

# Suzlon Structures Limited

Annual Report F.Y. 2014-15

**Independent Auditors' Report**

To  
The Members of Suzlon Structures Limited

**1. Report on Financial Statements**

We have audited the accompanying Financial Statements of Suzlon Structures Limited ('the Company') which comprise the Balance-sheet as at 31st March, 2015, Statement of Profit and Loss and the Cash flow Statement for the year then ended and a summary of Significant Accounting Policies and Other Explanatory Information.

**2. Management's Responsibility for the Financial Statements**

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 and presentation 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 the 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 safe guarding 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 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.

**3. Auditor's Responsibility**

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 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.

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 the 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 operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

#### **5. Report of the Other Legal and Regulatory Requirements**

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 the paragraph 3 and 4 of the Order to the extent applicable.





6. As required by Section 143(3) of the Act, we report that,

- i. We have sought and 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 it appears from our examination of those books;
- iii. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow dealt with by this report are in agreement with the books of account;
- iv. 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;
- v. On the basis of the written representations received from the directors, as on 31st March 2015 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164(2) of the Act; and
- vi. 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.
  - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.

Firm registration no.:109176W

Chartered Accountants

  
per Sanjay Kapadia  
Partner

Membership No.:38292



Place : Pune

Date : 29<sup>th</sup> May, 2015



## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2015, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. However the management is in the process of physically marking the asset numbers on the Fixed Assets as per the Fixed Asset register.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by 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 3(iii) (a) to (b) of the Order, is 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.
- (v) The company has not accepted any deposits as per the directive issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. Accordingly the provisions 3 (v) of the Companies (Auditor's Report) Order, 2015 is not applicable to the company.
- (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 sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there have been a slight delay in few cases.*

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2015 for a period of more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us, the dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cesson account of any dispute, are as follows :

Name of Statute	Nature of Dues	Amount Rs (in Lacs)	Accounting year to which the amount relates	Forum where the dispute is pending
The Income tax Act, 1961	Income Tax	63.60	2009-10	ITAT, Ahmedabad.
The Income tax Act, 1961	Income Tax	17.42	2010-11	Commissioner of Income Tax, Appeals, Ahmedabad.
The Income tax Act, 1961	Income Tax	25.06	2011-12	Commissioner of Income Tax, Appeals, Ahmedabad.

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.

- (viii) The Company has no accumulated losses at the end of the financial year.





- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company has delayed in repayment of dues to banks as detailed below:

Particulars	Amount (Rs.)	Delay in days
Interest on Term Loan	16,66,486	Upto 90
Term Loan	6,04,000	1 day

- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof in our opinion are not prima-facie prejudicial to the interest of the Company.
- (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 SNK & Co.

Firm registration no.:109176W

Chartered Accountants

per Sanjay Kapadia

Partner

Membership No.:38292



Place : Pune

Date : 29<sup>th</sup> May, 2015





**Suzlon Structures Limited**  
**Balance Sheet as at March 31, 2015**  
All amounts in Rupees Lacs unless otherwise stated

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(i) Share capital	6	2,936.68	2,936.68
(ii) Reserves and surplus	7	1,889.85	2,027.84
		<b>4,826.53</b>	<b>4,964.52</b>
<b>Non-current liabilities</b>			
(i) Long-term borrowings	8	555.68	2,192.12
(ii) Long-term provisions	9	290.04	189.55
		<b>845.72</b>	<b>2,381.67</b>
<b>Current liabilities</b>			
(i) Short-term borrowings	10	4,651.65	4,901.30
(ii) Trade payables	11	3,267.30	2,713.69
(iii) Other current liabilities	11	208.31	258.32
(iv) Short-term provisions	9	55.21	54.20
		<b>8,182.47</b>	<b>7,927.51</b>
<b>Total</b>		<b>13,854.72</b>	<b>15,273.70</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(i) Fixed assets			
(a) Tangible assets	12	2,879.81	2,461.09
(b) Capital work-in-progress		25.06	789.67
(ii) Non-current investments	13	0.20	0.20
(iii) Loans and advances	14	99.51	109.31
(iv) Other non-current assets	15.2	325.07	525.05
		<b>3,329.65</b>	<b>3,885.32</b>
<b>Current assets</b>			
(i) Inventories	16	6,544.90	4,308.62
(ii) Trade receivables	15.1	3,715.75	5,855.37
(iii) Cash and bank balances	17	8.41	1,089.35
(iv) Loans and advances	14	224.43	107.81
(v) Other current assets	15.2	31.58	27.23
		<b>10,525.07</b>	<b>11,388.38</b>
<b>Total</b>		<b>13,854.72</b>	<b>15,273.70</b>
<b>Summary of significant accounting policies</b>	3		

The accompanying notes are an integral part of financial statements.

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : 29th May 2015



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

Vinod R. Tanti  
Director  
DIN : 00002266

Ranjitsinh A. Parmar  
Director  
DIN : 00002613

Place : Mumbai  
Date : 29th May 2015

**Suzlon Structures Limited**  
**Statement of profit and loss for the year ended March 31, 2015**  
All amounts in Rupees Lacs unless otherwise stated

Particulars	Notes	March 31, 2015	March 31, 2014
<b>Income</b>			
Revenue from operations	18	15,245.05	16,876.29
Other operating income		17.76	51.50
		<b>15,262.81</b>	<b>16,927.79</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	19	14,030.89	9,041.95
Purchases of stock-in-trade	19	187.44	61.58
Increase/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	19	(2,877.91)	3,576.69
Employee benefits expense	20	1,060.37	1,077.34
Other expenses	21	1,904.23	2,003.91
		<b>14,305.02</b>	<b>15,761.47</b>
<b>Earnings/ (loss) before interest, depreciation and tax (EBITDA)</b>		<b>957.79</b>	<b>1,166.32</b>
Depreciation / amortisation	12	506.11	342.26
<b>Earnings/ (loss) before interest and tax (EBIT)</b>		<b>451.68</b>	<b>824.06</b>
Finance costs	22	651.79	789.80
Finance income	23	56.92	57.13
		<b>(143.19)</b>	<b>91.39</b>
<b>Profit/ (loss) before tax</b>			
<b>Tax expense</b>			
Earlier years current tax		(5.21)	-
		<b>(137.98)</b>	<b>91.39</b>
<b>Profit/ (loss) after tax</b>			
<b>Earnings/ (loss) per equity share:</b>			
- Basic and diluted [Nominal value of share Rs 10 (Rs 10)]	24	(1.20)	(0.01)
<b>Summary of significant accounting policies</b>	3		

The accompanying notes are an integral part of financial statements

As per our report of even date

For SNK & Co.

Chartered Accountants

ICAI Firm Registration number: 109176W

per Sanjay Kapadia

Partner

Membership No. : 38292

Place : Mumbai

Date : 29th May 2015



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

Vinod R. Tanti

Director

DIN : 00002266

Place : Mumbai

Date : 29th May 2015

Ranjitsinh A. Parmar

Director

DIN : 00002613



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

Particulars	March 31, 2015	March 31, 2014
<b>Cash flow from operating activities</b>		
Profit/ (loss) before tax	(143.19)	91.39
Adjustments for:		
Depreciation / amortisation	506.10	342.26
Loss on assets sold / disposed, net	3.17	6.05
Interest expenses	646.43	783.27
Interest and dividend income	(56.92)	(57.13)
Unrealised exchange loss / (gain) on foreign currency loan	1.30	257.59
<b>Operating profit / (loss) before working capital changes</b>	<b>956.89</b>	<b>1,423.43</b>
<b>Movements in working capital</b>		
(Increase) / decrease in inventories	(2,236.28)	4,871.91
(Increase) / decrease in trade receivables	2,139.62	(3,368.49)
(Increase) / decrease in loans and advances and other assets	(114.53)	158.87
(Decrease)/ Increase in trade payables, current liabilities and provisions	606.13	(1,482.04)
<b>Cash (used in) / generated from operating activities</b>	<b>1,351.83</b>	<b>1,603.68</b>
Direct taxes paid (net of refunds)	(3.29)	(1.63)
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>1,348.54</b>	<b>1,602.05</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of fixed assets	(936.07)	(3.58)
Reduction in fixed assets (credit note)	772.68	1.30
Interest received	60.26	58.68
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(103.13)</b>	<b>56.40</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term borrowings	(1,630.26)	-
Term loan taken during the year	-	8.03
Proceeds from short term borrowings, net	-	131.29
Repayment from short-term borrowings, net	(249.66)	-
Interest paid	(646.43)	(783.27)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(2,526.35)</b>	<b>(643.95)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(1,280.94)</b>	<b>1,014.50</b>
Cash and cash equivalents at the beginning of the year	1,614.35	599.85
Cash and cash equivalents at the end of the year	<b>333.41</b>	<b>1,614.35</b>
<b>Components of cash and cash equivalents</b>	<b>As at March 31, 2015</b>	<b>As at March 31, 2014</b>
Cash on hand	1.42	0.58
Balances with banks	331.99	1,613.77
	<b>333.41</b>	<b>1,614.35</b>
<b>Summary of significant accounting policies</b>	<b>3</b>	

**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 attached report of even date

For SNK & Co.

Chartered Accountants

Firm Registration number: 109176W

per Sanjay Kapadia

Partner

Membership No. : 38292

Place : Mumbai

Date : 29th May 2015



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

Vinod R. Tanti

Director

DIN : 00002266

Place : Mumbai

Date : 29th May 2015

Ranjitsinh A. Parmar

Director

DIN : 00002613

Place : Mumbai

Date : 29th May 2015

# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 1. Corporate information

Suzlon Structures Limited ('SSL' or the 'Company') having CIN: U27109GJ2004PLC044170 is a subsidiary of Suzlon Energy Limited, a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is engaged in the manufacture of fabricated structural products of Iron and Steel (Tubular towers for wind turbine generators).

### 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 Rule 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, except for the change in the accounting policy as explained below:

### 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 and 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 advances paid to acquire fixed assets and the cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

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 and are recognized 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 rates to provide depreciation on its fixed assets:

Type of asset	Useful lives (up to years)
Office building	58
Factory building	28
Plant and machinery	15
Wind Turbine Generator	22
Computers	03
Office equipment	10
Furniture and fixtures	10
Motor car and others	10

Roads within the factory are considered to be part of Factory building for the purpose of charge of depreciation on the same.

### d. Operating leases

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 recognized 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. Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### g. Inventories

Inventories of raw materials including stores; spares and consumables; packing materials; work-in-progress; semi-finished goods and finished goods are valued at the lower of cost and estimated net realisable value. Cost is determined on weighted average basis.

The cost of work-in-progress; semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads.

### h. Revenue recognition

Revenue comprises sale of fabricated structural products of Iron and Steel, income from wind power generation, interest and dividend. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The Company collects sales taxes, service tax, value added taxes (VAT) as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

#### Sales

Sale of individual fabricated structural product of iron and steel, income from wind power generation are recognised in the profit and loss account provided that the significant risks and rewards in respect of ownership of 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.

#### Income from wind power generation

Income from Wind power generation is recognised on sale of unit generated and billed in the invoices of the respective state electricity board.

#### Interest income

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

#### Dividend income

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

### i. Foreign currency transactions

#### i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### ii. Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### iv. Forward exchange contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

### j. Retirement and other employee benefits

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

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.

### k. 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 and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised 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. If there is unabsorbed depreciation or carry forward of losses under tax laws, all deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

At each reporting date, the Company reassesses unrecognised deferred tax assets. It recognises unrealised deferred tax assets to the extent it has become reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available against which the deferred tax can be realised.

The carrying amounts of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of a 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. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **I. Earnings/(loss) per share**

Basic earnings/(loss) per share are calculated by dividing the net profit / (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors.

### **m. Provisions**

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.

### **n. 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.

Contingent assets are not recognised or disclosed.

### **o. Cash and cash equivalents**

Cash and cash equivalents for the purpose of 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.

### **p. Measurement of EBITDA and EBIT**

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') 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 EBITDA, the Company does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation expense from EBITDA to measure EBIT.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 4. Corporate debt restructuring

During the financial year ended March 31, 2013, Suzlon Energy Limited along with its 8 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had availed various financial facilities from the secured 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 entities forming part of the Group ("the Group") during the financial year ending March 31, 2013. The MRA inter-alia covers the provisions to govern of restructured facilities.

The key features of the CDR package so far as it contributes to improve the liquidity position of the Group:

- a. The repayment of Restructured Term Loans ('RTL') pushed to September, 2022 after a moratorium of 2 years. The moratorium period of 2 years was expired on September 30, 2014.
- b. Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment of which are in tandem with RTL with an enabling mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- c. Restructuring/ assessment of existing fund based and non fund based financial facilities
- d. Unpaid Interest due on certain existing facilities on certain date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were converted into Funded Interest Term Loans ('FITLs') and which were 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.
- f. Waiver of existing events of defaults, penal interest and charges etc.
- g. Promoters' contribution of Rs 250.00 Crore was brought into the Company. The said promoters' contribution along with the existing promoter's loan of Rs 145.00 Crore was converted into equity shares in compliance with the relevant provisions Securities and Exchange Board of India Regulations.

Other critical 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. The Company issued equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date at the price agreed in compliance with Securities and Exchange Board of India

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.

The restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender, was approved by CDR EG. As per the restructuring proposal, PFC was to convert certain portion of interest accrued to FITL – I and FITL – II. As per the terms of restructuring proposal of PFC, interest accrued during the moratorium period is converted into FITL I where as the differential interest, as per the terms, during the repayment period shall be converted into FITL II in accordance with the repayment schedule for RTL. Repayment of outstanding term loan has been in accordance with RTL while repayment of FITL I is made in 32 equal quarterly instalments and shall be in co-terminus with RTL. Repayment of FITL II shall be made in 12 quarterly instalments from December 2022 to September 2025.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 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, give 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 Company is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. 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 this right, the cost is amortised over the period of sacrifice and the contingent amount in respect of recompense is reduced to the extent of amount of equity shares issued in lieu of sacrifice. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet has been shown as contingent liability. The amount of recompense payable to banks in lieu of sacrifice is currently not ascertainable.

### 6. Share capital

#### Authorised share capital

	March 31, 2015	March 31, 2014
20,000,000 (20,000,000) equity shares of Rs 10/- each	2,000.00	2,000.00
1,000,000 (1,000,000) preference shares of Rs 100/- each	1,000.00	1,000.00
	<u>3,000.00</u>	<u>3,000.00</u>

#### Issued, subscribed and fully paid-up shares

	March 31, 2015	March 31, 2014
19,366,800 (19,366,800) equity shares of Rs 10/- each fully paid	1,936.68	1,936.68
1,000,000 (1,000,000) 8% redeemable cumulative preference shares of Rs 100/- each fully paid	1,000.00	1,000.00
	<u>2,936.68</u>	<u>2,936.68</u>

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

	March 31, 2015		March 31, 2014	
	No. Lacs	Rs in Lacs	No. Lacs	Rs in Lacs
<b>Equity shares</b>				
At the beginning of the year	193.67	1,936.68	193.67	1,936.68
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>193.67</u>	<u>1,936.68</u>	<u>193.67</u>	<u>1,936.68</u>
<b>Preference shares</b>				
At the beginning of the year	10.00	1,000.00	10.00	1,000.00
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>10.00</u>	<u>1,000.00</u>	<u>10.00</u>	<u>1,000.00</u>





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 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, if any, 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. Terms of preference shares

1,18,800 and 8,81,200, 8% Redeemable Cumulative Preference Shares of Rs 100/- each fully paid are redeemable at par at the discretion of the Board after 20 years from the date of allotment, i.e. March 29, 2005 and June 28, 2005 respectively. The Company as well as the preference shareholders shall respectively have the call and put option to redeem the above preference shares at any time after 1 (one) month from the date of allotment subject however to the consent of the preference shareholders and the Company, as the case may be.

### d. Shares held by holding and ultimate holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company are as below:

	March 31, 2015	March 31, 2014
<b>Suzlon Energy Limited, the holding company</b>		
14,524,600 (14,524,600) equity shares of Rs 10 each fully paid	1,452.46	1,452.46
750,000 (750,000) preference shares of Rs 100 each fully paid	750.00	750.00
	<b>2,202.46</b>	<b>2,202.46</b>

### e. Details of shareholders holding more than 5% shares in the company:

	March 31, 2015		March 31, 2014	
	Numbers in Lac	% holding in class	Numbers in Lac	% holding in class
<b>Equity shares of Rs 10/- each fully paid</b>				
Suzlon Energy Limited, holding company	145.25	75.00%	145.25	75.00%
Kalthia Investment Private Limited	46.30	23.91%	46.30	23.91%
<b>Preference shares of Rs 10/- each fully paid up</b>				
Suzlon Energy Limited, holding company	7.50	75.00%	7.50	75.00%
Ritu Kalpesh Kalthia	2.20	22.03%	2.20	22.03%

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# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 7. Reserves and surplus

	March 31, 2015	March 31, 2014
a. Securities premium account	436.68	436.68
b. General reserve	175.00	175.00
c. Statement of profit and loss		
As per last balance sheet	1,416.15	1,324.77
Add : Profit/(loss) for the year	(137.98)	91.39
<b>Net surplus in the statement of profit and loss</b>	<b>1,278.17</b>	<b>1,416.16</b>
<b>Total</b>	<b>1,889.95</b>	<b>2,027.84</b>

### 8. Long-term borrowings

	March 31, 2015	March 31, 2014
a. Secured		
Term loan from banks	555.68	591.92
WCTL	-	1,600.20
<b>Total</b>	<b>555.68</b>	<b>2,192.12</b>

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

In case of financial facilities from CDR lenders in accordance with MRA, RTL of Rs 614.62 Lacs (Rs 604.00 Lacs) of which Rs 555.68 Lacs (Rs 591.92 Lacs) classified as long-term borrowings and Rs 58.94 Lacs (Rs 12.08 Lacs) classified as current maturities of long-term borrowings, WCTL of Rs Nil (Rs 1,632.85 Lacs) of which Rs Nil (Rs 1,600.20 Lacs) classified as long-term borrowings and Rs Nil (Rs 32.65 Lacs) classified as current maturities of long-term borrowings and fund based working capital facilities of Rs 4,640.05 Lacs (Rs 4,827.68 Lacs), 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 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 SSL.

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 Senvion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are cede 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 loans from banks	58.94	265.76	289.92	614.62
	(12.08)	(229.52)	(362.40)	(604.00)





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 9. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Employee benefits	290.04	189.55	55.21	45.71
Provision for taxes	-	-	-	8.49
<b>Total</b>	<b>290.04</b>	<b>189.55</b>	<b>55.21</b>	<b>54.20</b>

### 10. Short-term borrowings

	March 31, 2015	March 31, 2014
Working capital loan from banks (secured)	4,640.05	4,827.67
Loans and advances from related parties (unsecured)	11.60	73.63
<b>Total</b>	<b>4,651.65</b>	<b>4,901.30</b>

- 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 8 a.
- Loans from related parties comprise of Inter Corporate Deposits from holding company SEL, which carry interest @ 11% p.a. Short-term loans are repayable on demand.

### 11. Trade payables and other current liabilities

	March 31, 2015	March 31, 2014
<b>Trade payables</b>		
Dues to micro, small and medium enterprises	26.65	58.39
Dues to others	3,240.65	2,655.30
<b>Total</b>	<b>3,267.30</b>	<b>2,713.69</b>
<b>Other current liabilities</b>		
Current maturities of long-term borrowings	58.94	52.77
Advances from customers	1.80	8.01
Others :		
Statutory dues payable	15.00	13.97
Other payables	132.57	183.57
<b>Total</b>	<b>208.31</b>	<b>258.32</b>



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# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 12. Tangible assets

Fixed Assets	Gross block			Depreciation / amortisation			Net block	
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	For the year	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2014
<b>a. Tangible Assets</b>								
Freehold Land	117.92	9.51	0.24	127.19	-	-	127.19	117.92
Leasehold Land	12.00	22.47	-	34.47	1.59	-	28.48	7.60
Buildings	2,233.65	-	-	2,233.65	90.23	-	812.04	902.27
Plant and Equipment	6,465.34	29.07	5.56	6,488.85	190.93	6.26	974.88	1,136.04
Wind Mills	842.24	867.61	-	1,709.85	195.29	-	921.65	249.33
Furniture and fixtures	64.65	-	0.13	64.52	5.22	0.13	9.54	14.76
Computers	39.72	-	10.19	29.53	4.45	9.94	1.29	5.99
Office Equipments	52.99	-	0.46	52.53	17.95	0.46	4.61	22.56
Vehicles	24.58	-	23.06	1.52	0.44	19.01	0.13	4.62
	<b>9,853.09</b>	<b>928.66</b>	<b>39.64</b>	<b>10,742.11</b>	<b>506.10</b>	<b>35.80</b>	<b>2,879.81</b>	<b>2,461.09</b>
<b>b. Capital work-in-progress</b>	789.67	7.40	772.01	25.06	-	-	25.06	789.67
<b>Total</b>	<b>10,642.76</b>	<b>936.06</b>	<b>811.65</b>	<b>10,767.17</b>	<b>506.10</b>	<b>35.80</b>	<b>2,904.87</b>	<b>3,250.76</b>
Previous Year	10,699.99	3.58	60.81	10,642.76	342.26	53.46	7,392.00	3,250.76

1. Installation of 1.5 MW "Suzlon" make Wind Turbine Generator which was commissioned on 13<sup>th</sup> May, 2014 amounting to Rs 867.61 Lacs has been shown as an addition to gross block under windmills.



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 13. Investments

	Non-current investments	
	March 31, 2015	March 31, 2014
Non-trade investments (valued at cost unless stated otherwise)		
Investments in Government or trust securities (unquoted)	0.20	0.20
<b>Total</b>	<b>0.20</b>	<b>0.20</b>
Aggregate amount of unquoted investments	0.20	0.20

### 14. Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Unsecured, considered good				
Security deposits (a)	77.55	87.35	0.40	0.40
Advances recoverable in cash or in kind (b)	-	-	72.00	16.29
Other loans and advances				
Prepaid expenses	-	-	9.99	6.59
Balances with government/ statutory authorities	21.96	21.96	142.04	84.53
(c)	21.96	21.96	152.03	91.12
<b>Total (a+b+c)</b>	<b>99.51</b>	<b>109.31</b>	<b>224.43</b>	<b>107.81</b>

### 15. Trade receivables and other assets

#### 15.1 Trade receivables

	Current	
	March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from due date	1.76	1.76
Other receivables	3,713.99	5,853.61
<b>Total</b>	<b>3,715.75</b>	<b>5,855.37</b>

Trade receivables include:

	Current	
	March 31, 2015	March 31, 2014
Dues from Suzlon Energy Ltd, holding Company	3,703.64	5,851.84
Dues from Suzlon Global Service Limited, related party	2.05	-
Dues from Suzlon Gujarat Wind park Limited, related party	1.77	1.77



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 15.2 Other assets

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances*	325.00	525.00	-	-
Interest accrued on fixed deposits	-	-	14.58	17.99
Interest accrued on investments	0.07	0.05	-	-
Others	-	-	17.00	9.24
<b>Total</b>	<b>325.07</b>	<b>525.05</b>	<b>31.58</b>	<b>27.23</b>

\* Margin money deposits with banks are subject to first charge to secure non fund based facilities sanctioned to borrowers.

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

	March 31, 2015	March 31, 2014
Raw materials (including goods-in-transit of Rs Nil (Rs 427.00 Lacs)	1,743.27	2,394.83
Consumables	125.13	133.88
Stores and spares	240.25	205.20
Packing material	11.38	27.75
Semi finished goods and work- in- progress	4,111.87	698.09
finished goods	313.00	848.87
<b>Total</b>	<b>6,544.90</b>	<b>4,308.62</b>

### 17. Cash and bank balances

	March 31, 2015	March 31, 2014
Balance with banks in current accounts	6.99	1,088.77
Cash on hand	1.42	0.58
<b>Total</b>	<b>8.41</b>	<b>1,089.35</b>

### 18. Revenue from operations

	March 31, 2015	March 31, 2014
Sale of manufactured goods	14,494.98	16,491.44
Trading sales	178.18	49.66
<b>(a)</b>	<b>14,673.16</b>	<b>16,541.10</b>
Other operating revenue		
Scrap sales	271.63	199.62
Power generation	300.26	135.57
<b>(b)</b>	<b>571.89</b>	<b>335.19</b>
<b>Total</b>	<b>(a+b) 15,245.05</b>	<b>16,876.29</b>





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 19. Cost of raw material and components consumed

	March 31, 2015	March 31, 2014
<b>Consumption of raw materials (including project business)</b>		
Opening inventory	2,394.83	3,729.01
Add : Purchases	13,379.33	7,707.77
	<b>15,774.16</b>	<b>11,436.78</b>
Less : Closing inventory	1,743.27	2,394.83
	<b>14,030.89</b>	<b>9,041.95</b>
 <b>Purchases of stock-in-trade</b>	 <b>187.44</b>	 <b>61.58</b>
 <b>Increase/ decrease in inventories</b>		
<b>Opening inventory</b>		
Semi finished goods and work- in- progress	698.09	1,621.72
Finished goods	848.87	3,501.93
(A)	<b>1,546.96</b>	<b>5,123.65</b>
 <b>Closing inventory</b>		
Semi finished goods and work- in- progress	4,111.87	698.09
Finished goods	313.00	848.87
(B)	<b>4,424.87</b>	<b>1,546.96</b>
 <b>(Increase)/ decrease in stocks</b>	 <b>(C) = (A) - (B)</b>	 <b>3,576.69</b>

### 20. Employee benefit expense

	March 31, 2015	March 31, 2014
Salaries, wages, allowances and bonus	953.97	992.77
Contribution to provident and other funds	71.23	50.18
Staff welfare expenses	35.17	34.39
	<b>1,060.37</b>	<b>1,077.34</b>



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# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 21. Other expenses

	March 31, 2015	March 31, 2014
Stores and spares consumed	488.93	516.43
Power and fuel	273.33	218.73
Job work charges	346.80	191.11
Machinery hire charges	183.00	188.93
Testing charges	46.86	33.04
Insurance	29.82	45.60
Factory expenses	11.63	8.63
Repairs and maintenance:		
- Plant and machinery	42.63	30.84
- Building	56.73	26.70
- Others	9.86	9.83
Packing expenses	107.73	152.52
Travelling, conveyance and vehicle expenses	115.95	79.89
Legal and professional fees	21.56	4.87
Rent	17.32	16.82
Rates and taxes	21.33	147.64
Communication expenses	6.99	6.45
Auditors' remuneration and expenses ( <i>refer details below</i> )	5.62	5.06
Charity and donations	-	0.25
Other selling and administrative expenses	122.30	61.72
Exchange differences, net	1.30	257.59
(Profit) / loss on assets sold / discarded, net	(5.46)	1.26
	<b>1,904.23</b>	<b>2,003.91</b>

### Payment to auditor :

	March 31, 2015	March 31, 2014
As auditor:		
Statutory audit fees	4.50	3.94
Tax audit fees	1.12	1.12
	<b>5.62</b>	<b>5.06</b>

### 22. Finance costs

	March 31, 2015	March 31, 2014
Interest		
Fixed loans	95.83	254.97
Others	550.60	528.30
Amortisation of ancillary borrowing costs	4.45	5.74
Bank charges	0.91	0.79
	<b>651.79</b>	<b>789.80</b>





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 23. Finance income

	March 31, 2015	March 31, 2014
Interest income		
From banks on fixed deposits	50.35	49.80
From others	6.57	7.33
	<b>56.92</b>	<b>57.13</b>

### 24. Earnings per share (EPS)

	March 31, 2015	March 31, 2014
<b>Basic and diluted earnings per share</b>		
Net profit/ (loss) after tax	(137.98)	91.39
Less : Preference dividend and tax thereon	93.60	92.98
Net profit/ (loss) attributable to equity shareholders	(231.58)	(1.59)
Weighted average number of equity shares	19,366,800	19,366,800
Basic and diluted earnings/ (loss) per share of face value of Rs 10 each*	<b>(1.20)</b>	<b>(0.01)</b>

\* Since the earnings/ (loss) per share computation list on diluted weighted average no of shares is anti-diluted, the basic and diluted earnings/ (loss) per share is same.

### 25. 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:

	March 31, 2015	March 31, 2014
Current service cost	15.86	15.45
Interest cost on benefit obligation	8.07	6.68
Expected return on plan assets	(8.11)	(7.04)
Net actuarial (gain) / loss recognised in the year	9.54	(8.73)
Past service cost	-	-
Net benefit expense	25.36	6.36

#### Details of defined benefit obligation

	March 31, 2015	March 31, 2014
Defined benefit obligation	116.66	92.00
Fair value of plan assets	108.13	91.61
Present value of unfunded obligations	8.53	0.39
Less: Unrecognised past service cost	-	-
Plan liability/(asset)	8.53	0.39



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

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

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	92.00	86.22
Interest cost	8.07	6.68
Current service cost	15.86	15.45
Benefits paid	(9.47)	(7.65)
Actuarial (gains)/losses on obligation	10.20	(8.70)
Closing defined benefit obligation	116.66	92.00

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

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	91.61	81.08
Expected return	8.11	7.04
Contributions by employer	17.22	11.11
Benefits paid	(9.47)	(7.65)
Actuarial gains / (losses)	0.66	0.03
Closing fair value of plan assets	108.13	91.61

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

	March 31, 2015	March 31, 2014
Investments in approved fund	100%	100%

### Amounts for the current and previous periods are as follows:

	2015	2014	2013	2012
Defined benefit obligation	(116.66)	(92.00)	(86.22)	(68.52)
Plan assets	108.13	91.61	81.08	46.86
Surplus/(deficit)	(8.53)	(0.39)	(5.14)	(21.66)
Experience adjustments on plan liabilities	(6.61)	(2.17)	0.74	(5.63)
Experience adjustments on plan assets	0.66	0.03	0.41	0.32
Actuarial gain/ (loss) due to change on assumptions	10.20	10.87	(3.66)	3.02

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

	March 31, 2015	March 31, 2014
Discount rate	7.80%	9.25%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	10% at younger ages and reducing to 1% at older age according to graduated scale	10% at younger ages and reducing to 1% at older age according to graduated scale





# Suzlon Structures Limited

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

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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.

### 26. Operating leases

The Company has taken certain premises under cancellable operating leases. The total rental expense under cancellable operating leases during the period was Rs 3.63 Lacs (Rs 3.63 Lacs).

### 27. Segment information

The Company's operations predominantly relate to manufacturing of fabricated structural products of iron and steel (Tubular Towers for Wind Turbine Generators) for sale in India and outside India. Accordingly sale of these towers in different countries comprises the primary basis of segmental information set out in these financial statements. However during the year and during the previous year no such sale has been made outside India. Hence no disclosures have been made for the Primary Segment Information.

Secondary segmental reporting is performed on the basis of businesses comprising of sale of fabricated structural products of iron and steel and sale of electricity from company owned wind turbine generator.

These segments have been identified and reported taking into account the nature of products and differing risk and rewards from them. The accounting policies adopted for the segmental reporting are in line with the accounting policy of the company with following additional policies:-

- Revenue and expenses have been identified to a segment on the basis of relationship to the corresponding segment. Revenue and expenses, which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as un-allocable.
- Segment assets and segment liabilities represents assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as un-allocable.

#### Secondary segment information : (Business segments) :

Particulars	March 2015			March 2014		
	Tubular towers	Electricity	Total	Tubular towers	Electricity	Total
Segment revenue	14,944.79	300.26	15,245.05	16,740.72	135.57	16,876.29
Segment result	345.97	82.49	428.46	705.02	67.54	772.56
Less : Un-allocable cost			571.65			681.17
Net profit/ (loss) before tax			(143.19)			91.39
Segment assets	12,933.07	921.65	13,854.72	14,234.70	1,039.00	15,273.70
Capital expenditure incurred	928.66	7.40	936.06	3.58	-	3.58
Depreciation	310.82	195.29	506.11	297.12	45.14	342.26



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### 28. Related party disclosures

As per the Accounting Standard 18, issued by The Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

#### A) List of related parties and nature of relationship where control exists.

Sl.No.	Name of the party	Nature of relationship
1.	Suzlon Energy Limited	Holding company
2.	Suzlon Wind International Limited.	Fellow subsidiary
3.	SE Electricals Limited	Fellow subsidiary
4.	Suzlon Gujarat Windpark Limited	Fellow subsidiary
5.	SE Blades Limited	Fellow subsidiary
6.	SE Forge Limited	Fellow subsidiary
7.	Suzlon Global Services Limited	Fellow subsidiary
8.	Suzlon Wind Energy Portugal Energia Elocia	Fellow subsidiary
9.	Suzlon Energy A/s	Fellow subsidiary
10.	Suzlon Wind Energy Italy s.r.l	Fellow subsidiary
11.	Suzlon Wind Energy Espana	Fellow subsidiary
12.	Suzlon Wind Energy Corporation, USA	Fellow subsidiary

#### B) Other related parties

##### a) Joint venture

Kalthia Investment Private Limited

##### b) Key Management Personnel (KMP)

Mr. Vinod R Tanti  
Mr. Kalpesh R Kalthia  
Mr. Hitesh R. Kalthia.  
Mr. Ranjitsinh Parmar

##### c) Entities where Key Management Personnel (KMP) / Relatives of Key Management Personnel (RKMP) has significant influence:

Synefra Engineering and Constructions Limited, Kalthia Engineering and Construction Limited, Kalthia Management Corporation (U.S.A), R. L. Kalthia Engineering and Automobiles Private Limited, Kalthia Insurance Management, Kush Automobiles, Surabhi Milkfood and Beverages Limited, Mayfair Clinical Education and Research Centre Private Limited, Kalthia Power India Private Limited.

##### d) Employee funds

Suzlon Structures Ltd. – Employee Group Gratuity Scheme.





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### C) Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2015:

Particulars	Holding company	Fellow subsidiary	KMP	Entities where KMP /RKMP has significant influence	Employee funds
Sales (net of returns)	15,150.96 (16,881.38)	16.52 (3.25)	- (-)	- (-)	- (-)
Purchase of goods and services ( including capital goods)	11,681.30 (7,037.98)	261.21 (256.35)	- (-)	- (-)	- (-)
Interest paid	11.60 (22.53)	- (-)	- (-)	- (-)	- (-)
Loans/ deposits received	1,713.95 (295.22)	- (-)	- (-)	- (-)	- (-)
Loans/ deposits paid	1,775.98 (651.90)	- (-)	- (-)	- (-)	- (-)
Other expenses	- (23.10)	20.27 (-)	- (-)	- (-)	- (-)

### Outstanding balances:

Particulars	Holding company	Fellow subsidiary	KMP	Entities where KMP /RKMP has significant influence	Employee funds
Trade payables	689.71 (1,230.80)	203.97 (131.16)	- (-)	- (-)	- (-)
Trade receivables	3,703.64 (5,851.84)	2.08 (1.77)	- (-)	- (-)	- (-)
Unsecured loan	11.60 (73.63)	- (-)	- (-)	- (-)	- (-)
Advance from customer	- (-)	- (2.50)	- (-)	- (-)	- (-)
Corporate guarantees	5,527.00 (5,527.00)	- (-)	- (-)	- (-)	- (-)

### D) Disclosure of significant transactions with related parties:

Type of transaction	Type of relationship	Name of the entity	Year ended March 31,	
			2015	2014
Sales (net of returns)	Holding	Suzlon Energy Limited.	15,150.96	16,881.27
	Fellow subsidiary	Suzlon Gujarat Wind Park Limited.	2.43	2.83
		SE Blades Limited.	-	0.42
		Suzlon Global Services Limited.	14.09	-
Purchase of goods and services ( including capital goods)	Holding	Suzlon Energy Limited.	11,681.30	7,037.98
	Fellow subsidiary	SE Forge Limited	143.14	256.35
		Suzlon Gujarat Wind Park Limited	118.06	-



# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

Interest expense	Holding	Suzlon Energy Limited	11.60	22.53
Unsecured loans	Holding	Suzlon Energy Limited	-	53.35

### 29. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances Rs Nil (Rs 172.37 Lacs).

### 30. Contingent liabilities

	March 31, 2015	March 31, 2014
Guarantees given on behalf of subsidiaries in respect of loans granted to them by banks/financial institutions	See note (a) below	See note (a) below
Bonds/ bank guarantee given under Duty Exemption Scheme	878.95	2,060.14
Claims against Company by employees	21.96	23.04
Preference shares dividend and tax thereon	653.94	560.34
Income-tax related matters	106.08	39.44
Compensation in lieu of sacrifice	refer Note 5	217.09

a) The Company has stood as co-guarantor for certain loans to holding company and fellow subsidiaries.

b) The Company along with other borrowers has provided securities to secure Stand-by Letter of Credit Facilities ("SBLC") of USD 655.41 Million in relation to Stand-by Letter of Credit ("SBLC") 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.

### 31. Derivative instruments and un-hedged foreign currency exposure

There are no outstanding derivative instruments as at March 31, 2015 (March 31, 2014 : Nil).

Particulars of un-hedged foreign currency exposure as at the balance sheet date:

	March 31, 2015	March 31, 2014
Current liabilities	6.73	12.88

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

Particulars	March 31, 2015	March 31, 2014
Principal amount remaining unpaid to any supplier as at the end of the year	26.65	58.39

Other disclosures as per the MSMED Act, 2006 have not been made as there is no delay on account of outstanding payments due to the above parties beyond the period specified under the act.

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

#### a. Value of imports calculated on CIF basis

	March 31, 2015	March 31, 2014
Stores and spares	9.30	0.23





# Suzlon Structures Limited

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

All amounts in Rupees Lac, unless otherwise stated

### b. Expenditure in foreign currency (accrual basis)

	March 31, 2015	March 31, 2014
Foreign travel	6.00	-

### c. Imported and indigenous raw materials, components and spare parts consumed

	Raw materials				Stores and spares			
	March 31, 2015		March 31, 2014		March 31, 2015		March 31, 2014	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	17.06	0.12	9.54	0.11	10.14	1.70	24.12	3.61
Indigenous	14,013.83	99.88	9,032.41	99.89	586.52	98.30	644.83	96.39
	<b>14,030.89</b>	<b>100.00</b>	<b>9,041.95</b>	<b>100.00</b>	<b>596.66</b>	<b>100.00</b>	<b>668.95</b>	<b>100.00</b>

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 SNK & Co  
Chartered Accountants  
ICAI Firm Registration number: 109176W  
per Sanjay Kapadia  
Partner  
Membership No: 38292



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

Vinod R. Tanti  
Director  
DIN:00002266

Ranjitsinh A. Parmar  
Director  
DIN: 00002613

Place : Mumbai  
Date : 29<sup>th</sup> May 2015

Place : Mumbai  
Date : 29<sup>th</sup> May 2015