

SUZLON ENERGY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2018

SUZLON ENERGY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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SUZLON ENERGY LIMITED
MANAGEMENT AND ADMINISTRATION

1.

		Date of Appointment	Date of Resignation
DIRECTORS	Mrs. Caryl Rey	17 March 2006	-
	Mr. Tulsi Ranchhodbhai Tanti	17 March 2006	-
	Mr. Hilbert Jan Frans Visscher	21 April 2015	-
	Mr. Nimish Harendra Shah (alternate to Mr. Tulsi Ranchhodbhai Tanti)	22 April 2015	-
	Mr. Neermalsingh Poonie	04 May 2015	14 November 2017
	Mr. Sanjay Baweja	06 February 2017	03 October 2017
	Mr. Julien Rey	14 November 2017	-
ADMINISTRATOR AND SECRETARY	Navitas Management Services Ltd. Navitas House Robinson Lane Floreal Mauritius		
REGISTERED OFFICE	C/o Navitas Management Services Ltd. Navitas House Robinson Lane Floreal Mauritius		
AUDITORS	Ernst & Young 9th Floor NeXTeracom Tower I Cybercity Ebene Mauritius		
BANKERS	Barclays Bank Mauritius Limited 1st Floor, Barclays House Cybercity Ebene Mauritius		
	State Bank Of India London Main Branch 15 King Street London EC2V 8EA		

SUZLON ENERGY LIMITED
COMMENTARY OF DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018

2.

The directors present the audited financial statements of Suzlon Energy Limited (the "Company") for the year ended 31 March 2018.

PRINCIPAL ACTIVITY

The Company was incorporated in Mauritius under the Companies Act 2001 on 17 March 2008 as a private domestic company with liability limited by shares. The Company has been converted to a Category 1 Global Business Licence Company on 12 May 2015.

The principal activity of the Company is that of an investment holding company engaged in projects involving in the use of non-conventional resources such as wind energy and wave energy.

MEMBERS OF THE BOARD OF DIRECTORS

Mrs. Caryl Rey

Mr. Tulsil Tulsibhai Ranchhodbhai Tanti

Mr. Hilbert Jani Frans Vlisscher

Mr. Nimish Harendra Shah - alternate to Mr. Tulsibhai Ranchhodbhai Tanti

Mr. Neermalsingh Poonie (removed during the year)

Mr. Sanjay Baweja (removed during the year)

Mr. Julien Rey (appointed during the year)

RESULTS AND DIVIDENDS

The Company's net loss for the year ended 31 March 2018 is EUR 409,035 (2017: Profit of EUR 33,194).

The directors do not recommend the payment of a dividend for the year under review (2017: NIL).

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position at 31 March 2018 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act 2001.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Approved and authorised for issue by the Board of Directors on

29th May 2018



Nimish Harendra Shah (DIRECTOR)



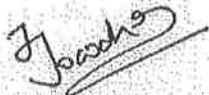
Julien Rey (DIRECTOR)

**SUZLON ENERGY LIMITED
SECRETARY'S CERTIFICATE
FOR THE YEAR ENDED 31 MARCH 2018**

3.

Secretary's Certificate under section 166(d) of the Companies Act 2001

In accordance with section 166(d) of the Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.



For and on behalf of
Navitas Management Services Ltd.
Secretary

Date: **29 MAY 2018**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUZLON ENERGY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Suzlon Energy Limited ("the Company") set out on pages 7 to 24, which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of Directors and the Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note x to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUZLON ENERGY LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements (Continued)

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SUZLON ENERGY LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Other matter

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



ERNST & YOUNG
Ebène, Mauritius



DARYL CSIZMADIA, C.A. (S.A).
Licensed by FRC

Date: 29 MAY 2018

SUZLON ENERGY LIMITED

7.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 EUR	2017 EUR
Income			
Other income		-	50.000
Interest income		1.391	-
		<u>1.391</u>	<u>50.000</u>
Expenses			
Director fees		(3.954)	(3.837)
Audit fees		(4.178)	(4.884)
Legal Expenses		(246.932)	(477)
Bank charges		(4.091)	(2.029)
External assistance/consultancy		(14.872)	(4.511)
Insurance - Other		(1.911)	-
Provision for Impairments		(1)	-
Loss on foreign exchange		(134.487)	(1.068)
Total Expenses		<u>(410.426)</u>	<u>(16.807)</u>
(Loss)/Profit before taxation		(409.035)	33.194
Taxation	9	-	-
(Loss)/Profit before for the year		(409.035)	33.194
Other Comprehensive Income for the year		-	-
Total Comprehensive (Loss)/Income for the year, net of tax		(409.035)	33.194

The notes on pages 11 to 24 form an integral part of these financial statements.
Auditors' report on pages 4 to 6.

SUZLON ENERGY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

8.

ASSETS	Note	2018 EUR	2017 EUR
Non-current assets			
Investments	5	9,233,867	5
Loans receivables	7	1,904,967	-
		<u>11,138,834</u>	<u>5</u>
Current assets			
Prepayments		1,704	1,837
Bank balances		<u>211,205</u>	<u>1,172,142</u>
		<u>212,909</u>	<u>1,173,979</u>
Total assets		<u><u>11,351,743</u></u>	<u><u>1,173,984</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	6	11,646,591	1,119,291
(Accumulated losses)/retained earnings		<u>(400,649)</u>	<u>8,387</u>
Shareholders' interest		<u>11,245,942</u>	<u>1,127,678</u>
Current liabilities			
Trade and other payables	8	<u>105,801</u>	<u>46,306</u>
		<u>105,801</u>	<u>46,306</u>
Total equity and liabilities		<u><u>11,351,743</u></u>	<u><u>1,173,984</u></u>

Approved and authorised for issue by the Board of Directors on 29 MAY 2018

NAME OF DIRECTORS

SIGNATURES

Nimish Harendra Shah (DIRECTOR)

Julien Rey (DIRECTOR)



The notes on pages 11 to 24 form an integral part of these financial statements.
Auditors' report on pages 4 to 6.

SUZLON ENERGY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

9.

	Note	Stated capital EUR	(Accumulated losses)/retained earnings EUR	Total EUR
At 01 April 2016		1.119.291	(24.807)	1.094.485
Profit for the year		-	33.194	33.194
Other comprehensive income for the year		-	-	-
At 01 April 2017		1.119.291	8.387	1.127.678
Share capital issued during the year		10.527.300	-	10.527.300
Loss for the year		-	(409.035)	(409.035)
Other comprehensive income for the year		-	-	-
As at 31 March 2018		11.646.591	(400.648)	11.245.943

The notes on pages 11 to 24 form an integral part of these financial statements.
Auditors' report on pages 4 to 6.

SUZLON ENERGY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

10.

	Note	2018 EUR	2017 EUR
Cash flow from operating activities			
(Loss)/Profit for the year before taxation		(409.035)	33.194
<i>Adjustments for:</i>			
Loss on exchange difference		134.487	1.068
Interest Income		1.391	-
<i>Changes in working capital:</i>			
Prepayments		133	(82)
Trade and other payables	8	59.495	(253.706)
Net cash used in operating activities		(213.529)	(219.526)
Cash flows from investing activities			
Purchase of investments	5	(9.233.862)	(4)
Net cash used in investing activities		(9.233.862)	(4)
Cash flows from financing activities			
Proceeds from Issue of Shares		10.527.300	-
Loans given to Group companies		(1.906.358)	-
Net cash from financing activities		8.620.942	-
Net movement in cash and cash equivalents		(826.450)	(219.530)
Cash and cash equivalents at beginning of year		1.172.142	1.392.740
Effect of foreign exchange difference		(134.487)	(1.068)
Cash and cash equivalents at end of year		211.205	1.172.142

The notes on pages 11 to 24 form an integral part of these financial statements.
Auditors' report on pages 4 to 6.

1. GENERAL INFORMATION

Suzlon Energy Limited ("the Company") is a private Company with liability limited by shares incorporated in the Republic of Mauritius on 17 March 2006. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The Company has its registered office at c/o Navitas Management Services Ltd., Navitas House, Robinson Lane, Floreal, Republic of Mauritius.

The principal activity of the Company is that of an investment holding in companies engaged in projects involved in the use of non-conventional resources such as wind energy and wave energy.

The financial statements of the Company for the year ended 31 March 2018 were authorised for issue in accordance with a resolution of the directors on the date as stamped on page 2.

2. BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention and are presented in Euro ('EUR'). The preparation of financial statements in conformity with IFRS requires the use of certain critical account estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company is the holder of a Category 1 Global Business License and has a subsidiary. The Company has elected in accordance with the Fourteenth Schedule of the Companies Act 2001, Section 12, to not to prepare group financial statements in accordance with Section 211 of the Companies Act 2001 "Contents and form of financial statements".

The basis of preparation of these financial statements complies with International financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), except for the application of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities. Instead of presenting consolidated financial statements of the Group, the Company only presents separate financial statements as described in IAS 27 - Separate Financial Statements.

2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted in these financial statements are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for the financial year, none of which are expected to have an impact on the Company.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

Transactions and balances (Continued)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Financial assets

(i) *Initial recognition and measurement*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchases) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents.

(ii) *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and the losses arising from impairment are recognised in profit or loss.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Subsequent measurement (Continued)

Derecognition (Continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment of non-financial 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) fair value less costs to sell and its value in use and 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. 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 fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

Financial liabilities

(i) *Initial recognition and measurement*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

The Company's financial liabilities consist of trade and other payables.

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Equity instruments

Equity instruments are recorded at the proceeds received, net of direct issue costs, and are classified as equity.

Investment in subsidiary

A subsidiary is an enterprise which the Company controls. Control is achieved where the Company has power over more than one half of the voting rights or the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investment in subsidiary undertakings is shown at cost in the Company's financial statements. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

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

Consolidated financial statements

The Company owns 100% of the issued share capital of Suzlon Wind Energy Limited, 80% of Suzlon Wind Energy South Africa, 99% of Suzlon Energy A/S, which are considered to be subsidiary undertakings. Also it holds 6.41% of the issued share capital of Suzlon Energia Eolica do Brasil Ltda. in which 93.59% is held by Suzlon Energy A/S.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated financial statements (Continued)

The Company has also acquired during the year, 100% of the issued share capital of Suzlon Wind Energy Uruguay SA and Suzlon Wind Energy Lanka Pty. Ltd. which are also considered as subsidiary undertakings.

The Company being the parent is required to prepare consolidated financial statements under IFRS 10 "Consolidated Financial Statements". The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly owned parent company holding a Category 1 Global Business License not to present consolidated financial statements which contain financial information of the Company. These financial statements are of the individual company only and do not contain consolidated financial information as parent of the group.

Under IFRS 10 "Consolidated Financial Statements", consolidated financial statements of the Company and its subsidiaries as a group should have been presented as the Company's ultimate parent does not produce consolidated financial statements available for public use that comply with International Financial Reporting Standards. The directors are of opinion that preparation of consolidated financial statements that comply with International Financial Reporting Standards will not be useful to its parent as the Company is wholly owned by its ultimate parent Suzlon Energy Limited (India) which produces consolidated financial statements prepared in accordance with Indian Generally Accepted Accounting Principles. The registered office of Suzlon Energy Limited (India) is "Suzlon", 5, Shrimati Society, Near Shri Krishna Complex, Navarangpura, Ahmedabad - 380009.

Taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxation

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences unless the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or subsequently enacted at the reporting date.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

Related parties

Related parties are individuals and companies where the individual or the Company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Expenses

All expenses are recognised in profit or loss on an accruals basis.

3. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards	Effective for accounting period beginning on or after
IFRS 9 Financial Instruments	01 January 2018

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The option of designating an instrument at fair value through profit or loss (FVTPL), or fair value through other comprehensive income (FVOCI) or amortised cost has been eliminated for most of the instruments.

The Company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard in the year beginning after 1 January 2018, i.e., 1 April 2018:

The Company measures its financial assets, i.e. loan receivables, at an amortised cost as per IAS 39. However, it would require to apply fair value method for the valuation of such assets. The Company is still analysing the financial impact of the same.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical accounting judgements in applying the Company's accounting policies

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors described therein and have determined that the functional currency of the Company is the Euro.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Impairment of Investment

The Company's management evaluates the net worth of the investees on the Balance Sheet date. In case there is uncertainty of return of the amount invested into that investee company, a provision is created against the investment upto that extent.

During the year, the company has provided for the investment made in Suzlon Energia Eolica do Brasil Ltda. of EUR 1 as the investee company is under the process of liquidation. And the Investment in Suzlon Wind Energy Limited was already fully provided as per management decision. All other investments are held at their full value.

SUZLON ENERGY LIMITED
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FOR THE YEAR ENDED 31 MARCH 2018

18.

5. INVESTMENT IN SUBSIDIARY

	2018	2017
	EUR	EUR
At 01 April 2017	5	1
Purchase of Investments*	9.233.862	4
At 31 March 2018	9.233.867	5

* The Company has acquired 100% stake in Suzlon Wind Energy Uruguay on 15 June 2017 for a consideration of EUR 3.04 million and Suzlon Wind Energy Lanka (Pvt) Ltd. on 26 March 2018 for a consideration of EUR 1.68 million respectively. The full amount consideration for all above purchases has been paid to AE Rotor Holding B.V. The Company has also acquired additional shares in Suzlon Energy A/s Denmark for a consideration of EUR 4.5 million.

Details of investment are as follows:

Name of the Company	Type of shares	Place of incorporation	% Effective Holding		2018	2017
			2018	2017	EUR	EUR
Suzlon Wind Energy Limited	Equity	United Kingdom	100%	100%	1	1
Suzlon Wind Energy Uruguay, SA	Equity	Uruguay	100%	100%	3.040.000	-
Suzlon Energia Eolica do Brasil Ltda.	Equity	Brazil	99%	99%	1	1
Suzlon Wind Energy South Africa	Equity	South Africa	80%	80%	1	1
Suzlon Energy A/S	Equity	Denmark	99%	99%	4.513.864	2
Suzlon Wind Energy (Lanka) Pty. Ltd.	Equity	Sri Lanka	100%	-	1.680.000	-

The Company has fully Impaired all its stake in Suzlon Wind Energy Limited, UK. There is a negative lien in favour of 'Offshore Security Trustee' for all its shares in Suzlon Wind Energy Limited as on 31 March 2018.

6. STATED CAPITAL

	2018	2017
	EUR	EUR
<i>Issued and fully paid:</i>		
4,401,315,657 (2017: 4,358,552,059) ordinary shares at no par value	11.646.591	1.119.291

7. LOANS AND OTHER RECEIVABLES

	2018	2017
	EUR	EUR
Suzlon Wind Energy Corporation (Note 10)	1.904.967	-

* The Loan is repayable by 31 March 2020 as per the Loan agreement. The interest is chargeable at an Annual Mid-term Applicable Federal Rate as published monthly by Internal Revenue Service of United States, to be compounded annually.

8. TRADE AND OTHER PAYABLES

	2018	2017
	EUR	EUR
Accruals	37.774	11.360
Amount due to related companies (note 10)	68.027	34.946
	105.801	46.306

Amount due to related companies are unsecured, interest-free and repayable on demand.

9. TAXATION

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. At 31 March 2018, the Company had tax losses.

A reconciliation between accounting profit and tax expense for the years 31 March 2018 and 2017 is as follows:

	2018	2017
	EUR	EUR
(Loss)/Profit for the year	(409.035)	33.194
Add: Expenditure disallowed	134.487	1.068
Chargeable income	(274.548)	34.262
Loss brought forward	(55.448)	(89.710)
Loss carried forward	(329.997)	(55.448)

10. RELATED PARTY DISCLOSURES

During the year, the Company had the following transactions on an arm's length basis with related entities. Details of the nature, volume of transactions and balances with these related entities are as follows:

Name of company	Relationship	Nature of transactions	Volume of transactions during the year (net)	Balances at 31 March 2018	Balances at 31 March 2017
			EUR	EUR	EUR
AE Rotor Holding B.V (AERH)	Group companies	Trade and other payables	32.681	65.470	32.788
Suzlon Wind Energy Corporation		Loans and advances	1.904.967	1.904.967	-
Navitas Corporate Services Ltd.		Administration, secretarial and directors fees	399	2.557	2.158

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair values

The carrying amount of the Company's financial assets and financial liabilities approximate their fair values.

Financial risk factors

The Company's activities expose it to a variety of financial risks such as credit risk, market risk (including cash flow interest rate risk, foreign currency risk and other price risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk

With respect to credit risk arising from financial assets, which comprises of its cash at bank, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

2018

		Of which: neither	Of which: not impaired and past due in the following periods		
	Carrying amount	impaired or past due	Less than 90 days	Between 91 and 180 days	More than 180 days
	EUR	EUR	EUR	EUR	EUR
Cash at bank	211.205	211.205	-	-	-
At 31 March 2018	211.205	211.205	-	-	-

2017

		Of which: neither	Of which: not impaired and past due in the following periods		
	Carrying Amount	impaired or past due	Less than 90 days	Between 91 and 180 days	More than 180 days
	EUR	EUR	EUR	EUR	EUR
Cash at bank	1.172.142	1.172.142	-	-	-
At 31 March 2017	1.172.142	1.172.142	-	-	-

The financial assets are neither past due nor impaired at the reporting date. The cash balance is held with reputable institutions.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The types of risk that the Company is exposed in relation to market prices are: cash flow interest rate risk, foreign currency risk and other price risk.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The impact of changes in interest rates on the Company's financial assets on account of Cash and cash equivalents is minimal. As such, the effect of a sensitivity analysis on the Company's profit before tax is negligible. However, on the loan given to its Group company, Suzlon Wind Energy Corporation, is at a floating rate of interest, the company is exposed to fluctuations in the amount of interest income.

The impact of changes in interest rates on the Company's financial liabilities is nil since there are no interest sensitive financial liabilities.

The table below analyses the Company's interest rate risk exposure in terms of the remaining period to the next contractual repricing date or to the maturity date, whichever is the earlier. The floating rate column represents the financial assets and liabilities which have floating rates of interest that do not reprice at set dates, but rather reprice whenever the underlying interest rate index changes.

	Total	Floating	Non-interest sensitive
	EUR	EUR	EUR
As at 31 March 2018			
Financial assets	2.116.172	2.116.172	-
Financial liabilities	105.801	-	105.801
As at 31 March 2017			
Financial assets	1.172.142	1.172.142	-
Financial liabilities	46.306	-	46.306

Foreign currency risk

The Company has financial assets and financial liabilities which are denominated in Mauritian Rupee ("MUR") and United States Dollar ("USD"). Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the MUR and USD may change in a manner which has a material effect on the reported value of the Company's financial assets and financial liabilities denominated in MUR and USD.

The Company's financial assets mainly comprise of Bank balances and Loans given to group companies. The impact in exchange rates on the bank balances is minimal. However, there is a loan given denominated in USD on which exchange differences would arise on periodic reset of exchange rates. As such, the effect of a sensitivity analysis on the Company's profit before tax is as below.

There are no financial liabilities denominated in foreign currency, therefore the impact of exchange rates and the effect of sensitivity analysis on company's financial liabilities remains nil.

	% Change in currency rate	Effect on profit before tax
March 31, 2018	+5%	85.335
	-5%	(85.335)
March 31, 2017	+5%	54.856
	-5%	(54.856)

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2018		2017	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	EUR	EUR	EUR	EUR
Mauritian Rupee	15	-	16	-
Euro	173.290	103.244	1.171.925	41.275
United States Dollar	37.900	2.557	201	5.032
	211.205	105.801	1.172.142	46.306

Other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company's investments are unquoted and are held subsidiaries as listed in Note 5 above.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risks that may arise.

Residual contractual maturity of financial liabilities are presented below in Euro (EUR).

	31 March 2018		
	Within 1 year	Greater than 1 year	Total
	EUR	EUR	EUR
Trade and other payables	105.801	-	105.801
	31 March 2017		
	Within 1 year	Greater than 1 year	Total
	EUR	EUR	EUR
Trade and other payables	46.306	-	46.306

12. CAPITAL MANAGEMENT

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 March 2018 and 31 March 2017.

13. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements of the Company are presented in Euro ("EUR"). The directors of the Company have determined that the functional currency should be the EUR. As the company conducts most of its transactions in foreign currencies, the Company has chosen Euro as its functional and presentation currency. Its "domiciled" currency, the Mauritian Rupee, does not reflect the fundamentals of the business as the major transactions are carried in Euro. After careful evaluation, the Company has opted for the Euro as its functional and presentation currency as the presentation of the financial statements in Euro results in the financial statements providing a more faithful view of the Company's affairs than by presentation in Mauritius currency.

14. HOLDING AND ULTIMATE HOLDING COMPANY

The directors consider Suzlon Energy Limited (India), the registered office of which is "Suzlon", 5, Shrimati Society, Near Shri Krishna Complex, Navarangpura, Ahmedabad - 380009 as the Company's holding and ultimate holding company.

15. EVENTS AFTER REPORTING DATE

There have occurred no such events after the balance sheet date that represent material changes and commitments affecting the financial position of the company.