

**SUZLON WIND ENERGY LANKA (PRIVATE) LIMITED**

**FINANCIAL STATEMENTS**

**31 MARCH 2019**

MPDC/SG/MHM

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SUZLON WIND ENERGY LANKA (PVT) LTD**

**Opinion**

We have audited the financial statements of Suzlon Wind Energy Lanka (Pvt) Ltd, which comprise the statement of financial position as at 31st March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st March 2019 and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Financial Reporting Standard for Small and Medium-sized Entities.

**Basis for opinion**

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Financial Reporting Standard for Small and Medium-sized Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

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

(Contd...2/)

Partners: W R H Fernando FCA FCMA M P D Cooray FCA FCMA R N de Saram ACA FCMA Ms. N A De Silva FCA Ms. Y A De Silva FCA W K B S P Fernando FCA FCMA  
Ms. K R M Fernando FCA ACMA Ms. L K H L Fonseka FCA A P A Gunasekera FCA FCMA A Herath FCA D K Hulangamuwa FCA FCMA LLB (Lond) H M A Jayasinghe FCA FCMA  
Ms. A A Ludowyke FCA FCMA Ms. G G S Manatunge FCA Ms. P V K N Sajeewani FCA N M Sulatman ACA ACMA B E Wijesuriya FCA FCMA  
Principal T P M Ruberu FCMA FCCA

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As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

#### **Report on other legal and regulatory requirements**

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.



19 April 2019  
Colombo

# Suzlon Wind Energy Lanka (Private) Limited

## STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

ASSETS	Note	2019 Rs.	2018 Rs.
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	187,681	50,742
		<u>187,681</u>	<u>50,742</u>
<b>Current Assets</b>			
Inventory	4	43,597,292	31,280,564
Trade and Other Receivables	5	204,519,454	205,781,446
Other Financial Assets	6	-	31,620,000
Cash and Cash Equivalents	9	14,247,347	17,154,724
		<u>262,364,093</u>	<u>285,836,734</u>
<b>Total Assets</b>		<u>262,551,774</u>	<u>285,887,476</u>
<b>EQUITY AND LIABILITIES</b>			
Stated Capital	7	300,000	300,000
Retained Earnings		183,136,627	145,401,505
<b>Total Equity</b>		<u>183,436,627</u>	<u>145,701,505</u>
<b>Current Liabilities</b>			
Trade and Other Payables	8	59,113,244	131,329,784
Customer Advances		20,000,000	-
Income Tax Payable		1,903	8,856,187
		<u>79,115,147</u>	<u>140,185,971</u>
<b>Total Equity and Liabilities</b>		<u>262,551,774</u>	<u>285,887,476</u>

These Financial Statements are in compliance with the requirements of the Companies Act No. 7 of 2007.

The board of directors is responsible for these financial statements. Signed for and on behalf of the board by;

  
 .....  
 Director

  
 .....  
 Director

The accounting policies and notes on pages 7 through 15 form an integral part of these financial statements.





Suzlon Wind Energy Lanka (Private) Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2019

	Note	2019 Rs.	2018 Rs.
<b>Revenue</b>	10	141,036,357	128,390,542
Cost of Goods and Direct Services		<u>(22,655,750)</u>	<u>(21,425,142)</u>
<b>Gross Profit</b>		118,380,607	106,965,400
Other Income	11	14,373,896	3,985,863
Administration Expenses		<u>(78,424,658)</u>	<u>(61,252,465)</u>
<b>Profit Before Tax</b>		54,329,845	49,698,798
Income Tax Expense	12.1	<u>(11,243,556)</u>	<u>(13,994,547)</u>
<b>Profit for the year</b>		<u>43,086,289</u>	<u>35,704,251</u>

The accounting policies and notes on pages 7 through 15 form an integral part of these financial statements.



# Suzlon Wind Energy Lanka (Private) Limited

## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2019

	<b>Stated Capital Rs.</b>	<b>Retained Earnings/ (Loss) Rs.</b>	<b>Total Rs.</b>
<b>Balance As at 1 April 2017</b>	300,000	111,165,448	111,465,448
Profit for the year	-	35,704,251	35,704,251
Dividend Paid during the period	-	(1,468,194)	(1,468,194)
<b>Balance As at 31 March 2018</b>	<u>300,000</u>	<u>145,401,505</u>	<u>145,701,505</u>
Profit for the year	-	43,086,289	43,086,289
Dividend paid	-	(5,351,167)	(5,351,167)
<b>Balance As at 31 March 2019</b>	<u><u>300,000</u></u>	<u><u>183,136,627</u></u>	<u><u>183,436,627</u></u>

The accounting policies and notes on pages 7 through 15 form an integral part of these financial statements.



# Suzlon Wind Energy Lanka (Private) Limited

## STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	2019 Rs.	2018 Rs.
<b>Cash Flows From/(Used in) Operating Activities</b>		
Profit Before Income Tax	54,329,845	49,698,798
Adjustments for		
Depreciation	28,261	5,646
Interest Income	(771,008)	(1,800,000)
Exchange (Gain)/Exchange Loss	(9,736,880)	(1,756,856)
<b>Operating Profit before Working Capital changes</b>	<b>43,850,219</b>	<b>46,147,587</b>
(Increase)/ Decrease in Inventories	(12,316,728)	4,064,496
(Increase)/Decrease in Trade and Other Receivables	1,261,993	(86,217,879)
Increase/ (Decrease) in Trade and Other Payables	(72,216,540)	33,716,133
Increase/ (Decrease) in Customer Advances	20,000,000	-
Cash Generated from/(Used in) Operation	(19,421,056)	(2,289,663)
Interest received	771,008	1,800,000
Income Tax Paid	(20,097,841)	(10,868,615)
Net Cash From/(Used in) Operating Activities	(38,747,890)	(11,358,277)
<b>Cash Flows From/(Used in) Investing Activities</b>		
Acquisition of Property, Plant and Equipment	(165,200)	(31,750)
Investing in Fixed Deposit	31,620,000	(1,620,000)
Net Cash Flows From/(Used in) Investing Activities	31,454,800	(1,651,750)
<b>Cash Flows from/ (Used in) Financing Activities</b>		
Dividend Paid	(5,351,167)	(1,468,194)
Net Cash Flows From/(Used in) Financing Activities	(5,351,167)	(1,468,194)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(12,644,257)</b>	<b>(14,478,221)</b>
Exchange Gain/(Loss)	9,736,880	1,756,856
<b>Cash and Cash Equivalents at the beginning of the period</b>	<b>17,154,724</b>	<b>29,876,089</b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b>14,247,347</b>	<b>17,154,724</b>

The accounting policies and notes on pages 7 through 15 form an integral part of these financial statements.



**1. CORPORATE INFORMATION**

**1.1 General**

Suzlon Wind Energy Lanka (Private) Limited ('Company') is a limited liability Company incorporated and domiciled in Sri Lanka. The registered office and principal place of office is located at Level 26, East Tower, World Trade Center, Echelon Square, Colombo 01, Sri Lanka.

**1.2 Principal Activities and Nature of Operations**

The principal activity of the company is providing maintenance and repair services for wind turbines.

**1.3 Parent Entity and Ultimate Parent Entity**

The Company was a fully owned subsidiary of AE-Rotor Holding B.V., a company incorporated in Netherlands. On 26<sup>th</sup> March 2018, AE-Rotor Holding B.V. sold 100% of the paid-up shares of the Company to Suzlon Energy Limited which is incorporated in Mauritius. In the opinion of the directors, the Company's ultimate parent undertaking and controlling party is Suzlon Energy Ltd. which is incorporated in India.

**1.4 Date of Authorization for Issue**

The financial statements of Suzlon Wind Energy Lanka (Private) Limited, for the year ended 31 March 2019, were authorized for issue in accordance with a resolution of the Board of Directors on 19 April 2019





## **2. GENERAL ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **2.1 BASIS OF PREPARATION**

The financial statements have been prepared on a historical cost basis and presented in Sri Lanka Rupees, unless stated otherwise.

#### **2.1.1 Statement of compliance**

The Financial Statements have been prepared in accordance with the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995, which requires compliance with Sri Lanka Accounting Standard for Small and Medium-sized Entities promulgated by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and with the requirements of the Companies Act No. 7 of 2007.

#### **2.1.2 Going Concern**

The directors have made an assessment of the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.2.1 Property, Plant and Equipment**

#### **a) Cost**

All items of Property, Plant and Equipment are initially recorded at cost. Subsequent to the initial recognition as an asset at cost, less any subsequent depreciation thereon. All other Property, Plant and Equipment are stated at historical cost less accumulated depreciation and less accumulated impairment in value.

If the value of the asset is less than LKR 5,000 the asset is to be depreciated at 100%.

#### **b) Restoration Costs**

amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured.

Cost of repairs and maintenance are charged to the Income Statement during the period in which they are incurred.

#### **c) Depreciation**

Depreciation is charged so as to allocate the cost of assets less their residual values at written down value. The annual rate used for depreciation is as follows

Plant & Machinery	15%
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset may be revised prospectively to reflect the change.



**d) Derecognition**

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Income Statement in the year the asset is derecognised.

**2.2.2 Foreign Current Translation**

The financial statements are presented in Sri Lanka Rupees, which is the Company's functional and presentation currency. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities demonstrated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

**2.2.3 Taxation**

**a) Current Taxes**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Taxation**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

As of reporting date there are no significant temporary differences.

**2.2.4 Inventories**

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted as follows:

Raw Materials:

Purchase cost on a first in, first out basis



**2.2.5 Trade and Other Receivables**

Trade receivables are stated at the amounts they are estimated to realize Gross allowance & does not make a provision for bad and doubtful receivables.

Other receivables and dues from Related Party are recognized at cost.

**2.2.6 Cash and Cash Equivalents**

Cash and cash equivalents are cash in hand, and deposits and short-term highly liquid investments, readily convertible to know amounts of cash and subject to significant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investment with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

**2.2.7 Trade payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into Sri Lankan Rupees (Rs.) using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

**2.2.8 Retirement Benefit Obligations**

**a) Defined Contribution Plans – Employees’ Provident Fund and Employees’ Trust Fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contribution to Employee Provident and Employee Trust Funds covering all employees are recognized as an expense in profit or loss as incurred.

The Company contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively

**b) Defined Benefit Plan Gratuity**

Number of staff at the reporting date does not exceed fifteen for which the Company become liable to pay gratuity for employees in terms of Section 5(1) of Payment of Gratuity Act No 12 of 1983. Therefore, no provision is made for the year.

**2.2.9 Provisions**

Provisions are recognized when the Company has a present obligation (Legal or constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



## **2.3 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

### **2.3.1 Revenue Recognition**

The revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable net of trade discounts and sales taxes.

#### **a) Operation and maintenance income**

Revenues from operation and maintenance contracts are recognised pro-rata over the period of the contract and when services are rendered.

#### **b) Incentive Income**

Incentive income is recognized on accrual basis upon achievement of performance targets set by clients.

### **2.3.2 Expenditure Recognition**

Expenses in carrying out the project and other activities of the Company are recognized in the Statement of Comprehensive Income during the period in which they are incurred. General expenses incurred in administrative and running the Company and in restoring and maintaining the property, plant and equipment to perform an expected level are accounted for on an accrual basis and charged to the Statement of Comprehensive Income.



Suzlon Wind Energy Lanka (Private) Limited  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2019

**3. PROPERTY, PLANT AND EQUIPMENT**

<b>3.1</b>	<b>Gross Carrying Amounts At Cost</b>	<b>Balance as at 01.04.2018 Rs.</b>	<b>Additions/ Transfers Rs.</b>	<b>Disposals/ Transfers Rs.</b>	<b>Balance as at 31.03.2019 Rs.</b>
	Plant and Machinery	58,750	165,200	-	223,950
	<b>Total Value of Depreciable Assets</b>	<b>58,750</b>	<b>165,200</b>	<b>-</b>	<b>223,950</b>
<b>3.2</b>	<b>Depreciation At Cost</b>	<b>Balance as at 01.04.2018 Rs.</b>	<b>Charge for the year Rs.</b>	<b>Disposals/ Transfers Rs.</b>	<b>Balance as at 31.03.2019 Rs.</b>
	Plant and Machinery	(8,008)	(28,261)	-	(36,269)
	<b>Total Depreciation</b>	<b>(8,008)</b>	<b>(28,261)</b>	<b>-</b>	<b>(36,269)</b>
<b>3.3</b>	<b>Net Book Values</b>			<b>2019 Rs.</b>	<b>2018 Rs.</b>
	At Cost			187,681	50,742
	<b>Total Carrying Amount of Property, Plant and Equipment</b>			<b>187,681</b>	<b>50,742</b>

**3.4** During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 165,200/- (2018 - Rs. 31,750/-)

<b>4.</b>	<b>INVENTORY</b>	<b>2019 Rs.</b>	<b>2018 Rs.</b>
	Raw Materials	43,597,292	31,280,564
		<b>43,597,292</b>	<b>31,280,564</b>

<b>5.</b>	<b>TRADE AND OTHER RECEIVABLES</b>	<b>2019 Rs.</b>	<b>2018 Rs.</b>
	Trade Debtors	86,132,532	101,439,998
	Amount Due from Related Party (5.1)	118,386,921	104,341,448
		<b>204,519,454</b>	<b>205,781,446</b>

<b>5.1</b>	<b>Related Party</b>	<b>Relationship</b>	<b>2019 Rs.</b>	<b>2018 Rs.</b>
	Suzlon Energy Limited	Ultimate Parent	118,386,921	104,341,448
			<b>118,386,921</b>	<b>104,341,448</b>



Suzlon Wind Energy Lanka (Private) Limited  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2019

<b>6. OTHER FINANCIAL ASSETS</b>			<b>2019</b>	<b>2018</b>
			<b>Rs.</b>	<b>Rs.</b>
Investments in Fixed Deposits			-	31,620,000
			<u>-</u>	<u>31,620,000</u>
<b>7. STATED CAPITAL</b>		<b>2019</b>	<b>2018</b>	
	<b>Number</b>	<b>Rs.</b>	<b>Number</b>	<b>Rs.</b>
As at 31 March 2018	300,000	300,000	300,000	300,000
As at 31 March 2019	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>8. TRADE AND OTHER PAYABLES</b>			<b>2019</b>	<b>2018</b>
			<b>Rs.</b>	<b>Rs.</b>
Trade Payables				
- Serviced income for Future period			47,612,105	81,015,013
Sundry Creditors and Accrued Expenses			5,828,809	17,012,850
Amount Due to Related Party (8.1)			5,672,331	33,301,921
			<u>59,113,244</u>	<u>131,329,784</u>
<b>8.1 Related Party</b>	<b>Relationship</b>		<b>2019</b>	<b>2018</b>
			<b>Rs.</b>	<b>Rs.</b>
Suzlon Global Services Limited.	Affiliate		5,672,331	33,301,921
			<u>5,672,331</u>	<u>33,301,921</u>
<b>9. CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT</b>			<b>2019</b>	<b>2018</b>
<b>Components of Cash and Cash Equivalents</b>			<b>Rs.</b>	<b>Rs.</b>
<b>9.1 Favourable Cash and Cash Equivalents Balances</b>				
Cash and Bank Balances			14,247,347	17,154,724
			<u>14,247,347</u>	<u>17,154,724</u>
<b>10. REVENUE</b>			<b>2019</b>	<b>2018</b>
			<b>Rs.</b>	<b>Rs.</b>
Operation and Maintenance Income			141,036,357	128,390,542
			<u>141,036,357</u>	<u>128,390,542</u>
<b>11. OTHER INCOME</b>			<b>2019</b>	<b>2018</b>
			<b>Rs.</b>	<b>Rs.</b>
Incentive Income			3,866,008	287,394
Interest Income			771,008	1,800,000
Foreign Exchange Fluctuation			9,736,880	1,756,856
Miscellaneous Balances Written Back			-	141,613
			<u>14,373,896</u>	<u>3,985,863</u>





Suzlon Wind Energy Lanka (Private) Limited  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2019

**12. PROFIT BEFORE TAX STATED AFTER CHARGING**

	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Included in Administrative Expenses</b>		
Salary	20,261,444	18,017,585
EPF	3,449,209	3,430,138
ETF	517,375	514,510
Depreciation	28,261	5,646
Auditor's Fee	360,000	355,000

**12.1 Income Tax**

The major components of income tax expense for the year ended 31 March are as follows :

	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Current Income Tax</b>		
Current Income Tax charge (12.2)	11,243,556	13,994,547
<b>Income tax expense reported in the Income Statement</b>	<u>11,243,556</u>	<u>13,994,547</u>

**12.2 A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows :**

	<b>2019</b>	<b>2018</b>
	<b>Rs.</b>	<b>Rs.</b>
Accounting Profit (Profit before Tax)	54,329,845	49,698,798
Aggregate Disallowed Items	28,261	301,312
Aggregate Allowable Expenses	(14,202,548)	(19,583)
Taxable Profit	<u>40,155,558</u>	<u>49,980,527</u>
Income Tax - 28%	11,243,556	13,994,547
Estimated current income tax for the year/period	<u>11,243,556</u>	<u>13,994,547</u>

**13. COMMITMENTS AND CONTINGENCIES**

There are no capital expenditure commitment and contingencies as at the reporting date.

**14. EVENTS OCCURRING AFTER THE REPORTING DATE**

There are no events occurring after the reporting date.



**Suzlon Wind Energy Lanka (Private) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended 31 March 2019

**15. RELATED PARTY DISCLOSURES**

**15.1 Transactions with the parent and related entities**

Details of significant related party disclosures are as follows.

Nature of Transaction	Affiliate Suzlon Global Services Limited.		Ultimate Parent Suzlon Energy Ltd	
	2019 Rs.	2018 Rs.	2019 Rs.	2018 Rs.
Opening Balance	(33,301,921)	(32,623,205)	104,341,448	51,475,703
Material purchased during the year	(23,242,506)	(12,482,759)	-	-
Consultancy Fee	(39,421,800)	(30,559,122)	-	-
Forex Profit/ (Loss)	(3,705,035)	(547,527)	14,045,473	-
Balance written back	-	123,311	-	-
Payment/(receipts) during the year	93,998,932	42,787,381	-	-
Invoices raised	-	-	-	52,865,744
Closing Balance	<u>(5,672,331)</u>	<u>(33,301,921)</u>	<u>118,386,921</u>	<u>104,341,448</u>

Amounts due from / to Related Parties are disclosed under Note 5 and 8, whilst the following amounts have been disclosed under Trade and Other Receivables and Payables respectively in the Statement of Financial Position.

**15.2 Transactions with Key Management Personnel of the Company and of its parent**

The key management personnel of the Company are the members of its Board of Directors and that of its parent.

**15.3 Key Management personal compensation**

There is no key management personal compensation as at the reporting date.

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICES**

The company is mainly exposed to credit risk.

**Credit risk**

The company trades only with recognized and credit worthy third parties and all customers are subject to a credit verification process. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is minimal.



**SUZLON WIND ENERGY LANKA (PRIVATE) LIMITED**

**DETAILED STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 MARCH 2019**

# Suzlon Wind Energy Lanka (Private) Limited

## DETAILED EXPENDITURE STATEMENT

Year ended 31 March 2019

### STATEMENT I

#### COST OF SALE

	Note	2019 Rs.	2018 Rs.
Cost of Goods and Direct Services	1	17,806,361	16,878,634
Factory Overhead	2	4,849,389	4,546,508
		<u>22,655,750</u>	<u>21,425,142</u>

#### Note 1

##### Cost of Goods and Direct Services

	2019 Rs.	2018 Rs.
Opening Stock	31,280,564	35,345,060
Add: Material Purchase/Transfer	30,123,089	12,814,138
Closing Stock	(43,597,292)	(31,280,564)
Material Consumption	<u>17,806,361</u>	<u>16,878,634</u>

#### Note 2

##### Factory Overhead

	2019 Rs.	2018 Rs.
Rent	155,882	122,330
Electricity and Water	247,053	231,176
Guest House Maintenance	52,905	19,215
Travelling Expenses	-	136,209
Clearing Expenses	617,817	874,710
Custom Duty	3,351,590	2,598,741
Repair & Maintenance	<u>424,143</u>	<u>564,128</u>
	<u>4,849,389</u>	<u>4,546,508</u>



# Suzlon Wind Energy Lanka (Private) Limited

## DETAILED EXPENDITURE STATEMENT

Year ended 31 March 2019

### STATEMENT II

#### ADMINISTRATIVE EXPENSES

	2019 Rs.	2018 Rs.
Salary expenses	20,261,444	18,017,585
EPF	3,449,209	3,430,138
ETF	517,375	514,510
Staff Welfare	1,855,191	1,975,734
Lodge and Boardng Expenses	90,026	74,505
Cook salary	313,500	296,000
Helper Salary	228,766	212,000
VISA Charges	634,176	447,049
Medical & Dispensary	2,730	71,442
Conveyance Expenses	105,441	91,733
Consultancy Services	40,142,238	31,151,500
Audit Fees	477,552	372,919
Secretarial Fees	66,500	66,000
Legal Expenses	-	100,000
Office maintenance	8,622,449	3,280,876
Printing & Stationary	50,672	17,665
Postage & Courier	4,621	8,261
Telephone Expenses	222,788	222,833
Depreciation	28,261	5,646
Safety expenses	120,789	-
Other Expenses	35,304	40,500
Insurance	914,741	578,787
Bank Charges	280,885	276,783
	<u>78,424,658</u>	<u>61,252,465</u>

