

# **Suzlon North Asia Limited**

**Report of the Directors and Audited Financial Statements  
For the year ended 31 March 2010**

# Suzlon North Asia Limited

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# **Suzlon North Asia Limited**

## **Report of the Directors For the year ended 31 March 2010**

The directors present their report and the audited financial statements for the year ended 31 March 2010.

### Principal activity

The Company is dormant during the year.

### Results and dividends

The Company's loss for the year ended 31 March 2010 and its state of affairs at that date are set out in the financial statements on pages 4 to 13.

The directors do not recommend the payment of any dividends in respect of the year.

### Share capital

Particulars of share capital are set out in note 8 to the financial statements.

### Directors

The directors of the Company during the year were:

Mr. Tulsibhai Ranchhodbhai Tanti

Mr. Girish Ranchhod Tanti

In accordance with the Company's articles of association, both directors continue in office.

### Directors' interests

At no time during the year was the Company, its holding company or fellow subsidiaries a party to any arrangements to enable the Company's directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### Directors' interests in contracts

No director had a material interest, either directly or indirectly, in any contracts of significance to the business of the Company to which the Company, its holding company or fellow subsidiaries was a party during the year.

### Management contracts

The company has not entered into any contract whereby the management and administration of the whole or any substantial part of the company's business have been undertaken by a party other than the company's directors or employees.

### Auditor

The financial statements have been audited by Messrs FTW & Partners CPA Limited who retire and being eligible offer themselves for reappointment.

On Behalf of the Board

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**Director**  
**28 April 2010**

**Report of the Independent Auditor  
To the shareholder of  
Suzlon North Asia Limited**  
(Incorporated in Hong Kong with limited liability)

We have audited the financial statements of Suzlon North Asia Limited set out on pages 4 to 13, which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

*Directors' responsibility for the financial statements*

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Report of the Independent Auditor  
To the shareholder of  
Suzlon North Asia Limited**  
(Incorporated in Hong Kong with limited liability)

*Opinion*

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**FTW & Partners CPA Limited**  
**Certified Public Accountants**  
**Hong Kong, 28 April 2010**

**Tam Sun Wing**  
**Practising Certificate Number: P1819**

# Suzlon North Asia Limited

## Statement of Comprehensive Income For the year ended 31 March 2010

	Note	Year ended 31.3.2010 HK\$	16.6.2008 to 31.3.2009 HK\$
<b>Turnover</b>	<b>3</b>	-	-
Operating expenses		<u>( 60,291)</u>	<u>( 267,992)</u>
<b>Loss before tax</b>	<b>4</b>	( 60,291)	( 267,992)
Tax	<b>6</b>	<u>          -</u>	<u>          -</u>
<b>Loss for the year/period</b>		( 60,291)	( 267,992)
Other comprehensive (loss) for the year/period including reclassification adjustment		<u>          -</u>	<u>          -</u>
<b>Total comprehensive (loss) for the year/period</b>		<u>( 60,291)</u>	<u>( 267,992)</u>

The accompanying notes form an integral part of these financial statements.

# Suzlon North Asia Limited

## Statement of Financial Position For the year ended 31 March 2010

	Note	2010 HK\$	2009 HK\$
<b>Current assets</b>			
Cash and cash equivalents		7,393	-
Prepayments		<u>1,500</u>	<u>1,500</u>
		<u>8,893</u>	<u>1,500</u>
<b>Current liabilities</b>			
Accounts payable and accrued expenses		36,176	26,625
Amount due to related company	7	<u>-</u>	<u>241,867</u>
		<u>36,176</u>	<u>268,492</u>
<b>Net liabilities</b>		<u>( 27,283)</u>	<u>( 266,992)</u>
<b>Capital and reserves</b>			
Share capital	8	301,000	1,000
Retained losses		<u>( 328,283)</u>	<u>( 267,992)</u>
		<u>( 27,283)</u>	<u>( 266,992)</u>

The financial statements were approved by the Board on 28 April 2010 and signed on its behalf by

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

The accompanying notes form an integral part of these financial statements.

# Suzlon North Asia Limited

## Statement of Changes in Equity For the year ended 31 March 2010

	<u>Attributable to equity shareholder of the Company</u>		
	Issued capital HK\$	Retained losses HK\$	Total HK\$
Issue of share capital	1,000	-	1,000
Total comprehensive (loss) for the period	<u>-</u>	<u>( 267,992)</u>	<u>( 267,992)</u>
<b>At 31 March 2009 and at 1 April 2009</b>	1,000	( 267,992)	( 266,992)
Issue of share capital	300,000	-	300,000
Total comprehensive (loss) for the year	<u>-</u>	<u>( 60,291)</u>	<u>( 60,291)</u>
<b>At 31 March 2010</b>	<u>301,000</u>	<u>( 328,283)</u>	<u>( 27,283)</u>

The accompanying notes form an integral part of these financial statements.



# Suzlon North Asia Limited

## Statement of Cash Flows For the year ended 31 March 2010

	Year ended 31.3.2010 HK\$	16.6.2008 to 31.3.2009 HK\$
<b>Cash flows from operating activities</b>		
Loss before tax	( 60,291)	( 267,992)
<b>Operating (loss) before changes in working capital</b>	( 60,291)	( 267,992)
(Increase) in prepayment	-	( 1,500)
Increase in accounts payable and accruals	9,551	26,625
(Decrease)/Increase in amount due to the related company	( 241,867)	241,867
<b>Cash (used in)/generated from operation</b>	<u>( 232,316)</u>	<u>266,992</u>
<b>Net cash (used in) operating activities</b>	( 292,607)	( 1,000)
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	<u>300,000</u>	<u>1,000</u>
<b>Net increase in cash and cash equivalents and at the end of year/period</b>	<u>7,393</u>	<u>-</u>
<b>Analysis of cash and cash equivalents</b>		
Cast at bank and in hand	<u>7,393</u>	<u>-</u>

The accompanying notes form an integral part of these financial statements.

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 1. Corporate information

The Company is a limited liability company incorporated in Hong Kong. Its registered office is Level 28, Three Pacific Place, 1 Queen's Road East, Hong Kong. The Company is dormant during the year.

The financial statements are presented in Hong Kong dollar which is the company's functional and presentation currency.

The directors of the Company consider its ultimate holding company to be Tarilo Holding B.V., a private company incorporated in the Netherlands.

### 2. Basis of preparation and significant accounting policies

#### 2.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the company is set out below.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in below.

The Company has not early adopted any new HKFRSs or Interpretations that have been issued but are not yet effective. The company has already commenced an assessment of these HKFRSs and Interpretations but is not yet in a position to state whether these HKFRSs and Interpretations would have a significant impact on its result of operation and financial position.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for certain financial assets and financial liabilities which have been measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The estimates and the underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future year if the revision affects both current and future year. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10.

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 2. Basis of preparation and significant accounting policies (cont'd)

#### Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and settlement of liabilities in the ordinary course of business. Losses in prior period and current year have resulted in a deficiency of net assets at the balance sheet date. The application of the going concern basis is on the understanding that the present financial support provided by its holding company shall continue in foreseeable future. Should the company be unable to continue its operations due to withdrawal of such financial support, adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which might arise.

#### The impact of new/revised HKFRSs

Except for the following HKFRSs, the adoption of the new and revised HKFRSs did not result in significant changes to the Company's accounting policies:

As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised statement of changes in equity. All other items of income and expenses are presented in the income statement, if they are recognised as part of profit or loss for the year, or otherwise in a new primary statement, the statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

#### 2.2. Income tax

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes income statement items that are never taxable or deductible.

Deferred tax liabilities are recognised in full, using the current applicable rate, on all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases, and deferred tax assets are recognised, using the current applicable rate to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 2. Basis of preparation and significant accounting policies (cont'd)

#### 2.3. Foreign currencies

Foreign currency transactions are initially recorded using the functional currency rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of reporting period. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

#### 2.4. Revenue recognition

Revenue from interest is recognised when it is probable that economic benefits will flow to the company when the revenue can be measured reliably on a time proportion basis.

#### 2.5. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other financial institutions, and short term, highly liquid investment that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are also included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

#### 2.6. Accounts payable

Accounts payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 3. Turnover

The Company has no turnover nor revenue during the year.

### 4. Loss before tax

The loss before tax is arrived at after charging:

	Year ended 31.3.2010 HK\$	16.6.2008 to 31.3.2009 HK\$
Auditor's remuneration	<u>12,000</u>	<u>12,000</u>

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 5. Directors' remuneration

Directors' remuneration disclosed pursuant to Section 161 of the Companies Ordinance is as follows:

	Year ended 31.3.2010 HK\$	16.6.2008 to 31.3.2009 HK\$
Fees	-	-
Other emoluments	-	-
	<u>-</u>	<u>-</u>

### 6. Tax

No provision for Hong Kong profits tax has been made as the Company had no assessable income earned in or derived from Hong Kong during the year.

A reconciliation of the tax expense applicable to profit tax using the statutory rates to the tax expense at the effective tax rates, are as follows:

	Year ended 31.3.2010 HK\$	16.6.2008 to 31.3.2009 HK\$
Loss before tax	( 60,291)	( 267,992)
Tax at statutory tax rate of 16.5%	( 9,948)	( 44,219)
Income not subject to tax	-	-
Expenses not deductible for tax purpose	-	-
Tax effect of deductible temporary differences not recognized	<u>9,948</u>	<u>44,219</u>
	<u>-</u>	<u>-</u>

There was no significant unprovided deferred tax in respect of the year (2009: Nil).

### 7. Accounts payable and accrued expenses

All of the accounts payables and accruals are expected to be settled within one year.

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 8. Share capital

	2010 HK\$	2009 HK\$
Authorised:		
600,000,000 ordinary shares of HK\$1 each	<u>600,000,000</u>	<u>600,000,000</u>
Issued and fully paid:		
301,000 ordinary shares of HK\$1 each	<u>301,000</u>	<u>1,000</u>

On 3 April 2009, 300,000 ordinary shares were issued at par as fully paid up capital. The shares were issued for the purpose of raising additional capital to finance its operation.

The Company's primary objectives when managing capital are to safeguard the Company's ability to continue as a going concern. As the Company is part of a larger group, the Company's sources of additional capital and policies for distribution of excess capital may also be affected by the group's capital management objectives.

The Company defines "capital" as including all components of equity plus loans from group companies with no fixed terms of repayment, less unaccrued proposed dividends. Trading balances that arise as a result of trading transactions with other group companies are not regarded by the company as capital.

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the company belongs. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company or the group, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of the Hong Kong Companies Ordinance. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are declared.

The Company was not subject to externally imposed capital requirements in either the current year or prior year.

### 9. Financial factor risks

The Company has minimal exposure to market risk (including currency risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk which may arise in the normal course of the Company's business as it was dormant during the year.

# Suzlon North Asia Limited

## Notes to Financial Statements For the year ended 31 March 2010

### 10. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 10.1. Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Fair value estimation

The fair values of bank balances and cash, accruals and amounts due to related company are not materially different from their carrying values.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

##### (b) Estimates of current taxation and deferred taxation

The company is subject to taxation mainly in Hong Kong. Significant judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the periods in which such determination are made.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences can be utilised. When the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.