

SUZLON INFRASTRUCTURE SERVICES LIMITED  
FINANCIAL STATEMENTS -- MARCH 31, 2010  
TOGETHER WITH AUDITORS' REPORT

SNK & Co.  
Chartered Accountants  
E-2-B, The Fifth Avenue  
Dhole Patil Road  
Near Regency Hotel  
Pune 411 001

S.R. Batliboi & Co.  
Chartered Accountants  
C – 401, Fourth Floor,  
Panchshil Tech Park,  
Yerwada (Near Don Bosco School)  
Pune 411 006

## Auditors' Report

To

**The Members of Suzlon Infrastructure Services Limited**

1. We have audited the attached Balance Sheet of Suzlon Infrastructure Services Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our opinion, we draw attention to Schedule O, Note 7 of the financial statements. The Indian Wind Energy Association (InWEA) of which the Company is a member has filed a civil appeal in the Supreme Court against an order of the Appellate Tribunal for Electricity in regard to levy of Infrastructure Development Charges by Tamil Nadu State Electricity Board. The ultimate outcome of this matter cannot be presently ascertained due to it being highly technical and legalistic in nature. The Company has obtained a legal opinion which states that InWEA (and consequently the Company) has a strong case and we have placed reliance on this opinion.
5. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;

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- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

**SNK & Co.**  
**Chartered Accountants**  
Firm Registration No 109176W

**S.R. BATLIBOI & Co.**  
**Chartered Accountants**  
Firm registration number: 301003E

per Jasmin B. Shah  
Partner  
Membership No: 46238  
Pune  
May 21, 2010

per Arvind Sethi  
Partner  
Membership No: 89802  
Pune  
May 21, 2010

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**Annexure referred to in paragraph 3 of our report of even date**

**Re: Suzlon Infrastructure Services Limited**

1.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) Fixed assets have been physically verified by management during the year in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - (c) During the year, the Company has disposed off certain plant and machinery. Based on the information and explanation given by management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said plant and machinery has not affected the going concern status of the Company.
2.
  - (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
  - (b) The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and discrepancies found on physical verification of inventory carried out at the end of the year have been properly dealt with in the books of account.
3.
  - (a) The Company has granted loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 195.00 lakhs and the year- end balance of loans granted to such party was Rs. Nil.
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
  - (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
  - (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  - (e) The Company has taken unsecured loans from a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 17197.70 lakhs and the year-end balance of loans taken from such party was Rs. Nil.
  - (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
  - (g) In respect of loans taken, repayment of the principal amount is as stipulated and payments of interest have been regular.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the

course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

5. (a) According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements for income from project execution and operation and maintenance of wind turbine generators exceeding value of rupees five lakhs entered into during the financial year are made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of other transactions made in pursuance of such contracts or arrangements, exceeding value of rupees five lakhs, entered into during the financial year, due to the specialised and unique nature of the transactions and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Accordingly, clause 4(vi) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, in respect of transformer manufacturing and generation of electricity from wind power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the company and information and explanations given to us, the dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute are as follows;

Name of the statute	Nature of dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax on Consulting Engineer Services along with penalty and interest	294.71	1999-2000 To 2002-2003	CESTAT

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10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures, and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or a bank. The Company did not have any debentures outstanding during the year.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
15. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year. Accordingly, clause 4(xix) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
20. The Company has not raised money by public issue during the year. Accordingly, clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**SNK & Co.**  
**Chartered Accountants**  
**Firm Registration No 109176W**

**S.R. BATLIBOI & Co.**  
**Chartered Accountants**  
**Firm registration number: 301003E**

per Jasmin B. Shah  
Partner

per Arvind Sethi  
Partner

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Membership No: 46238  
Pune  
May 21, 2010

Membership No: 89802  
Pune  
May 21, 2010

**Suzlon Infrastructure Services Limited**  
**Balance Sheet as at March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	Schedule	March 31, 2010	March 31, 2009
<b>I. SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	A	14,200.00	14,200.00
(b) Reserves and Surplus	B	12,158.40	9,000.00
		<b>26,358.40</b>	<b>23,200.00</b>
<b>Loan Funds</b>			
(a) Secured Loans	C	18,041.65	17,017.57
(b) Unsecured Loans	D	2,500.00	9,382.00
		<b>20,541.65</b>	<b>26,399.57</b>
<b>TOTAL</b>		<b>46,900.05</b>	<b>49,599.57</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	E		
Gross Block		18,296.09	15,400.17
Less :- Depreciation		7,414.29	5,774.45
<b>Net Block</b>		<b>10,881.80</b>	<b>9,625.72</b>
Capital Work-in-Progress		555.40	483.44
		<b>11,437.20</b>	<b>10,109.16</b>
<b>Investments</b>	F	<b>5.25</b>	<b>0.25</b>
<b>Deferred Tax Asset</b> (See Schedule O, Note 8)		<b>4.40</b>	<b>851.12</b>
<b>Current Assets, Loans and Advances</b>	G		
(a) Inventories		21,204.00	34,347.27
(b) Sundry Debtors		42,700.29	26,618.38
(c) Cash and Bank Balances		5,653.86	1,731.85
(d) Loans and Advances		15,731.28	16,221.76
		<b>85,289.43</b>	<b>78,919.26</b>
<b>Less : Current Liabilities and Provisions</b>	H		
(a) Current Liabilities		47,968.60	41,805.58
(b) Provisions		1,867.63	1,022.69
		<b>49,836.23</b>	<b>42,828.27</b>
<b>Net Current Assets</b>		<b>35,453.20</b>	<b>36,090.99</b>
<b>Profit and Loss Account</b>		-	<b>2,548.05</b>
<b>TOTAL</b>		<b>46,900.05</b>	<b>49,599.57</b>
Significant Accounting Policies and Notes to Accounts	O		

The schedules referred to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

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

For SNK & Co.  
Firm Registration No. 109176W  
Chartered Accountants

For S. R. BATLIBOI & Co.  
Firm Registration No. 301003E  
Chartered Accountants

Ranjitsinh A Parmar  
Director

per Jasmin B. Shah  
Partner  
Membership No. 46238  
Place : Pune  
Date : May 21, 2010

per Arvind Sethi  
Partner  
Membership No. 89802  
Place : Pune  
Date : May 21, 2010

Sharvari Kashalikar  
Company Secretary

Amarsinh A Parmar  
Director  
Place : Pune  
Date : May 21, 2010



**Suzlon Infrastructure Services Limited**  
**Profit and Loss Account for the year ended March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	Schedule	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>INCOME</b>			
Sale of products and services	I	110,625.77	103,384.05
Less : Excise duty		97.50	748.55
Net sales		110,528.27	102,635.50
Other Income	J	674.11	519.72
<b>TOTAL</b>		<b>111,202.38</b>	<b>103,155.22</b>
<b>EXPENDITURE</b>			
Cost of products and services	K	76,422.14	77,793.85
Operating and other expenses	L	12,992.36	10,540.57
Employee remuneration and benefits	M	8,904.80	8,925.73
Financial charges	N	2,406.27	3,062.33
Depreciation	E	1,781.64	1,890.31
<b>TOTAL</b>		<b>102,507.21</b>	<b>102,212.79</b>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>8,695.17</b>	<b>942.43</b>
Current tax		2,100.00	-
Deferred tax		846.72	419.75
Fringe benefit tax		-	219.62
Earlier year tax		42.00	(0.58)
<b>PROFIT/(LOSS) AFTER TAX</b>		<b>5,706.45</b>	<b>303.64</b>
<b>NET PROFIT/(LOSS)</b>		<b>5,706.45</b>	<b>303.64</b>
Balance brought forward		(2,548.05)	(2,851.69)
<b>Balance carried to Balance Sheet</b>		<b>3,158.40</b>	<b>(2,548.05)</b>
<b>Earnings/(Loss) per share (in Rs.)</b> (See schedule O, Note 9)			
Basic and diluted [Nominal value per share Rs. 10 (Rs. 10)]		21.96	(0.15)
Significant Accounting Policies and Notes to Accounts	O		

The schedules referred to above and the notes to accounts form an integral part of the profit and loss account.

As per our report of even date

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

For SNK & Co.  
Firm Registration No. 109176W  
Chartered Accountants

For S. R. BATLIBOI & Co.  
Firm Registration No. 301003E  
Chartered Accountants

Ranjitsinh A Parmar  
Director

per Jasmin B. Shah  
Partner  
Membership No. 46238  
Place : Pune  
Date : May 21, 2010

per Arvind Sethi  
Partner  
Membership No. 89802  
Place : Pune  
Date : May 07, 2010

Sharvari Kashalikar  
Company Secretary

Amarsinh A Parmar  
Director  
Place : Pune  
Date : May 21, 2010

**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Balance Sheet as at March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	March 31, 2010	March 31, 2009
<b>SCHEDULE- A : SHARE CAPITAL</b>		
<b>Authorised</b>		
23,000,000 (23,000,000) Equity Shares of Rs. 10/- each	2,300.00	2,300.00
20,900,000 (20,900,000) Preference Shares of Rs. 100/- each	20,900.00	20,900.00
	<b>23,200.00</b>	<b>23,200.00</b>
<b>Issued, subscribed and paid up</b>		
<b>Equity</b>		
23,000,000 (23,000,000) Equity Shares of Rs. 10/- each fully paid up.	2,300.00	2,300.00
<b>Preference</b>		
900,000 (900,000) 10% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up [See Schedule O-Note No. 2 (a)]	900.00	900.00
5,000,000 (5,000,000) 1% Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up [See Schedule O-Note No. 2 (b)]	5,000.00	5,000.00
6,000,000 (6,000,000) 7% Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up [See Schedule O-Note No. 2 (c)]	6,000.00	6,000.00
(All equity and preference shares are held by Suzlon Energy Ltd., the holding company)		
	<b>14,200.00</b>	<b>14,200.00</b>
<b>SCHEDULE- B : RESERVES AND SURPLUS</b>		
Securities Premium	9,000.00	9,000.00
Profit and Loss Account	3,158.40	-
	<b>12,158.40</b>	<b>9,000.00</b>
<b>SCHEDULE - C : SECURED LOANS</b>		
<b>A. Term Loans</b>		
From Banks	3,250.67	508.33
(Term loans secured by a first charge on all present and future movable and immovable assets (excluding certain identified assets) as well as current assets of the Suzlon Entities [See Schedule O-Note No. 3] and also by pledge of shares of certain subsidiaries of the holding Company.)		
From Financial Institutions	170.08	485.75
(Secured by way of first charge on WTG Assets and land at Jaisalmer and Tirupati and all receivables out of the income generated from above and personal guarantee of Directors and corporate guarantee of Suzlon Energy Limited.)		
	3,420.75	994.08
<b>B. Working Capital Facilities from Banks</b>	14,620.90	16,023.49
(Working capital facilities secured by a first charge on all present and future movable and immovable assets (excluding certain identified assets) as well as current assets of the Suzlon Entities [See Schedule O-Note No. 3] and also by pledge of shares of certain subsidiaries of the holding Company.)		
	<b>18,041.65</b>	<b>17,017.57</b>
<b>SCHEDULE- D : UNSECURED LOANS</b>		
<b>Short Term</b>		
a. From Financial Institutions	2,500.00	-
b. From Other than banks (From Suzlon Energy Ltd.)	-	9,382.00
	<b>2,500.00</b>	<b>9,382.00</b>

**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Balance Sheet as at March 31, 2010**  
**SCHEDULE - E : FIXED ASSETS**

All amounts in rupees lacs unless otherwise stated

Sr. No.	Description	Gross Block				Depreciation				Net Block	
		As at April 1, 2009	Additions	Deductions	As at March 31, 2010	As at April 1, 2009	For the year	Deduction	As at March 31, 2010	As at March 31, 2010	As at March 31, 2009
1	Freehold Land	105.39	87.99	-	193.38	-	-	-	-	193.38	105.39
2	Leasehold Land	8.55	-	1.45	7.10	2.47	0.37	0.23	2.61	4.49	6.08
3	Building	2,565.66	552.54	0.83	3,117.37	617.85	212.91	0.19	830.57	2,286.80	1,947.81
4	Plant and Machinery	5,594.72	1,179.96	243.13	6,531.55	1,522.51	695.00	106.73	2,110.78	4,420.77	4,072.21
5	Wind Research & Measuring Equipments	-	1,256.95	9.43	1,247.52	-	182.99	0.79	182.20	1,065.32	-
6	Wind Mills *	4,132.03	-	-	4,132.03	2,360.84	271.52	-	2,632.36	1,499.67	1,771.19
7	Furniture and Fixtures	646.25	38.89	22.25	662.89	299.40	87.51	8.67	378.24	284.65	346.85
8	Office Equipments	1,074.02	74.67	12.75	1,135.94	306.95	126.84	3.97	429.82	706.12	767.07
9	Computers	773.44	11.89	3.04	782.29	466.90	125.55	2.17	590.28	192.01	306.54
10	Vehicles	500.11	18.95	33.04	486.02	197.53	78.95	19.05	257.43	228.59	302.58
	<b>Total</b>	<b>15,400.17</b>	<b>3,221.84</b>	<b>325.92</b>	<b>18,296.09</b>	<b>5,774.45</b>	<b>1,781.64</b>	<b>141.80</b>	<b>7,414.29</b>	<b>10,881.80</b>	<b>9,625.72</b>
11	<b>Capital Work -In Progress</b>									<b>555.40</b>	<b>483.44</b>
	<b>Grand Total</b>	<b>15,400.17</b>	<b>3,221.84</b>	<b>325.92</b>	<b>18,296.09</b>	<b>5,774.45</b>	<b>1,781.64</b>	<b>141.80</b>	<b>7,414.29</b>	<b>11,437.20</b>	<b>10,109.16</b>
	<b>Previous Year</b>	<b>12,177.99</b>	<b>3,404.33</b>	<b>182.15</b>	<b>15,400.17</b>	<b>3,966.96</b>	<b>1,890.31</b>	<b>82.82</b>	<b>5,774.45</b>	<b>10,109.16</b>	

\* Windmills includes assets given on lease. Refer Note 10 (b)

During the year leasehold land with gross value of Rs.1.45 lacs and net book value of Rs. 1.22 Lacs has been transferred to stock in trade.

**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Balance Sheet as at March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	March 31, 2010	March 31, 2009
<b>SCHEDULE - F : INVESTMENTS</b>		
<b>Long Term Investments (At Cost, Fully Paid)</b>		
<b><u>OTHER THAN TRADE - UNQUOTED</u></b>		
<b>(i) Subsidiaries</b>		
50,000 (NIL) Equity Shares of Rs. 10. Each fully paid up of SISL Green Infra Limited	5.00	-
<b>(ii) Other than Subsidiaries</b>		
2,500 (2,500) Equity Shares of Rs. 10 Each fully paid up of The Saraswat Co-operative Bank Ltd.	0.25	0.25
<b>Total - Unquoted investments and aggregate cost of such investment</b>	<b>5.25</b>	<b>0.25</b>
<b>SCHEDULE- G : CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>(a) Inventories</b>		
Project Material, Raw material, Tools & Spares [Including Goods-in-Transit Rs 201.63 Lacs (145.24 Lacs)]	18,796.04	26,047.32
Project- work in progress	2,134.11	7,533.46
Finished goods	273.71	519.59
Stock in trade	0.14	246.90
	21,204.00	34,347.27
<b>(b) Sundry Debtors</b> (Unsecured)		
Outstanding for a period exceeding six months		
Considered Good	11,444.11	9,718.14
Considered Doubtful	149.33	405.43
Others, Considered Good	11,593.44	10,123.57
	31,256.18	16,900.24
Less: Provision for doubtful debts	42,849.62	27,023.81
	149.33	405.43
	42,700.29	26,618.38
Refer note 13(d) of Schedule-O for disclosure of Dues from Companies under same management		
<b>(c) Cash And Bank Balances</b>		
Cash on hand	24.93	33.35
Balances with Scheduled Banks		
in Current Accounts	5,186.01	1,171.14
in Fixed Deposit Accounts	442.92	527.36
	5,628.93	1,698.50
	5,653.86	1,731.85
<b>(d) Loans And Advances</b> (Unsecured and considered good, except otherwise stated)		
Deposits	455.20	436.61
Advance against taxes	1,553.90	4,156.85
Loan to Subsidiaries	20.95	-
Inter Corporate Deposit	7,640.23	8,599.16
Advances recoverable in cash or in kind or for value to be received	-	-
Considered good	6,061.00	3,029.14
Considered doubtful	33.50	-
	6,094.50	3,029.14
Less: Provision for doubtful loans and advances	33.50	-
	<b>6,061.00</b>	<b>3,029.14</b>
	<b>15,731.28</b>	<b>16,221.76</b>

**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Balance Sheet as at March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	March 31, 2010	March 31, 2009
<b>SCHEDULE- H : CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors		
(a) total outstanding dues to Micro, Small and Medium Enterprises (See schedule O, Note 15)	333.44	758.74
(b) total outstanding dues of creditors other than Micro and Small Enterprises	33,200.94	29,308.49
Acceptances	3,533.42	4,353.14
Advances from customers	7,414.89	4,516.76
Other current liabilities	3,485.91	2,811.12
Interest Accrued but not due on loans	-	57.33
	47,968.60	41,805.58
<b>Provisions</b>		
Gratuity, superannuation and leave encashment	1,543.83	981.22
Provision For Guarantees (See Schedule O, Note 13(b))	322.36	39.14
Wealth tax	1.44	2.33
	1,867.63	1,022.69
	<b>49,836.23</b>	<b>42,828.27</b>

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**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Profit and Loss Account from April 1, 2009 to March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>SCHEDULE - I : SALE OF PRODUCTS AND SERVICES</b>		
Income from project execution	66,033.98	67,908.85
Income from operations and maintenance	36,478.70	26,527.04
Sale of goods	7,730.26	8,564.90
Income from power generation	137.02	143.03
Income from operating lease	245.81	240.23
	<b>110,625.77</b>	<b>103,384.05</b>
<b>SCHEDULE - J : OTHER INCOME</b>		
Interest Received		
From banks [TDS Rs 1.05 Lacs (Rs 9.01 Lacs)]	37.37	32.39
From others [TDS Rs 27.73 Lacs (Rs 2.56 Lacs)]	372.12	462.41
Dividend	0.05	0.05
Other Income (Net)	264.57	24.87
	<b>674.11</b>	<b>519.72</b>
<b>SCHEDULE - K : COST OF PRODUCTS AND SERVICES</b>		
Consumption of raw materials (including Project material and tools & spares)		
Opening Stock	26,047.32	27,989.58
Add :- Purchases	17,075.59	26,821.36
	43,122.91	54,810.94
Less : - Closing stock	18,796.04	26,047.32
	(A) 24,326.87	28,763.62
Services bought costs	(B) 41,982.90	50,932.39
Purchase of trading goods	(C) 4,220.39	399.66
(Increase) / Decrease in Stocks		
<u>Opening Balance:</u>		
Semi-finished goods and project work-in-progress	7,533.45	5,342.36
Finished Goods	519.59	449.32
Stock in trade	246.90	206.44
	(D) 8,299.94	5,998.12
<u>Closing Balance:</u>		
Semi-finished goods and project work-in-progress	2,134.11	7,533.45
Finished Goods	273.71	519.59
Stock in trade	0.14	246.90
	(E) 2,407.96	8,299.94
(Increase) in Stocks	(F) =(D) - (E) 5,891.98	(2,301.82)
	<b>(G) = (A) + (B) +(C)+ (F) 76,422.14</b>	<b>77,793.85</b>

**Suzlon Infrastructure Services Limited**  
**Schedules forming part of the Profit and Loss Account from April 1, 2009 to March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>SCHEDULE - L : OPERATING AND OTHER EXPENSES</b>		
Project and Operation & Maintenance site expenses	3,972.29	3,670.02
Security expenses	3,936.53	2,925.52
General selling and administrative expenses	608.66	751.13
Rate and taxes	129.35	160.07
Travelling, conveyance and vehicle expenses	511.87	595.63
Consultancy charges	976.47	230.53
Rent	950.08	631.00
Communication expenses	366.76	347.11
Sales Commission (Other than Sole Selling Agents)	100.00	-
SEB and nodal agency charges	133.06	219.63
Provision for Guarantees (See Schedule O, Note 13(b))	283.22	39.14
Advertisement and sales promotion	154.33	137.55
Insurance	267.59	266.87
Charities and donations	91.31	94.35
Provision for doubtful debts	(222.60)	151.14
Bad debts written off	344.68	43.06
Repairs and maintenance	-	-
Plant and machinery	32.43	12.78
Building	77.44	44.82
Others	61.05	98.14
Auditor's remuneration	55.65	49.39
Power and fuel	10.20	21.24
Foreign exchange loss/(gain) (net)	(56.69)	(4.37)
Corporate social welfare expenses	227.28	45.57
(Profit)/ Loss on fixed assets sold/ discarded (net)	(18.60)	10.25
	<b>12,992.36</b>	<b>10,540.57</b>
<b>SCHEDULE - M : EMPLOYEE REMUNERATION AND BENEFITS</b>		
Salaries, wages, allowances and incentives	7,471.97	7,523.23
Contribution to provident	283.22	238.00
Contribution to other funds	254.92	195.16
Staff welfare expenses	894.69	969.34
	<b>8,904.80</b>	<b>8,925.73</b>
<b>SCHEDULE - N : FINANCIAL CHARGES</b>		
Interest		
- on term loans	182.86	139.47
- others	2,070.51	2,790.81
Bank and finance charges	152.90	132.05
	<b>2,406.27</b>	<b>3,062.33</b>

**Suzlon Infrastructure Services Limited**  
**Cash Flow Statement for the year ended March 31, 2010**  
All amounts in rupees lacs unless otherwise stated

Particulars	April 1, 2009 to March 31, 2010	April 1, 2008 to March 31, 2009
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>8,695.17</b>	<b>942.43</b>
<b>Adjustments for:</b>		
Depreciation	1,781.64	1,890.31
(Profit)/ Loss on fixed assets sold/ discarded (net)	(18.60)	10.25
Interest expenses	2,253.37	2,930.28
Interest income	(409.49)	(494.80)
Dividend income	(0.05)	(0.05)
Bad debts	344.68	43.06
Provision for doubtful debts	(222.60)	151.14
Foreign exchange loss/(gain) (net)	29.18	(20.48)
Provision for Guarantees	283.22	39.14
Share issue expenses	-	105.00
Wealth tax	1.37	2.33
<b>Operating Profit before Working Capital Changes</b>	<b>12,737.89</b>	<b>5,598.61</b>
<b>Movement in Working Capital</b>		
(Increase) / Decrease in Loans and advances	(2,086.59)	(9,534.19)
(Increase) / Decrease in Sundry debtors	(16,170.49)	(10,532.11)
(Increase) / Decrease in Inventories	13,143.27	(359.57)
Increase / (Decrease) in Current Liabilities and provisions	6,593.35	6,290.84
<b>Cash (used in) /generated from Operations</b>	<b>14,217.43</b>	<b>(8,536.42)</b>
Direct Taxes Paid (net of refunds)	461.04	(2,008.26)
<b>Net Cash (used in)/ generated from Operating Activities</b>	<b>14,678.47</b>	<b>(10,544.68)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(3,134.47)	(4,041.60)
Sale of fixed assets	201.49	89.08
Investments in Subsidiary	(5.00)	-
Interest received	350.09	514.26
Dividend received	0.05	0.05
<b>Net Cash used in Investing Activities</b>	<b>(2,587.84)</b>	<b>(3,438.21)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital including premium	-	6,000.00
Share issue expenses	-	(105.00)
Proceeds from borrowings	9,574.70	15,140.77
Repayment of borrowings	(15,442.42)	(3,255.20)
Interest paid	(2,300.90)	(2,930.29)
<b>Net Cash Flow from Financing Activities</b>	<b>(8,168.62)</b>	<b>14,850.28</b>
<b>D NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>3,922.01</b>	<b>867.39</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,731.85</b>	<b>864.46</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5,653.86</b>	<b>1,731.85</b>
<b>E Components of cash and cash equivalents</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Cash in Hand	24.93	33.35
Balances with Scheduled Banks		
in Current Accounts	5,186.01	1,171.14
in Fixed Deposit Accounts	442.92	527.36
	<b>5,653.86</b>	<b>1,731.85</b>

As per our report of even date

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

For SNK & Co.  
Firm Registration No. 109176W  
Chartered Accountants

For S. R. BATLIBOI & Co.  
Firm Registration No. 301003E  
Chartered Accountants

Ranjitsinh A Parmar  
Director

per Jasmin B. Shah  
Partner  
Membership No. 46238  
Place : Pune  
Date : May 21, 2010

per Arvind Sethi  
Partner  
Membership No. 89802  
Place : Pune  
Date : May 21, 2010

Sharvari Kashalikar  
Company Secretary

Amarsinh A Parmar  
Director  
Place : Pune  
Date : May 21, 2010



## **SUZLON INFRASTRUCTURE SERVICES LIMITED**

### **SCHEDULE – O: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS** **(All amounts in Rupees Lacs unless otherwise stated)**

#### **Nature of Operations**

Suzlon Infrastructure Services Limited (the 'Company') is primarily engaged in the erection, installation & commissioning (Project Execution) and operation and maintenance (O&M) activities of wind turbine generators (WTGs). The company is also engaged in power generation, manufacturing & trading of transformers used in WTG's and Wind Resource related activities.

#### **1. Significant Accounting Policies**

##### **a) Basis of accounting**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended (the 'Rules') and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounting policies have been consistently applied by the Company; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

##### **b) Use of Estimates**

The presentation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions that may affect the balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimated.

##### **c) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

##### **Sale of goods**

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the goods are transferred to the customer, as per the terms of the respective sales order, net of taxes charged.

##### **Project Execution**

Revenue from Project Execution, consisting of installation, erection and commissioning activity is recognized on completion of the respective service identified as per terms of the sales order, net of taxes charged.

##### **Operation and Maintenance**

Revenues from Operation & Maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered, net of taxes charged.

##### **Power Generation**

Power generation income is recognized on the basis of electrical units generated, net of wheeling and transmission loss, as applicable, as shown in Power Generation Reports issued by the concerned authorities.

##### **Interest**

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

##### **Dividend**

Dividend income from investments is recognised when the right to receive payment is established.

#### d) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Capital Work in Progress comprises of advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. In the case of new undertaking, preoperative expenses are capitalised upon the commencement of commercial production. Assets held for disposal are stated at the lower of net book value and the estimated net realizable value.

In respect of accounting periods commencing on or after December 7, 2006, exchange differences arising on reporting of the long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts, and where carrying amounts exceed the recoverable amount of the assets with CGU, assets are written down to their recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. The impairment loss recognised in prior accounting period is reversed if there has been a change in estimates of recoverable amount.

#### e) Depreciation/Amortization

Depreciation is provided on the written down value method (WDV) unless otherwise stated, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified in schedule XIV to the Act, whichever is higher:

Type of Assets	Rate
Leasehold land	Amortized over the period of lease
Office building	5%
Factory building	10%
Plant and machinery	Single shift - 13.91%
	Double shift - 20.87%
	Triple shift - 27.82%
Continuous process plant	15.33%
Wind research & measuring equipments	50%
Computer	40%
Motor car and others	25.89%
Furniture and fixtures	18.10%
Office equipments	13.91%

Depreciation on additions of fixed assets is being provided on pro-rata basis from the month of such additions.

#### f) Inventories

Inventories of raw material including stores, spares and consumables, project materials, stock in trade, project work in progress, semi-finished goods and finished goods are valued at the lower of the cost and estimated net realisable value. Cost is determined on weighted average basis. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

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

Inventories of raw material include items of inventory used for operation and maintenance activity. These are valued based on the technical estimates made by management.

Project work in progress includes cost of civil, line, and installation of WTGs which are in process or unsold as at the balance sheet date. Further, cost incurred for laying external lines at the wind farms is expensed to the extent of Megawatt (MW) installed as compared to the planned MW for the wind farm site and balance is carried as work in progress.

#### g) Investments

Long term Investments are carried at cost. However, provision is made to recognise a decline, other than temporary, in the value of long term investments.

Current investments are carried at lower of cost and fair value, determined on an individual basis.

#### **h) Foreign Currency Transactions**

Transactions in foreign currencies are normally recorded in the reporting currency at the average exchange rate prevailing in the period during which the transaction occurred.

Outstanding balances of foreign currency monetary items are reported using the period end rates.

Non-monetary items carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed, when the values were determined.

Exchange differences, in respect of accounting periods commencing on or after December 7, 2006, arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of a depreciable capital asset, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, and in other cases, are accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortized over the balance period of such long-term asset/liability but not beyond accounting period ending on or before March 31, 2011.

Exchange differences arising on the settlement of monetary items not covered above, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### **i) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to profit and loss account.

#### **j) Retirement and other employee benefits**

Defined contributions to provident fund and employee state insurance are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective statutory authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation.

Contributions to Superannuation fund with LIC through its employees' trust are charged to the profit and loss account on an accrual basis.

Short term compensated absences are provided based on estimates. Long term compensated absences are provided based on actuarial valuation as at the balance sheet date.

Liability for long term retention bonus is provided based on actuarial valuation as at the balance sheet date.

Actuarial Valuations are done as per projected unit credit method at the end of each financial year.

Actuarial gains / losses are charged to profit and loss account and are not deferred.

#### **k) Provisions, Contingent Liabilities and Contingent Assets**

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

Contingent Liabilities are disclosed by way of notes to the accounts, unless the possibility of an outflow is remote.

Contingent assets are not recognized.

## **l) Income Taxes**

Tax expense for the year comprises of current tax, deferred tax and fringe benefit tax. Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961. Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax asset arising due to unabsorbed depreciation and carry forward business losses is recognized only to the extent, there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after tax holiday period is recognized in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted by the balance sheet date.

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

Minimum alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

## **m) Lease Assets**

### **Operating Leases**

#### **Where Company is a lessee**

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the Profit and Loss Account as incurred. Initial direct costs in respect of assets given on operating lease are expensed off in the year in which such costs are incurred.

#### **Where Company is a lessor**

Assets subject to operating leases are included in fixed assets. Lease income is recognized taking into consideration the data and facts upon which the computation of lease rent depends as available at the balance sheet date. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

## **n) Earnings Per Share**

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

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **o) Segment Reporting Policies**

### ***Identification of segments :***

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### ***Inter segment Transfers :***

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

### ***Allocation of common costs :***

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

### ***Unallocated items :***

Includes general corporate income and expense items which are not allocated to any business segment.

## **2. Redeemable preference shares**

- a. 900,000 (900,000), 10% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up are redeemable at par at the discretion of the board before 20 years from the date of allotment i.e. February 7, 2004. The company as well as the preference shareholder shall respectively have the call and put option to redeem the above preference shares anytime after 1 (one) year from the date of allotment.
  - b. 5,000,000 (5,000,000), 1% Cumulative Redeemable Preference Shares of Rs.100/- each fully paid up are redeemable at par at the discretion of the board before 15 years from the date of allotment i.e. February 2, 2008. The company as well as the preference shareholder shall respectively have the call and put option to redeem the above preference shares anytime after 3 (Three) year from the date of allotment.
  - c. 6,000,000 (6,000,000), 7% Optionally Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each fully paid up are redeemable at par at the discretion of the board before 15 years from the date of allotment i.e. November 22, 2008. The company as well as the preference shareholder shall respectively have the call and put option to redeem the above preference shares anytime after 1 (One) year from the date of allotment. The Preference Shareholders shall also have the right to convert in full and not in part the Preference Shares into Equity Shares of Rs.10/- each at a price arrived on the basis of the average Earning Per Share ("EPS") of last three years by applying price earning multiple of 10 anytime after end of 3 (Three) financial years from the date of allotment including the year in which the shares have been allotted.
3. Suzlon Energy Limited ('SEL') along with some of its Indian subsidiaries and the Company, collectively referred as "Suzlon Entities", have jointly executed a debt Consolidation and Refinancing Arrangement (the 'Arrangement') on February 5, 2010 with a consortium comprising of various banks and financial institutions ('Consortium') lead by the State Bank of India as the Facility Agent and SBI Cap Trustee Company Limited as the Security Trustee.

As per the Arrangement, the Consortium has sanctioned a consolidated loan amount and based on business requirements, the Company has availed various facilities of rupee term loans, fund based working capital facilities and non-fund based working capital facilities. The Arrangement also covers the earlier sanctioned loans, which have either been continued or converted into a new loan facility, as the case may be.

Company has incurred an amount of approximately Rs 311.71 Lacs, as consultancy and processing charges in regard to the Arrangement, the cost of which will be amortised over the tenure of respective facilities.

4. Suzlon Energy Limited ('SEL' or 'Suzlon'), the holding company, has issued Employee Stock Option Plans (ESOPs) to certain employees of its group companies, including certain employees of the Company. The costs in regard to such ESOPs are borne by SEL, and are expensed off in the books of SEL. Out of the total ESOP costs expensed off during the year ended March 31, 2010 in Suzlon's books, Rs.17.37 Lacs (Rs. Nil) pertains to the Company.
5. During the year the Company has changed its mode of operation of transformer business. The Company has been involved in trading activity of transformer instead of manufacturing. Pursuant to this change, the Company has entered into a Business Transfer Agreement dated September 21, 2009 with SE Electricals Limited (the fellow subsidiary) and w.e.f. October 01, 2009 the company has transferred the ownership of the Transformer Manufacturing Division at Halol as a going concern along assets and liabilities shown under point 17 (e).

6. The Company is a Public company as per the provisions of the Act and has a paid up share capital of Rs.14,200 lacs (Rs. 14,200 lacs) during the year ended March 31, 2010. The Company has not yet appointed the whole-time director or a manager, as required by section 269 of the Companies Act, 1956.
7. The Tamil Nadu State Electricity Board ('TNEB') through a circular has been charging Infrastructure Development Charges ('IDC') to Wind Energy Developers towards recovery of cost by TNEB towards infrastructure facilities provided to the wind energy generators to evacuate their power till the state grid. After the enactment of the Electricity Act, 2003 Indian Wind Energy Association ('InWEA') approached the Tamil Nadu Electricity Regulatory Commission ('State Commission') challenging the legality of the IDC levied by TNEB. The State Commission ruled in favour of the InWEA and by order dated September 9, 2008 ruled that TNEB has no jurisdiction to issue such a circular imposing IDC and that charging IDC is in contravention of section 32(3) of the Act especially when TNEB had not approached the State Commission for levy of IDC. TNEB appealed against this order of the State Commission to the Appellate Tribunal for Electricity ('Tribunal'). The Tribunal ruled in favour of TNEB vide its order dated January 8, 2010. The InWEA filed a Civil Appeal against the order of the Tribunal in the Supreme Court and the matter is pending for hearing of the Supreme Court. The maximum amount of liability, not provided for as at March 31, 2010, which the Company may need to bear arising out of the uncertainty mentioned above is approximately Rs. 5,964.53 lacs.

#### 8. Deferred Tax:

The breakup of deferred tax assets/(liability) as at March 31, 2010 is as follows:

	Particulars	Deferred tax assets / (liabilities) as at March 31, 2009	During the year 2009-10	Deferred tax assets / (liabilities) as at March 31, 2010
<b>A</b>	<b>Deferred tax assets</b>			
	Provision for gratuity	30.57	(30.57)	-
	Provision for doubtful debts	137.81	(75.66)	62.15
	Provision for bonus	54.67	(0.04)	54.63
	Provision for leave encashment	111.68	52.71	164.39
	Provision for Guarantees	-	109.56	109.56
	Disallowance U/S 40 (a)	76.55	(76.55)	-
	Unabsorbed Depreciation	365.37	(365.37)	-
	Unabsorbed Loss	586.04	(586.04)	-
	<b>(A)</b>	<b>1,362.69</b>	<b>(971.96)</b>	<b>390.73</b>
<b>B</b>	<b>Deferred tax liabilities</b>			
	Depreciation on fixed assets	511.57	(125.24)	386.33
	<b>(B)</b>	<b>511.57</b>	<b>(125.24)</b>	<b>386.33</b>
<b>C</b>	<b>Net deferred tax (A)-(B)</b>	<b>851.12</b>	<b>(846.72)</b>	<b>4.40</b>
	<b>Closing deferred tax asset / (liability)</b>	<b>851.12</b>	<b>(846.72)</b>	<b>4.40</b>

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#### 9. Earnings per share:

(Rs. Lacs except per share data)

Particulars	March 31, 2010	March 31, 2009
Basic and diluted Earnings per share		
Net Profit / (loss) after tax	5,706.45	303.64
Less :		
Preference Dividend and tax thereon	655.17	338.80
Net Profit / (Loss) attributable to equity share holders (Numerator for computation of basic EPS) (A)	5,051.28	(35.16)
Weighted average number of equity shares (Denominator for computation of basic EPS) (B)	23,000,000	23,000,000
Basic and Diluted Earnings per share of face value of Rs.10/- each (In Rs.) (A/B*100,000)	21.96	(0.15)

Diluted EPS, on Potential Equity Share on conversion of Preference Share to Equity, as per AS-20 has not been computed and disclosed as the terms of conversion would be effective only in F Y 2010-11.

## 10. Operating Leases

### a. Assets taken on lease (Premises):

The company has taken certain premises under cancelable operating leases. The total rental expense under cancellable operating leases during the period was Rs.505.18 (Rs.436.72).

The Company has also taken furnished/unfurnished offices and certain other premises under non-cancellable operating lease arrangement ranging for a period of one to five years. There are no subleases. The lease rental charged during the year is Rs.379.25 (Rs. 180.16) and maximum obligation on long term non-cancelable operating lease payable as per the rentals stated in respective agreement are as follows:

### Obligation on non-cancellable operating lease

Particulars	March 31, 2010	March 31, 2009
Not later than one year	269.39	274.93
Later than one year and not later than five years	237.43	83.23
Later than five years	-	-

### b. Assets given on lease (Windmills):

The company has let out its Windmills on operating Lease, the lease charges are on the basis of net electricity generated and delivered. The said lease is non-cancellable during the primary lease period i.e. for the first five years and extendable for another five years unless any of the party decides to discontinue the same. The details of which are as under:

Sr. No.	Particulars	March 31, 2010	March 31, 2009
1	Lease Rental Income recognized in Profit and Loss Account for the period	243.22	237.65
2	Gross carrying amount	3,000.00	3,000.00
3	Accumulated depreciation	1,922.90	1,727.88
4	Depreciation charged to Profit and Loss Account for the period	195.02	230.33

## 11. Post employment benefits:

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

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

Particulars	March 31, 2010	March 31, 2009
Opening defined benefit obligation	284.73	172.88
Interest cost	22.22	14.46
Current service cost	93.76	87.61
Benefits paid	(6.97)	(5.59)
Actuarial (gains)/losses on obligation	81.92	15.37
Closing defined benefit obligation	475.66	284.73

Change in fair value of plan assets are as follows:

Particulars	March 31, 2010	March 31, 2009
Opening fair value of plan assets	101.66	79.77
Expected Return	8.79	7.39
Contribution by employer*	10.45	20.00
Benefits paid	(6.97)	(5.59)
Actuarial gains/(losses) on obligation	(0.07)	0.09
Closing fair value of plan assets	113.85	101.66

\* The Contribution made by the employer during the year was Rs 10.45 lacs (Rs 20 lacs).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	March 31, 2010	March 31, 2009
Investments in approved fund	100%	100%

Details of defined benefit gratuity plan:

Particulars	March 31, 2010	March 31, 2009
Defined benefit obligation	475.66	284.73
Fair value of plant assets	113.85	101.66
Present value of unfunded obligations	361.81	183.07
Less: Unrecognised past service cost	-	-
Plan (surplus)/liability	361.81	183.08

The following table summarises the components of net benefit expense recognized in the Profit and Loss Account

Net employees benefit expense recognized under salary, wages and bonus.

Particulars	March 31, 2010	March 31, 2009
Current service cost	93.76	87.61
Interest cost on benefit obligations	22.22	14.46
Expected return on plan assets	(8.79)	(7.39)
Net actuarial (gain)/loss recognized in the year	81.99	15.28
Net benefit expense	189.18	109.96



The amounts for the current and previous periods are as follows;

<b>Particulars</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Defined benefit obligation	475.66	284.73
Plan assets	113.85	101.64
Surplus / (deficit)	(361.81)	(183.08)
Experience adjustments on plan liabilities	(99.96)	21.49
Experience adjustments on plan assets	(0.07)	0.09
Actuarial Gain/ (loss) due to change in assumption.	18.04	(36.86)

The principal assumptions used in determining defined benefit gratuity plan obligations are shown below:

<b>Particulars</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Discount rate	8.20%	7.90%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
Withdrawal Rates	10% at younger age & reducing to 1% at older age	10% at younger age & reducing to 1% at older age

The estimates of future salary increases takes into account the inflation, seniority, promotion and other relevant factors.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

## 12. Managerial remuneration

During the year the Company has not paid any Managerial Remuneration.

## 13. a. Contingent Liabilities not provided for:

<b>Particulars</b>	<b>March 31, 2010</b>	<b>March 31, 2009</b>
Disputed labour cost liabilities	1.73	1.73
Disputed service tax liabilities	294.71	282.96
Disputed Royalty Liability for Excavation of Major Minerals.	259.46	259.46
Disputed Infrastructure Development Charges [Refer Note -7]	5964.53	-
Disputed property tax Liability	156.34	138.94
Disputed professional tax Liability	13.84	-
Interest payable under MSMED Act. 2006 [Refer Note - 15]	95.16	65.62
Unpaid dividend on cumulative preference shares (inclusive of taxes) (Outstanding for 2007-08 Rs. 114.57, for the year 2008-09 Rs. 338.80 and for 2009-10 Rs.655.17)	1,108.54	453.37

The Company is a co- guarantor for certain loans granted to fellow subsidiaries and the holding company. The amount of guaranty attributable to the Company cannot be determined.

## b. Provisions.

<b>Particulars</b>	<b>Balance as at March 31, 2009</b>	<b>Additions during the year</b>	<b>Amounts used during the year</b>	<b>Unused Amounts reversed during the year</b>	<b>Balance as at March 31, 2010</b>
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Provision for Guarantees	39.14	283.22	-	-	322.36
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The Provision for Guarantees represents the expected outflow of resources against the claims for lower Machine Availability and excess Reactive Power usage. It is expected that most of this cost will be incurred in the next financial years.

**c. Capital Commitments**

Particulars	March 31, 2010	March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	281.04	280.34

**d. Dues from the Companies under same management**

Company under Same Management	Particulars	March 31, 2010	Maximum Balance
Suzlon Towers and Structures Limited	Debtors	-	1,231.05
		(316.44)	(382.77)
Suzlon Towers and Structures Limited	Deposit	-	1,688.00
		(-)	(-)
Suzlon Gujarat Windpark Limited	Debtors	51.82	51.82
		(-)	(3,632.19)
Suzlon Gujarat Windpark Limited	Deposit	4,432.20	4,432.20
		(-)	(-)
Suzlon Energy Limited	Debtors	10,453.33	11,745.36
		(723.68)	(6,796.26)
Suzlon Engitech Limited	Debtors	1,575.92	2,383.53
		(794.60)	(1,182.24)
Suzlon Generators Limited	Debtors	8.48	12.48
		(4.17)	(4.17)
Suzlon Power Infrastructure Limited	Debtors	309.61	365.64
		(4.62)	(4.62)
Suzlon Structures Limited	Debtors	-	12.66
		(4.19)	(4.19)
SE Electricals Limited	Debtors	30.19	452.81
		(-)	(-)
SE Electricals Limited	Deposit	2,995.28	6,859.00
		(-)	(-)

**e. Un-hedged foreign currency exposure:**

Particulars	March 31, 2010	March 31, 2009
Creditors (including Goods in Transit Rs 152.13 Lacs) (Rs. 15.66)	647.84	373.77

**14. Additional information pursuant to the provisions of Paragraph 3, 4B, 4C and 4D of Part II of Schedule of VI of the Companies Act, 1956:**

**a. Auditor's Remuneration:**

Particulars	March 31, 2010	March 31, 2009
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Statutory audit fees	51.00	45.39
Tax audit fees	1.00	1.00
Other services	3.00	3.00
Reimbursement of Out of Pocket expenses	0.65	-
<b>Total</b>	<b>55.65</b>	<b>49.39</b>

**b. Value of Raw Materials, Project Material, Tools & Spares consumed:**

Particulars	March 31, 2010	%	March 31, 2009	%
Imported	1,510.19	6.21	1,047.67	3.64
Indigenous	22,816.68	93.79	27,715.94	96.36
<b>Total</b>	<b>24,326.87</b>	<b>100.00</b>	<b>28,763.62</b>	<b>100.00</b>

**c. Value of Imports on CIF Basis:**

Particulars	March 31, 2010	March 31, 2009
Components & Spares [Including Goods in transit of Rs 152.13 (Rs. 15.66)]	1030.23	1,663.30
Capital Goods	-	-
<b>Total</b>	<b>1,030.23</b>	<b>1,663.30</b>

**d. Installed Capacity and Production:**

Class of Products	Installed Capacity (Nos.)		Production (Nos.)	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31 2009
Transformer	NIL*	1,020	121	539

The installed capacity is as determined by the management and relied upon by the auditors.

\* During the year the company has changed its mode of operation from manufacturing to trading of transformers and in consequent thereto has transferred the ownership of transformer manufacturing division to SE Electricals Limited (fellow subsidiary) under Business Transfer Agreement dated September 21, 2009 w.e.f. October 01, 2009.

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**e. Details of opening stock, turnover and closing stock:**

Nature of Activity	Turnover		Closing Stock		Opening Stock	
	Quantity	Amount Rs.	Quantity	Amount Rs.	Quantity	Amount Rs.
Transformer Trading	332 (76)	4042.81 (733.35)	19 (25)	197.18 (246.90)	25 (21)	246.90 (206.44)
Transformer- Manufacturing	170 (535)	1826.26 (6,339.63)	- (49)	- (424.24)	49 (45)	424.24 (400.51)

Others Sale of Goods		826.24 (743.37)				
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Note: It is not practicable to furnish quantitative information in view of large number of items which differ in size and nature, each being less than 10% in value of the total raw materials consumed.

**f. Details of expenditure in Foreign Currency are as under:**

Particulars	March 31, 2010	March 31, 2009
Interest	2.72	17.32
Traveling expenses	5.70	7.82
Consultancy Charges	16.74	68.77
Others	10.82	35.82
<b>Total</b>	<b>35.98</b>	<b>129.73</b>

**g.** Earnings in Foreign Currency Rs. Nil (Rs. Nil)

**h.** During the year, there was no remittance in foreign currency on account of dividends

**15. Disclosure U/s. 22 of Micro, Small and Medium Enterprises Development Act, 2006:**

Particulars	March 31, 2010	March 31, 2009
The principal amount remaining unpaid to any supplier as at the end of the year.	333.44	758.74
Interest due on the above amount	18.46	11.99
The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006.	-	-
Amounts of the payment made to the supplier beyond the appointed day during the year.	612.12	2,319.37
Amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the year	Nil*	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	95.16	65.62

The parties registered under MSMED Act are identified based on the information available with the company and relied upon by the auditors.

\*Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is 28.01 Lacs (48.42 lacs) and same is not accrued in the books of accounts.

**16. Segment Reporting:**

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

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

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

The company has identified four reportable business segment viz. Project Execution, Operation & Maintenance of Windmills, Transformation Division & Wind Resource. The businesses, which are not reportable segments during the year, have been grouped under the heading "Others".

The company has started a new activity of Wind Resource Development which is identified as a reportable segment.

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**(A) Primary business segment**

Sr. No.	Particulars	Year Ended Mar 31, 2010						Year Ended March 31, 2009					
		Project Execution	Operation & Maintenance	Transformer Division	Wind Resource	Others	Total	Project Execution	Operation & Maintenance	Transformer Division	Wind Resource	Others	Total
<b>1</b>	<b>Segment Revenue</b>												
	External Income	66,500.53	37,858.52	5,792.57	4.21	372.44	110,528.27	68,142.42	27,025.31	7,087.09	0.00	380.68	102,635.50
	Inter-Segment Income	0.00	53.94	0.00	0.00	0.00	53.94	0.00	48.93	0.00	0.00	0.00	48.93
	<b>Total Turnover</b>	66,500.53	37,912.47	5,792.57	4.21	372.44	110,582.22	68,142.42	27,074.24	7,087.09	0.00	380.68	102,684.43
<b>2</b>	<b>Segment Result Before Interest &amp; Taxes</b>	12,299.58	668.59	491.11	(1,836.64)	(212.40)	11,410.24	(1,859.69)	5,074.70	1,201.24	0.00	13.54	4,429.79
	<b>Items to Reconcile with Profit as per Profit &amp; Loss Account</b>						982.90						944.75
	Financial Charges						2,406.27						3,062.33
	Other Income						674.10						519.72
	Profit Before Tax						8,695.17						942.43
	Less: Income Taxes												
	- Current Tax						2,100.00						-
	- Deferred Tax						846.72						419.75
	- Fringe Benefit Tax						-						219.62
	- Income Tax of Earlier Year						42.00						(0.58)
	Profit / (Loss) After Tax						5,706.45						303.64
<b>3</b>	<b>Other Information</b>												
	Segment Assets	35,382.57	38,604.90	1,921.84	1,406.15	11,128.89	88,444.35	36,951.35	29,099.26	4,120.39	0.00	11,805.63	81,976.64
	Unallocated Assets						8291.94						7,903.15
	Total Assets	35,382.57	38,604.90	1,921.84	1,406.15	11,128.89	96,736.28	36,951.35	29,099.26	4,120.39	0.00	11,805.63	89,879.79
	Segment Liabilities	27,402.72	17,629.72	1,053.08	607.51	2,547.49	49,240.52	32,303.76	8,211.70	1,170.20	0.00	163.50	41,849.16
	Unallocated Liabilities						21,137.37						27,378.68
	Total Liabilities	27,402.72	17,629.72	1,053.08	607.51	2,547.49	70,377.88	32,303.76	8,211.70	1,170.20	0.00	163.50	69,227.84
	Capital Expenditure	122.78	1,604.49	0.36	1,564.14	2.03	3,293.80	289.19	953.23	0.21	0.00	1,279.87	2,522.49
	Depreciation	222.77	1,088.83	16.85	183.21	269.98	1,781.64	270.45	1,257.59	42.64	0.00	319.63	1,890.31
	Non-Cash Expenditure other than Depreciation	58.81	30.50	8.35	(0.05)	(4.70)	92.91	5.28	166.39	0.00	0.00	(0.04)	171.63

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**(B) Geographical Segment**

As the Company operates only in India, it has no reportable geographical segment identified for the purpose of Secondary Segment Disclosures as per AS-17 "Segment Reporting".

**17. Related Party Transactions:****(a) List of related parties and nature of relationships where controls exists**

<b>Sr. No.</b>	<b>Name of the party</b>	<b>Nature of relationship</b>
1	Suzlon Energy Limited.	Holding Company
2	Suzlon Towers and Structures Limited.	Fellow Subsidiary
3	Suzlon Engitech Limited	Fellow Subsidiary
4	SE Electricals Limited.	Fellow Subsidiary
5	Suzlon Generators Limited.	Fellow Subsidiary
6	Suzlon Structures Limited.	Fellow Subsidiary
7	Suzlon Power Infrastructure Limited.	Fellow Subsidiary
8	Suzlon Gujarat Windpark Limited.	Fellow Subsidiary
9	SE Drive Technik GmbH	Fellow Subsidiary
10	SISL Green Infra Limited	Subsidiary

Note: Transactions have taken place with all parties listed above.

**(b) List of other related parties with whom transactions have taken place during the year****Note:**

Key Managerial Personnel (KMP), Relative of key managerial personnel (RKMP) and Entities where KMP/RKMP have significant influence are not considered as related parties for the financial year ended March 31, 2010 as all the directors of the company namely Mr. Amarsinh A Parmar, Mr. Balrajsinh A Parmar, Mr. Ranjitsinh A Parmar and Mr. Vinod R Tanti are non-executive directors.

**Employee funds**

- Suzlon Infrastructure Services Limited – Superannuation Fund.
- Suzlon Infrastructure Services Limited– Gratuity Fund

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**(c) Transactions between the Company and Related Parties and the Status of Outstanding Balances as at March 31, 2010:**

Particulars	Holding Company	Subsidiary / Fellow Subsidiary Companies	Employee Funds	Total
<b>Transactions</b>				
Sale of Fixed Assets	- (81.10)	179.11 (-)	- (-)	179.11 (81.10)
Purchase of Capital Components	- (-)	70.95 (-)	- (-)	70.95 (-)
Loans/Security Deposit Given	- (-)	15,156.00 (-)	- (-)	15,156.00 (-)
Loans/Security Deposit Received	17,197.70 (28,226.44)	- (-)	- (-)	17,197.70 (28,226.44)
Purchases of Goods & Services	5,674.16 (2,228.56)	4,014.86 (688.23)	- (-)	9,689.02 (2,916.79)
Issue of Preference Shares	- (6,000.00)	- (-)	- (-)	- (6,000.00)
Subscription to Equity Shares in Subsidiary	- (-)	5.00 (-)	- (-)	5.00 (-)
Sales of Goods & Services	12,793.58 (20,866.38)	2,901.07 (1,947.90)	- (-)	15,694.65 (22,814.28)
Interest Paid	282.49 (757.88)	- (-)	- (-)	282.49 (757.88)
Interest Received	- (-)	211.32 (-)	- (-)	211.32 (-)
Rent Paid	- (0.24)	- (-)	- (-)	- (0.24)
Lease Rent Income	243.22 (240.23)	- (-)	- (-)	243.22 (240.23)
Contribution to various funds	- (-)	- (-)	29.63 (72.97)	29.63 (72.97)
Reimbursement of Expenses	156.61 (-)	268.09 (-)	- (-)	424.70 (-)
Corporate Guarantee	- (-)	* (-)	- (-)	* (-)
<b>Outstanding Balances</b>				
Investment	- (-)	5.00 (-)	- (-)	5.00 (-)
Sundry Creditors	3,662.88 (53.19)	665.98 (43.91)	- (-)	4,328.86 (97.10)
Unsecured Loan Taken	- (9,382.00)	- (-)	- (-)	- (9,382.00)
Unsecured Loan Given	- (-)	7,448.43 (-)	- (-)	7,448.43 (-)
Sundry Debtors	10,453.33 (721.33)	1,976.02 (1,124.02)	- (-)	12,429.35 (1,845.35)
Corporate Guarantees Received	410.95 (793.25)	- (-)	- (-)	410.95 (793.25)

\*The Company is a co-guarantor for certain loans granted to fellow subsidiaries and the holding company. The amount of guaranty attributable to the Company cannot be determined.

**(d) Disclosure of significant transactions with related parties:**

Type Of Transaction	Type Of	Name of The Entity/Person	2009-10	2008-09
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	Relationship			
Sale of Fixed Assets	Holding Company	Suzlon Energy Limited	-	81.10
	Fellow Subsidiary	SE Electricals Limited	179.11	-
Purchase of Capital Components	Fellow Subsidiary	Suzlon Gujarat Windpark Ltd.	70.95	-
Loans/Security Deposit Received	Holding Company	Suzlon Energy Limited	17,197.70	28,226.44
Issue of Preference Shares	Holding Company	Suzlon Energy Limited	-	6,000.00
Loans/Security Deposit Given	Fellow Subsidiary	SE Electricals Limited	9,034.00	-
	Fellow Subsidiary	Suzlon Gujarat Windpark Ltd.	4,414.00	-
	Fellow Subsidiary	Suzlon Tower & Structures Ltd.	1,688.00	-
Subscription to Equity Shares in Subsidiary	Fellow Subsidiary	SISL Green Infra Limited	5.00	-
Sales of goods and Services	Holding Company	Suzlon Energy Limited	12,793.58	20,866.38
	Fellow Subsidiary	Suzlon Engitech Limited	2,345.72	1,115.17
	Fellow Subsidiary	Suzlon Tower & Structures Ltd.	514.27	505.39
Purchase of Goods and Services	Holding Company	Suzlon Energy Limited	5,674.16	2,228.56
	Fellow Subsidiary	SE Electricals Limited	3,526.09	-
	Fellow Subsidiary	Suzlon Tower & Structures Ltd.	91.52	494.35
Interest Received or Receivable	Fellow Subsidiary	SE Electricals Limited	151.42	-
	Fellow Subsidiary	Suzlon Tower & Structures Ltd.	38.62	-
Interest Paid	Holding Company	Suzlon Energy Limited	282.49	757.88
Re-imbusement of Expenses	Holding Company	Suzlon Energy Limited	156.61	-
	Fellow Subsidiary	Suzlon Power Infrastructure Ltd.	249.21	-
Lease Rent Income	Holding Company	Suzlon Energy Limited	243.22	240.23
Rent Paid	Holding Company	Suzlon Energy Limited	-	0.24
Contribution to various Funds	Employee Fund	SISL Superannuation Fund	19.18	52.97
	Employee Fund	SISL Employees Group Gratuity Scheme	10.45	20.00

(e) Disclosure of Transfer of Transformer division under Going Concern to SE Electrical Limited through Business Transfer Agreement:

Particulars	Amount	Amount
<b>(1) Asset</b>		148.91
Fixed Assets		
Sundry Debtors		274.45
Inventory		
Raw Material	92.92	
Semi Finished Goods	145.58	
Finished Goods	51.63	290.13

Advances recoverable in cash or kind		0.69
<b>Total</b>		<b>714.18</b>
<b>(II) Liabilities</b>		
Sundry Creditors		361.38
<b>Total</b>		<b>361.38</b>
<b>Net Consideration</b>		<b>352.80</b>

(f) The Company is allowed to make free of charge use of SAP software owned by the Suzlon Energy Limited (Holding Company).

18. Disclosure as required by clause 32 of listing agreement with stock exchanges

Type of relationship	Name	Amount Outstanding as at March 31, 2010	Maximum amount outstanding during the year
Fellow Subsidiary	SE Electricals Limited	2,995.28	6,859.00
Fellow Subsidiary	Suzlon Tower & Structures Ltd.	-	1,688.00
Associate	Sarjan Realities Limited	-	8,000.00
Subsidiary	SISL Green Infra Limited	20.95	20.95
Fellow Subsidiary	Suzlon Gujarat Wind Park Limited	4,432.20	4,432.20

Note: The above balance of loans is including accrued interest and is payable on demand.

19. Prior year figures have been Regrouped/Rearranged wherever necessary.

As per our report of even date

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

For SNK & Co  
Firm Regn. No. 109176W  
Chartered Accountants

For S. R. Batliboi & Co  
Firm Regn. No. 301003E  
Chartered Accountants

Ranjitsinh A Parmar  
Director

per Jasmin B. Shah  
Partner  
M No: 46238  
Pune  
May 21, 2010

per Arvind Sethi  
Partner  
M No: 89802  
Pune  
May 21, 2010

Sharvari Kashalikar  
Company Secretary  
Pune  
May 21, 2010

Amarsinh A Parmar  
Director  
Pune  
May 21, 2010