

INDEPENDENT AUDITOR'S REPORT

To

The Members of Suzlon Power Infrastructure Limited

Report on the Financial Statements

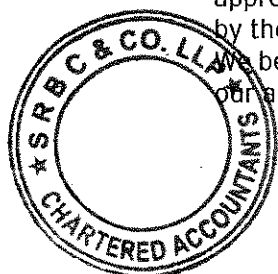
1. We have audited the accompanying financial statements of Suzlon Power Infrastructure Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. 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 judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 on the financial statements.



SRBC & CO LLP

Chartered Accountants

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss, and its cash flows for the year ended on that date.

Emphasis of Matter

6. We draw attention to Note 5 of the accompanying financial statements in respect of contingency related to 'compensation payable in lieu of bank sacrifice', the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
 - (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;

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S R B C & CO LLP

Chartered Accountants

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E

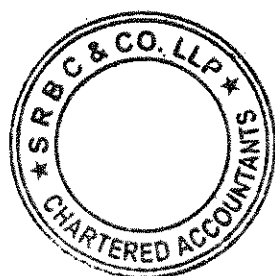

per Paul Alvares
Partner
Membership Number: 105754
Place: Pune
Date: June 30, 2015



Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Suzlon Power Infrastructure Limited (the "Company")

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. a. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
- b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to power infrastructure facilities, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.
- vii. a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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Chartered Accountants

- c According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand on account of disallowance of TDS claimed	881,630	AY 2011-2012	Deputy Commissioner of Income tax

- d There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- viii. The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the current and immediately preceding financial year.
- ix. Based on our audit procedures and as per the information and explanations given by management, the Company has defaulted in repayment of dues to financial institutions and banks in respect of letter of credit, interest liabilities on cash credit loans and term loans.

Following are the details of these defaults:

Particulars	Delay upto 30 days	Delay 31-90 days	Total amount
Term loan	14,157,009	16,179,405	30,336,414
Letter of credits	123,526,098	161,518,022	285,044,120
Interest liabilities	16,884,745	64,083,254	80,967,999

- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company and hence not commented upon.
- xi. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- xii. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For SRBC & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E

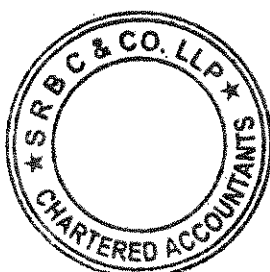
per Paul Alvares

Partner

Membership Number: 105754

Place: Pune

Date: June 30, 2015



Suzlon Power Infrastructure Limited
Balance Sheet as at March 31, 2015
All amounts in Rupees, unless otherwise stated

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
(i) Share capital	7	30,100,000	30,100,000
(ii) Reserves and surplus	8	(1,697,696,669)	(1,153,657,623)
		(1,667,596,669)	(1,123,557,623)
Non-current liabilities			
(i) Long-term borrowings	9	1,100,320,000	1,348,891,480
(ii) Long-term provisions	10	9,543,027	9,515,300
		1,109,863,027	1,358,406,780
Current liabilities			
(i) Short-term borrowings	11	2,977,616,202	1,911,684,331
(ii) Trade payables	12	472,959,113	547,391,434
(iii) Other current liabilities	12	500,614,148	262,218,033
(iv) Short-term provisions	10	10,925,635	5,482,371
		3,962,115,098	2,726,776,169
Total		3,404,381,456	2,961,625,326
Assets			
Non-current assets			
(i) Fixed assets			
Tangible assets	13	1,838,523	5,668,345
(ii) Trade receivables	14.1	1,491,338	1,491,338
(iii) Loans and advances	15	20,984,772	36,159,722
(iv) Other non-current assets	14.2	20,015,393	19,250,000
		44,330,026	62,569,405
Current assets			
(i) Inventories	16	2,520,189,240	2,415,626,240
(ii) Trade receivables	14.1	326,510,849	203,047,355
(iii) Cash and bank balances	17	76,531,027	3,132,533
(iv) Loans and advances	15	417,502,632	257,938,417
(v) Other current assets	14.2	19,317,682	19,311,376
		3,360,051,430	2,899,055,921
Total		3,404,381,456	2,961,625,326

Summary of significant accounting policies

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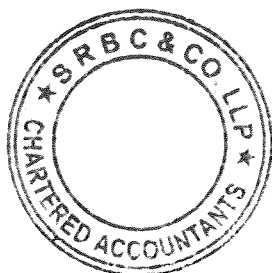
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E

per Paul Alvares
Partner
Membership No.: 105754

Place : Pune
Date : June 30, 2015



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

Balrajsinh A. Parmar
Director
DIN: 00002276

Place : Pune
Date : June 30, 2015

Vinod R. Tanti
Director
DIN: 00002266



Suzlon Power Infrastructure Limited
Statement of profit and loss for the year ended March 31, 2015

All amounts in Rupees unless otherwise stated

Particulars	Notes	March 31, 2015	March 31, 2014
Income			
Revenue from operations	18	690,831,687	651,204,620
Other operating income		-	81,449
Total		690,831,687	651,286,069
Expenses			
Cost of materials consumed and bought out services	19	676,878,290	507,193,038
(Increase)/ decrease in inventories of work-in-progress finished goods	and 19	48,970,807	38,709,922
Employee benefits expense	20	45,605,919	53,661,019
Other expenses	21	40,069,305	43,468,818
Total		811,524,321	643,032,797
Earnings/ (loss) before interest, tax, depreciation and exceptional items (EBITD)		(120,692,634)	8,253,272
Depreciation		3,827,822	2,028,096
Earnings/ (loss) before interest, tax and exceptional items (EBIT)		(124,520,456)	6,225,176
Finance costs	22	424,031,155	388,184,148
Finance income	23	4,512,565	5,284,369
Earnings/ (loss) before tax and exceptional items		(544,039,046)	(376,674,603)
Exceptional items	24	-	300,000,000
Profit/ (loss) before tax		(544,039,046)	(76,674,603)
Tax expense:			
Deferred tax		-	99,626
Profit/ (loss) after tax		(544,039,046)	(76,774,229)
Earnings/ (loss) per equity share:	25		
Basic and diluted [Nominal value of share Rs 10 (Rs 10)]		(180.74)	(25.51)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E

per Paul Alvares
Partner
Membership No.: 105754

Place : Pune
Date : June 30, 2015

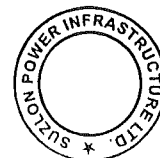


For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN: 00002276

Place : Pune
Date : June 30, 2015

Vinod R. Tanti
Director
DIN: 00002266



Suzlon Power Infrastructure Limited
Cash flow statement for the year ended March 31, 2015
All amounts in Rupees, unless otherwise stated

Particulars	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Loss before tax and exceptional items	(544,039,046)	(376,674,603)
Adjustments for:		
Depreciation	3,827,822	2,028,096
Interest income	(1,757,879)	(5,284,369)
Interest expense	412,062,660	377,446,846
Amortisation of ancillary borrowing cost	1,812,060	2,112,060
Provision for doubtful debts and advances	(1,517,147)	584,037
Bad debts and advances written off/ (back)	-	(81,449)
Operating profit / (loss) before working capital changes	(129,611,530)	130,618
Movements in working capital		
(Increase) / decrease in inventories	(104,563,000)	63,340,267
(Increase) / decrease in trade receivables	(121,946,346)	179,997,721
(Increase) / decrease in loans and advances	(170,414,788)	(61,923,762)
(Decrease) / increase in trade payables	(74,432,322)	(245,329,800)
(Decrease) / increase in current liabilities and provisions	12,041,334	(2,246,051)
Cash (used in) / generated from operating activities	(588,926,652)	(66,031,007)
Direct taxes paid (net of refunds)	24,213,463	27,225,745
Net cash (used in) / generated from operating activities	A (564,713,189)	(38,805,262)
Cash flow from investing activities		
Payment for purchase of fixed assets including capital work in progress and capital advances	2,000	-
Redemption/ maturity of bank deposits	(765,393)	10,052,500
Interest received	1,751,573	5,517,801
Net cash (used in) / generated from investing activities	B 988,180	15,570,301
Cash flow from financing activities		
Proceeds from long-term borrowings	-	11,442,256
Repayment of long-term borrowings	(53,153,539.00)	-
Proceeds/ (repayment) from short-term borrowings, net	816,897,341.00	1,343,543
Interest paid	(126,620,299.00)	(16,287,807)
Net cash generated/ (used in) from financing activities	C 637,123,503	(3,502,008)
Net increase in cash and cash equivalents	(A + B + C) 73,398,494	(26,736,969)
Cash and cash equivalents at the beginning of the year	3,132,533	29,869,502
Cash and cash equivalents at the end of the year	76,531,027	3,132,533
Components of cash and cash equivalents	As at March 31, 2015	As at March 31, 2014
Cash on hand	152,795	183,348
With banks in current account	76,378,232	2,949,185
	76,531,027	3,132,533

Summary of significant accounting policies 3

Notes:

- 1 The figures in brackets represent outflows.
- 2 Previous period's figures have been regrouped / reclassified, wherever necessary to confirm to current year presentation.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration number: 324982E

per Paul Alvarez
Partner
Membership No.: 105754

Place : Pune
Date : June 30, 2015

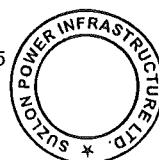


For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited

Balrajsinh A. Parmar
Director
DIN: 00002276

Place : Pune
Date : June 30, 2015

Vinod R. Tanti
Director
DIN: 00002266



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

1. Corporate Information

Suzlon Power Infrastructure Limited ('SPIL' or 'the Company') having CIN U45203TZ2004PLC011180 is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of construction and sale of power evacuation infrastructure facility.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of assets for which provision for impairment is made.

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

3. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The manufacturing costs of internally generated assets comprise direct costs and attributable overheads.

Capital work-in-progress comprises of 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 realisable value.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

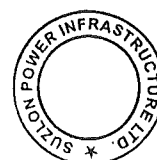
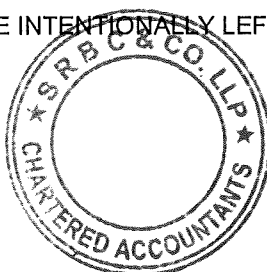
c. Depreciation on tangible fixed assets

From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013, which prescribes useful lives for fixed assets. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of its fixed assets and depreciation is provided on the written down value method ('WDV') unless otherwise stated, pro-rata to the period of use of assets based on the useful lives. :

The Company has used the following useful lives to provide depreciation on its tangible assets:

Type of asset	Useful lives (years)
Buildings	28
Computers	03
Office equipments	05
Furniture and fixtures	10
Motor cars and others	10

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

d. Leases

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

e. Borrowing costs

Borrowing cost primarily includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Impairment of tangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment loss recognised in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g. Inventories

Inventories of raw materials, work-in-progress and finished goods are valued at the lower of cost and estimated net realisable value. However, raw material and other items held for use in the power evacuation facilities are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.

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

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

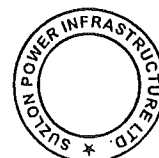
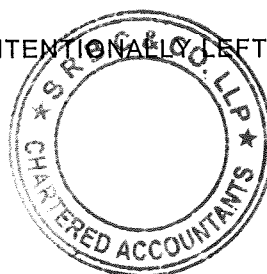
h. Revenue recognition

Revenue comprises sale of power infrastructure facilities, project consultancy service and interest income. 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 evacuation infrastructure facilities

Revenue from power evacuation infrastructure facilities is recognised upon commissioning and electrical installation of the Wind Turbine Generator (WTG) to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

Interest income

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

i. Retirement and other employee benefits

Defined contributions to provident fund and employee state insurance are charged to the statement of profit and loss of the year, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the statement of profit and loss on accrual basis.

Retirement benefits in the form of gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Actuarial gains/losses are taken to the statement of profit and loss and are not deferred

j. Taxes on income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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 realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

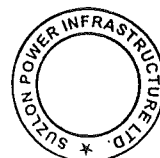
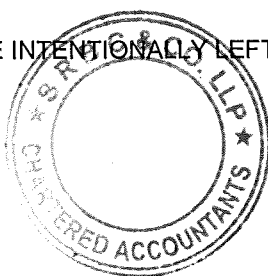
At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred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

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

k. Earnings/ (loss) per share

Basic earnings/(loss) 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..

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

l. Provision

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. 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 estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

n. Cash and cash equivalents

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

o. Measurement of EBITD and EBIT

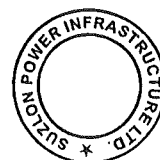
The Company has elected to present earnings before interest, tax, depreciation ('EBITD') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITD, the Company does not include depreciation, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation from EBITD to measure EBIT.

4. Corporate Debt Restructuring ('CDR')

During the financial year ended March 31, 2013, Suzlon Energy Limited (SEL) along with its 7 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had restructured various financial facilities (restructured facilities) from the secured CDR lenders under the Corporate Debt Restructuring Proposal. Pursuant to approval of CDR Package by the CDR Empowered Group ('CDR EG'), the implementation of the CDR package was formalised upon execution of Master Restructuring Agreement (MRA) between the CDR Lenders and Borrowers during the financial year ending March 31, 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited was included as Borrower under the CDR package.

The key features of the CDR package are as follows:

- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment terms of which are in similar to that of RTL with enabling mandatory prepayment obligations on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

- d. Unpaid Interest due on certain existing facilities on cut off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11% per annum with reset option in accordance with MRA.
- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in the SEL by promoters, their friends, relatives and business associates in lieu of bank sacrifice in the form of equity shares/CCDs including conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- a. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- b. SEL issued equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date at the price determined in compliance with Securities and Exchange Board of India, if demanded by CDR lenders.

In case of financial facilities availed from the non-CDR Lenders, the terms and conditions shall continue to be governed by the provisions of the existing financing documents.

During the year ended March 31, 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan will be in accordance with terms and conditions similar to those of RTL, whereas repayment of FITL I will be made in 32 equal quarterly instalments and shall be co-terminus with RTL. Repayment of FITL II will be made in 12 quarterly instalments from December 2022 to September 2025.

5. Recompense

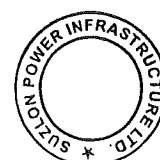
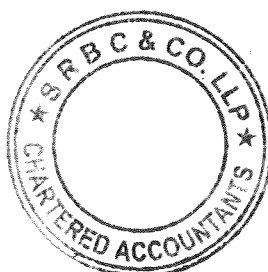
Suzlon Energy Limited and its certain specified subsidiaries (collectively 'the Group') and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Group is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date, if demanded by CDR lenders. In case of CDR lenders who have exercised the right for issuance of equity shares, the cost is amortised over the period of sacrifice. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet is not ascertainable.

6. Going concern

The matter of emphasis reported by the auditors in the previous several years on account of uncertainty of the Company to continue as going concern has been resolved due to various positive developments including resolution of the liquidity issues of the parent company and increased execution ability of the Company

7. Share capital

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Authorised shares		
5,000,000 (5,000,000) equity shares of Rs 10/- each	50,000,000	50,000,000
Issued, subscribed and fully paid-up shares		
3,010,000 (3,010,000) equity shares of Rs 10/- each	30,100,000	30,100,000



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	March 31, 2015		March 31, 2014	
	Number	Rupees	Number	Rupees
Equity shares				
At the beginning of the year	3,010,000	30,100,000	3,010,000	30,100,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,010,000	30,100,000	3,010,000	30,100,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company

Out of equity shares issued by the Company, shares held by the holding company are as follows:

	March 31, 2015	March 31, 2014
Suzlon Energy Limited, the holding company (along with its nominees)		
3,010,000 (3,010,000) equity shares of Rs 10/- each fully paid	30,100,000	30,100,000

d. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	March 31, 2015		March 31, 2014	
	Number	% holding in class	Number	% holding in class
Equity shares of Rs 10/- each fully paid				
Suzlon Energy Limited, holding company (along with its nominees)	3,010,000	100%	3,010,000	100%

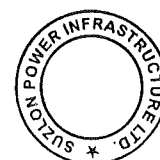
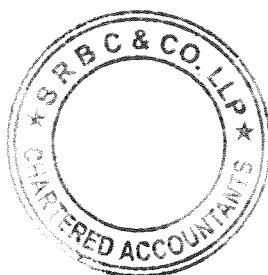
As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

8. Reserves and surplus

	March 31, 2015	March 31, 2014
Statement of profit and loss		
Balance as per last balance sheet	(1,153,657,623)	(1,076,883,394)
Add: Profit/ (loss) for the year	(544,039,046)	(76,774,229)
Net surplus/ (deficit) in the statement of profit and loss	(1,697,696,669)	(1,153,657,623)

9. Long-term borrowings

	March 31, 2015	March 31, 2014
Secured		
Term loan from banks	1,100,320,000	1,172,080,000
Working capital term loan from banks (refer Note 4)	-	176,811,480
Total	1,100,320,000	1,348,891,480



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

a. The details of security for the secured loans are as follows:

In case of financial facilities from CDR Lenders in accordance with MRA and non-CDR lenders, RTL of Rs 1,196,000,000 (Rs 1,196,000,000), of which Rs 1,100,320,000 (Rs 1,172,080,000) classified as long-term borrowings and Rs 95,680,000 (Rs 23,920,000) classified as current maturities of long-term borrowing, WCTL of Rs 138,400,344 (Rs 191,553,883) of which Rs Nil (Rs 176,811,480) classified as long-term borrowings and Rs 138,400,344 (Rs 14,742,403) classified as current maturities of long-term borrowing, fund based working capital facilities of Rs 106,118,900 (Rs 81,595,205) and non fund based working capital facilities are secured by first pari passu charge on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by Suzlon Energy Limited (SEL) in its 8 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the managing director of SEL and limited personal guarantee of one director of Suzlon Structures Limited.

In addition to above, the loans outstanding as on March 31, 2014, were secured by pledge of shares of certain overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Servion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are ceded from the charge.

b. The details of repayment of long-term borrowings are as follows:

Particulars	Up to 1 year	2 to 5 years	Beyond 5 years	Total
Term loan from banks	95,680,000 (23,920,000)	526,240,000 (454,480,000)	574,080,000 (717,600,000)	1,196,000,000 (1,196,000,000)
Working capital term loan from banks	138,400,344 (14,742,403)	- (176,811,480)	- (-)	138,400,344 (191,553,883)

c. The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2015 is as below :

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay in days	Amount	Period of delay in days
Repayment of term loan	11,960,000	Up to 1 day	-	-
Repayment of working capital term loan	2,197,109	Up to 90 days	-	-
Payment of interest	37,114,798	Up to 59 days	-	-

10. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Employee benefits	9,543,027	9,515,300	10,925,635	5,482,371
Total	9,543,027	9,515,300	10,925,635	5,482,371

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

11. Short-term borrowings

	March 31, 2015	March 31, 2014
Working capital loans from banks (secured)	106,118,900	81,595,205
Loans and advances from related parties (unsecured)	2,871,497,302	1,830,089,126
Total	2,977,616,202	1,911,684,331

- The rate of interest on the working capital loans is 11.00% p.a., being the interest rate spread agreed with CDR lenders pursuant to the CDR proposal. For details of security given for short-term borrowings, refer Note 9 a.
- Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @11% p.a. and comprise of short-term and long-term loans. Short-term loans are repayable on demand.

12. Trade payables and other current liabilities

	March 31, 2015	March 31, 2014
Trade payables		
Dues to micro and small enterprises (refer Note 32)	551,301	3,129,659
Dues to others including acceptances	472,407,812	544,261,775
	472,959,113	547,391,434

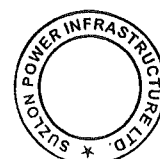
Other current liabilities

	March 31, 2015	March 31, 2014
Current maturities of long-term borrowings	234,080,344	38,662,403
Interest accrued but not due on borrowings	33,502,954	-
Advances from customers	149,250,548	105,575,693
Others:		
Statutory dues payable	16,901,621	15,126,142
Employee payables	8,288,212	4,158,432
Other payables	58,590,469	98,695,363
Total	500,614,148	262,218,033

13. Fixed assets

Assets	Gross block			Depreciation / amortisation				Net block		
	As at April 01, 2014	Additions	Deductions/ adjustments	As at March 31, 2015	As at April 01, 2014	For the year	Deductions/ adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible assets										
Buildings	553,560	-	-	553,560	313,065	24,050	-	337,115	216,445	240,495
Plant and machinery	118,563	-	-	118,563	66,395	10,632	-	77,027	41,536	52,168
Computers	10,097,853	-	2,000	10,095,853	8,020,077	1,479,359	-	9,499,436	596,417	2,077,776
Office equipment	6,756,999	-	-	6,756,999	4,218,575	2,063,997	-	6,282,572	474,427	2,538,424
Furniture & fixtures	1,759,306	-	-	1,759,306	1,231,835	189,719	-	1,421,554	337,752	527,471
Vehicles	1,274,640	-	-	1,274,640	1,042,629	60,065	-	1,102,694	171,946	232,011
	20,560,921	-	2,000	20,558,921	14,892,576	3,827,822	-	18,720,398	1,838,523	5,668,345
<i>Previous year</i>	<i>20,560,921</i>	<i>-</i>	<i>-</i>	<i>20,560,921</i>	<i>12,864,480</i>	<i>2,028,096</i>		<i>14,892,576</i>	<i>5,668,345</i>	

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

14. Trade receivables and other assets

14.1 Trade receivables

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured				
Outstanding for a period exceeding six months from due date				
Considered good	1,491,338	1,491,338	105,647,326	127,314,584
Considered doubtful	69,431,694	69,220,336	-	-
	<u>70,923,032</u>	<u>70,711,674</u>	<u>105,647,326</u>	<u>127,314,584</u>
Other receivables	-	-	220,863,523	75,732,771
	<u>70,923,032</u>	<u>70,711,674</u>	<u>326,510,849</u>	<u>203,047,355</u>
Less : Provision for doubtful receivables	(69,431,694)	(69,220,336)	-	-
Total	<u>1,491,338</u>	<u>1,491,338</u>	<u>326,510,849</u>	<u>203,047,355</u>

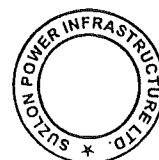
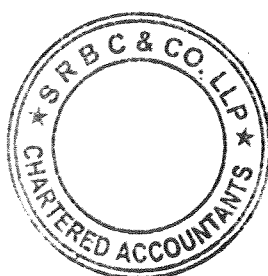
14.2 Other assets

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good				
Margin money deposits	20,015,393	19,250,000	-	-
Interest receivable on margin money deposits	-	-	539,434	533,128
Other receivables	-	-	18,778,248	18,778,248
Total	<u>20,015,393</u>	<u>19,250,000</u>	<u>19,317,682</u>	<u>19,311,376</u>

Margin money deposits are subject to first charge towards non-funded facilities from borrowers.

15. Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good				
Security deposits (a)	16,147,500	16,147,500	-	-
Advances recoverable in cash or in kind				
Considered good	-	-	394,817,255	226,547,573
Considered doubtful	-	-	-	1,727,905
Total	<u>-</u>	<u>-</u>	<u>394,817,255</u>	<u>228,275,478</u>
Less: Provision for doubtful advance	-	-	-	(1,727,905)
(b)	-	-	394,817,255	226,547,573
Other loans and advances				
Advance income tax [net of provision for tax of Rs Nil (Rs Nil)]	2,306,113	15,669,003	20,873,317	28,969,204
Prepaid expenses	2,531,159	4,343,219	1,812,060	2,421,640
(c)	<u>4,837,272</u>	<u>20,012,222</u>	<u>22,685,377</u>	<u>31,390,844</u>
Total (a + b + c)	<u>20,984,772</u>	<u>36,159,722</u>	<u>417,502,632</u>	<u>257,938,417</u>



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

16. Inventories (valued at lower of cost and net realisable value)

	March 31, 2015	March 31, 2014
Raw materials	286,967,261	133,433,454
Work-in-progress	1,500,974,221	1,751,333,904
Finished goods	732,247,758	530,858,882
Total	2,520,189,240	2,415,626,240

Work-in-progress relates to projects in progress for construction of power evacuation infrastructure facility.

17. Cash and bank balances

	March 31, 2015	March 31, 2014
Balance with banks in current accounts	76,378,232	2,949,185
Cash on hand	152,795	183,348
Total	76,531,027	3,132,533

18. Revenue from operations

	March 31, 2015	March 31, 2014
Power evacuation infrastructure services	609,567,000	628,546,000
Sale of goods	81,264,687	21,798,899
Scrap sales	-	859,721
Total	690,831,687	651,204,620

19. Cost of materials consumed and bought out services

	March 31, 2015	March 31, 2014
Opening inventory	133,433,454	158,063,799
Add : Purchases	494,533,992	24,109,438
	627,967,446	182,173,237
Less : Closing inventory	286,967,261	133,433,454
Cost of raw material & components consumed	341,000,185	48,739,783
Add : Work contract and services	335,878,105	458,453,255
	676,878,290	507,193,038

(Increase)/ decrease in inventories of work-in-progress and finished goods

Opening inventory

Work- in-progress	1,751,333,904	1,712,513,538
Finished goods	530,858,882	608,389,170
	2,282,192,786	2,320,902,708

(a)

Closing inventory

Work- in-progress	1,500,974,221	1,751,333,904
Finished goods	732,247,758	530,858,882
	2,233,221,979	2,282,192,786

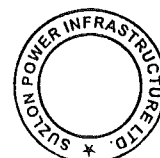
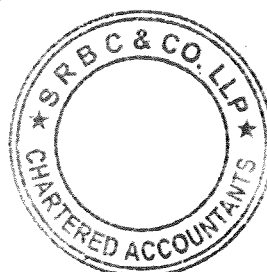
(b)

(Increase)/decrease in inventory

(a - b)

48,970,807

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

20. Employee benefit expense

	March 31, 2015	March 31, 2014
Salaries, wages, allowances and bonus	41,453,165	50,978,393
Contribution to provident fund and other funds	3,023,183	1,805,051
Staff welfare expenses	1,129,571	877,575
Total	45,605,919	53,661,019

21. Other expenses

	March 31, 2015	March 31, 2014
Site operating expenses	7,442,761	10,777,678
Application and processing fees	577,500	2,825,000
Repairs and maintenance:		
- Office equipments	23,980	9,742
- Computers	979,334	620,488
- Others	-	5,500
Rent, rates and taxes	841,804	1,867,173
Insurance	(194,556)	4,893,845
Advertisement and sales promotion	522,088	363,978
Travelling, conveyance and vehicle expenses	5,640,746	3,463,095
Communication expenses	203,021	419,810
Auditors' remuneration and expenses (refer details below)	998,079	1,399,469
Consultancy charges	7,443,517	15,391,814
Charity and donations	15,000,000	-
Provision/ (reversal) for doubtful debts and advances	(1,517,147)	584,037
Other selling and administrative expenses	940,311	-
Miscellaneous expenses	1,167,867	847,189
Total	40,069,305	43,468,818

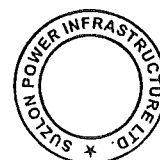
Payment to auditor:

	March 31, 2015	March 31, 2014
Statutory audit fees	1,000,000	1,100,000
Tax audit fees	25,000	25,000
Vat audit fees	50,000	75,000
Reimbursement of out of pocket expenses	9,599	199,469
Reversal of earlier period	(86,520)	-
Total	998,079	1,399,469

22. Finance costs

	March 31, 2015	March 31, 2014
Interest	412,062,660	377,446,846
Bank charges	10,156,435	8,625,242
Amortisation of ancillary borrowing costs	1,812,060	2,112,060
Total	424,031,155	388,184,148

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

23. Finance income

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Interest income on		
Bank deposits	1,757,879	1,712,119
Others	2,754,686	3,572,250
Total	4,512,565	5,284,369

24. Exceptional items

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Write-back on waiver of loan	-	300,000,000

During the financial year 2013-14, the Company has received a waiver letter from Suzlon Energy Limited, which states that the borrowings of Rs 300,000,000 have been permanently waived off and the Company will not be required to repay borrowings to that extent to Suzlon Energy Limited. Accordingly, the Company has written back borrowings to that extent in its books of account.

25. Earnings per share (EPS)

The following reflects the profit and share data used in the calculation of basic and diluted EPS:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Profit/ (loss) after tax	(544,039,045)	(76,774,229)
Weighted average number of equity shares in calculating basic and diluted EPS	3,010,000	3,010,000
Basic and diluted earnings*/ (loss) per share of face value of Rs 10/- each	(180.74)	(25.51)

* Since the earnings/ (loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/ (loss) per share is the same.

26. Post employment benefits

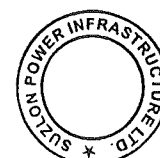
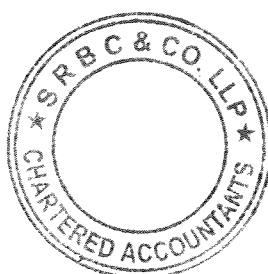
The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form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

Net employees benefit expense recognised in the statement of profit and loss:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Current service cost	794,583	948,840
Interest cost on benefit obligation	488,581	430,490
Expected return on plan assets	(514,048)	(482,900)
Prior period items	Nil	Nil
Net actuarial gain / (loss) recognised in the year	(803,266)	1,117,200
Past service cost	Nil	Nil
Net benefit expense	1,572,382	(220,770)

Details of defined benefit obligation

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Defined benefit obligation	7,165,462	5,515,120
Fair value of plan assets	6,401,117	6,124,710
Present value of unfunded obligations	764,345	(609,590)
Less: Unrecognised past service cost	Nil	Nil
Plan liability/(asset)	764,345	(609,590)



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

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

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening defined benefit obligation	5,515,120	5,562,510
Interest cost	488,581	430,490
Current service cost	794,583	948,840
Benefits paid	(352,620)	(495,560)
Acquisition cost / (credit)	(113,706)	(44,670)
Actuarial (gains)/losses on obligation	833,504	(886,490)
Closing defined benefit obligation	7,165,462	5,515,120

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

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Opening fair value of plan assets	6,124,710	5,951,330
Expected return	514,048	482,900
Acquisition adjustment	(113,706)	(44,670)
Contributions by employer	198,447	Nil
Benefits paid	(352,620)	(495,560)
Actuarial gains / (losses)	30,238	230,710
Closing fair value of plan assets	6,401,117	6,124,710

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

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Investments with insurer	100%	100%

Amounts for the current and previous periods are as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Defined benefit obligation	7,165,462	5,515,120	5,562,510	5,750,570	-
Plan assets	6,401,117	6,124,710	5,951,330	4,747,630	2,743,220
Surplus/(deficit)	(764,345)	609,590	388,820	(1,002,940)	2,743,220
Experience adjustments on plan liabilities	295,828	179,810	737,140	-	-
Experience adjustments on plan assets	30,238	230,710	-	320,960	-
Actuarial due to change on assumptions	-	706,680	-	260,040	-

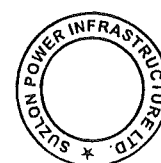
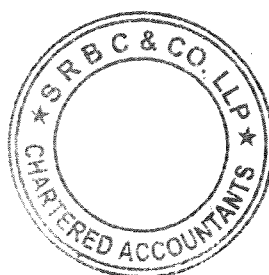
The principal assumptions used in determining defined benefit obligation are shown below:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Discount rate	7.80%	9.25%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%

The estimated future salary increase considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

27. Operating Leases

The Company has taken certain premises under cancellable operating leases. The total rental expense under operating leases during the year was Rs 406,976 (Rs 588,253).



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

28. Segment information

The Company has only one business segment i.e. Power evacuation infrastructure services and it does not have any geographical segment. Hence, the segment reporting as required under Accounting Standard 17 is not applicable.

29. Related party disclosures

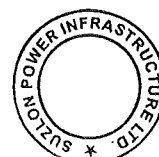
List of related parties and nature of relationship where common control exists with whom transactions have taken place during the year.

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Holding company
Other related parties with whom transactions have taken place during the year		
Sr. No.	Name of the party	Nature of relationship
1	Suzlon Gujarat Wind Park Limited	Fellow subsidiary
2	Suzlon Global Services Limited	Fellow subsidiary
3	Suzlon Power Infrastructure Limited – Gratuity fund	Employee funds

I. Transactions between the Company and the related party and the status of outstanding balances as at March 31, 2015

Particulars	Holding company	Fellow subsidiaries
Loans taken	2,849,253,456 (1,046,513,568)	- (-)
Sales of goods and services rendered	396,185,023 (112,668,779)	2,326,664 (3,451,850)
Purchase of goods	482,746 (38,863,932)	2,816,345 (-)
Interest expense	249,034,530 (197,326,740)	- (-)
Reimbursement of expenses	- (-)	- (2,625,000)
Outstanding balances:		
Trade receivables	85,068,875 (-)	7,589,562 (-)
Trade payables	6,190,383 (45,697,983)	598,254 (-)
Advance to suppliers	- (-)	- (5,397,157)
Unsecured loan outstanding (including interest)	2,871,497,302 (1,830,089,126)	- (-)
Advance received from customer	- (21,485,321)	- (14,331,798)

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Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

II. Disclosure of significant transactions with related parties:

Type of transaction	Type of relationship	Name of the entity / person	March 31, 2015	March 31, 2014
Loans taken	Holding company	Suzlon Energy Limited	2,849,253,456	1,046,513,568
Sales of goods and services rendered	Holding company	Suzlon Energy Limited	396,185,023	112,668,779
	Fellow subsidiary	Suzlon Gujarat Wind Park Limited	2,326,664	3,451,850
Purchase of goods and services	Holding company	Suzlon Energy Limited	482,746	38,863,932
	Fellow subsidiary	Suzlon Gujarat Wind Park Limited	2,816,345	-
Interest expense	Holding company	Suzlon Energy Limited	249,034,530	197,326,740
Reimbursement of	Fellow subsidiary	Suzlon Gujarat Wind Park Limited	-	2,625,000

30. Capital and other commitments

	March 31, 2015	March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	Nil	Nil

31. Contingent liabilities

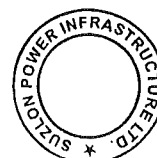
	March 31, 2015	March 31, 2014
Disputed dues with government authorities	881,630	-
Interest under MSMED Act, 2006	18,851,272	8,021,941
Compensation in lieu of bank sacrifice	refer Note 5	96,426,722

- a) The Company has stood as co-guarantor for certain loans granted to holding company and fellow subsidiaries.
- b) The Company along with other borrowers has provided securities to secure Stand-by Letter of Facilities ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds issued by AE Rotor Holding B.V. a fellow subsidiary. The borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.

32. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Sr. No.	Particulars	March 31, 2015	March 31, 2014
I	Principal amount remaining unpaid to any supplier as at the end of the year	551,301	3,129,659
II	Interest due on the above amount	41,614	893,378
III	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
IV	Amounts of payment made to the suppliers beyond the appointed day during the year	5,680,710	15,407,288
V	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
VI	Amount of interest accrued and remaining unpaid at the end of the year*	Nil	Nil
VII	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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	18,851,272	8,021,941

* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 amounting Rs 18,851,272 (Rs 8,021,941) is not accrued in the books of accounts.



Suzlon Power Infrastructure Limited

Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees, unless otherwise stated

33. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013, read with section 129 of the Companies Act 2013

- Value of imports calculated on CIF basis Rs Nil (Rs Nil).
- Expenditure in foreign currency (accrual basis) Rs 1,293,408 (Rs Nil).
- Imported and indigenous raw materials consumed:

	March 31, 2015		March 31, 2014	
	Amount	%	Amount	%
Imported	Nil	-	Nil	-
Indigenous	341,000,185	100	48,739,783	100
	341,000,185	100	48,739,783	100

- Earnings in foreign currency (accrual basis) Rs Nil (Rs Nil).

34. Prior year amounts have been reclassified wherever necessary to conform with current year presentation. Figures in the brackets are in respect of the previous year.

As per our report of even date

For S R B C & Co LLP.
Chartered Accountants
ICAI Firm Registration number: 324982E

per Paul Awaras
Partner
Membership No. 105754

Place : Pune
Date : June 30, 2015



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

Balrajsinh A. Parmar
Director
DIN : 00002276

Vinod R. Tanti
Director
DIN : 00002266

Place : Pune
Date : June 30, 2015

