

SUZLON POWER INFRASTRUCTURE LIMITED

COMPANY AUDIT REPORT & AUDITED ACCOUNTS 2009-2010

S N K & Co.

CHARTERED ACCOUNTANTS

E-2-B, 4th Floor,

The Fifth Avenue,

Near Hotel Regency,

Dhole Patil Road, Pune 411001, India

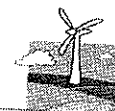
Phone (91) (20) 66208891/2

E mail: jbs@snkca.com

Website: www.snkca.com

SUZLON POWER INFRASTRUCTURE LIMITED

Balance Sheet as at March 31, 2010
All amounts in Indian Rupees unless otherwise stated.



Particulars	Schedule	As at March 31, 2010	As at March 31 2009
I. SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	30,100,000	30,100,000
		30,100,000	30,100,000
Loan Funds			
Unsecured Loans	B	1,504,368,020	922,091,635
		1,504,368,020	922,091,635
TOTAL		1,534,468,020	952,191,635
II. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	C	33,636,017	32,871,612
Less :- Depreciation		6,336,763	4,716,650
Net Block		27,299,254	28,154,962
Deferred Tax Asset		-	36,601,604
Current Assets, Loans and Advances	D		
Inventories		1,527,609,008	1,365,803,493
Sundry Debtors		555,836,513	418,440,006
Cash and Bank Balances		153,244,572	21,190,825
Loans and Advances		163,923,795	121,231,286
		2,400,613,888	1,926,665,610
Less : Current Liabilities and Provisions	E		
Current Liabilities		1,090,868,173	1,088,705,725
Provisions		-	6,039,510
		1,090,868,173	1,094,745,235
Net Current Assets		1,309,745,715	831,920,375
Profit & Loss Account		197,423,051	55,514,694
TOTAL		1,534,468,020	952,191,635
Significant Accounting Policies and Notes to Accounts	L		

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

As per our report of even date

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

Jasmin B. Shah
Partner
M.No. 46238

Place :Pune
Date: May 7,2010

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

Vinod R. Tanti
Director

Balrajsinh A. Parmar
Director

Place : Pune
Date: May 7,2010

SUZLON POWER INFRASTRUCTURE LIMITED

Profit and Loss Account for the Year Ended March 31, 2010
All amounts in Indian Rupees unless otherwise stated



Particulars	SCHEDULE	Year ended March 31, 2010	Year ended March 31, 2009
INCOME			
Sales and Services	F G	1,250,487,167	1,225,709,200
Other Income		2,520,645	1,910,232
TOTAL		1,253,007,812	1,227,619,432
EXPENDITURE			
Cost of Materials/Services	H I J K C	1,134,608,827	997,585,158
Operating and Other Expenses		27,827,660	57,451,130
Employees' Remuneration and Benefits		25,561,439	73,395,192
Financial Charges		168,337,323	92,798,404
Depreciation		1,953,555	2,167,501
TOTAL		1,358,288,804	1,223,397,385
Profit Before Tax		(105,280,992)	4,222,047
IT Earlier year		-	-
Excess Provision Write Back		-	435,000
Current Tax		-	1,737,298
Deferred Tax		36,601,604	1,065,740
Fringe Benefit Tax		-	33,024
Tax for earlier year		25,761	(434,871)
MAT Credit Reserve		-	1,385,856
NET PROFIT		(141,908,357)	(56,900,550)
Balance Brought Forward		(55,514,694)	(55,514,694)
AMOUNT AVAILABLE FOR APPROPRIATIONS		(197,423,051)	(55,514,694)
Balance Carried to Balance Sheet		(197,423,051)	(55,514,694)
Basic Earnings per Share (Schedules) (Face Value of Rs 10)		(47.15)	0.46
Significant Accounting Policies and Notes to Accounts	L		

The Schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

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

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

Vinod R. Tanti
Director

Balrajsinh A. Parmar
Director
Place : Pune
Date: May 7, 2010

Jasmin B. Shah
Partner
M.No. 46238

Place : Pune
Date: May 7, 2010

SUZLON POWER INFRASTRUCTURE LIMITED

Cash flow statement for the year ended March 31, 2010
All amounts in Indian rupees unless otherwise stated



Particulars		Year ended March 31, 2010	Year ended March 31, 2009
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit Before Taxation	(105,280,992)	4,222,047
	Adjustements For:		
	Depreciation	1,953,555	2,167,501
	Interest Expense	167,386,020	92,537,694
	Interest Income	(2,520,645)	(1,910,232)
	Operating Profit Before Working Capital Adjustments:	61,537,938	97,017,010
	Movments in the Working Capital		
	Increase in Inventories	(161,805,515)	(861,737,601)
	Increase in Sundry Debtors	(137,396,508)	(85,892,146)
B	Increase in Loans & Advances	(30,109,827)	(20,761,568)
	Increase in Current Liabilities	(3,877,062)	878,054,908
	Cash Used In Operations	(271,650,974)	6,680,604
	Direct Tax Paid	(12,608,443)	(31,303,761)
	Net Cash Used In Operating Activities:	(284,259,418)	(24,623,157)
	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets during the year	(1,097,847)	(9,928,195)
	Interest Income	2,520,645	1,910,232
	Net Cash Used In Investing Activities:	1,422,798	(8,017,963)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Increase/(Decrease) in Unsecured Loan	582,276,385	111,875,930
	Interest Expense	(167,386,020)	(92,537,694)
	Net Cash From Financing Activities:	414,890,365	19,338,236
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	132,053,746	(13,302,884)
	Cash & Cash Equivalents at the beginning of the year	21,190,826	34,493,711
	Cash & Cash Equivalents at the end of the year	153,244,572	21,190,826
	Components of cash and cash equivalents	Year ended March 31, 2010	Year ended March 31, 2009
	Cash on hand	62,467	494,428
	Balances with Scheduled Banks		
	in current accounts	130,216,969	693,899
	in term deposit accounts	22,965,136	20,002,500
	Net Increase / (Decrease) in Cash & Cash Equivalents	132,053,746	(13,302,884)
		153,244,572	21,190,826

Notes:

- 1) Previous year figures have been regrouped, reclassified wherever is necessary.
- 2) Figures in the brackets represents cash outflows.

As per our report of even date

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

Jasmin B. Shah
Partner
M.No. 46238

Place : Pune
Date: May 7, 2010

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

Vinod R. Tanti
Director

Balrajsinh A. Parmar
Director

Place : Pune
Date: May 7, 2010

SUZLON POWER INFRASTRUCTURE LIMITED

Schedules to the Balance Sheet as at March 31, 2010



Particulars

As at March 31,
2010

As at March 31
2009

SCHEDULE- A : SHARE CAPITAL

Authorised

5,000,000 Equity Shares of Rs. 10 each

50,000,000

50,000,000

Issued, Subscribed

Equity

3,010,000 Equity Shares of Rs. 10 each fully paid up
(100% equity Shares held by Suzlon Energy Limited)

50,000,000

50,000,000

30,100,000

30,100,000

30,100,000

30,100,000

SCHEDULE- B : UNSECURED LOANS

From Banks

From Body Corporates

1,504,368,020

140,551,636

781,539,999

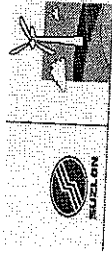
1,504,368,020

922,091,635

SUZLON POWER INFRASTRUCTURE LIMITED

Schedules to the Balance Sheet as at March 31, 2010

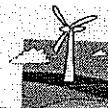
SCHEDULE - C : FIXED ASSETS



ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at April 1, 2009	Additions	Deductions / Adjustments	As at March 31, 2010	As at April 1, 2009	Additions	As at March 31, 2010	As at March 31, 2009
Freehold Land	19,305,620	703,428		20,009,048	-	40,729	20,009,048	19,305,620
Buildings	553,560	-		553,560	146,279	833,472	366,552	407,281
Computers	3,204,970	982,229		4,187,199	1,682,618	173,627	1,671,109	1,522,352
Furniture and Fixtures	1,508,219	-	921,252	1,508,219	548,956	739,027	785,636	959,263
Office Equipments	7,183,564	-		6,262,312	1,866,998	166,700	3,989,729	5,316,566
Vehicles	1,115,679	-		1,115,679	471,799		477,180	643,880
TOTAL	32,871,612	1,685,657	921,252	33,636,017	4,716,650	1,953,555	6,336,763	28,154,962
Previous year	16,087,199	16,784,413	-	32,871,612	2,549,149	2,167,501	28,154,962	20,394,268

SUZLON POWER INFRASTRUCTURE LIMITED

Schedules to the Balance Sheet as at March 31, 2010



Particulars

As at March 31,
2010

As at March 31
2009

SCHEDULE- D : CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS

Inventories - Projects:

(As taken, valued and certified by the Management)

Raw Materials (including Goods in Transit)

Work- in- Progress

Finished Stock

143,519,924

112,605,769

826,779,172

1,011,777,086

557,309,912

241,420,638

1,527,609,008

1,365,803,493

Sundry Debtors

(Unsecured and Considered Good)

Over Six months

Others

215,815,744

168,930,896

340,020,769

249,509,110

555,836,513

418,440,006

Cash and Bank Balances

Cash on hand

Balances with Scheduled Banks

in Current Accounts

in Term Deposit Accounts

62,467

494,427

130,216,969

693,899

22,965,136

20,002,500

153,182,105

20,696,399

153,244,572

21,190,826

LOANS AND ADVANCES

(Unsecured and considered good)

Deposits

Advances (recoverable in cash or in kind or for value to be received)

MAT Credit Entitlement

Advance Tax

311,250

9,440,750

112,111,331

72,872,004

434,871

434,871

51,066,343

38,483,661

163,923,795

121,231,286

2,400,613,888

1,926,665,610

SCHEDULE- E : CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

Other Current Liabilities

Acceptances

Advances from Customers

453,614,617

639,351,840

244,078,538

178,559,317

159,993,473

151,459,272

233,181,545

119,335,296

1,090,868,173

1,088,705,725

PROVISIONS

Employee Benefit Schemes

-

6,039,510

-

6,039,510

1,090,868,173

1,094,745,235

SUZLON POWER INFRASTRUCTURE LIMITED

Schedules to the Profit and loss A/c for the year ended on March 31, 2010


Particulars

Year ended March 31 **Year ended March 31,**
2010 **2009**

SCHEDULE - F : SALES AND SERVICES

Income from Power Evacuation		
Income from Sales of Goods	1,233,288,500	1,210,884,200
Income from Project Services	9,410,592	-
	7,788,075	14,825,000
	1,250,487,167	1,225,709,200

SCHEDULE - G : OTHER INCOME

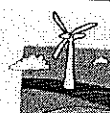
Interest Received		
From Bank (TDS Rs.1,68,687/- (Rs.3,92,838/-))		
From Others	1,657,685	1,910,232
	862,960	-
	2,520,645	1,910,232

SCHEDULE - H : COST OF MATERIALS/SERVICES
Consumption of Project Materials :

Opening Stock		
Add :- Purchases	112,605,769	13,526,097
	676,502,376	786,911,346
Less : - Closing Stock	789,108,145	800,437,443
	143,519,924	112,605,769
	645,588,221	687,831,674
Works Contracts & Services	619,911,965	1,072,411,413
Stock in Trade (Opening Balance)	(a) 1,265,500,186	1,760,243,087
Project Work- in- Progress		
Finished Stock	1,011,777,086	317,815,774
	241,420,638	172,724,020
Stock in Trade (Closing Balance)	(c) 1,253,197,724	490,539,794
Project Work- in- Progress		
Finished Stock	826,779,172	1,011,777,086
	557,309,912	241,420,638
(Increase)/ Decrease in Stocks	(d) 1,384,089,083	1,253,197,724
	(e) =(c) - (d) (130,891,359)	(762,657,930)
	(f) = (a) + (b) + (e)	997,585,158
	1,134,608,827	

SUZLON POWER INFRASTRUCTURE LIMITED

Schedules to the Profit and loss A/c for the year ended on March 31, 2010



Particulars

Year ended March 31, 2010 Year ended March 31, 2009

SCHEDULE - I : OPERATING AND OTHER EXPENSES

Rent		
Rates and Taxes	11,460,409	13,551,996
Insurance	579,416	19,273
Travelling, Conveyance and Vehicle Expenses	1,707,031	1,221,556
Communication Expenses	784,596	12,327,889
Auditors' Remuneration	476,238	1,957,835
Consultancy Charges	220,600	220,600
Charity and Donations	715,000	10,705,456
(Profit)/ loss on Sale of assets	-	116,187
Other Administrative Expenses	(23,743)	-
	11,908,113	17,330,338
	27,827,660	57,451,130

SCHEDULE - J : EMPLOYEES' REMUNERATION AND BENEFITS

Salaries, Wages, Allowances and Bonus	25,179,879	66,278,852
Contribution to Provident and Other Funds	119,354	4,650,719
Staff Welfare Expenses	262,206	2,465,621
	25,561,439	73,395,192

SCHEDULE - K : FINANCIAL CHARGES

Interest		
Term Loan	8,215,984	20,053,734
Others	159,170,036	72,483,960
Bank Charges	951,303	260,710
	168,337,323	92,798,404

AUDITORS' REPORT

To,
The Members,
Suzlon Power Infrastructure Limited.

1. We have audited the attached Balance Sheet of **SUZLON POWER INFRASTRUCTURE LIMITED**, 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. 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 the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and the Profit and Loss Account and the 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 written representations received from the directors, 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**; and
 - b. In the case of the **Profit and Loss Account**, of the Loss of the Company for the year ended on that date.
 - c. In the case of the **Cash Flow Statement**, of the Cash Flows of the Company for the year ended on that date.

For **SNK & CO**,
Firm Registration No.109176W
Chartered Accountants,

Jasmin B. Shah
Partner,
M.No. 46238
Place : Pune
Date : May 7, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of Auditors' Report to the members of **Suzlon Power Infrastructure Limited** for the year ended on 31st March 2010)

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) There is a regular programme of physical verification of its fixed assets which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, a major portion of the fixed assets has been physically verified by the management during the year. No material discrepancies were noticed on such verification.
(c) The Company has not disposed off the substantial part of its fixed assets during the year.
- 2) (a) The inventories have been physically verified by the management at reasonable intervals during the year.
(b) The procedure of verification are reasonable and adequate having regard to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of stocks, as compared to book records.
- 3) (a) The company has not granted unsecured loan to any company or firm covered in the register maintained under section 301 of the Act Companies Act, 1956.
(b) The company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.150.44 crores and the year-end balance of such loan was Rs.150.44 crores.
(c) According to the information and explanations given to us, the rate of interest and other terms and conditions of loans taken from above companies by the Company are not prima facie prejudicial to the interest of the Company.
(d) The company is regular in repaying the principal amounts as stipulated and has been regular for the payment of interest.

- 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 with regard to purchases of inventories 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 controls in respect of these areas.
- 5) (a) In our opinion and according to the information and explanations given to us by management, the particulars of contracts or arrangements referred to in Section 301 of The Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
- 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 and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- 8) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records as per the provisions contained under section 209(1)(d) of the Companies Act, 1956.
- 9) (a) The Company is 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.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues mentioned in clause (i) above were outstanding as at 31st March, 2010 for a period of more than 6 months from the date of becoming payable.

- (c) According to the information and explanation given to us, there are no dues in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess, that have not been deposited on account of any dispute.
- 10) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current financial year. It had cash Profit in the immediately preceding financial year.*
- 11) Based on our audit procedures and as per the information and explanations given by management, and relevant confirmations from bank, we are of the opinion that the company has not defaulted in repayment of dues of principal or interest on loans to bank.
- 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 any loans and advances on the basis of security by the 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, clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 15) According to information and explanations given to us, the Company has given guarantees for loans taken by other company from bank or financial institutions, the term and condition 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 and on overall basis, the company has applied term loan for the purpose for which the loans 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. Accordingly, clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 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 any money by way of public issue during the year ended on 31st March, 2010. 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 explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For SNK & CO,

Firm Registration No.109176W

Chartered Accountants,

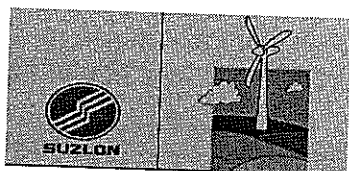
Jasmin B. Shah

Partner.

M.No. 46238

Place: Pune

Date: May 7, 2010



SUZLON POWER INFRASTRUCTURE LIMITED

SCHEDULE – I: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

(All amounts in Rupees Lacs unless otherwise stated)

Nature of Operations

Suzlon Power Infrastructure Limited (the 'Company') is primarily engaged in the business of providing Power Evacuation Facility.

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting

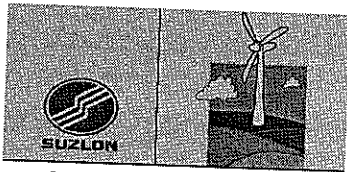
The financial statements are prepared under the historical cost convention, on accrual basis of accounting to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of 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 Generally Accepted Accounting Principles ('Indian GAAP').

(b) Use of Estimates

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

(c) Revenue Recognition

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



Power Infrastructure facilities

Revenue from power infrastructure facilities is recognized upon its commissioning and electrical installation of the Wind Turbine Generator to the said facilities followed by approval from the concerned authorities.

Project Consultancy Service

Revenue from the project consultancy services relating to the setting up of the Power Evacuation Infrastructure facility by others is recognized on the basis of terms of engagements.

Interest Income

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

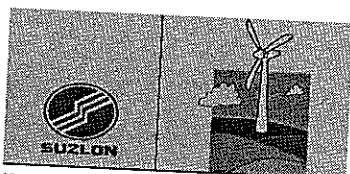
(d) Fixed Assets

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. Assets held for disposal are stated at the lower of net book value and the estimated net realizable value. The carrying amount 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 CGU, assets are written down to their recoverable amount. Further, assets held for disposal stated at the lower of the net book value or the estimated net realizable value.

(e) Depreciation and Amortization

Depreciation is provided on Written down Value Method (WDV) unless otherwise stated, pro rata to the period of use of assets and is based on management's estimates of useful lives of the fixed assets or at the rates specified in Schedule XIV to the Act, whichever is higher.

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



(f) Inventories

Inventories of raw materials including stores, spares, project material, project work in progress and finished goods are valued at the lower of the cost and estimated net realizable value. The cost of work in progress and finished goods includes the cost of material, labour and overheads. Net realizable value is determined using management estimates.

(g) Borrowing Cost

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. All other borrowing costs are charged to Profit and Loss account.

(h) 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.

Defined contributions to Superannuation fund are charged to the profit and loss account on an accrual basis.

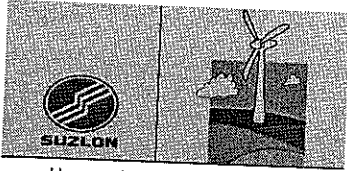
Short term compensated absences are provided based on estimates. Long term compensated absences are provided based on actuarial valuation as at the balance sheet date.

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.

(i) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized 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.

Contingent assets are not recognized.

(j) Taxes on Income

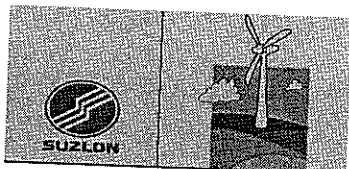
Tax expense for a year comprises of current tax, deferred tax and fringe benefit tax.

Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

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 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. If there is unabsorbed depreciation and carry forward business losses under tax laws, deferred tax assets 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.

(k) Operating Leases

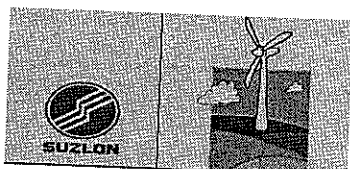
Assets acquired as leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the Profit and Loss Account as incurred.

(l) Earnings/ (loss) Per Share

Basic earnings per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

(m) Cash and Cash equivalents

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



2. Accumulated deferred tax assets/ (liability) net.

Particulars	As at March 31, 2009	During The Year 2009- 2010	As at March 31, 2010
A. Deferred Tax Asset:			
Provision for Leave Encashment	5.47	(5.47)	-
Depreciation on Fixed Assets	2.03	(2.03)	-
Unabsorbed Loss	358.51	(358.51)	-
Deferred Tax Assets (Net) (A)	366.01	(366.01)	-

3. Earnings/ (loss) Per Share

(Amount in Rs. Lacs except earning per share)

Particulars	As at March 31	
	2009-10	2008-09
Basic Earnings per share		
Net Profit/(Loss) attributable to Equity Shareholders (a)	(1,419.08)	13.86
Weighted average number of Equity Shares (b)	30,10,000	30,10,000
Basic Earning per share of face value of Rs.10/- each (a/b)	(47.15)	0.46

4. Operating Leases

Premises

The company has taken certain premises under cancellable operating leases. The total rental expense under cancellable operating leases during the period was Rs. 2.28 lacs (Rs. 10.59 lacs).

The Company has also taken furnished/unfurnished offices and certain other premises under non-cancellable operating lease agreement ranging for a period of one to three years. The lease rental charge during the year is Rs. 92.25 lacs (Rs. 109.44 lacs).



Obligation on non - cancellable operating leases	Year ended March 31, 2010	Year ended March 31, 2009
Not later than one year	-	85.24
Later than one year and not later than five years	-	Nil
Later than five years	-	Nil

5. Post employment benefits

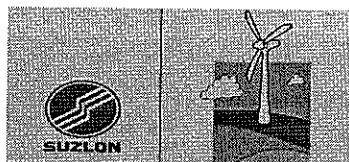
During the Year as there are no employees on the Roll of the Company, the Company has accounted for the Employee Cost under Contractual Terms and hence the company has not provided any cost for post employment benefits for the Year.

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

Particulars	Gratuity Plan	
	2010	2009
Opening defined benefit obligation	22.76	16.24
Interest cost	-	1.38
Current service cost	-	7.36
Benefits paid	-	Nil
Actuarial (gains) / losses on obligation	-	(2.22)
Transfer/acquisition of employees	(22.76)	-
Closed defined benefit obligation	-	22.76

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

Particulars	Gratuity Plan	
	2010	2009
Opening fair value of plan assets	11.93	18.15
Expected return on mean Fund	-	1.74
Contribution by employer	11.54	4.65



Benefits Paid	-	0.00
Actuarial gains / (losses)	-	(12.61)
Closing fair value of plan assets	23.47	11.93

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

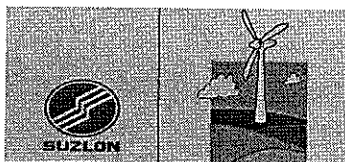
Particulars	Gratuity Plan	
	2010	2009
Investments in policy of insurance	100%	100 %

Details of defined benefit obligation:

Particulars	Gratuity Plan	
	2010	2009
Defined benefit obligation	-	22.76
Fair value of plan assets	23.47	11.93
Present value of unfunded obligations	-	10.83
Less: Unrecognized past service cost	-	Nil
Plan Liability/(Asset)	23.47	10.83

Net employee benefits expense recognized in the Profit and Loss Account:

Particulars	Gratuity Plan	
	2010	2009
Current Service Cost	N.A.	7.36
Interest Cost on benefit obligation	N.A.	1.38
Expected return on plan assets	N.A.	(1.74)
Net actuarial (gain) / loss recognized in the year	N.A.	10.39
Past Service Cost	N.A.	Nil
Net Benefit Expenses	N.A.	17.39



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

Particulars	Gratuity Plan	
	2010	2009
Discount rate	N.A.	7.90%
Expected rate of return on plan assets	N.A.	8.50%
Salary escalation rate	N.A.	8.00%
Attrition rate	N.A.	10% at younger age reducing to 1% at older ages.

6. 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.

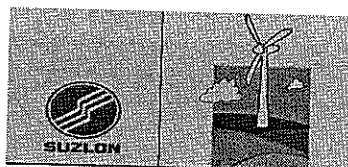
As per the Arrangement, the Consortium has sanctioned a consolidated loan amount and based on business requirements, the Company has drawdown various facilities of rupee term loans, fund based working capital facilities and non-fund based working capital facilities. The Arrangement also covers the earlier 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. 312.71 Lacs, as consultancy and processing charges in regard to the Arrangement, the cost of which will be amortised over the tenure of respective facilities.

7. Managerial Remuneration to Directors is Rs. Nil (Rs. Nil).

8. a. Contingent Liabilities

Particulars	2010	2009
Bank Guarantee given	675.00	-
Others	0.26	-
The Company is a Co-Guarantor towards loans granted to Holding Company and other fellow subsidiaries.		



b. Capital Commitments

Particulars	2010	2009
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	Nil	Nil

9. Suzlon Energy Limited, the Holding company has issued NIL shares (14,000 Shares) to the employees of the company by the virtue of its ESOP,2005. Suzlon energy Limited has incurred cost of Rs.NIL (Rs. 7.14 lacs) for issuing such shares.

10. 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:

Nature	2009-10	2008-09
(i) Audit Fees	1.93	1.93
(ii)Tax Audit Fees	0.28	0.28
Total	2.21	2.21

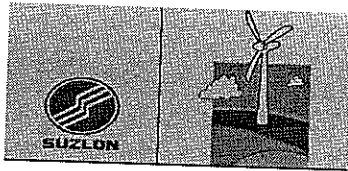
(b) Imported and Indigenous Consumption

(i) Project Material Consumption:-

Particulars	2009-10		2008-09	
	Amount	%	Amount	%
Imported	Nil	Nil	Nil	Nil
Indigenous	6455.88	100	6878.31	100
Total	6455.88	100	6878.31	100

(ii) Consumables : Rs.11.54 lacs(16.52 lacs)

(iii) Value of Imports on CIF basis : Rs. Nil

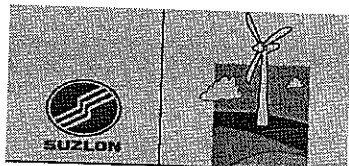


(c) Details of Opening Stock, Turnover and Closing Stock :

Power Evacuation Capacity	2009-10		2008-09	
	Qty. MW	Amount	Qty. MW	Amount
Opening Stock	228.20	2414.20	63.05	1727.24
Turn Over	416.20	1225.22	406.00	11998.95
Closing Stock	260.80	5573.10	228.20	2414.20

- (d) Expenditure in Foreign Currency : **Nil**
- (e) Dividend remitted in Foreign Currency during the year : **Nil**
- (f) Earnings in Foreign Currency: **Nil**
- (g) Disclosure of Micro, Small and Medium Enterprises

Sr. No	Particulars	2009-10	2008-09
(i)	Principal amount remaining unpaid to any suppliers at the end of the year	173.45	290.62
	Interest due on the above amount	0.26	Nil
(ii)	Amount of interest paid in terms of u/s 16 of the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
	Amounts of payment made to the suppliers beyond the appointed day during the year	Nil	Nil
(iii)	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this act.	Nil	Nil
(iv)	Amount of interest accrued and remaining unpaid at the end of the year.	Nil	Nil
(v)	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.	0.26*	Nil



* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs. 0.26 lacs and the same is not accrued in the books of accounts.

(h) Other additional information pursuant to the provisions of Paragraph 4C of Part II of Schedule of VI of the Companies Act, 1956 are not applicable to the company.

11. Related Party Disclosures

As per Accounting standard 18, (AS 18): 'Related Party Disclosure' as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below

(a) List of related parties with whom transaction entered during the year and nature of relationships where controls exists

Sr.No	Name of the party	Nature of relationship
1	Suzlon Energy Ltd.	Holding Company
2	Suzlon Gujarat Wind park Ltd.	Fellow Subsidiary
3	Suzlon Infrastructure Services Ltd.	Fellow Subsidiary
4	Suzlon Engitech Limited	Fellow Subsidiary

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

Key Management Personnel (KMP) :

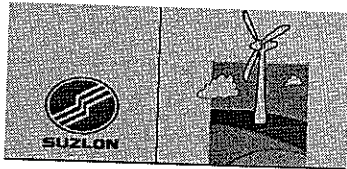
1. Mr. Vinod R. Tanti
2. Mr. Jitendra R. Tanti
3. Mr. Balrajsinh A. Parmar

Entities where key management personnel (KMP)/ Relatives of key management personnel (RKMP) has significant influence.

1. Sarjan Realities Limited
2. Suzlon Foundation
3. Shubh Reality (South) Pvt.Ltd
4. Synefra Engineering & Construction

Employees benefit plans where there is significant Influence:

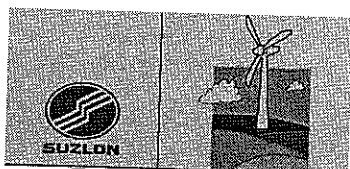
1. Suzlon Power Infrastructure Pvt. Ltd – Superannuation Fund



2. Suzlon Power Infrastructure Pvt. Ltd. – Gratuity Fund

a) Disclosure of transactions between the company and related parties and the status of outstanding balances as at 31st March, 2010

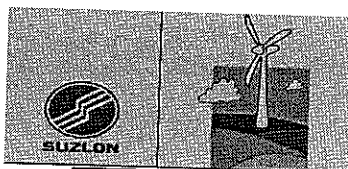
Name of Related Party	Holding Company	Fellow Subsidiaries	KMP	Entities in which KMP/RKMP have significant Influence	Employee Funds
Transactions:					
Purchase of Fixed Assets	- (-)	- (-)	- (-)	1.13 (3.52)	- (-)
Loans / Deposits Received	7862.50 (9294.85)	- (-)	- (-)	- (-)	- (-)
Loans / Deposits Paid	- (-)	- (1650.00)	- (-)	- (-)	- (-)
Sales of Goods and Services rendered	1091.11 (2092.20)	944.29 (1452.30)	- (-)	- (-)	- (-)
Purchase of Goods and Services / GIT	442.20 (-)	- (8.08)	- (-)	- (42.03)	- (-)
Donation Given	- (-)	- (-)	- (-)	- (0.11)	- (-)
Sales of Fixed Assets	6.36 (-)	- (-)	- (-)	- (-)	- (-)
Interest Expenses	1482.56 (604.87)	- (87.16)	- (-)	- (-)	- (-)
Reimbursement of Expenses	110.05 (-)	249.21 (-)	- (-)	- (-)	- (-)



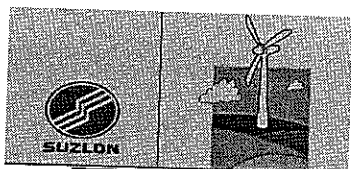
Name of Related Party	Holding Company	Fellow Subsidiaries	KMP	Entities in which KMP/RKMP have significant influence	Employee Funds
Contribution to Fund	- (-)	- (-)	- (-)	- (-)	- (31.91)
OUTSTANDING BALANCES:					
Sundry debtors	1298.58 (184.31)	211.61 (281.27)	- (-)	- (-)	- (-)
Sundry Creditors	866.52 (90.8)	331.07 (6.99)	- (-)	- (-)	- (-)
Unsecured Loan	15043.68 (7815.40)	- (-)	- (-)	- (-)	- (-)

b) Disclosure of Significant transaction with related parties :

Type of Transaction	Type of Relationship	Name of the entity / person	Year ended March 31,	
			2010	2009
Purchase of Fixed Assets	Entities in which KMP/RKMP have significant influence	Sarjan Realities Ltd	Nil	3.52
		Shubh Reality (South) PVT.Ltd	1.13	Nil
Sale of Fixed Assets	Holding Company	Suzlon Energy Limited	6.36	Nil
Loans / Deposits Received	Holding Company	Suzlon Energy Limited	7862.50	9294.85



Loans / Deposits Paid	Fellow Subsidiary	Suzlon Gujarat Windpark Limited	Nil	1650.00
Sales of Goods and Services rendered	Holding Company	Suzlon Energy Limited	1,091.11	2092.20
	Fellow Subsidiary	Suzlon Engitech Limited	673.50	255.00
	Fellow Subsidiary	Suzlon Infrastructure Services Ltd.	270.79	Nil
	Fellow Subsidiary	Suzlon Gujarat Windpark Limited	Nil	1197.30
Purchase of Goods and Services	Holding Company	Suzlon Energy Limited	442.20	Nil
	Fellow Subsidiary	Suzlon Gujarat Windpark Limited	Nil	2.37
	Fellow Subsidiary	Suzlon Infrastructure Service Ltd.	Nil	5.71
	Entities in which KMP/RKMP have significant influence	Sarjan Realities Limited	Nil	42.03
Interest Expenses	Fellow Subsidiary	Suzlon Gujarat Windpark Limited	Nil	87.15
	Holding Company	Suzlon Energy Limited	1482.56	604.87
Reimbursement of Expenses	Holding Company	Suzlon Energy Limited	110.05	Nil
	Fellow Subsidiary	Suzlon Infrastructure Service Ltd.	249.21	Nil

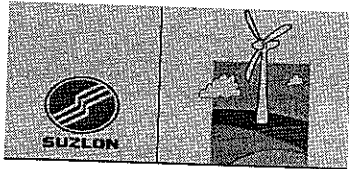


Contribution to Fund	Employee Funds	Suzlon Power Infrastructure Pvt. Ltd – Superannuation Fund	Nil	20.64
Donation Given	Entities in which KMP/RKMP have significant influence	Suzlon Foundation	Nil	0.11

12. Dues from the Companies under same management:

Sr. No.	Particulars	March 31, 2010	March 31, 2009
	Sundry Debtors		
1.	Suzlon Engitech Ltd	210.78	281.27
2.	Suzlon Infrastructure Services Ltd.	0.82	Nil
3.	Suzlon Energy Ltd.	1298.58	Nil

13. The Company primarily operates in one segment of Power Evacuation. The Segment Reporting as required under Accounting Standard 17 issued by Chartered Accountants of India is not applicable. There is no reportable geographical segment either.



14. Figures have been rounded off to nearest rupee and previous year's figures have been regrouped, rearranged and reclassified wherever necessary to confirm with current year's figures. Figures in the brackets are in respect of the previous year.

Signature to Schedules 'A' to 'L'

As per our attached Report of even date

for and on behalf of Board

For, SNK & Co.

Firm Registration No. 109176W

Chartered Accountants

Jasmin B. Shah

Partner

M. No. 46238

Place: Pune

Date: May 7, 2010.

Vinod R. Tanti

Director

Balrajsinh A. Parmar

Director

Place: Pune

Date: May 7, 2010.