

AUDITORS' REPORT

To,
The Members,
SUZLON ENGITECH LIMITED

We have audited the attached Balance Sheet of SUZLON ENGITECH LIMITED as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date and 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.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audits 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.

As required by Companies (Auditor's Report) Order, 2003 (as amended), issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we have considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

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 purpose 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are, in agreement with the books of account, as submitted to us;
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standard referred to in sub-section (3C) of section 211 of the companies act, 1956, to the extent applicable.
- v) On the basis of the written representation received from the directors of the Company, as on 31st March, 2010, and taken on records by the Board of Directors, we report that none of the directors are disqualified from being appointed as 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 read together with the notes thereon 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, to the extent applicable:
- a) in so far as it relates to the Balance Sheet, of the state of affairs of the Company, as at March 31, 2010;
- b) in so far as it relates to the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
- c) in so far as it relates to Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

For SVK & ASSOCIATES,
Chartered Accountants

Shilpang V. Karia
Partner
M. No. – 102114
Firm No. 118564W

Place : Pune
Date : May 7, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date on the Statement of Accounts of SUZLON ENGITECH LIMITED, PUNE, as at and for the year ended on March 31, 2010)

i. FIXED ASSETS:

- A In our opinion, the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to size of the company and nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- c. In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.

ii. INVENTORIES :

- a. As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable in relation to its size and nature of business. However, there was no inventory at the end of the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation its size and nature of business.
- c. On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory in relation to its size and nature of business. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records during the year under review.

iii. LOANS:

- a. The Company has not granted any secured or unsecured loans to the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. The Company has not taken any secured or unsecured loan from companies, firm or other parties covered in the register maintained under section 301 of the Act.

iv. INTERNAL CONTROL :

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 nature of its business. During the course of our audit, no major weakness has been noticed in the internal control system.

v. TRANSACTIONS IN PURSUANCE OF SECTION 301:

- a. According to information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, if any 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 in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating during the year to Rs. 5,00,000/- (Rupees Five Lacs Only) or more in respect of any party, has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, from the best suitable alternative sources.

vi. DEPOSITS:

The Company has not accepted any deposits from the public within meaning of Section 58A and 58AA of the Companies Act, 1956.

vii. INTERNAL AUDIT:

In our opinion and according to information and explanations given to us, the internal audit system of the Company is commensurate with size and nature of its business.

viii. COST RECORDS:

According to information and explanations given to us, the Company is not required to maintain the cost records pursuant to the rules made by the Central Government under section 209(1)(d) of the Companies Act, 1956.

ix. STATUTORY DUES:

- a. As per information and explanation available to us, undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income-tax, sale-tax, wealth-tax, service tax, custom duty, excise duty, cess and other statutory dues, if any applicable to the Company have generally been regularly deposited with the appropriate

authorities. Further according to information explanation given to us, no such undisputed statutory dues applicable to the Company were outstanding as at 31st March 2010 for a period of more than 6 months from the date they become payable.

- b. According to information and explanations given to us, there are no 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.

x. **CASH LOSSES AND ACCUMULATED LOSSES:**

The Company has no accumulated losses at the end of the financial year under review. However it has incurred cash losses of Rs. 9.18 lacs in the year under review and Rs. 26.78 lacs in the immediately preceding such financial year.

xi. **DUES TO FINANCIAL INSTITUTIONS, BANKS OR DEBENTURE HOLDERS:**

Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that company has not defaulted in repayment of dues to the financial institution and banks. The company has not issued any debentures.

xii. **LOANS & ADVANCES ON PLEDGE OF SHARES, DEBENTURES & OTHER SECURITIES:**

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.

xiii. **CHIT FUND/ NIDHI / MUTUAL BENEFIT FUND / SOCIETY:**

In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clauses 4 (xiii) of the Companies (Auditor's Report) Order, 2003(as amended) is not applicable to the Company.

xiv. **TRADING IN SHARES, SECURITIES, DEBENTURES & OTHER INVESTMENTS:**

In our opinion, the Company does not deal or trade in shares, securities, debentures and other investments. Accordingly, the provisions of clauses 4 (xiv) of the Companies (Auditor's Report) Order, 2003(as amended) is not applicable to the Company.

xv. **GUARANTEE FOR LOANS TAKEN BY OTHERS:**

According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms

Suzion Engitech Limited

and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.

xvi. **TERM LOANS:**

According to the information and explanations given to us, the Company has not obtained any term loans during the year under review.

xvii. **SHORT TERM FUNDS USED FOR LONG TERM INVESTMENTS:**

According to the information and explanations given to us and overall examination of the balance sheet of the Company, we are of the opinion that during the year under review no funds raised on short-term basis have been used for long-term investments.

xviii. **PREFERENTIAL ALLOTMENT OF SHARES:**

During the year under review, 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.

xix. **DEBENTURES:**

The Company has not issued any debentures during the year and hence the question of creating any securities or charge in respect thereof does not arise.

xx. **PUBLIC ISSUE:**

The Company has not raised any money through a public issue during the year under review.

xxi. **FRAUD:**

Based upon the audit procedures performed and 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, SVK & ASSOCIATES
Chartered Accountants

Shilpang V. Karia
Partner
M. No. – 102114
Firm No. 118564W
Place : Pune
Date : May 7, 2010.

Suzlon Engitech Limited
Balance sheet as at March 31, 2010
All amounts in Rupees unless otherwise stated

Particulars	Schedule	As at March 31, 2010	As at March 31, 2009
<u>SOURCES OF FUNDS</u>			
1. Shareholder's funds			
(a) Share capital	A	15,000,000	15,000,000
(b) Reserves & surplus		4,654,168	5,290,624
		19,654,168	20,290,624
2. Loan funds			
(a) Secured loans	B	50,227,055	-
TOTAL		69,881,223	20,290,624
<u>APPLICATION OF FUNDS</u>			
1. Fixed assets			
Gross block	C	69,540	-
Less: depreciation		-	-
Net block		69,540	-
2. Deferred tax assets		284,814	1,356
3. Current assets, loans and advances			
(a) Stock in trade	D	-	629,761,785
(b) Sundry debtors		274,045,973	254,197,013
(c) Cash and bank balances		15,944,309	23,190,377
(d) Loans & advances		882,433	686,249
		290,872,715	907,835,424
Less : Current liabilities and provisions	E		
(a) Current liabilities		221,344,167	887,546,056
(b) Provisions		1,679	100
		221,345,846	887,546,156
Net current assets		69,526,869	20,289,268
TOTAL		69,881,223	20,290,624
Significant accounting policies and notes to account	L		

The schedules referred to above and the notes to accounts form an integral part of the balance sheet.

As per our attached report of even date
For SVK & Associates
Chartered accountants

Shilpang Karia
Partner
M. No.102114
Firm No.: 118564W

Place : Pune
Date : May 07, 2010

For and on behalf of the Board of Directors of
Suzlon Engitech Limited

Vinod R. Tanti
Director

Amarsinh A. Parmar
Director
Place : Pune
Date : May 07, 2010

Suzlon Engitech Limited
Profit and loss account for the year ended March 31, 2010
All amounts in Rupees unless otherwise stated

Particulars	Schedule	April 01, 2009 to March 31, 2010	April 01, 2008 to March 31, 2009
<u>INCOME :</u>			
Sales	F	1,883,796,683	499,412,554
Other income	G	225,586	1,377,098
		1,884,022,269	500,789,652
<u>EXPENDITURE:</u>			
Cost of sales	H	1,883,541,204	500,538,068
Operating and other expenses	I	468,978	2,784,158
Employees' remuneration	J	164,079	125,371
Financial charges	K	766,243	19,689
		1,884,940,504	503,467,286
LOSS BEFORE TAX		(918,235)	(2,677,634)
Provision for taxation			
Earlier year current - tax		1,679	(41,372)
Deferred tax		(283,458)	(1,356)
Fringe benefit tax		-	100
Taxes for the year		(281,779)	(42,628)
NET LOSS FOR THE YEAR		(636,456)	(2,635,006)
Brought forward from last year		5,290,624	7,925,629
Surplus carried to balance sheet		4,654,168	5,290,624

Significant accounting policies and notes to accounts

Weighted average no. of shares	L	1,500,000	1,500,000
Earning per share (basic and diluted) (Face value of share Rs. 10/-)(Refer schedule L, note 2)		(0.42)	(1.76)

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

As per our attached report of even date

For SVK & Associates

Chartered accountants

Shilpang Karia

Partner

M. No.102114

Firm No.: 118564W

Place : Pune

Date : May 07, 2010

For and on behalf of the Board of Directors of
Suzlon Engitech Limited

Vinod R. Tanti

Director

Amarsinh A. Parmar

Director

Place : Pune

Date : May 07, 2010

Suzlon Engitech Limited
Cash flow statement for the year ended March 31, 2010
All amounts in Rupees unless otherwise stated

Particulars	April 01, 2009 to March 31, 2010	April 01, 2008 to March 31, 2009
A. Cash flow from operating activities		
Loss before taxation	(918,235)	(2,677,634)
Adjustments for:		
Interest income	(62,268)	(1,377,098)
Operating profit / (loss) before working capital changes	(980,503)	(4,054,732)
Movements in working capital :		
Decrease/(Increase) in sundry debtors	(19,848,960)	(254,197,013)
Decrease/(Increase) in loans and advances	(420,203)	(53,503)
Decrease/(Increase) in inventories	629,761,785	(629,761,785)
(Decrease)/Increase in current liabilities and provisions	(666,201,888)	887,360,465
Cash used in operations	(57,689,769)	(706,568)
Direct taxes (net of refunds)	6,077	544,334
Net cash used in operating activities	(57,683,692)	(162,234)
B. Cash flow from investing activities		
Purchase of fixed assets	(69,540)	-
Interest received	280,109	2,348,108
Net cash generated from operating activities	210,569	2,348,108
C. Cash flow from financing activities		
Proceeds from borrowings	50,227,055	-
Net cash from financing activities	50,227,055	-
Net increase in cash and cash equivalents (A+B+C)	(7,246,068)	2,185,874
Cash and cash equivalents at the beginning of the year	23,190,377	21,004,503
Cash and cash equivalents at the end of the year	15,944,309	23,190,377
Components of cash and cash equivalents	As at March 31, 2010	As at March 31, 2009
Cash on hand	496	8,535
Balances with scheduled banks		
In current account	15,928,813	3,181,842
In term deposit accounts	15,000	20,000,000
Total	15,944,309	23,190,377

As per our attached report of even date
For SVK & Associates
Chartered accountants

Shilpang Karia
Partner
M.No.102114
F.R. No.: 118564W

Place : Pune
Date : May 07, 2010

For and on behalf of the Board of Directors of
Suzlon Engitech Limited

Vinod R. Tanti
Director

Amarsinh A. Parmar
Director

Place : Pune
Date : May 07, 2010

Suzlon Engitech Limited
Schedules forming part of balance sheet as at March 31, 2010

Particulars	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
<u>SCHEDULE- A : SHARE CAPITAL</u>		
<u>AUTHORISED :</u>		
10,000,000 (10,000,000) equity shares of Rs. 10/- each	100,000,000	100,000,000
30,000,000 (30,000,000) preference shares of Rs 10/- each	300,000,000	300,000,000
	400,000,000	400,000,000
<u>ISSUED, SUBSCRIBED & PAID UP :</u>		
1,500,000 (1,500,000) equity shares of Rs. 10/- each are held by Suzlon Energy Limited, the holding company.	15,000,000	15,000,000
	15,000,000	15,000,000
<u>SCHEDULE- B : SECURED LOANS</u>		
Working capital facilities from banks		
Working capital loans secured by a first charge on all present and future movable, immovable assets(excluding certain identified assets) of the entities as refere shedule 'L' note 5. The loan is further secured by pledge of shares of the certain subsidiaries of the holding company.	50,227,055	-
	50,227,055	-
	65,227,055	15,000,000

Suzlon Engitech Limited
Schedules forming part of balance sheet as at March 31, 2010

Particulars	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
<u>SCHEDULE - D : CURRENT ASSETS, LOANS AND ADVANCES</u>		
a Stock in trade	-	629,761,785
	-	629,761,785
b Sundry debtors (Unsecured, considered good)		
Outstanding for a period exceeding six months	9,886,423	-
Others	264,159,550	254,197,013
	274,045,973	254,197,013
c Cash and bank balance		
Cash in hand	496	8,535
Balance with scheduled banks :		
Current accounts	15,928,813	3,181,842
Term deposit accounts	15,000	20,000,000
	15,944,309	23,190,377
d Loans & advances (Unsecured and considered good)		
Deposits	139,297	112,119
Advance against taxes	335,580	341,761
Advances (recoverable in cash or in kind for value to be received)	407,556	232,369
	882,433	686,249
	290,872,715	907,835,424
<u>SCHEDULE - E : CURRENT LIABILITIES & PROVISIONS</u>		
a Current liabilities		
Sundry creditors	204,964,455	866,955,068
Other current liabilities	16,379,712	20,590,988
	221,344,167	887,546,056
b Provisions		
For income tax	1,679	-
For fringe benefit tax	-	100
	1,679	100
	221,345,846	887,546,156

Suzlon Engitech Limited
Schedules forming part of profit and loss account March 31, 2010

Particulars	April 01, 2009 to March 31, 2010 Amount in Rs.	April 01, 2008 to March 31, 2009 Amount in Rs.
<u>SCHEDULE - F : SALES</u>		
Sales	1,883,796,683	499,412,554
	1,883,796,683	499,412,554
<u>SCHEDULE - G : OTHER INCOME</u>		
Interest on deposits [TDS Rs 7,414 (Rs 251,777)]	62,268	1,254,193
Interest on income tax refund	-	122,905
Misc. balance written off	163,318	-
	225,586	1,377,098
<u>SCHEDULE - H : COST OF GOODS SOLD</u>		
Stock in trade as at April 1, 2009	629,761,785	-
Purchases of goods & services	1,253,779,419	1,130,299,853
Less: Stock in trade as at March 31, 2010	-	629,761,785
	1,883,541,204	500,538,068
<u>SCHEDULE - I : OPERATING AND OTHER EXPENSES</u>		
Audit fees	55,150	49,865
ROC filing fees	2,720	3,500
Printing & stationery expenses	7,645	10,627
Insurance others	-	13,630
Insurance employees	1,925	1,164
Legal expenses	12,243	2,678,186
Other administration expenses	5,150	1,600
Professional & consultancy charges	128,795	25,586
Tour, traveling, conveyance and vehicle expenses	4,450	-
VAT penalties	900	-
Sales commission	250,000	-
	468,978	2,784,158
<u>SCHEDULE - J : EMPLOYEES' REMUNERATION AND BENEFITS</u>		
Salaries, wages, allowances and bonus	155,276	119,242
Contribution to provident funds	8,803	6,129
	164,079	125,371
<u>SCHEDULE - K : FINANCIAL CHARGES</u>		
Interest expenses	227,219	26
Loan processing charges	100,000	-
Bank charges	439,024	19,663
	766,243	19,689

Suzlon Engitech Limited

Schedules forming part of balance sheet as at March 31, 2010

SCHEDULE - C : FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION		NET BLOCK	
	As at April 01, 2009	Additions	As at March 31, 2010	As at April 01, 2009	For the Year	As at March 31, 2010	As at March 31, 2009
Land	-	69,540	69,540	-	-	69,540	-
Grand total	-	69,540	69,540	-	-	69,540	-

SCHEDULE – L: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1. Significant accounting policies

(i) 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 ('the rules') and in conformity with accounting principles generally accepted in India ('Indian GAAP'), and the relevant provisions of the companies Act, 1956 ('the act'). The accounting policies have been consistently applied by the company and are consistent with those used in previous year; and the accounting policies not referred to otherwise, are in conformity with Indian GAAP.

(ii) Use of estimates

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

(iii) Revenue recognition

Revenue comprises sale of Wind Turbine Generators; and interest income. Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and that the revenue can reliably be measured. Revenue is disclosed net of discounts, excise duty, sales tax, value added tax or other taxes, as applicable.

Sales

Sale of Wind Turbine Generators are recognized in the profit and loss account when the significant risks and rewards of ownership of the goods have been transferred to the buyer as per the terms of the respective sales order, and provided that the income can be measured reliably and is expected to be received.

Interest income

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

(iv) Inventories

Inventories if any consisting of trading goods, raw materials, work-in progress, semi-finished goods and finished goods are valued at the lower of cost and estimated net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(v) Income tax

Tax expense for a year comprises of current tax, deferred tax. Current tax is measured after taking into consideration the provisions of Income-tax Act, 1961.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income from the year. Deferred tax resulting from timing differences which originate during the tax holiday period but reverses 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 as on the balance sheet date. Deferred tax assets / liabilities is recognized, only to the extent, there is reasonable certainty that they can be realized / payable in future and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(vi) 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.

(vii) Borrowings cost

Borrowing cost 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.

(viii) Retirement and other employee benefits:

Defined contributions to provident fund are charged to the profit and loss account of the year when the contributions to the fund are due.

(ix) Earnings per share

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

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

Suzlon Engitech Limited – 2009-10

2. Earnings per share (EPS) :

Particulars	2009-10 (Amount in Rs.)	2008-09 (Amount in Rs.)
Loss after taxation	(636,456)	(2,635,006)
Less :- Preference dividend and dividend tax thereon		N.A
Loss attributable to equity shareholders	(636,456)	(2,635,006)
Weighted average number of equity shares outstanding during the year	1,500,000	1,500,000
earning per share (face value Rs. 10 per share) (basic and diluted)	(0.42)	(1.76)

3. Break up of the accumulated deferred tax assets/(liability) is given below :

Particulars	As at March 31, 2010	During the year	As at April 01, 2009
A. Deferred tax assets arising on account of: Carry forward losses	284,814	283,458	1,356
	284,814	283,458	1,356

4. Managerial remuneration to directors

The company has not paid any remuneration to the managerial personnel during the year. (Rs. Nil)

5. Scheme of debt consolidation and refinancing

Suzlon Energy Limited ('SEL') along with some of its Indian subsidiaries and the company 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 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. 5.86 lacs, as consultancy and processing charges in regard to the arrangement, the cost of which will be amortized over the tenure of respective facilities.

6. Contingent liabilities

The company is a co-guarantor towards loan (Funds and Non Fund Based) granted to fellow subsidiaries.

The company does not have any other contingent liability as on the date of balance sheet, in the opinion of the management of the company.

Suzlon Engitech Limited – 2009-10

7. Additional information pursuant to the provisions of paragraph 3 and 4 of the schedule VI of the companies act, 1956.

A. Other particulars:

Particulars	2009-10 (Amount in Rs.)	2008-09 (Amount in Rs.)
(i) Auditor's remuneration		
• Audit fees (including tax audit)*	55,150	38,605
• VAT audit fee	(Nil)	11,260

(*Fees including service tax)

B. Quantitative details

Particulars	Year ended March 31, 2010		Year ended March 31, 2009	
	Nos.	Amount in lacs	Nos.	Amount in lacs
Opening stock				
Wind Turbine Generators (1.25MW)	Nil	Nil	Nil	Nil
Wind Turbine Generators (1.50MW)	9.00	6,297.62	Nil	Nil
Wind Turbine Generators (2.10MW)	Nil	Nil	Nil	Nil
Purchases				
Wind Turbine Generators (1.25MW)	9.00	5,371.53	Nil	Nil
Wind Turbine Generators (1.50MW)	Nil	1,170.72	15.00	11,303.00
Wind Turbine Generators (2.10MW)	6.00	5,995.54	Nil	Nil
Turnover				
Wind Turbine Generators (1.25MW)	9.00	5,403.99	Nil	Nil
Wind Turbine Generators (1.50MW)	9.00	7,446.60	6.00	4,994.13
Wind Turbine Generators (2.10MW)	6.00	5,987.38	Nil	Nil
Closing stock				
Wind Turbine Generators (1.25MW)	Nil	Nil	Nil	Nil
Wind Turbine Generators (1.50MW)	Nil	Nil	9.00	6,297.62
Wind Turbine Generators (2.10MW)	Nil	Nil	Nil	Nil

C. During the year the company has not incurred any foreign currency expenditure

8. Segment reporting

The company primarily operates in single segment viz. setting up and dealing in independent power project. Thus 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.

Suzlon Engitech Limited – 2009-10

9. Related party disclosures:

As per accounting standard 18, issued by the ICAI, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

(A) List of the related parties and nature of relationship where control exists

Sr.No	Name of the party	Nature of relationship
1	Suzlon Energy Limited	Holding company
2	Suzlon Infrastructure Services Limited	Fellow subsidiary
3	Suzlon Towers & Structures Limited	Fellow subsidiary
4	Suzlon Gujarat Wind Park Limited	Fellow subsidiary
5	Suzlon Power Infrastructure Limited	Fellow subsidiary
6	Sarjan Realities Limited	Significant influence
7	Shri. Amarsinh A. Parmar	KMP
8	Shri. Jitendra R. Tanti	KMP
9	Shri. Vinod R. Tanti	KMP

(B) Disclosure of significant transaction with related parties

Particulars	Related party	2009-10 (Rs. In lacs)	2008-09 (Rs. In lacs)
a) Transactions			
i) Purchases of goods & services	Suzlon Energy Limited	7,137.84	7,801.28
	Suzlon Infrastructure Services Limited	2,534.81	1,184.31
	Suzlon Towers & Structures Limited	1,884.48	2,035.80
	Suzlon Gujarat Wind Park Limited	69.49	Nil
	Suzlon Power Infrastructure Limited	742.87	281.27
ii) Purchases of fixed assets	Sarjan Realities Limited	0.70	Nil
b) Closing balances			
i) Share capital	Suzlon Energy Limited	150.00	150.00
ii) Creditors	Suzlon Energy Limited	260.09	6,370.24
	Suzlon Infrastructure Services Limited	1,575.92	794.60
	Suzlon Towers & Structures Limited	Nil	1,221.48
	Suzlon Power Infrastructure Limited	210.78	281.27

Suzlon Engitech Limited – 2009-10

10. Disclosure of micro, small and medium enterprises:

There are no dues payables under small & medium enterprise development act, 2006 as on 31st March, 2010, have been determined based on the information available with the company. (Previous year – Rs. Nil).

11. In opinion of the board of directors of the company net current assets are approximately of the same value as stated, in the normal course of business, and adequate provision has been made for all known liabilities.

12. Figures have been rounded off to the nearest rupee. Previous year figures have been regrouped /recast wherever necessary to confirm with the current year's figures. Figures in the brackets are in respect of the previous year.

For SVK & Associates

Chartered accountants

For Suzlon Engitech Limited

Shilpang Karia

Partner

M. No. – 102114

Firm No. : 118564W

Place: Pune

Date: May 07, 2010

Vinod R. Tanti

Director

Place: Pune

Date: May 07, 2010

Amarsinh A. Parmar

Director

Place: Pune

Date: May 07, 2010