-	0.15	148.65	32.65

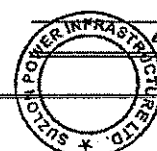
13.2 Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good				
Margin money deposits (Note (i))	2.01	2.00	-	-
Interest receivable on margin money deposits	-	-	0.05	0.05
Other receivables	-	-	-	1.88
Total	2.01	2.00	0.05	1.93

Note (i): Margin money deposits are subject to first charge towards non-funded facilities from borrowers.

14. Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good				
Security deposits (a)	0.41	1.62	-	-
Advances to related parties (b)	-	-	87.61	-
Advances recoverable in cash or in kind				
Considered good (c)	-	-	20.40	34.24
Total	-	-	108.01	34.24
Other loans and advances				
Advance income tax (net of provisions)	0.65	0.23	2.33	2.09
Prepaid expenses	0.07	0.25	0.18	0.18
Balances with government authorities	-	-	6.51	5.24
(d)	0.72	0.48	9.02	7.51
Total (a + b + c + d)	1.13	2.09	117.03	41.75



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

15. Non-current investment

	March 31, 2016	March 31, 2015
Unquoted 191,600,000 (Nil) equity shares of Suzlon Gujarat Windpark Limited of Rs.10/- each	191.60	-
Total	191.60	-

Non-current investment amounting to Rs 191.60 Crore comprises of 191,600,000 (Nil) equity shares of Suzlon Gujarat Windpark Limited of Rs 10/- each.

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

	March 31, 2016	March 31, 2015
Raw materials	23.86	28.70
Work-in-progress*	117.55	150.10
Finished goods	87.81	73.22
Total	229.22	252.02

* Work-in-progress relates to projects in progress for construction of power evacuation infrastructure facility.

17. Cash and bank balances

	March 31, 2016	March 31, 2015
Balance with banks in current accounts	1.51	7.64
Cash on hand	0.01	0.01
Total	1.52	7.65

18. Revenue from operations

	March 31, 2016	March 31, 2015
Power evacuation infrastructure services	210.74	60.96
Sale of goods	0.73	8.12
Scrap sales	0.06	-
Total	211.53	69.08

19. Cost of materials consumed and bought out services

	March 31, 2016	March 31, 2015
Opening inventory	28.70	13.34
Add : Purchases	69.61	49.46
	98.31	62.80
Less : Closing inventory	23.86	28.70
Cost of raw material & components consumed	74.45	34.10
Add : Work contract and services	57.06	33.59
	131.51	67.69

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

Opening inventory

Work-in-progress	150.10	175.13
Finished goods	73.22	53.09

(a)

Closing inventory

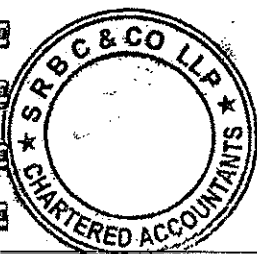
Work-in-progress	117.55	150.10
Finished goods	87.81	73.22

(b)

(a - b)

	205.36	223.32
	17.96	4.90

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Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

20. Employee benefit expense

	March 31, 2016	March 31, 2015
Salaries, wages, allowances and bonus	4.49	4.15
Contribution to provident fund and other funds	0.40	0.30
Staff welfare expenses	0.07	0.11
Total	4.96	4.56

21. Other expenses

	March 31, 2016	March 31, 2015
Site operating expenses	0.68	0.74
Application and processing fees	0.15	0.06
Repairs and maintenance:		
- Office equipments	-	0.00*
- Computers	0.08	0.10
Rent	0.05	(0.06)
Rates and taxes	0.18	0.14
Insurance	0.29	(0.02)
Advertisement and sales promotion	0.07	0.05
Travelling, conveyance and vehicle expenses	0.46	0.56
Communication expenses	0.03	0.02
Auditors' remuneration and expenses (refer details below)	0.11	0.10
Consultancy charges	0.81	0.74
Charity and donations	2.00	1.50
Reversal for doubtful debts and advances	(4.15)	(0.15)
Loss on assets sold / discarded, net	0.01	-
Other selling and administrative expenses	1.58	0.10
Miscellaneous expenses	-	0.12
Bad debts written off	4.53	-
Total	6.87	4.00

* Less than Rs 0.01 Crore

Payment to auditor:

	March 31, 2016	March 31, 2015
Statutory audit fees	0.10	0.10
Tax audit fees	0.00*	0.00*
Vat audit fees	0.01	0.01
Reimbursement of out of pocket expenses	0.00*	0.00*
Reversal of earlier period	-	0.01
Total	0.11	0.12

* Less than Rs 0.01 Crore

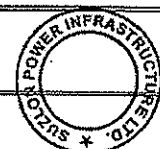
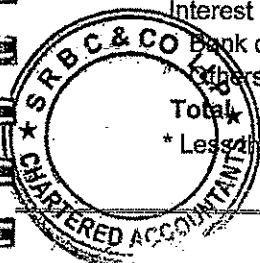
22. Finance costs

	March 31, 2016	March 31, 2015
Interest	55.21	41.21
Bank charges	1.15	1.02
Amortisation of ancillary borrowing costs	0.18	0.18
Total	56.54	42.41

23. Finance income

	March 31, 2016	March 31, 2015
Interest income on		
Bank deposits	0.15	0.18
Others	0.00*	0.28
Total	0.15	0.46

* Less than 0.01 Crore



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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

The following reflects the profit/Loss and share data used in the calculation of basic and diluted EPS:

	March 31, 2016	March 31, 2015
Profit/ (loss) after tax	(6.20)	(54.40)
Weighted average number of equity shares in calculating basic and diluted EPS	4,580,492	3,010,000
Basic and diluted earnings*/ (loss) per share of face value of Rs 10/- each	(13.54)	(180.74)

* 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.

25. Post-employment benefits

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

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

	March 31, 2016	March 31, 2015
Current service cost	0.09	0.08
Interest cost on benefit obligation	0.06	0.05
Expected return on plan assets	(0.06)	(0.05)
Prior period items	Nil	Nil
Net actuarial gain / (loss) recognised in the year	(0.06)	(0.08)
Past service cost	Nil	Nil
Net benefit expense	0.15	0.16

Details of defined benefit obligation

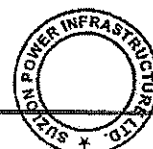
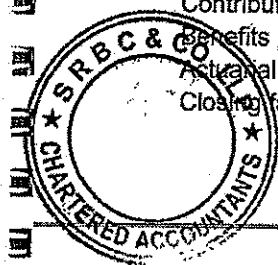
	March 31, 2016	March 31, 2015
Defined benefit obligation	0.91	0.72
Fair value of plan assets	0.82	0.63
Present value of unfunded obligations	0.09	0.08
Less: Unrecognised past service cost	Nil	Nil
Plan liability/(asset)	0.09	0.08

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	0.71	0.55
Interest cost	0.06	0.05
Current service cost	0.09	0.08
Benefits paid	(0.01)	(0.04)
Acquisition cost / (credit)	-	(0.01)
Actuarial (gains)/losses on obligation	0.06	0.08
Closing defined benefit obligation	0.91	0.71

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	0.64	0.61
Expected return	0.06	0.05
Acquisition adjustment	-	(0.01)
Contributions by employer	0.13	0.02
Benefits paid	(0.01)	(0.04)
Actuarial gains / (losses)	0.00*	0.00*
Closing fair value of plan assets	0.82	0.64



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

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	0.91	0.71	0.55	0.56	0.58
Plan assets	0.82	0.64	0.61	0.60	0.47
Surplus/(deficit)	(0.09)	(0.08)	0.06	0.04	(0.11)
Experience adjustments on plan liabilities	0.07	0.03	0.02	0.70	-
Experience adjustments on plan assets	0.00*	0.00*	0.02	-	0.03
Actuarial due to change on assumptions	0.00*	0.00*	-	-	-

* Less than 0.01 Crore

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

	March 31, 2016	March 31, 2015
Discount rate	7.90%	7.80%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
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 balance sheet date, applicable to the period over which the obligation is to be settled.

26. Operating Leases

The Company has taken certain premises under cancellable operating leases. The total rental expense under operating leases during the year was Rs 0.05 Crore (Rs 0.04 Crore).

27. Segment information

The Company has only one business segment i.e. Power evacuation infrastructure services and it does not have any geographical segment. Hence, the segment reporting as required under Accounting Standard 17 is not applicable.

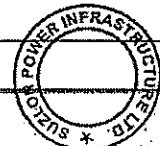
28. Related party disclosures

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	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 Gujarat Wind Park Limited	Subsidiary
2	Suzlon Global Services Limited	Fellow subsidiary
3	Aspen Infrastructures Limited	Entities where KMP/RKMP have significant influence
4	Sarjan Realities Limited	Entities where KMP/RKMP have significant influence
5	Sandla Wind Project Private Limited	Entities where KMP/RKMP have significant influence
6	Tanti Holdings Private Limited	Entities where KMP/RKMP have significant influence
7	Suzlon Power Infrastructure Ltd - Gratuity fund	Employee funds



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

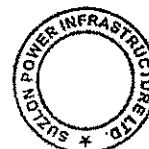
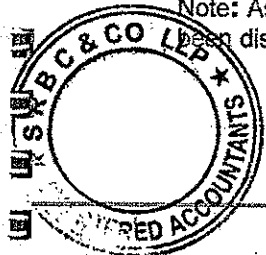
I. Transactions between the Company and the related party and the status of outstanding balances as at March 31, 2016

Particulars	Holding company	Subsidiaries	Fellow subsidiaries	Entities where KMP/RKMP have significant influence	Employee funds
Transactions :					
Loans / ICD received	369.81 (284.93)	- (-)	- (-)	- (-)	- (-)
Sales of goods and services rendered	9.28 (39.62)	0.37 (0.10)	0.20 (0.13)	2.21 (-)	- (-)
Purchase of goods and services	0.17 (0.05)	25.78 (0.28)	- (-)	6.30 (-)	- (-)
Interest expenses	44.36 (24.90)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses	0.01 (-)	0.06 (-)	0.00* (-)	- (-)	- (-)
Advances given	- (-)	- (-)	- (-)	89.16 (-)	- (-)
Contribution to gratuity fund	- (-)	- (-)	- (-)	- (-)	0.13 (-)
Addition in equity share capital	191.60 (-)	- (-)	- (-)	- (-)	- (-)
Investment in Suzlon Gujarat Windpark Limited equity shares	- (-)	191.60 (-)	- (-)	- (-)	- (-)
* Less than 0.01 Crore					
Outstanding Balances :					
Trade receivables	10.47 (8.51)	- (0.76)	- (-)	2.52 (-)	- (-)
Trade payables	- (0.62)	- (0.06)	- (-)	2.14 (-)	- (-)
Advance to suppliers	- (-)	- (-)	- (-)	87.61 (-)	- (-)
Unsecured loan	519.48 (287.15)	- (-)	- (-)	- (-)	- (-)

II. Disclosure of significant transactions with related parties:

Type of Transaction	Type of Relationship	Name of the entity / person	March 31, 2016	March 31, 2015
Sales of goods and services rendered	Subsidiary	Suzlon Gujarat Wind Park Limited	0.37	0.13
	Entities where KMP/RKMP have significant influence	Sandla Wind Project Private Limited	2.21	-
Purchase of goods and services	Subsidiary	Suzlon Gujarat Wind Park Limited	25.78	-
	Entities where KMP/RKMP have significant influence	Sarjan Realities Limited	4.88	-
Advances given	Entities where KMP/RKMP have significant influence	Aspen Infrastructures Limited	42.67	-
	Entities where KMP/RKMP have significant influence	Tanti Holdings Private Limited	46.49	-
Reimbursement of expenses	Subsidiary	Suzlon Gujarat Wind Park Limited	0.06	-
Investment in Suzlon Gujarat Windpark Limited equity Shares	Subsidiary	Suzlon Gujarat Wind Park Limited	191.60	-
Contribution to gratuity fund	Employee funds	Suzlon Power Infrastructure Limited - Gratuity fund	0.13	-

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



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

29. Capital and other commitments

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	0.02	Nil

30. Contingent liabilities

	March 31, 2016	March 31, 2015
Disputed dues with government authorities	-	0.09
Interest under MSMED Act, 2006	4.48	1.89
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.

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

Sr. No.	Particulars	March 31, 2016	March 31, 2015
I	Principal amount remaining unpaid to any supplier as at the end of the year	0.46	0.06
I	Interest due on the above amount	0.01	-
III	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	-	-
IV	Amounts of payment made to the suppliers beyond the appointed day during the year	4.79	0.57
V	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-
VI	Amount of interest accrued and remaining unpaid at the end of the year*	-	-
VII	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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	4.48	1.89

* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 amounting Rs 4.48 Crore (Rs 1.89 Crore) is not accrued in the books of accounts.

32. Disclosure required under Sec 186(4) of the Companies Act, 2013 :

For details of loans and guarantees given to related parties refer Note 28 and Note 30
For details of investments made refer Note 15
For details of Securities given refer Note 8(a)

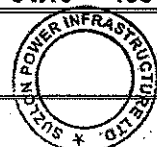
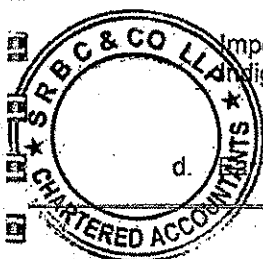
33. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013, read with section 129 of the Companies Act 2013

- Value of imports calculated on CIF basis Rs Nil (Rs Nil).
- Expenditure in foreign currency (accrual basis) Rs Nil (Rs 0.13 Crore).
- Imported and Indigenous raw materials consumed:

March 31, 2016		March 31, 2015	
Amount	%	Amount	%
74.45	100%	34.10	100%
74.45	100%	34.10	100%

Imported
Indigenous

- Expenditure in foreign currency (accrual basis) Rs Nil (Rs Nil).



Suzlon Power Infrastructure Limited

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

All amounts in Rupees Crore, unless otherwise stated

34. Prior year amounts have been reclassified wherever necessary to conform to current year presentation. Figures in the 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 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 Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN : 00002276

Place : Pune
Date : JULY 14, 2016

Vinod R. Tanti
Director
DIN : 00002266

