Suzlon Wind Energy España, S.L.
(Single Shareholder Company)

Audit Report,
Annual Accounts and Management Report
as of March 31, 2018

Audit Report on the Annual Accounts Issued by an Independent Auditor

To the Single Shareholder of Suzlon Wind Energy España, S.L. (Single Shareholder Company):

Conditional Opinion

We have audited the annual accounts for Suzlon Wind Energy España, S.L. (Single Shareholder Company) (hereinafter the "Company"), which consist of the balance sheet as of March 31, 2018, the profit and loss account, the statement of changes in equity, the cash flow statement, and the report corresponding to the financial year ending on the aforementioned date.

In our opinion, except with respect to the issue described in the *Basis of the Conditional Opinion* section of our report, the attached annual accounts express, in all of their significant aspects, an accurate image of the wealth and financial situation of the Company as of March 31, 2018 as well as its profit/loss and cash flows corresponding to the financial year ending on the aforementioned date, in accordance with applicable regulations on financial information (which are identified in Note 2 of the report) and in particular with the accounting principles and criteria contained in them.

Basis of the Conditional Opinion

As explained in Note 16 of the attached report, the Company has tax declarations open to inspection by the tax authorities for taxes corresponding to financial years that have not yet expired, due to the fact that errors have not been resolved in the documentation of transfer prices that resulted in tax proceedings from tax inspections from previous financial years (Note 13). In the event of a tax inspection, differences in the interpretation of transfer price regulations would highlight the need to record an additional debt the amount of which is not liable to be objectively quantified. Our opinion as auditors on the annual accounts corresponding to the financial year ending on March 31, 2017 contains an exception with respect to this matter.

We have completed our audit in accordance with regulations applicable to accounts auditing in effect in Spain. Our responsibilities as per these regulations are described below in the section entitled *Responsibilities of the Auditor in Relation to Annual Accounts Auditing* of our report.

We are independent from the Company in accordance with ethics requirements, including independence requirements, which are applicable to our annual accounts auditing activity in Spain as per legislation regulating accounts auditing. In this sense, we have exclusively provided accounts auditing services and have not become involved in situations or circumstances which in accordance with the aforementioned regulations would have affected our necessary independence in such a way as to compromise it.

We consider that the auditing evidence that we have obtained provides a sufficient and adequate basis for our conditional opinion.

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Most Relevant Aspects of the Audit

The most relevant aspects of the audit are those which in our professional opinion have been considered the most significant risks of material misstatement in our auditing of the annual accounts for the current period. These risks have been covered in the context of our auditing of the annual accounts in their entirety and in the formation of our opinion on these accounts, and we are not expressing a separate opinion on these risks.

In addition to the issue described in the *Basis of the Conditional Opinion* section, we have determined that the risks that are described below are the most significant risks considered in the auditing that must be communicated in our report.

Most relevant aspects of the audit	**Way that they have been addressed in the audit**
Recording on the books of loans to group companies The attached annual accounts present, in their assets section, short- and long-term investments in group and associated companies which mainly correspond to loans granted to group companies for an amount of €7.610 million, which represent practically the entirety of the balance sheet. The Board of Directors evaluates these loans in accordance with the indications of Notes 4.5 and 4.6 "Financial Assets and Liabilities" of the attached annual accounts. Given the magnitude of the amount indicated, we consider this the most relevant aspect of our audit.	We have carried out the following procedures to test the loans granted by the Company: • We have evaluated the financial situation of its Single Shareholder and the final parent company of the Sulzon Energy Group, both of which are loan recipients, checking relevant public information and analyzing the liquidity of these companies. • We have checked the balances between group companies to check that the recipient has these loans recorded in its liabilities by obtaining confirmation from the recipient. • We have recalculated the principal amount of the remuneration pending liquidation and the interest income perceived during the financial year. • We have checked if the short- or long-term classification of loans is adequate. Last of all, we have evaluated the adequacy of the information revealed in the annual accounts with respect to loans. Based on the procedures carried out, we consider that the focus and information provided by the Board of Directors is reasonable and consistent with the evidence obtained.

Most relevant aspects of the audit	Way that they have been addressed in the audit
Income: concentration of business among few clients Currently, the income of Suzlon Wind Energy España, S.L. (Single Shareholder Company) is mainly derived from the Operations and Maintenance services that it provides, which are entirely dependent on four contracts which will be renewed every 5 years. These contracts can be terminated in the event of breach of contract by any of the parties in such a way that the damaged party will be permitted to demand compliance with or termination of the contract with the right to compensation for damages. Therefore, the Company's income is backed by the aforementioned contracts, on which the budgets approved by the Company are based. The evaluation of the likelihood of the renewal of compliance with contractual clauses and the degree of concentration of clients that this implies is a relevant aspect.	We have confirmed with the Company that contracts remain in effect and that all of the contractual conditions stipulated in them have been followed. Likewise, we have confirmed whether renegotiation is underway or whether there have been significant changes or modifications that could affect them during the financial year. We have evaluated the recording of income taking into consideration the terms and obligations of contracts with clients. Based on the work that we have carried out, we consider that the focus of the Board of Directors is reasonable and is backed by the available evidence.

Other Information: Management Report

Other Information exclusively consists of the management report for the financial year ending on March 31, 2018, the formulation of which is the responsibility of the Company's administrators, and which does not form an integral part of the annual accounts.

Our auditor opinion on the annual accounts does not cover the management report. Our responsibility with respect to the management report, in accordance with the requirements of legislation regulating accounts auditing activities, consists of evaluating and reporting on the consistency of the management report with the annual accounts based on knowledge of the entity obtained while carrying out the auditing of the aforementioned accounts, without including information other than that obtained as evidenced during this audit. Likewise, our responsibility consists of evaluating and reporting on whether the content and presentation of the management report are compliant with applicable regulations. If, based on the work that we have carried out, we come to the conclusion that material misstatements exist, we are required to report these.

Based on the work carried out, and as per the previous paragraph, the information contained in the management report is consistent with that of the annual accounts for the financial year ending on March 31, 2018, and its contents and presentation are compliant with applicable regulations.

Responsibility of the Administrators in Relation to the Annual Accounts

The administrators are responsible for formulating the attached annual accounts in such a way that they accurately reflect the wealth, financial situation, and profit/loss of the Company in accordance with regulations on financial information applicable to the entity in Spain, and for implementing the internal checks that they consider necessary in order to enable the preparation of annual accounts free of material misstatements due to fraud or errors.

In preparing the annual accounts, the administrators are responsible for evaluating the Company's capacity to continue as a going concern, reviewing, whenever necessary, issues related to the going concern principle and using the accounting principle of the going concern, except if the administrators have the intention of liquidating the Company or ceasing its operations, or if no other realistic alternative exists.

Responsibilities of the Auditor in Relation to Annual Accounts Auditing

Our goals are to obtain reasonable certainty that the annual accounts in their entirety are free of material misstatements due to fraud or error and to issue an audit report containing our opinion. Reasonable certainty is a high degree of certainty; nonetheless, it does not guarantee that an audit carried out in accordance with accounts auditing regulations in effect in Spain will always detect a material misstatement when one exists. Misstatements can be due to fraud or error, and they are considered to be material if individually or as a whole they can be reasonably assumed to have an influence on the financial decisions that users make based on the annual accounts.

As a part of an audit complying with accounts auditing regulations in effect in Spain, we apply our professional judgment and maintain a skeptical professional attitude during the entire audit. In addition:

- We identify and assess risks of material misstatements in the annual accounts due to fraud or error; we design and apply audit procedures to address these risks; and we obtain sufficient and adequate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the case of a material misstatement due to error, because fraud can involve collusion, forgery, deliberate omissions, intentionally erroneous declarations, or the eluding of internal checks.

- We obtain knowledge on internal checks that are relevant to the audit in order to design auditing procedures that are suitable based on the circumstances, and not in the goal of expressing an opinion on the effectiveness of the entity's internal checks.

- We evaluate whether the accounting policies applied are adequate as well as the reasonable nature of accounting estimates and the corresponding information revealed by administrators.

- We conclude whether the use of the accounting principle of the going concern by administrators is suitable based on the audit evidence obtained, and we conclude whether there exists material uncertainty related to facts or conditions that could generate significant doubts around the capacity of the Company to continue as a going concern. If we conclude that material uncertainty exists, we are required to signal this in our audit report on the corresponding information revealed in the annual accounts, or if these revelations are not adequate, we are

required to express a modified opinion. Our conclusions are based on the auditing evidence obtained up to the date of our audit report. Nonetheless, future facts or conditions can cause the Company to cease to be a going concern.

- We evaluate the overall presentation, structure, and contents of the annual accounts, including the information revealed, and whether the annual accounts

  present transactions and underlying factors in such a way that they are successful in presenting an accurate image.

We communicate with the administrators of the entity, among other topics, in relation to the scope and time of the execution of the planned audit and the facts that are significant for the audit, as well as any significant deficiencies in the internal checks that we identify during our audit.

Among the significant risks that have been the subject of communication to the administrators of the entity, we have determined those that have been the most significant in the accounts audit for the current period, which are, as a consequence, the risks considered to be the most significant.

We describe these risks in our audit report except in the case that legal or regulatory provisions prohibit their public revelation.

June 14, 2018

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)

Annual Accounts
for the corporate year ending on
March 31, 2018

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ANNUAL ACCOUNTS

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Balance sheet as of March 31, 2018
(Expressed in thousands of euros)

ASSETS	Sections	2018	2017
NON-CURRENT ASSETS		**3,937**	**4,235**
INTANGIBLE FIXED ASSETS	**6**	**2**	**10**
Computer applications		2	10
TANGIBLE FIXED ASSETS	**7**	**33**	**19**
Technical facilities and other tangible fixed assets		33	19
Long-term investments in companies in the group and associates	**8, 9 and 19.1**	**3,821**	**4,125**
Loans with group companies		3,821	4,125
Long-term financial investments	**9**	**81**	**81**
Other financial assets		81	81
CURRENT ASSETS		**4,744**	**5,695**
COMMERCIAL INVENTORY	**10**	**506**	**580**
Raw materials and other supplies		506	580
Long-term investments in companies in the group and associates	**9.1 and 19.1**	**3,789**	**4,672**
Other financial assets		3,789	4,672
Commercial debtors and other accounts receivable		**272**	**403**
Income from sales and the provision of services	**9.1**	16	145
Customers, companies of the group, and associates	**9.1 and 19.1**	252	109
Staff	**9.1**	4	3
Current tax assets	**16**	-	105
Other credits with governments	**16**	-	41
Short-term accruals		**10**	**11**
Cash and Other Equivalent Liquid Assets	**11**	**167**	**29**
Treasury		167	29
TOTAL ASSETS		**8,681**	**9,930**

Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2018.

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Balance sheet as of March 31, 2018
(Expressed in thousands of euros)

NET WEALTH AND DEBTS	Sections	2018	2017
NET WEALTH		**7,270**	**5,918**
SHAREHOLDERS EQUITY		**7,270**	**5,918**
Capital	**12.1**	**3**	**3**
Stated capital		3	3
Reserves	**12.2**	**10,568**	**10,568**
Legal and statutory		11	11
Other reserves		10,557	10,557
Losses from previous corporate years	**12.2**	**(4,653)**	**(4,253)**
Results of the corporate year	**3**	**1,352**	**(400)**
NON-CURRENT DEBTS		**-**	**1,585**
Long-term debts with companies from the group and associates	**14 and 19.1**	**-**	**1,585**
CURRENT DEBTS		**1,411**	**2,427**
Short-term provisions	**13**	**400**	**-**
Short-term debts	**14**	**1**	**6**
Debts with credit institutions		1	6
Commercial creditors and other accounts payable	**14**	**1,010**	**2,421**
Suppliers	**14**	411	1,651
Suppliers, companies in the group and associates	**14 and 19.1**	-	6
Miscellaneous creditors	**14**	81	102
Other debts with governments	**16**	182	230
Customer deposits	**14**	336	432
TOTAL NET WEALTH AND DEBTS		**8,681**	**9,930**

Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2018.

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Summarized profit and loss account corresponding to the corporate year ending on March 31, 2018.
(Expressed in thousands of euros)

	Sections	2018	2017
ONGOING OPERATIONS			
Net income	**17.2**	**5,766**	**5,181**
Sales		1,107	83
Provision of services		4,659	5,098
Supplies	**17.3**	**(2,317)**	**(1,743)**
Consumption of raw materials and other consumables		(2,317)	**(1,743)**
Other operating income		**30**	**30**
Non-core and other current operating income		30	30
Staff expenses	**17.4**	**(2,446)**	**(2,395)**
Wages and similar compensation		(1,976)	(1,909)
Social contributions		(470)	(486)
Other operating expenses		**(756)**	**(818)**
External services	**17.5**	(752)	(820)
Tax contributions		(3)	(3)
Losses, deterioration, and variation in provisions due to business operations	**9.1**	-	6
Other current operating expenses		(1)	(1)
Amortization on fixed assets	**6 and 7**	**(12)**	**(14)**
Surplus provisions		**2**	**6**
Deterioration and losses due to the disposal of assets		**1**	**9**
Lost income due to the disposal assets and others	**7.1**	1	9
Other profit/loss	**17.7**	**422**	**(411)**
OPERATING PROFIT/LOSS		**690**	**(155)**
Other financial income	**17.6**	**419**	**65**
From marketable securities and other financial instruments		40	65
From companies in the group and associates		40	65
From third parties		379	**-**
Financial expenses	**17.6**	**(64)**	**(105)**
On debts with third parties		(64)	(105)
Varying exchange rates	**15**	**71**	**(200)**
Deterioration and losses due to the dumping of financial instruments		**(467)**	**(5)**
On debts with the group	**8**	(67)	(5)
From third parties		(400)	-
FINANCIAL PROFIT/LOSS		**(41)**	**(245)**
PROFIT/LOSS BEFORE TAX		**649**	**(400)**
Tax on earnings	**16**	**703**	**-**
PROFIT/LOSS FOR THE CORPORATE YEAR RESULTING FROM CONTINUED OPERATIONS		**1,352**	**(400)**

Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2018.

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Summarized changes in net wealth corresponding to the corporate year ending as of March 31, 2018
(Expressed in thousands of euros)

A) Summarized statement of recognized income and expenses corresponding to the corporate year ending on March 31, 2018

	Sections	2018	2017
RESULTS OF THE PROFIT AND LOSS ACCOUNT	**3**	**1,352**	**(400)**
TOTAL RECOGNIZED INCOME AND EXPENSES		**1,352**	**(400)**

B) Summarized statement of changes in net wealth corresponding to the corporate year ending on March 31, 2018

	Stated capital (Section 12.1)	Reserves (Section 12.2)	Profit/loss from previous corporate years	Results of the corporate year (Section 3)	TOTAL
BALANCE AS OF MARCH 31, 2016	**3**	**10,568**	**(4,706)**	**453**	**6,318**
Total recognized income and expenses	-	-	-	(400)	(400)
Other variations in net wealth	-	-	453	(453)	-
FINAL BALANCE AS OF MARCH 31, 2017	**3**	**10,568**	**(4,253)**	**(400)**	**5,918**
Total recognized income and expenses	-	-	-	1,352	1,352
Other variations in net wealth	-	-	(400)	400	-
FINAL BALANCE AS OF MARCH 31, 2018	**3**	**10,568**	**(4,653)**	**1,352**	**7,270**

Sections 1 to 22 of the attached Summarized Statement form a part of the Summarized Annual Accounts for the corporate year ending on March 31, 2018.

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Summarized changes in net wealth corresponding to the corporate year ending as of March 31, 2018
(Expressed in thousands of euros)

	31/03/2018	31/03/2017
CASH FLOWS FROM OPERATIONS		
Profit/loss for the corporate year before tax	**1,419**	**(400)**
Adjustments to profit/loss	**50**	**238**
Amortization on fixed assets	12	14
Corrections to values due to deterioration	465	(7)
Deterioration and losses due to the disposal of assets	(1)	(9)
Other financial income	(419)	(65)
Financial expenses	64	105
Varying exchange rates	(71)	200
Changes in current capital	**(1,640)**	**157**
Commercial inventory	74	(95)
Commercial debtors and other accounts receivable	44	3,949
Other current assets	1	(5)
Commercial creditors and other accounts payable	(1,754)	(3.694)
Other long-term assets and liabilities	(5)	2
Other cash flows from operations	**393**	**(123)**
Interest payments	(64)	(105)
Interest charges	419	65
Charges (payments) for corporate tax	38	(83)
Cash flows from operations	**222**	**(128)**
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Investment payments	**(24)**	**(13)**
Intangible fixed assets	-	(7)
Tangible fixed assets	(24)	(6)
Divestment expenses	**(60)**	**(2)**
Tangible fixed assets	7	6
From companies in the group and associates	(67)	(5)
Other financial assets	-	(3)
Cash flows from investment activities	**(84)**	**(15)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Charges and payments on debt instruments	**-**	**(2)**
Debts with credit institutions	-	(2)
Cash flows from financing activities	**-**	**(2)**
NET DOWNWARD ADJUSTMENT IN CASH OR EQUIVALENTS	**138**	**(145)**
Cash or equivalents at the beginning of the corporate year	29	174
Cash or equivalents at the end of the corporate year	167	29

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Summarized statement corresponding to the corporate year ending on March 31, 2018
(Expressed in thousands of euros)

1. COMPANY ACTIVITY

Suzlon Wind Energy España, S.L.U. (hereinafter the Company) was established as a Limited Liability Single-Shareholder Company on March 28, 2007. Its current corporate headquarters is located at calle Rosario Pino 14-16 5º, Madrid.

The Company's main activity is the promotion of wind energy farms and the execution of their construction, importation, and the manufacture of wind generators and their components, supply, installation, service launch, as well as the provision of after-sale services. Currently, it does not have open purchase orders, established sale agreements or projects underway, because of which it only continues the activity of the maintenance and warranty for all wind farms built and delivered during previous years, the contracts for which expire in 2019 or 2020.

The annual accounts have been drawn up by the Administrators of the Company to be submitted for approval by the Single Shareholder, under the belief that they will be approved without any modifications. The summarized annual accounts of the corporate year ending on March 31, 2017 were approved by the Single Shareholder on the date of August 25, 2017.

The Company is a member of the Suzlon Energy Group, the parent company of which is Suzlon Energy Limited (hereinafter the Suzlon Group) with corporate headquarters at Shrimali Society 5, Navrangpura, Ahmedabad – 380009, Gujarat (India), via its single shareholder, Suzlon Energy A/S, with corporate headquarters at Bredskifte Allé 13, Århus V (Denmark).

The operating currency of the Company is the euro, which is also the currency of presentation. The numbers included within the annual accounts are expressed in thousands of euros except when otherwise indicated.

2. BASES OF THE PRESENTATION OF THE SUMMARIZED ANNUAL ACCOUNTS

2.1 Truthful Image

The summarized annual accounts have been prepared based on the accounting documents of the Company and are being presented in accordance with business legislation in effect and the regulations established in the General Accounting Plan approved by Royal Decree 1514/2007 from November 16, as well as modifications included within it via RD 1159/2010 from September 17, and Royal Decree 602/2016, from December 2, for the purpose of providing a truthful image of the wealth, the financial situation, and the profit/loss of the Company, as well as the truthfulness of the cash flows included within cash flow statements.

2.2 The Principle of an Operating Company

Considering that the Company receives financing from its Single Shareholder, which in turn receives financing from the parent company of the Suzlon Group, which has demonstrated to the Administrators that they have its financial support to enable compliance with the commitments and payment obligations taken on by the Company and to ensure the continuity of its operations taking into account future business forecasts related to the provision of maintenance and warranty services at the wind farms delivered during previous corporate years and whose operations and maintenance contracts were extended for 5 additional years during the corporate year ending on March 31, 2015, the Administrators have prepared the present abridged annual accounts according to the going concern principle.

2.3 Critical Aspects of the Assessment and Estimation of Uncertainty

In the preparation of the summarized annual accounts of the Company, the Administrators have carried out estimates to determine the book value of certain assets, liabilities, income, and expenses, and with respect to breakdowns of contingent assets. These estimates have been made based on the best information available as of the closing of the corporate year. Nonetheless, given the uncertainty inherent to them, future information may arise requiring the modification of these aspects during the following corporate years, which if applicable, will be carried out prospectively.

The key assumptions regarding the future, as well as other relevant information on estimates of uncertainty as of the date of the closing of the corporate year, which are associated with a significant risk of causing significant changes in the value of assets and liabilities over the following corporate year are the following:

Impairment in the value of accounts receivable and loans with group companies

These financial assets are initially evaluated based on their reasonable value and subsequently evaluated based on the amortized cost including accrued interest based on the effective interest rate, understood as being the discounting rate that is equal to the book value of the instrument with the entirety of its cash flows estimated up until its expiry. Nonetheless, credits for business operations with an expiry date of less than one year will be assessed, both at the time of their initial acknowledgment as well as subsequently, based on their nominal value so long as the effect of not discounting flows is not significant.

The evaluation of financial assets requires the establishment of estimates by the Management for the purpose of evaluating possible deterioration.

At the least at the end of the corporate year, the corrections in valuations necessary to make due to deterioration are carried out if there exists objective evidence that not all of the amounts that are owed will be recovered.

The value of losses due to the deterioration of the value is the difference between the book value of the asset and the current value of estimated future cash flows, discounted as per the effective interest rate at the time of their initial recording. Corrections in the value, as well as in the event of their reversion, are recorded in the profit and loss account.

(Expressed in thousands of euros)

Corporate tax and deferred tax assets

The calculation of corporate tax requires the interpretation of tax regulations applicable to the Company. In addition, there exist various factors, mainly although not exclusively related to changes in tax law and changes in the interpretation of tax laws currently in effect, which requires the making of estimates by the Executive Management. Likewise, the Company evaluates the recoverability of deferred tax assets based on the existence of future tax bases against which it is possible to realize these assets.

2.4 Comparison of Information

The information contained in this Abridged Accounts Statement referring to the previous corporate year is presented for the purpose of comparison with the current corporate year.

3. APPLICATION OF RESULTS

The proposal the distribution of the profit/loss of the corporate year ending on March 31, 2018, as formulated by the Administrators and which is expected to be approved by the Single Shareholder, is the following:

(Thousands of Euros)	2018
Distribution basis	
Balance of the profit and loss account (Income)	1,352
	1,352
Application	
Losses from previous corporate years	1,352
	1,352

The distribution of the profit/loss for the corporate year ending on March 31, 2017 approved by the Single Shareholder on August 25, 2017 is the following:

(Thousands of Euros)	2017
Distribution basis	
Balance of the profit and loss account (Loss)	(400)
	(400)
Application	
Losses from previous corporate years	(400)
	(400)

4. ACCOUNTING CRITERIA

The main criteria for recording and assessment used by the Company in the creation of the summarized annual accounts for the following:

4.1 INTANGIBLE FIXED ASSETS

Computer applications

The licenses for computer programs acquired from third parties are capitalized based on the costs that have been incurred to acquire and prepare them for the use of the specific program. These expenses are amortized during their estimated lifespan (5 years).

Expenses related to the maintenance of computer programs are considered to be expenses when they are the result of expenses. Costs directly related to the production of unique and identifiable computer programs controlled by the Company, in the case that it is likely that they will generate financial benefits greater than the expenses over the time span of more than one year, are recorded as intangible assets.

4.2 TANGIBLE FIXED ASSETS

Tangible fixed asset elements are initially recorded based on their cost, whether this is the cost of acquisition or the cost of manufacture.

Following their initial recording, tangible assets are valuated based on their cost minus accrued amortization and if applicable, the accrued amount of corrections due to deterioration recorded.

Repairs that do not result in the extension of their lifespan and maintenance expenses are recorded in the profit and loss account of the corporate year during which they take place. Expenses for their refurbishment, extension, or improvement resulting in an increase in their productive capacity for an extension of the lifespan of the goods are registered as a part of the asset as an increase in its value, writing off, if applicable, the book value of the substituted elements.

The amortization on tangible asset elements takes place, starting as of the time when they are available for their operational launch, in a linear manner during their estimated lifespan.

The estimated lifespan for distinct tangible asset elements is five years.

Upon the closing of each corporate year, the Company revises residual values, lifespans, and amortization methods for tangible assets, and if applicable, adjusts these prospectively.

When the book value of an asset is greater than its estimated recoverable value, its value is immediately reduced to that of its recoverable value (Section 4.3).

Profit and loss due to the sale of tangible fixed assets is calculated by comparing the earnings obtained via the sale with the book value, recording this against the profit and loss account.

4.3 Deterioration of the Value of Non-Financial Assets

At the least at of the closing of the corporate year, the Company evaluates if there exists evidence that a non-current asset, or if applicable, a cash generating unit, may be deteriorated. If there exists evidence, its recoverable value is estimated.

The recoverable value is the greater value between the reasonable value minus sales costs and the value being used. When the book value is greater than the recoverable value, a loss due to deterioration is recorded. The value in use is the current value of future expected cash flows, using a risk-free market interest rate adjusted due to specific risks associated with the asset. For assets that do not generate cash flows, to a large extent, independent of those derived from other assets or groups of assets, the recoverable value is determined for the cash generating units to which the aforementioned assets belong.

Corrections in values due to deterioration and their reversion are recorded in the profit and loss account. Corrections in values due to deterioration are reverted when the circumstances justifying them cease to exist. The reversion of the deterioration has a limit constituted by the book value of the asset that would appear if the corresponding deterioration in value had not previously been recorded.

4.4 Leases

Operative lease

Leases in which the lessor retains a significant portion of the risks and benefits derived from the ownership are classified as operative leases. Payments for operative leases (after deducting any incentives received by the lessor) are recorded in the profit and loss account of the corporate year in which they are accrued on a linear basis during the lease period.

4.5 Financial assets

Loans and line items to be collected

Loans and line items to be charged are non-derivative financial assets with fixed or determinable charges that are not listed on an active market. These include current assets, except for ones with expiries more than 12 months from the date of the balance, which are classified as non-current assets. Loans and line items to be collected are included within the categories “Credits to companies” and “Commercial debtors and other accounts receivables” on the summary balance.

These financial assets are initially valuated based on their reasonable value, including the transaction costs directly attributable to them, and subsequently their amortized cost, including accrued interest based on their effective interest rate, which is understood as the discounting rate equal to the book value of the instrument with the entirety of its estimated cash flows up until its expiry. Nonetheless, credits for business operations with an expiry date of less than one year will be assessed, both at the time of their initial acknowledgment as well as subsequently, based on their nominal value so long as the effect of not discounting flows is not significant.

At the least at the end of the corporate year, the corrections in valuations necessary to make due to deterioration are carried out if there exists objective evidence that not all of the amounts that are owed will be recovered.

The value of losses due to the deterioration of the value is the difference between the book value of the asset and the current value of estimated future cash flows, discounted as per the effective interest rate at the time of their initial recording. Corrections in the value, as well as in the event of their reversion, are recorded in the profit and loss account.

Investments in the wealth of the companies of the group and associates

These are valuated based on their cost, minus, if applicable, the accrued value of corrections due to deterioration in value. Nonetheless, when there exists an investment prior to its categorization as a company in the group, multi-group, or associate, its book value prior to this categorization is considered as the cost of the investment. Adjustments in previous assessments directly recorded as a part of net wealth are maintained as a part of it until they are removed from it.

If there exists direct evidence that the book value is not recoverable, the appropriate corrections in the assessment are carried out based on the difference between its book value and the recoverable value, with the latter being understood as the greater of the values between its reasonable value minus sales costs and the current value of cash flows derived from the investment. Except in the event of better evidence of the recoverable amount, in the estimation of the deterioration of these investments, the net wealth of the company whose shares are owned is taken into consideration correcting for implied surplus value as of the date of the assessment. The correction of the value and if applicable its reversion are recorded on the profit and loss account for the corporate year during which it takes place.

4.6 Financial liabilities

Debts and line items receivable

This category includes debts for business operations and debts for non-business operations. These external resources are classified as current liabilities, unless the Company holds the unconditional right to defer their liquidation for at least 12 months following the date of the balance.

These debts are initially recorded based on their reasonable value adjusted for the transaction costs directly attributable to them, subsequently being recorded based on their amortized cost as per the method of the effective interest rate. This effective interest rate is the discounting rate equal to the book value of the instrument with the expected flow of future payments foreseen up until the expiry of the liability.

Nonetheless, debts due to business operations with an expiry of less than one year and which do not have a contractual interest rate are valuated, both at the initial time and subsequently, based on their nominal value when the effect of not discounting effective flows is not significant.

In the event that existing debts are renegotiated, it is considered that there have been no essential modifications to the financial liability when the lender of the new loan is the same as that which granted the initial loan and the current value of cash flows, including net commissions, does not differ by more than 10% of the current value of cash flows pending payment for the original liability calculated based on the same method.

4.7 Commercial inventory

Commercial inventory is valuated based on its price of acquisition or cost of production, or based on its net obtainable value, choosing the lesser of the two. The price of acquisition includes the amount invoiced by the seller after deducting any discounts, price rebates, or similar line items, and all additional expenses produced up until the time at which the goods were ready for their sale, including transportation, customs fees, insurance, and other expenses directly attributable to the acquisition of the stock. The production cost is determined by adding the price of the acquisition of raw materials and other consumables, as well as costs directly attributable to the product. The portion that reasonably corresponds to the expenses indirectly attributable to the product is also included, inasmuch that these costs correspond to the manufacturing, creation, or construction period, which have been incurred up until the time that they are placed for sale and based on the level of use of the normal capacity of the work of production means.

Given that the inventory of the Company does not require a time period greater than one year to attain sale conditions, financial expenses are not included within the price of acquisition or cost of manufacture.

The Company uses the weighted average cost for the assignment of value to inventory.

When the net attainable value of inventory is less than its price of acquisition or cost of production, the appropriate corrections to values are carried out, recording them as an expense in the profit and loss account. For raw materials and other consumables in the production project, corrections to values are not carried out if it is expected that the finished products into which they are incorporated will be sold for a greater amount.

4.8 Cash and Other Equivalent Liquid Assets

This summary includes cash on hand, current accounts, and deposits that meet all of the following requirements:

- They can be converted into cash.
- At the time of their acquisition, their expiry was no greater than three months.
- They are not subject to a significant risk of change in value.
- They form a part of the normal management policy of the treasury of the Company.

4.9 Net Wealth

Company capital is constituted by ordinary shares.

The cost of issuing new shares or options are recorded directly against net wealth, as smaller reserves.

In the event of the acquisition of shares owned by the Company, the remuneration paid, including any directly attributable incremental costs, is deducted from net wealth up until its cancellation, issuance once again, or transfer. When these shares are sold or issued once again subsequently, any amounts received, after deducting any incremental transactional costs directly attributable to them, are included within net wealth.

4.10 Provisions and Contingencies

Provisions for environmental restoration, restructuring costs, and disputes are recorded when the Company has a present obligation, whether legal or implicit, as the result of past events, and for which it is likely that it will be necessary to contribute financial resources to liquidate the obligation and the amount can be estimated in a reliable manner. Restructuring provisions include penalties for the cancellation of leases and payments for laying off employees. Provisions for future operating losses are not recorded.

Provisions are evaluated based on the current value of the expenditures that are expected to be necessary to liquidate the obligation using a pretax rate that reflects current market valuations of the temporary value of the amount and the specific risks of the obligation. Adjustments to the provision based on its discounting are recorded as financial expenditures progressively as they are paid.

Provisions with an expiry of less than or equal to one year without a significant financial effect are not deducted.

When it is expected that a portion of the expense necessary to liquidate the provision will be reimbursed by a third party, the reimbursement is recorded as an independent asset, so long as its receipt is practically ensured.

On the other hand, contingent liabilities are considered to be potential obligations resulting from past events whose materialization is conditional based on whether one or more future events occur independent of the will of the Company. These contingent liabilities are not recorded on the books, with their details being presented in the statement.

4.11 Taxes on Current and Deferred Income

The expenses (income) for corporate income tax are calculated via the sum of current taxes, which is the result of applying the corresponding tax rate to the taxable base of the corporate year minus existing discounts and deductions, and the variations produced during the aforementioned corporate year for assets and liabilities due to recorded deferred taxes. These are recorded in the profit and loss account, except when they correspond to transactions that are directly recorded in net wealth, in which case the corresponding tax is also recorded in net wealth.

Deferred taxes are recorded for temporary differences existing as of the date of the balance between the tax base of assets and liabilities and their book values. The tax base of a wealth element is considered to be the amount attributed to it for taxation purposes.

The Company records a deferred tax liability for all temporary taxable differences, except, if applicable, for exceptions established in applicable legislation.

The Company records deferred tax assets for all temporary tax deduction differences, unused tax credits, and negative tax bases pending compensation, inasmuch that it is likely that the Company will be provided with future taxation income permitted by the application of these assets, except, if applicable, for exceptions established in applicable legislation.

As of the date of the closing of each corporate year, the Company evaluates recorded deferred tax assets and those that have not been previously recorded. Based on this evaluation, the Company then discards previously recorded assets if it is no longer likely that they will be recovered or records any deferred tax assets not previously recorded so long as it is likely that the Company will be provided with future taxation earnings permitted by their application.

Deferred tax assets and liabilities are valuated based on expected taxation rates at the time of the reversion, according to approved legislation in effect, and in accordance with the form in which it can be reasonably expected that the deferred tax asset or liability will be respectively recovered or paid.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets and liabilities, independent of the expected date of their application or liquidation.

On December 3, 2016, Royal Decree Law 3/2016 was published, which adopts taxation measures for the consolidation of public finances introducing relevant modifications to the application of Corporate Tax. Among others, it establishes, effective as of January 1, 2016, the obligation of reversing, within a maximum time frame of 5 years, provisions for impairment in the value of shares that would have been deductible before 2013, limits the compensation of negative taxable bases for large companies (turnover of greater than 60 million euros) to 25% of the previous taxable base, and limits the application of the deduction for domestic or international double taxation generated or pending application to 50% of the entire previous amount.

4.12 Recording of income

Income is recorded based on the reasonable value of the service to receive and represents the amounts charged for the goods delivered and services provided as a part of the Company's ordinary activities, minus returns, rebates, discounts, and value added tax.

The Company records income when the amount of income can be assessed reliably, it is likely that future economic benefits will befall on the Company, and the specific conditions for each of the activities as detailed below are met. It is not considered possible to assess the value of income reliably until all contingencies related to the sale have been lifted. The Company bases its estimates on historical results, taking into account the type of client, the type of transaction, and the concrete terms of each agreement. In accordance with the principle of approval, income and expenses are recorded whenever they occur independent of the date they are invoiced or paid.

Provision of services

The Company provides wind farm maintenance services. These services are provided either based on a date and concrete materials, or as a part of a fixed-price contract for a period of 5 years.

Income from concrete date and materials contracts, which are normally the result of the provision of wind farm maintenance services, are recorded at the rates established in the contract as staff log hours and direct expenses are incurred.

Income is recorded when it is likely that the Company will receive earnings or financial benefits derived from the transaction and the amount of the income and costs incurred or to be incurred can be evaluated reliably. Income is evaluated based on the reasonable value of the compensation received or that will be received, deducting discounts, rebates on the price, and other similar line items that the Company may concede, such as, if applicable, interest incorporated into the nominal value of credits. Indirect taxes that tax operations and which may be passed on to third parties do not form a part of income.

Income derived from fixed-price contracts for the provision of operations and maintenance services is generally recorded during the period during which the services are provided on a linear basis extended over the duration of the contract.

Sales of goods are recorded when the entity sells a product to a customer. Sales are recorded based on their price established in the sale order.

Interest income

Income from interest is recorded using the effective interest rate method. When an account receivable is subject to impairment, the Company reduces its book value to its recoverable value, minus the future cash flows estimated at the effective original interest rate of the instrument, continuing to discount as decreased interest income. Interest income on loans subject to losses due to impairment is recorded using the effective interest rate method.

4.13 Transactions in Foreign Currencies

a) Functional currency and currency of presentation

The company's annual accounts are presented in euros, which is the Company's functional currency and currency of presentation.

b) Transactions and balances

Transactions in foreign currencies are converted into the functional currency by using the exchange rates in effect as of the date of the transaction. Profits and losses on foreign currencies as the result of the liquidation of these transactions and the conversion at closing of the exchange rates for the monetary assets and liabilities held in foreign currencies are recorded against the profit and loss account, except if they differ in net wealth, such as qualified cash flow hedges and qualified net investment hedges.

4.14 Transactions with Related Parties

In general, operations taking place between the companies of the group are recorded at the initial time based on a reasonable value. When applicable, if the price granted differs from the reasonable value, the difference will be recorded with respect to the economic reality of the operation. Subsequent valuation will take place in conformity with corresponding regulations.

The prices of the operations carried out with related parties are sufficiently supported, because of which the Administrators of the Company consider that there do not exist risks that may result in significant financial liabilities, except for those described in Section 13.

4.15 Environmental Wealth Elements

Expenses related to activities for the decontamination and restoration of contaminated areas, the removal of wastes, and other expenses derived from compliance with environmental legislation are recorded as expenses during the corporate year in which they take place, except when they correspond to the cost of the purchase of elements that are incorporated into the wealth of the Company for the purpose of being used over the long-term, in which case they are recorded in the corresponding line items of the "Tangible Fixed Assets" category, with amortization according to the same criteria.

5. MANAGEMENT OF FINANCIAL RISK

The risk management policies of the Company are established by the Administrators of the Company and by the parent company of the Suzlon Group, to which it belongs. Based on these policies, the Finance Department of the Company has established a series of procedures and checks that allow it to identify, measure, and manage the risks derived from financial instrument activities. These policies establish, among other aspects, that the Company is not permitted to carry out speculative operations with derivatives.

Financial instrument activities expose the Company to the risks of credit, the market, and liquidity.

5.1 Financial risk factors

a) Market Risk

Market risk is produced due to the potential losses caused by variations in the reasonable value or future cash flows of financial instruments due to changes in market prices. Market risk includes interest rate risks, exchange rate risks, and other price risks.

(i) *Exchange rate risk*

The Suzlon Group is exposed to exchange rate risks due to international business. A portion of its income and expenses take place in US dollars.

The Group has a Currency Administration Policy, taking into account the current dynamics of its operations and market conditions, which helps the Company significantly in facing future currency risks.

(ii) *Price risk*

The Sulzon Group is exposed to risks related to fluctuations in the prices of the replacement parts used in maintaining its Farms. These risks are fundamentally managed in the purchasing process.

(iii) *Risk of the interest rate on cash flows and reasonable value*

The interest rate risk is produced due to the potential losses caused by variations in the reasonable value of future cash flows of financial instruments due to changes in market interest rates. The exposure of the Company to the interest rate risk is mainly due to the contract for management, technical support, and financing indicated in Section 14.

As of March 31, 2017 and 2018, the Company did not have any non-current net financing.

(Expressed in thousands of euros)

b) Credit Risk

The credit risk is produced due to possible losses caused by failure to comply with the contractual obligations of the counterparts of the Company; in other words, due to the possibility of not being able to recover the financial instruments based on their book value within the time period established.

The maximum exposure to credit risk as of March 31, 2018 and 2017 was the following:

(Thousands of Euros)	2018	2017
Long-term investments in companies in the group and associates (Sections 8, 9 and 19.1)	3,821	4,125
Long-term financial investments (Section 9)	81	81
Long-term investments in companies in the group and associates (Sections 9.1 and 19.1)	3,789	4,672
Commercial debtors and other accounts receivable (Sections 9.1 and 19.1)	272	257
Cash and other equivalent liquid assets (Section 11)	167	29
	8,130	**9,164**

To manage the credit risk, the Company distinguishes between financial activities due to operative activities and due to investment activities.

Operative activities

The Business Department and the Finance Department establish credit limits for each customer based on sales contracts.

The breakdown of the concentration of credit risk for counterparts as per "Commercial debtors and other accounts receivable" and "Long-term debts, related entities" as of March 31, 2018 and 2017 is the following:

	2018		2017	
(Thousands of Euros)	Nº of customers	Amount	Nº of customers	Amount
With a balance greater than €1 million	2	7,399	2	8.309
With a balance between €1 million and €500,000	-	-	-	-
With a balance between €500,000 and €200,000	1	419	1	419
With a balance between €200,000 and €100,000	-	-	-	-
With a balance less than €100,000	19	63	20	327
Total	22	7,881	23	9.055

Every month, a breakdown is created with the age of each of the balances to be collected, which serves as the basis for the management of their collection. Overdue accounts are claimed monthly by the Department of Finance, Projects, and Maintenance.

(Expressed in thousands of euros)

The details by date of the age of “Trade debtors and other accounts receivable” and “Long-term debts with associated companies” as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Less than 30 days	449	757
Between 30 and 60 days	16	117
Between 60 and 90 days	6	25
Between 90 and 120 days	99	1
More than 120 days	7,312	8,154
Total	**7,882**	**9,054**

Investment activities

The investment policies of the Company establish that the Treasury Department can only carry out investments via savings accounts with interest and term deposits.

All investments must be made with Spanish entities.

Loans and credits to companies in the group and to third parties, as well as the acquisition of shares of companies not listed on the stock market, must be approved by the Executive Management of the Suzlon Group.

c) Liquidity Risk

The liquidity risk is produced by the possibility that the Company may not have liquid funds available to it or may not be able to access them, in adequate quantities and at the appropriate cost, to meet its payment obligations at all times. The goal of the Company is to maintain the necessary availability of liquidity.

The breakdown of installments on contracts, not discounted, for financial assets and liabilities as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	Up to 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Corporate year 2018						
Financial assets						
Credits to companies in the group (Sections 8, 9 and 19.1)						
Principal	26	-	76	3,719	-	3,821
Commercial debtors and other accounts receivable (Section 9)	19	4,042	-	-	-	4,061
Cash and other equivalent liquid assets (Section 11)	167	-	-	-	-	167
Financial liabilities						
Loans and credits with credit institutions	1	-	-	-	-	1
Principal	1	-	-	-	-	1
Interest	-	-	-	-	-	-
Commercial creditors and other accounts payable	828		-	-	-	828

(Expressed in thousands of euros)

(Thousands of Euros)	Up to 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Corporate year 2017						
Financial assets						
Credits to companies in the group (Sections 8, 9 and 19.1)						
Principal	685		76	3,364	-	4,125
Commercial debtors and other accounts receivable (Section 9)	208	4,721	-	-	-	4,929
Cash and other equivalent liquid assets (Section 11)	29	-	-	-	-	29
Financial liabilities						
Loans and credits with credit institutions	6	-	-	-	-	6
Principal	6	-	-	-	-	6
Interest	-	-	-	-	-	-
Commercial creditors and other accounts payable	2,187	4	-	1,585	-	3,776

To address its liquidity needs, the Company receives financing from the parent company of the group, which has confirmed to the Company that the group will provide the financial support necessary so that the Company may continue its activities for at least one year starting as of the date of the creation of these summarized annual accounts. (Section 2.2).

6. INTANGIBLE FIXED ASSETS

The breakdown and movements of the various line items that make up intangible fixed assets as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2018				
Cost	37	-	(7)	30
Computer applications	37	-	(7)	30
Accumulated amortization	(27)	(1)	-	(28)
Computer applications	(27)	(1)	-	(28)
Net book value	**10**	**(1)**	**(7)**	**2**

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2017				
Cost	36	7	(6)	37
Computer applications	36	7	(6)	37

(Expressed in thousands of euros)

Accumulated amortization	(31)	(2)	6	(27)
Computer applications	(31)	(2)	6	(27)
Net book value	**5**	**5**	**-**	**10**

As of March 31, 2018 the Company held fully amortized elements still in use amounting to 23,000 euros (23,000 euros as of March 31, 2017):

Fully amortized intangible fixed assets	2018	2017
Computer applications	23	23
	23	**23**

7. TANGIBLE FIXED ASSETS

The breakdown and movements of the various line items that make up tangible fixed assets as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2018				
Cost				
Furniture	75	-	(18)	57
Computer equipment	46	22	(1)	67
Equipment and tools	486	3	-	489
Other fixed assets	192	-	-	192
	799	25	(19)	805
Accumulated amortization				
Furniture	(74)	-	18	(56)
Computer equipment	(37)	(4)	1	(40)
Equipment and tools	(477)	(7)	-	(484)
Other fixed assets	(192)	-	-	(192)
	(780)	(11)	19	(772)
Net book value	**19**	**14**	**-**	**33**

(Thousands of Euros)	Initial balance	Additions and allowances	Written off	End balance
Corporate year 2017				
Cost				
Machinery	117	-	(117)	-
Furniture	75	-	-	75
Computer equipment	55	3	(12)	46
Equipment and tools	483	3	-	486
Other fixed assets	192	-	-	192
	922	6	(129)	799
Accumulated amortization				
Machinery	(116)	-	116	-
Furniture	(74)	-	-	(74)
Computer equipment	(45)	(5)	13	(37)
Equipment and tools	(470)	(7)	-	(477)
Other fixed assets	(192)	-	-	(192)
	(897)	(12)	129	(780)
Net book value	**25**	**(6)**	**-**	**19**

(Expressed in thousands of euros)

7.1 Descriptions of the Main Transactions

The additions that took place during the corporate years ending on March 31, 2018 and 2017 are fundamentally due to the acquisition of machinery necessary to be able to provide the service of maintenance for wind generators installed at completed wind power generation farms as well as the acquisition and improvement of computer devices and applications.

During the corporate year ending on March 31, 2018, corrections in value due to deterioration were not recorded.

During this corporate year, tangible fixed asset elements pending amortization were written off for an amount of 620 euros (0 as of March 31, 2017)

During the corporate year ending on March 31, 2018, there have been no purchases of assets from companies in the group (7,000 thousand euros as of March 31, 2017).

7.2 Operative Leases

The Company rents its central offices in Madrid. On December 20, 2016, the contract was renewed for a duration of five years, with a required completion period of two years (December 31, 2018); after this time, the contract will be renewed automatically if none of the parties opposes this.

Expenses related to the leasing of its central offices amounted to €92,000 during the corporate year ending on March 31, 2018 (€87,000 during the corporate year ending on March 31, 2017) (Section 17.5).

In addition, the Company leases various vehicles via the renting method, which have generated rental fees amounting to €105,000 during the corporate year ending on March 31, 2018 (€82,000 as of March 31, 2017) (Section 17.5).

Last of all, the Company has incurred 49,000 euros in expenses for miscellaneous rentals, such as parking spots or printers, among other things (42,000 euros as of March 31, 2017).

The future minimum payments for non-cancelable operative lease agreements as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	**2018**	**2017**
Up to one year	158	180
Between one and five years	93	184
	251	**364**

(Expressed in thousands of euros)

7.3 Other information

As of March 31, 2018, the Company held fully amortized elements still in use amounting to €739,000 (€749,000 as of March 31, 2017):

Fully Amortized Tangible Fixed Assets	2018	2017
Furniture	38	73
Computer equipment	33	28
Equipment and tools	457	455
Other fixed assets	211	193
	739	**749**

As of March 31, 2018, the company does not have established purchase agreements for fixed assets.

The Company holds insurance policies that cover the net book value of tangible fixed assets.

8. INVESTMENTS IN THE WEALTH OF COMPANIES IN THE GROUP AND ASSOCIATES

The breakdown and the movements of the various line items that compose this category as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	2018	2017
Corporate year 2018		
Wealth instruments		
Cost	3	3
Corrections to values due to deterioration	(3)	(3)
	-	-

(Thousands of Euros)	2017	2016
Corporate year 2017		
Wealth instruments		
Cost	3	3
Corrections to values due to deterioration	(3)	(3)
	-	-

On March 12, 2010, the Company purchased 100% of the corporate shares of the company Parque Eólico El Almendro, S.L.U., which holds the licenses, permits, and authorizations necessary, with the exception of the renewal of the approval license for the execution project, through which it decided to renounce the extension of the timeframe granted and instead request a new timeframe, the approval of which is estimated will be obtained in June 2018 based on the identical project that was already approved, for promoting a wind farm project with a maximum output power capacity of 43.5 MW and a total installed power of 44 MW, in the municipality of El Almendro (Huelva), as it is also the owner of 12.98% of the community of property “Sistema Eléctrico de Conexión Del Andevalo, en comunidad”, which was established in the goal of coordinating actions relative to building the output network for the energy generated by the 9 wind farms promoted by the seller, among which is this project.

(Expressed in thousands of euros)

Within one of its clauses, the purchase-sale agreement includes a contingent liability related to a future obligation according to which the Company must pay for the purchase of shares as a variable or additional price, which will exclusively depend on the Tarifa Eléctrica Regulada del Régimen Especial de Producción de Energía Eléctrica en Régimen Especial [English: Regulated Electricity Rate of the Special Production Regime for Special Regime Electrical Energy] of Spain (hereinafter, the “TERRE”) which is assigned or preassigned (whatever comes first) to the project by the organization or competent authority. In addition, the Society granted at no cost, to the benefit of the seller, a purchase option over the entirety of the shares of the company subject to the purchase-sale agreement. The expiry of this purchase option will have a duration of three months counting as of the date following the acknowledgment by the parties of the corresponding TERRE, which requires the shares that are the subject of the purchase to be restricted up until the expiry of the above-mentioned purchase option. Following the publication of Royal Decree-Law 9/2013 of July 12, through which urgent measures were adopted to guarantee the financial stability of the electrical system, Royal Decree 661/2007 and Royal Decree 1578/2008 have been repealed, eliminating the special regime and the regulated electricity rate. The Executive Management of the Company is currently negotiating regarding the application of this clause and its definitive terms.

During the corporate year ending on March 31, 2017, the Company granted loans to the company whose shares are owned amounting to 1,173,000 euros, which are completely impaired as of this date in accordance with the estimates and projections available to the Company Administrators, and the economic and regulatory uncertainty of the sector does not foresee the recovery of the net investment value recorded.

In April 2017, the Company increased the loan granted by 20,000 euros, recording an impairment for the same amount against the profit and loss account as of March 31, 2018 (5,000 euros as of March 31, 2017)

In November 2017, the Board agreed to transform the loan granted to P.E. El Almendro, including the interest paid to date, which amounted to 47,000 euros, into a shareholder contribution, which is listed under the line item of Long-term investments in group companies, and which is 100% impaired.

9. FINANCIAL ASSETS

The breakdown of financial assets except for investments in companies in the group and associates (Section 8) as of March 31, 2018 and 2017 is the following:

	Loans and others	
(Thousands of Euros)	**2018**	**2017**
Long-term financial assets		
Loans and line items to be collected	3,902	4.206
	3,902	4.206
Short-term financial assets		
Loans and line items to be collected	4,061	4.929
	4,061	4.929
	7,963	**9.135**

(Expressed in thousands of euros)

The breakdown due to expiry as of March 31, 2018 is the following:

(Thousands of Euros)	Up to 1 year	Between 1 and 2 years	More than 2 years	Total
Corporate year 2018				
Commercial debtors and other accounts receivable	272	76	3,745	**4,093**
Other financial assets	3,789	81	-	**3,870**
Total	**4,061**	**157**	**3,745**	**7,963**

9.1 Loans and line items to be collected

The breakdown of the financial assets classified in this category as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Long-term financial assets		
Loans with group companies	3,821	4,125
Deposits paid	81	81
	3,902	4,206
Short-term financial assets		
Long-term investments in companies in the group and associates	3,789	4,672
Commercial debtors and other accounts receivable	272	257
	4,061	4,929
	7,963	**9,135**

The category “Long-term loans with companies in the group” includes balances to be collected with an expiry of greater than 12 months.

The “Short-term financial investments in group and associated companies” line items covers balances receivable from Suzlon Energy A/S for the checking account held between the companies.

Commercial debtors and other accounts receivable

The breakdown of this section as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Income from sales and the provision of services	16	145
Customers, companies of the group, and associates (Section 19.1)	252	109
Staff	4	3
	272	**257**

The balance of the category “Customers for sales and the provision of services” is presented following the deduction of corrections to values due to deterioration.

(Expressed in thousands of euros)

The deterioration movements recorded in this category:

(Thousands of Euros)	2018	2017
Initial balance	-	6
Allocations	-	-
Collected accounts	-	6
Accounts written off due to being impossible to collect	-	-
	-	**-**

The reasonable values of loans and line items to collect coincide with book values.

10. COMMERCIAL INVENTORY

The breakdown of this section as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Raw materials and other supplies		
Replacements	506	580
	506	**580**
	506	**580**

11. CASH AND OTHER EQUIVALENT LIQUID ASSETS

The breakdown of this section as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Cash available	1	2
Sight current accounts	166	27
	167	**29**

Current accounts accrue the market interest rate for this type of account.

There are no restrictions on the availability of these balances.

12. NET WEALTH – SHAREHOLDER EQUITY

12.1 Stated capital

Company capital as of March 31, 2018 and 2017 is represented by 310 shares each with a nominal value of €10 each, which are fully signed and paid out by the Single Shareholder. All shares of the same category grant the same rights and are not listed on the stock market.

(Expressed in thousands of euros)

12.2 Reserves

The breakdown and movements of the various sections that make up reserves and the profit/loss of previous corporate years as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	Initial balance	Distribution of the results of the previous corporate year	End balance
Corporate year 2018			
Legal reserve	11	-	11
Voluntary reserve	10,557	-	10,557
Losses from previous corporate years	(4,253)	(400)	(4,653)
	6,315	**(400)**	**5,915**

(Thousands of Euros)	Initial balance	Distribution of the results of the previous corporate year	End balance
Corporate year 2017			
Legal reserve	11	-	11
Voluntary reserve	10,557	-	10,557
Losses from previous corporate years	(4,706)	453	(4,706)
	5,862	**453**	**6,315**

a) *Legal reserve*

The legal reserve has been established in conformity with article 274 of the Law on Corporations, which establishes that under all conditions an amount equal to 10% of the income of the corporate year will be destined for this purpose up until it reaches a value of at least 20% of company capital.

It may not be distributed and if it is used to compensate for losses, in the event that there are no other reserves available that are adequate for such a purpose, it must be replaced with future income.

As of March 31, 2018 and 2017, the legal reserve is completely allocated.

b) *Voluntary reserve*

Voluntary reserves are based on free will.

13. PROVISIONS AND CONTINGENCIES

The Company was subject to a tax inspection related to Corporate Tax for the taxation periods of 2008 (corporate year between April 1, 2008 and March 31, 2009) and 2009 (corporate year between April 1, 2009 and March 31, 2010). As a result of these inspection actions, on the date of April 5, 2013, two Deeds of Nonconformity were issued, one regarding transfer prices and the other regarding the remainder of issues relating to Corporate Tax. The Company, following its formulation of the corresponding claims and receiving Deeds for the liquidation and resolution of the penalty procedure, decided to dispute these deeds before the Central Financial-Administrative Court, which as of the date of the creation of the present summarized annual accounts, is still pending resolution.

(Expressed in thousands of euros)

Nonetheless, the Company Administrators considered it wise to set aside a provision for the amount claimed as of March 31, 2013, which amounted to 2,540,000 euros recorded in the "Other debts with governments" item. During the corporate year ending on March 31, 2014, the Company proceeded to use Value Added Tax returns against the debt that it holds with the Tax Collection Agency, with the current debt amounting to €2.212 million as of the closing of the corporate year.

On May 6, 2016, the Company was given a Notice of Court Order with liquidation number A4785013026001780, issued on April 26, 2016 by the Regional Collections Department of the Madrid Special Delegation of the State Tax Administration Agency.

The above-mentioned Notice of Court Order requires the payment of tax debt of an amount of €2.109 million, which is a result of the Inspection of Corporate Tax of the Company for the corporate year 2008/2009, as well as the notice of ordinary late charges to the amount of €422,000, with the total amount of debt being demanded of the company amounting to €2.531 million.

On June 1, 2016, the Company liquidated the entirety of the debt required, even though the claims presented before the Central Financial-Administrative Court continue as of March 31, 2017.

On April 20, 2017, the Company was notified of the verdict of the Economic Administrative Tribunal, resolving economic and administrative claims number 5360/2013, 5361/2013, 5362/2013, and 5363/2013, in which claim 5362/2013 was partially admitted, for an amount of 770,000 euros, thus resulting in the cancellation of the debt collection order of which the company was notified on May 6, 2016 for the amount of 422,000 euros. The return of the amount ruled and the debt collection order (1,192,000 euros) were paid to the Company in February 2018. (See notes 16 and 17.7).

In addition, the Company received a claim in October 2017 from an Insurance Company as a part of its activity for an amount of 777,000 euros. Following the non-acceptance of the causes stated in this claim, both parties have initiated the negotiation process. For this reason, at the closing of the corporate year, the Company's Administrators have considered it appropriate to set aside a provision of 400,000 euros based on the agreement of the parties.

The Company Administrators do not expect liabilities additional to those already paid to arise.

14. Financial liabilities

The breakdown of financial liabilities as of March 31, 2018 and 2017 is the following:

	Debts with credit institutions		**Others**		**Total**	
(Thousands of Euros)	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Long-term financial assets						
Debts and line items receivable	-	-	-	1,585	-	1,585
	-	-	-	1,585	-	1,585
Short-term financial liabilities						
Debts and line items receivable	1	6	828	2,191	829	2,197
	1	6	828	2,191	829	2,197
	1	**6**	**828**	**3,776**	**829**	**3,782**

SUZLON WIND ENERGY ESPAÑA, S.L. (Single-Shareholder Company)
Summarized statement corresponding to the corporate year ending on March 31, 2018
(Expressed in thousands of euros)

The breakdown of expiring items as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	Up to 1 year	Between 1 and 2 years	More than 2 years	Total
Corporate year 2018				
Financial liabilities				
Short-term debts with credit institutions	1	-	-	1
Suppliers	411	-	-	411
Miscellaneous creditors	81	-	-	81
Suppliers, companies in the group	-	-	-	-
Deposits to customers	336	-	-	336
	829	**-**	**-**	**829**

Debts and line items receivable

Loans and credits from credit establishments:

During the corporate year ending on March 31, 2018, the company did not take out any loans or credits. The pending payment amount of €1,000 (€6,000 as of March 31, 2017) corresponds to the current movements of the credit cards of the Company.

Commercial creditors and other accounts payable

The breakdown of commercial creditors and other accounts payable as of March 31, 2018 and 2017 is as follows:

(Thousands of Euros)	2018	2017
Short and long-term		
Commercial creditors and other accounts payable		
Suppliers	411	1.651
Suppliers, companies in the group and associates (Section 17.1)	-	6
Miscellaneous creditors	81	102
Customer deposits	336	432
	828	**2,191**

Information on the average period to pay suppliers. Additional Clause 3: “Duty of Information” from Law 15/2010 from July 5

The details of the information required in relation to the average period to pay suppliers are the following:

	2018	2017
	Days	**Days**
Average time period for the payment of suppliers	39	32
Ratio of paid operations	86.55 %	57.72 %
Ratio operations pending payment	13.45 %	42.28 %
	Euros	**Euros**
All payments made	3,170.	2,403
All payments pending	492.	1,760

(Expressed in thousands of euros)

Short-term debts with companies in the group and associates

On March 29, 2011, the Company signed, with its Single Shareholder, a contract for management, technical support, and financing ("Management, Sales Technical Support and Funding Agreement") which includes legal services, management services, budgeting services, and reporting as well as technical services, maintenance, purchasing and logistics, project execution and tower management, among others.

The services will be provided by the Single Shareholder in virtue of this agreement; the corresponding fees must be agreed upon prior to creating budgets each year, and will be based on the real cost of the services provided incremented by a margin granted based on transfer price regulations.

Via this agreement, the Single Shareholder commits to continue to provide advance funds to the Company to finance the search for markets for the products of Suzlon Energy A/S. Balances in favor of the Single Shareholder due to the financing received will generate interest at a variable annual rate of LIBOR EUR 6m + 1%.

On the other hand, the Company commits to transfer to the Single Shareholder any treasury surpluses after deducting a reasonable amount to address its current liabilities. Balances in favor of the Company will generate interest at an annual variable rate of LIBOR EUR 6m + 1%.

Any banking charges or commissions as well as insurance costs paid for by the Single Shareholder on behalf of the Company will be charged to Suzlon Wind Energy España, S.L. proportionally.

Interest on loans to companies in the group during the corporate year ending on March 31, 2018 constituted €40,000 (€65,000 during the corporate year ending on March 31, 2017, Sections 17.6 and 19.1.

Customer deposits:

As established in the initial supply and installation contracts for the wind farms, during the corporate year ending on March 31, 2015, agreements for service and maintenance for projects in Almería, Jerez, Sierra Ministra, and Castil de Sierra were renewed for a time period of 5 years.

During the corporate year ending on March 31, 2018, the Company received advances amounting to a total import of €2.968 million based on which earnings of an amount of €2.633 million have been recorded (€3.680 million and €3.248 million respectively during the corporate year ending on March 31 2017).

15. FOREIGN CURRENCIES

The details of the largest balances in foreign currencies, valuated at the exchange rate as of the closing of the corporate year, are the following:

(Thousands of Euros)	2018	2017
Accounts receivable	-	-
Accounts payable	170	1,274
	170	**1,274**

(Expressed in thousands of euros)

The net amount of exchange rate differences recorded against profit/loss as of March 31, 2018 amounts to 70,000 euros in profits (200,000 euros in losses as of March 31, 2017).

16. TAXATION SITUATION

The breakdown of the balances regarding taxation assets and liabilities as of March 31 2018 and 2017 is the following:

(Thousands of Euros)	**2018**	**2017**
Current tax assets	**-**	**105**
Other debts with governments	**-**	**41**
Debtor for VAT to return	-	38
Social Security	-	3
	-	**146**

(Thousands of Euros)	**2018**	**2017**
Other debts with governments	**182**	**230**
Income tax	110	68
Social Security	49	47
Creditor for VAT	20	-
Creditor for corporate tax	3	-
Penalties from taxation inspections (Section 13)	-	-
Others	-	115
	182	**230**

According to legal provisions in effect, the liquidation of taxes cannot be considered to be definitive until they have been inspected by the taxation authorities or until the limitation period has elapsed, which is currently established as being four years.

The Company’s last four corporate years are open for inspection for all applicable taxes.

As a result, among others, of different interpretations in tax legislation in effect, additional liabilities may arise as a result of the inspection. In any event, the Administrators consider that these liabilities, in the event that they are produced, will not have a significant effect on the abridged annual accounts.

(Expressed in thousands of euros)

16.1 Calculation of Corporate Tax

The reconciliation between the net profit and loss of the corporate year and the tax base (taxable income) for Corporate Tax as of March 31, 2018 and 2017 is the following:

	Profit and loss account		
(Thousands of Euros)	**Increases**	**Decreases**	**Total**
Corporate year 2018			
Balance of income and expenses during the corporate year	1,352	-	1,352
Corporate Tax	703	-	703
Balance of income and expenses during the corporate year before tax	649	-	649
Permanent differences		(351)	(351)
Temporary differences		(26)	(26)
Taxable base (taxable income)			**272**
Corporate year 2017			
Balance of income and expenses during the corporate year	-	(400)	(400)
Corporate Tax	-	-	-
Balance of income and expenses during the corporate year before tax	-	(400)	(400)
Permanent differences	422		422
Temporary differences	-	(24)	(24)
Taxable base (taxable income)	**422**	**(424)**	**(2)**

The permanent differences of the corporate your closing on March 31, 2018 mainly correspond to the cancellation of the debt collection order of which the company was notified on May 6, 2016 for the amount of 422,000 euros and paid to the Company in February 2018. (see Note 13 and 17.7).

The return of the estimated amount of claim 5362/2013 amounting to 770,000 euros, see Note 13, was recorded against the profit and loss account along with current corporate tax for 67,000 euros as of March 31, 2018.

The expenses / (income) for income tax are broken down as follows:

	Profit and loss account	
(Thousands of Euros)	**2018**	**2017**
Current tax	703	-
Corporate tax to pay (or to be returned)	**703**	**-**

The calculation of Corporate Tax to pay (to be returned) is the following:

(Thousands of Euros)	**2018**	**2017**
Current tax	67	-
Retained	(2)	(4)
Installments	(62)	(101)
Corporate tax to pay (or to be returned)	**3**	**(105)**

As of March 31, 2018, the Company has negative tax bases pending compensation in the amount of 4 thousand euros.

Deferred tax assets for negative tax bases pending compensation are recorded whenever it is likely that the Company will obtain future taxation income allowing their application. As of March 31, 2018, the Company Administrators have not considered it appropriate to activate negative tax bases pending compensation.

(Expressed in thousands of euros)

17. INCOME AND EXPENSES

17.1 Transactions in Foreign Currencies

The amounts of the transactions carried out in foreign currencies are the following:

	2018	2017
	Thousands of dollars (US)	**Thousands of dollars (US)**
Purchases	546	3
Sales	-	-
Services received	72	87
Services provided	-	-
	618	90

17.2 Net Revenue

The distribution of the net revenue of the Company corresponding to its continued operations based on categories of activity, as well as based on geographical markets, as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	**2018**	**2017**
Segmentation by categories of activities		
Provision of services (operation and maintenance)	4,659	5,098
Sale of materials	946	-
Others	161	83
	5.766	**5,181**
Segmentation by geographic markets		
Spain	4,666	5,063
European Community countries (except Spain)	1,083	45
Others	17	73
	5,766	**5,181**

17.3 Consumption of raw materials and other consumables

The breakdown of the consumption of raw materials and other consumables as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	**2018**	**2017**
Purchase of raw materials and other consumables	**2,242**	**1,838**
National purchases	963	1,060
Acquisitions within the European Community	510	623
Imports	769	155
Variation in raw materials and other supplies	**75**	**(95)**
	2,317	**1,743**

Imports are mainly related to the acquisition of blades from an associated company to subsequently pass them on to a third party.

(Expressed in thousands of euros)

17.4 Staff expenses

The breakdown of staff expenses as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Wages and similar items		
Salaries and wages	1,949	1,891
Compensation	27	18
Social contributions		
Social security	457	460
Other social expenses	13	26
	2,446	**2,395**

17.5 External services

The breakdown of external services as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Leases (Section 7.2)	246	211
Repairs and conservation	31	30
Independent professional services	179	211
Transportation	20	16
Insurance primes	40	79
Banking services	4	3
Advertising, propaganda, and public relations	11	15
Supplies	40	40
Other services	181	215
	752	**820**

17.6 FINANCIAL PROFIT/LOSS

The breakdown of financial income as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Interest on loans to companies in the group (Section 14 and 19.1)	40	65
From third parties	379	-
	419	**65**

The breakdown of financial expenses as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Interest on debts with third parties	64	105
	64	**105**

The financial expenses with third parties recorded during the corporate year closing on March 31, 2018 correspond to late payment interest for an amount of 64,000 euros (105,000 euros as of March 31, 2017).

(Expressed in thousands of euros)

17.7 Other profit/loss

The details of other profit/loss as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Other (income)/expenses	(422)	411
	(422)	**411**

The balance recorded in this item as of March 31, 2018 mainly corresponds to expenses for late payment interest incurred by the Company for an amount of 422,000 euros (Section 13).

18. CONTINGENT LIABILITIES

The Company holds contingent liabilities due to disputes that have arisen as a normal part of business that are not expected to turn into significant liabilities different from those that are covered by provisions.

19. OPERATIONS WITH RELATED PARTIES

The related parties with which the Company carried out transactions during the corporate years ending on March 31, 2018 and 2017, as well as the nature of this relationship, are the following:

	Nature of the relationship
Suzlon Energy A/S	Direct parent company
Suzlon Energy Limited	Parent company of the group
Suzlon Energy Portugal Energía Eo Un Lda	Company in the group
Suzlon Blade Technology B.V.	Company in the group
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Company in the group
Suzlon Energy B.V.	Company in the group
Suzlon Wind Energy Corporation	Company in the group
AGE Parque Eólico El Almendro S.L.U	Company in the group
Suzlon Wind Energy Uruguay	Company in the group
Suzlon Wind Energy Romania S.R.L.	Company in the group
SE Shipping Lines Pte. Ltd.	Company in the group
Suzlon Electricals International Limited	Company in the group
Suzlon Energy Italia	Company in the group

The transactions carried out with related parties correspond to operations within the normal traffic of the Company and are carried out at market prices similar to those applied to non-related entities.

(Expressed in thousands of euros)

19.1 Related Entities

The breakdown of the balances maintained with related entities as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Total
Corporate year 2018				
Long-term credits (Section 8.1 and 9)	3,377	419	25	**3,821**
Long-term debts with companies in the group and associates (Section 14.1)	-	-	-	**-**
Long-term investments in companies in the group and associates (Section 9.1)	-	3,789	-	**3,789**
Short-term clients which are companies in the group and associates (Section 9.1)	233	-	19	**252**
Short-term clients which are companies in the group and associates (Section 8.1)	-	-	-	**-**

(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Total
Corporate year 2017				
Long-term credits (Section 8.1 and 9)	3,636	419	70	**4,125**
Long-term debts with companies in the group and associates (Section 14.1)	-	-	(1,585)	**(1,585)**
Long-term investments in companies in the group and associates (Section 8.1)	-	4,672	-	**4,672**
Short-term clients which are companies in the group and associates (Section 9.1)	-	-	109	**109**

Balances with companies in the group mainly correspond to operations for the purchase and sale of stock to carry out operations and maintenance tasks for the wind farms which are the activity of the Company.

Other short-term financial assets include an amount of 3,789,000 euros corresponding to the checking account that the Company maintains with its Single Shareholder (4,672,000 euros as of March 31, 2017). On March 29, 2011, the Company signed, with its Sole Shareholder, a contract for management, technical support, and financing (“Management, Sales Technical Support and Funding Agreement”). Via this agreement, the Company commits to provide the Single Shareholder with treasury surpluses in existence. The annual interest rate agreed upon is LIBOR EUR 6m plus a fixed margin of 1%.

(Expressed in thousands of euros)

The details of the transaction carried out with related entities as of March 31, 2018 and 2017 are the following:

(Thousands of Euros)	Parent company of the group	Direct parent company	Other companies in the group	Associated companies	Total
Corporate year 2018					
Sales	17	169	163	-	**349**
Purchases	142	402	38	-	**582**
Other financial income	-	28	-	12	**40**
Corporate year 2017					
Sales	254	-	14	-	**268**
Purchases	1	580	228	-	**809**
Other financial income	-	45	-	20	**65**

19.2 Administrators and Executive Management

The breakdown of the compensation received by members of the Administrative Council and the Executive Management of the Company as of March 31, 2018 and 2017 is the following:

(Thousands of Euros)	2018	2017
Administrators		
Executive management – Wages	225	223
	225	**223**

Executive Management functions are carried out by one of the Council Members.

During the 2018 corporate year, as in 2017, no funds contributions or pensions have been granted to the benefit of former or current members of the administration of the Company. Likewise, obligations to this effect have not been established during the year.

With respect to the payment of life insurance premiums, the Company has not signed insurance coverage policies covering the risk of death.

The members of the Company's administration have not received any compensation due to a share in income or premiums. In addition, they have not received shares or options on shares during the corporate year, nor have they used options or have options pending use.

As of March 31, 2018 and 2017, the Company has not granted special deposits, credits, or compensation to the current or previous members of the Administrative Council. In addition, no contracts between the commercial company and its partners have been modified, concluded, or terminated, nor have civil liability insurance premiums been paid in full or in part covering acts or omissions during the corporate year committed by any of the administrators responsible.

(Expressed in thousands of euros)

19.3 Situations of conflict of interest of administrators

As a part of the duty to avoid situations of conflict of interest at the Company, during the corporate year, the administrators that have occupied positions on the board have complied with the obligations set out in article 228 of the revised text of the Law on Corporations. Likewise, both them and the people related to them have abstained from entering into conditions of conflict of interest as established by article 229 of the aforementioned law, except in the cases in which the corresponding authorization has been obtained.

20. OTHER INFORMATION

20.1 Staff Structure

The breakdown of the people employed by the Company organized into categories as of March 31, 2018 and 2017 is the following:

	Number of people employed at the end of the corporate year			Average number of people employed during the corporate year
	Men	**Women**	**Total**	
Corporate year 2018				
Executive management	1	-	1	1
Department Director	2	2	4	4
Engineers	6	1	7	7
Administrative	22	4	26	26
	31	**7**	**38**	**38**

	Number of people employed at the end of the corporate year			Average number of people employed during the corporate year
	Men	**Women**	**Total**	
Corporate year 2017				
Executive management	1	-	1	1
Department Director	2	2	4	4
Engineers	6	1	7	7
Administrative	22	5	27	27
	31	**8**	**39**	**39**

(Expressed in thousands of euros)

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20.2 Auditing Fees

The fees incurred during the corporate year due to services provided by the accounts auditor as of March 31, 2018 and 2017 were the following:

(Thousands of Euros)	2018	2017
Auditing services	18	16
	18	**16**

21. INFORMATION ON THE ENVIRONMENT

The Administrators the Company believe that there do not exist significant contingencies regarding the protection and improvement of the environment, because of which they do not consider it to be necessary to set aside any provisions to this effect.

22. FACTS SUBSEQUENT TO THE CLOSING

No significant subsequent facts have been produced following the closing of the corporate year ending on March 31, 2018 and up until the date of the formulation of the present annual accounts that the Company considers can have a significant effect on these accounts.

SUZLON WIND ENERGY ESPAÑA, S. L. U.
MANAGEMENT REPORT
2017-2018

EVOLUTION OF BUSINESS, MOST SIGNIFICANT EVENTS, AND MAIN ECONOMIC NUMBERS

Suzlon Wind Energy España S.L.U. (hereinafter SWEE), is a company established in the year 2007 as a subsidiary of the Danish business corporation Suzlon Wind Energy A/S (SWEAS)—currently Suzlon Energy A/S (SEAS)—and is simultaneously a subsidiary of the Suzlon Group, whose headquarters is located in India. Suzlon’s activity is the manufacturing and supply of wind turbines for wind-based energy production farms.

SWEE started operations in Spain on the date of July 1, 2007, and in 2009 held a 10% market share of the wind turbines installed in Spain following the installation of 111 wind turbines as a part of a total of four windfarm projects located in the provinces of Soria, Jeréz, and Almería.

Following the *de facto* moratorium as the result of Royal Decree-Law (RDL) 06/09 of May 7 and up until the entry into effect of Royal Decree (RD) 413/2014, the renewable energy sector in Spain has been forced to adapt to a completely new market, as the sector had to change to compensation at market rates for the power production of generation plants, compared to the regulated guaranteed rate during the authorized lifespan of the plant.

This was a radical change that led the sector into a long period of adaptation, in which the most critical aspects have been the profitability of projects, obtaining private power purchase agreements (PPA), and harmonizing compensation systems with project financing.

In this state of affairs, the Spanish Government convened three tenders to award compensation for investment in wind and photovoltaic projects. Unfortunately, the results were not those expected by the sector, as the compensation granted was zero in the three tenders. This fact led the sector to set required prices for all actors, which made the projects awarded unprofitable and difficult to make viable from the point of view of financing and obtaining PPAs.

At the closing of the corporate year, the company presents after-tax profits of €1,352 million, €690,000 of which are operating profits obtained during the corporate year. Within these profits, the sale of operations and maintenance services (OMS) remained stable with expected annual evolution, and a decrease was recorded in services provided to clients and associated companies. In terms of sales, a considerable increase was produced with respect to the previous year as the result of the sale of blades, which resulted in income of €946,000.

It is worth noting the income produced during the corporate year amounting to €1,192 million corresponding to the partial estimate ruled by the Spanish Economic and Administrative Court on the economic and administrative claims pending resolution. A more detailed explanation of this can be found in notes 16 and 17.7 of the attached memorandum.

The Company is in the final phases of negotiating the sale and beginning of construction of the El Almendro windfarm project, of which it is the owner, with plans to start the work in 2018.

RESEARCH AND DEVELOPMENT

On the industrial level, the Company does not carry out research and development activities. These activities are carried out by the Group's parent company, and as a result, the information contained in the Consolidated Management Report is more representative of this.

HUMAN CAPITAL

At the closing of the 2018 corporate year, the average number of people employed was 38, in line with the average over the past years. 97% of these employees have an indefinite contract.

Suzlon considers its employees to be the fundamental driving force in the development of the Group and the achievement of its objectives. The Group provides a comprehensive and safe environment for personal and professional development that respects diversity and equal opportunities.

USE OF FINANCIAL INSTRUMENTS – FINANCIAL RISKS (Exposure to Market, Credit, and Liquidity Risks)

The company's risk management policies are established by the Company's Board following the criteria established by the parent company of the multinational group to which it belongs. These policies are described in Note 5 of the attached Memorandum corresponding to the corporate year ending on March 31, 2018.

ACQUISITION OF COMPANY SHARES

Suzlon Wind Energy España S.L.U. confirms that it has not purchased its own shares or shares of the parent company.

FORESEEABLE EVOLUTION OF BUSINESS

SWEE's strategy is to focus on projects that are not covered by tenders, or which following tenders were not subject to the awarding of power contracts, in order to be able to make its projects viable by means of the contributions of investors and the identification of adequate compensation options.

As in previous corporate years, the company's stability and continuity is provided by existing maintenance contracts for wind farms built in Spain with the installation of our technology, as mentioned above.

SUBSEQUENT EVENTS

No significant events have taken place subsequent to the closing of the corporate year ending on March 31, 2018 and up until the formulation of the present annual accounts that the Company considers liable to have a significant effect on these accounts.

AVERAGE PERIOD OF PAYMENT

In accordance with the duty to inform of the average period for paying suppliers established in Additional Provision 3 "Duty to inform" of Law 15/2010 of July 5, the Company hereby states that the average period for paying suppliers for the corporate year ending in March 2018 was 39 days.

The breakdown of the information required for the aforementioned Resolution is located in note 14 of the Memorandum corresponding to the Company's 2018 corporate year.

FORMULATION OF THE ANNUAL ACCOUNTS AND MANAGEMENT REPORT FOR THE CORPORATE YEAR ENDING ON MARCH 31, 2018

The Board of Directors of the company Suzlon Wind Energy España, S.L. (Single-Shareholder Company), on the date of May 29, 2018, and in compliance with the requirements established in article 253 of the Law on Corporations and article 37 of the Business Code, proceed to formulate the annual accounts (balance sheet, profit and loss account, statement of changes in equity, statement of cash flows and memorandum) and management report for the annual corporate year ending on March 31, 2018, which are composed of the attached documents preceding this text.

Frans Hilbert Jan Vischer
President

Paulo Fernando Gaspar Soares
Adviser

Felipe García-Mina Cabredo
Adviser / Secretary to the Adviser