

INDEPENDENT AUDITOR'S REPORT

To The Members of Suzlon Wind Energy Corporation

We have audited the accompanying consolidated financial statements of Suzlon Wind Energy Corporation ('the Holding Company') and its subsidiaries as described in Note 3 (together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

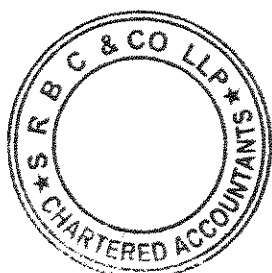
Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying consolidated financial statements have been prepared, in all material respects, in accordance with the accounting principles generally accepted in India.



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S R B C & CO LLP

Chartered Accountants

Other matters - restriction of use

The accompanying consolidated financial statements have been prepared, and this report thereon issued, solely for the purpose of consolidating these financial statements with the financial statements of its parent, Suzlon Energy Limited. Accordingly, this report should not be used, referred to or distributed for any other purpose without our prior written consent.

For S R B C & Co LLP

ICAI Firm registration number: 324982E

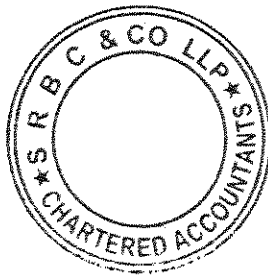
Chartered Accountants



per Paul Alvares

Partner

Membership No.: 105754



Place: Pune, India

Date: July 01, 2015

Suzlon Wind Energy Corporation
Consolidated Balance Sheet as at March 31, 2015
All amounts in US Dollars, unless otherwise stated

	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
Share capital	5	1,000	1,000
Reserves and surplus	6	21,667,573	19,707,592
		21,668,573	19,708,592
Non current liabilities			
Long-term borrowings	7	36,000,000	40,000,000
		36,000,000	40,000,000
Current liabilities			
Short-term borrowings	7	4,000,000	-
Short-term provisions	8	9,191,242	11,933,768
Trade payables	9	7,966,585	59,544,549
Other current liabilities	10	53,693,212	69,361,366
		74,851,039	140,839,683
TOTAL		132,519,612	200,548,275
Assets			
Non-current assets			
Fixed assets - Tangible assets	11	1,906,430	7,384,771
Capital work in progress	11	3,443,968	-
Long-term loans and advances	12	9,289,775	48,249,403
Trade receivables	15	41,410,450	-
Other non-current assets	16	1,237,423	1,752,294
		57,288,046	57,386,468
Current assets			
Investments	13	-	103,500,000
Inventories	14	23,219,222	25,943,471
Trade receivables	15	2,645,884	1,372,551
Cash and bank balances	17	3,951,375	5,403,341
Short-term loans and advances	12	45,415,085	6,942,444
		75,231,566	143,161,807
TOTAL		132,519,612	200,548,275
Summary of significant accounting policies	4.1		

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
Firm Registration No.: 324982E
Chartered Accountants

per Paul Alvares
Partner
Membership No.: 105754
Place: Pune, India
Date: 07/01/15

For and on behalf of the board of directors
of Suzlon Wind Energy Corporation


Duncan Koerbel
Director


Joseph Siprut
Vice President Finance

Place: Chicago, USA

Date: 7/1/15

Suzlon Wind Energy Corporation
Consolidated Statement of Profit and Loss for the period ended March 31, 2015
All amounts in US Dollars, unless otherwise stated

	Notes	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
Income			
Revenue from operations	18	69,017,876	79,365,365
Other income	19	4,203,602	761,865
Total Revenue		73,221,478	80,127,230
Expenses			
Cost of goods sold		24,110,409	24,706,504
Employee benefits expense	20	31,888,263	31,291,844
Other expenses	21	9,587,924	37,623,841
Depreciation including impairment loss	11	2,957,573	1,123,140
Finance costs	22	2,636,416	4,587,537
Total Expenses		71,180,585	99,332,866
Profit/(Loss) before tax		2,040,893	(19,205,636)
Tax expense			
Current tax charge/(reversal)		80,912	(1,053,530)
Total tax expense		80,912	(1,053,530)
Profit/(Loss) for the year		1,959,981	(18,152,106)
Summary of significant accounting policies	4.1		

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

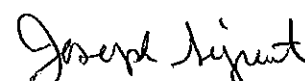
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For S R B C & Co LLP
Firm Registration No.: 324982E
Chartered Accountants

per Paul Alvares
Partner
Membership No.: 105754
Place: Pune, India
Date: 07/01/15

For and on behalf of the board of directors
of Suzlon Wind Energy Corporation


Duncan Koerbel
Director


Joseph Siprut
Vice President Finance

Place: Chicago, USA
Date: 7/1/15

Suzlon Wind Energy Corporation
Consolidated cash flow statement for the year ended March 31, 2015
All amounts in US Dollars, unless otherwise stated

	April 1, 2014 to March 31, 2015	April 1, 2013 to March 31, 2014
Cash flow from operating activities		
Profit before tax	2,040,893	(19,205,636)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation including impairment loss	2,957,573	1,123,140
Loss/(Profit) on sale of fixed assets	647,007	(10,796)
Unrealized foreign exchange loss/(gain)	(1,820,695)	493,263
Interest expense	2,473,004	1,259,585
Interest income	(816,135)	(962,250)
Operating profit/(loss) before working capital changes	5,481,647	(17,302,694)
Movements in working capital :		
Decrease in trade payables	(51,577,964)	(97,466,494)
Decrease in provisions	(3,179,074)	(15,483,270)
Decrease in other current liabilities	(14,383,396)	(36,086,974)
Decrease / (Increase) in trade receivables	(42,683,783)	207,103,799
Decrease in inventories	2,724,249	6,628,049
Decrease in loans and advances	1,839,059	8,314,617
Decrease in other current assets	514,871	4,287,054
Cash generated from operations	(101,264,391)	59,994,087
Direct taxes paid (net of refunds)	355,636	(214,163)
A Net cash flow from/ (used in) operating activities	(100,908,755)	59,779,924
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(3,597,260)	(99,429)
Proceeds from sale of fixed assets	2,027,052	13,830
Interest received	-	962,250
(Purchase)/sale of investments (Refer Note 23b)	103,500,000	(103,500,000)
B Net cash flow from/(used in) investing activities	101,929,793	(102,623,349)
Cash flows from financing activities		
Proceeds/ (Repayment) from/of borrowings	-	39,554,847
Interest paid	(2,473,004)	(1,259,585)
C Net cash flow from/ (used in) in financing activities	(2,473,004)	38,295,262
Net decrease in cash and cash equivalents (A + B + C)	(1,451,966)	(4,548,163)
Cash and cash equivalents at the beginning of the year	5,403,341	9,951,504
Cash and cash equivalents at the end of the year	3,951,375	5,403,341
Components of cash and cash equivalents		
Cash on hand	2,184	2,684
With banks- on current account		
On deposit account	-	-
On current accounts	3,949,191	5,400,657
Total cash and cash equivalents (Note 17)	3,951,375	5,403,341
Note		
1 The figures in brackets represents outflows.		
2 Previous periods' figures have been regrouped/ reclassified, wherever required.		

As per our report of even date

For S R B C & Co LLP
Firm Registration No.: 324982E
Chartered Accountants

per Paul Alvarez
Partner

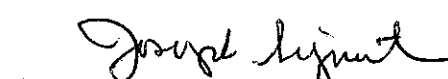
Membership No.: 105754

Place: Pune, India

Date: 07/01/2015

For and on behalf of the board of directors
of Suzlon Wind Energy Corporation


Duncan Koerbel
Director


Joseph Siprut
Vice President Finance

Place: Chicago, USA

Date: 7/1/15

1 Corporate information

Suzlon Wind Energy Corporation ('the Company' or 'SWECO') was incorporated on October 1, 2001 to market wind energy generators. SWECO provides turnkey solutions along with operations and maintenance services to the wind energy industry. Suzlon Wind Energy Corporation is the wholly owned United States Subsidiary of Suzlon Energy A/S, Denmark ('Parent'). Suzlon Energy A/S is a wholly owned subsidiary of Suzlon Energy Limited, which is incorporated in India.

2 Basis of accounting and preparation of financial statements

The accompanying consolidated financial statements have been prepared on an accrual basis and under the historical cost convention in conformity with accounting principles generally accepted in India, to reflect the financial position of the company and its subsidiaries.

The financial statements are prepared only for the purpose of consolidating these financial statements with the financial statements of the parent. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year. Accordingly, the following disclosures which are required to be made as per Indian GAAP have not been made:

- a) Earnings per share
- b) Leases
- c) Segment information
- d) Related party disclosures
- e) Disclosures pursuant Accounting Standard 7- Construction Contracts
- f) Disclosures pursuant Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets
- g) Disclosure pursuant to Accounting Standard 22- Taxes on Income

3 Principles of Consolidation

The consolidated financial statements of SWECO include the accounts of SWECO and its wholly-owned subsidiary; Suzlon Project VIII, LLC (Collectively the 'Group'). The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions.

The unrealized profits or losses resulting from intra group transactions have been eliminated as per Accounting Standard-21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

b) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements.

4.1 Significant Accounting Policies

a. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the 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.

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.

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

c. Depreciation on tangible fixed assets

Depreciation is provided on the Straight line method ('SLM') unless otherwise mentioned, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets:

Type of asset	Estimated useful life (years)
Leasehold Improvements	25 Years, the rate based on lease period
Plant and Machinery	3 to 7 years
Computer and Office Equipment	3 to 5 Years
Furniture and Fixtures	3 to 7 years
Vehicles	3 to 5 Years

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. Lease rentals are charged off to the statement of profit and loss as incurred.

Initial direct costs in respect of assets given on lease are expensed off in the year in which such costs are incurred.

e. Impairment of tangible and intangible 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. 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.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

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 recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Inventories

Inventories of contracts in progress, semi-finished goods and finished goods and consumable spares are valued at the lower of cost and estimated net realizable value. Cost is determined on weighted average basis.

h. Revenue Recognition

Project Revenue

Fixed price contracts to deliver wind power systems (turnkey and supply-and-installation projects) are recognised in revenue based on the stage of completion of the individual contract using the percentage-of completion method, provided the order outcome as well as expected total costs can be reliably estimated.

The stage of completion of the contract is determined by the proportion that contract costs incurred for work performed up to the Balance Sheet date bear to the estimated total contract costs. Any expected excess of total cost over total forecasted contract revenue is recognised as an expense immediately.

Where the selling price of a contract cannot be estimated reliably, the selling price is measured only on the expenses incurred to the extent that it is probable that these expenses will be recovered. Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset.

Sale of services

Revenue from sale of services consists of mainly service and maintenance contracts and paid warranty services. The revenue is recognised on the proportionate basis for the period for which service is provided.

Sale of finished goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

i. Foreign currency translation

Foreign currency transactions and balances

(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 reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Employee Benefits

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

The provision in the books for unutilised leave lying to the credit of employees, subject to maximum period of leave, is made on the basis of the last drawn salary of the employees.

k. Income Taxes

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with United States federal and state income tax laws and tax laws prevailing in the respective tax jurisdictions where the Company operates.

Deferred tax reflect the impact of current year timing differences between taxable income and accounting income for the year 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 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 of tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

l. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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.

Contingent assets are not recognized.

m. Cash and cash equivalents

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

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5 Share capital

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Authorised shares		
500,000 (31 March 2014: 500,000) equity shares of US dollar 1 each	500,000	500,000
Issued, Subscribed & Paid up		
1000 (31 March 2014: 1000) equity shares of US dollar 1 each fully paid up.	1,000	1,000
Total	1,000	1,000

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

	March 31, 2015		March 31, 2014	
	No of shares	US Dollars	No of shares	US Dollars
At the beginning of the period	1,000	1,000	1,000	1,000
Issued during the year	-	-	-	-
Outstanding at the end of the period	1,000	1,000	1,000	1,000

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of US Dollar 1 per share. Each holder of equity shares is entitled to one vote per share.

(c) Details of shareholders holding more than 5% shares in the company

	March 31, 2015		March 31, 2014	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of US Dollar 1 each fully paid				
Suzlon Energy AS, the holding company	1,000	100.00%	1,000	100.00%

6 Reserves and surplus

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Securities premium account		
Balances as per the last financial statements	82,314,746	82,314,746
Closing Balance	82,314,746	82,314,746
Deficit in the statement of profit and loss		
Balances as per last financial statements	(62,607,154)	(44,455,048)
Add: Profit/(Loss) for the year	1,959,981	(18,152,106)
Net deficit in the statement of profit and loss	(60,647,173)	(62,607,154)
Total	21,667,573	19,707,592

7 Borrowings

	Long-Term		Short-Term	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Loan repayable on demand				
- from EXIM Bank of India, London branch	36,000,000	40,000,000	4,000,000	-
Total	36,000,000	40,000,000	4,000,000	-
The above amount includes				
Secured borrowings	36,000,000	40,000,000		

The Company has obtained a long term loan from Exim Bank of India - London Branch. Loan carries interest at USD LIBOR (6 months) + 575 bps p.a payable quarterly. The loan carries a moratorium period of 2 years and 3 months. The first instalment is payable on 26 Dec 2015. The loan is payable in 20 quarterly installments ending on 18 Sep 2020.

The security for the facility is given as follows:

- i. Exclusive charge on the receivables arising out of all Operations and Maintenance Services [OMS] contracts of SWECO, with a minimum cover of 1.50 times during the currency of loan.
- ii. Exclusive charge over the TRA/Escrow account(s) capturing the entire receivables arising out of all OMS contracts of SWECO.
- iii. Undertaking from SWECO to route all payments received under OMS contracts through the Escrow/TRA accounts.
- iv. Confirmation from the Project Owners for remittance of OMS proceeds in the designated TRA/Escrow account.
- v. Corporate Guarantee of AE Rotor Holdings, Netherlands
- vi. Pledge of entire shareholding of SWECO

8 Provisions

	Short-term	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Provision for employee benefits		
Provision for leave benefits	1,016,772	897,942
	<u>1,016,772</u>	<u>897,942</u>
Other provisions		
Provision for performance guarantee	1,279,197	2,810,828
Provision for Liquidated damages	6,314,000	6,314,000
Provision for warranty	565,735	2,332,008
Provision for taxation (net of advance tax)	15,538	(421,010)
	<u>8,174,470</u>	<u>11,035,826</u>
Total	<u>9,191,242</u>	<u>11,933,768</u>

9 Trade Payables

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Trade payables (Refer note 2 for details of dues to micro and small enterprises)	7,966,585	59,544,549
Total	<u>7,966,585</u>	<u>59,544,549</u>

10 Other current liabilities

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Advance from customers	2,133,628	5,552,910
Loans and advances from related parties	40,594,064	41,002,642
Income received in advance	7,961,642	19,106,040
Other payables	3,003,878	3,699,774
Total	<u>53,693,212</u>	<u>69,361,366</u>

12 Loans and advances (Unsecured and considered good)

	Long-term		Short-term	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Security deposits	2,800	13,250	-	-
Loans and advances to related parties	26,149,365	65,098,543	39,539,391	-
Less: Provision for doubtful advances	<u>19,862,390</u>	<u>19,862,390</u>	-	-
Advances recoverable in cash or kind	6,289,775	45,249,403	39,539,391	-
Other loans and advances	3,000,000	3,000,000	5,330,717	6,516,584
Prepaid expenses	-	-	545,109	425,286
Advances to employees	-	-	(132)	574
Total	<u>9,289,775</u>	<u>48,249,403</u>	<u>45,415,086</u>	<u>6,942,444</u>

Suzlon Wind Energy Corporation
Notes to consolidated financial statements for the year ended 31 March, 2015

11 Fixed Assets							
	Freehold land and site development	Leasehold Improvements	Plant and machinery	Computer and office equipment	Furniture and fixtures	Vehicles	Total
Tangible assets (at cost)							
At April 1 2013	9,800	1,473,523	12,595,876	2,249,192	807,928	233,103	17,369,422
Additions	-	-	69,918	29,511	-	-	99,429
Disposals	-	-	-	-	-	104,040	104,040
As at 1 April, 2014	9,800	1,473,523	12,665,794	2,278,703	807,928	129,063	17,364,811
Additions	-	-	69,260	62,090	-	21,942	153,292
Disposals	-	-	3,227,006	-	-	23,909	3,250,915
As at 31 March 2015	9,800	1,473,523	9,508,047	2,340,793	807,928	127,096	14,267,187
Depreciation including							
At 31 March 2013	-	442,179	5,716,336	1,912,196	669,206	217,989	8,957,906
Charge for the year	-	147,098	749,859	102,116	115,016	9,051	1,123,140
Disposals	-	-	-	-	-	101,006	101,006
As at 1 April, 2014	-	589,277	6,466,195	2,014,312	784,222	126,034	9,980,040
Charge for the year	-	140,975	619,260	76,229	12,223	8,886	857,573
Disposals	-	-	552,950	-	-	23,906	576,856
As at 31 March 2015	-	730,252	6,532,505	2,090,541	796,445	111,014	10,260,757
Impairment loss							
At 31 March 2013	-	-	-	-	-	-	-
As at 1 April, 2014	-	-	-	-	-	-	-
Charge for the year (Refer Note 23b)	-	-	2,100,000	-	-	-	2,100,000
As at 31 March 2015	-	-	2,100,000	-	-	-	2,100,000
Net Block							
As at 31 March, 2013	9,800	1,031,344	6,879,540	336,996	138,722	15,114	8,411,516
As at 31 March, 2014	9,800	884,246	6,199,599	264,391	23,706	3,029	7,384,771
As at 31 March 2015	9,800	743,271	875,542	250,252	11,483	16,082	1,906,430
Capital work in progress as at March 31, 2015							
	-	-	3,443,968	-	-	-	3,443,968

13 Current investment (valued at lower of cost and fair value, unless otherwise stated)

	March 31, 2016 in US Dollars	March 31, 2014 in US Dollars
Unquoted in subsidiary (Refer Note 23a)	-	103,500,000
Total	-	103,500,000

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

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Project work in progress	1,232,909	2,120,164
Semi finished goods and finished goods	7,432,176	11,989,381
Consumable spares	14,554,137	11,833,926
Total	23,219,222	26,943,471

15 Trade receivables (Unsecured considered good)

	Non-current		Current	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Outstanding for a year exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	41,410,450	-	309,750	1,372,551
Doubtful	3,115,343	3,115,343	-	-
	44,525,793	3,115,343	309,750	1,372,551
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	2,336,134	-
	-	-	2,336,134	-
Provision for doubtful debts	3,115,343	3,115,343	-	-
Total	41,410,450	-	2,645,884	1,372,551

16 Other current assets

	Non-current		Current	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Non-current bank balance (Refer Note 17)	1,237,423	1,752,294	-	-
Total	1,237,423	1,752,294	-	-

17 Cash and bank balances

	Non current		Current	
	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Cash and Cash equivalents				
(i) Balances with banks				
- On current accounts	-	-	3,949,191	5,400,657
(ii) Cash on hand	-	-	2,184	2,684
	-	-	3,951,375	5,403,341
Other bank balances				
- Margin money deposit	1,237,423	1,752,294	-	-
	1,237,423	1,752,294	3,951,375	5,403,341
Amount disclosed under Other non-current assets	(1,237,423)	(1,752,294)	-	-
Total	-	-	3,951,375	5,403,341

18 Revenue from operations

	March 31, 2015 In US Dollars	March 31, 2014 In US Dollars
Sale of finished goods/spare parts	6,489,815	11,019,875
Service income	62,528,061	68,345,490
Total	69,017,876	79,365,365
Details of finished goods sold:		
Spares parts and others	6,489,815	11,019,875
Details of services rendered:	6,489,815	11,019,875
Operation and maintenance services	50,423,263	36,507,506
Extended warranty services	12,104,808	31,837,984
	62,528,061	68,345,490

19 Other income

	March 31, 2015 In US Dollars	March 31, 2014 In US Dollars
Interest income on		
– Bank deposits	4,036	5,698
– Others	812,099	956,552
Excess provisions/ liabilities written back	7,557	160,413
Exchange differences (net)	1,820,695	(493,263)
Other miscellaneous income	1,559,215	132,465
Total	4,203,602	761,865

20 Employee benefits expense

	March 31, 2015 In US Dollars	March 31, 2014 In US Dollars
Salaries, wages, allowances and bonus	24,589,827	23,826,077
Social security cost	7,143,132	7,305,048
Staff welfare expenses	155,304	160,719
Total	31,888,263	31,291,844

21 Other expenses

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Rent		
Rates and taxes	2,011,329	1,555,630
Provision for performance guarantee	76,123	97,991
Repairs and maintenance	(1,426,869)	3,205,909
Plant and Machinery		
Building	4,098	29,316
Others	9,144	5,636
Insurance	35,340	6,713
Advertisement and sales promotion	115,844	182,531
Travelling and conveyance	321,005	263,897
Vehicle hire charges	667,445	631,256
Royalty	1,681,897	1,664,055
Communication expenses	3,272,350	9,473,000
Auditors' remuneration and expenses	408,561	434,900
Consultancy charges	48,000	45,146
Charity and donations	420,092	393,982
Other selling and administrative expenses	50	550
IT related costs	593,288	435,574
Provision for interest w/off	503,220	517,058
(Loss)/Gain on assets sold / discarded (net)	-	18,691,493
	647,007	(10,796)
Total	9,587,924	37,623,841

22 Finance costs

	March 31, 2015 in US Dollars	March 31, 2014 in US Dollars
Bank charges		
Discount & rebates	70,632	3,327,952
Other interest costs	92,780	-
Total	2,473,004	1,259,585
	2,636,416	4,687,537

23 Other Notes:

a) Purchase and sale of Membership Interest in Big Sky Wind LLC

During the previous year ended March 31, 2014, SWECO entered into a Membership Interest Purchase Agreement with Edison Mission Midwest LLC ("EMM") on March 28 2014, to purchase the membership interests of Big Sky Wind, LLC ("Big Sky"). The cash purchase price was agreed at USD 1.75 million. Consequently Big Sky became the property of SWECO from March 28, 2014.

On May 6 2014, the company sold the Membership Interests to Ever Power Wind Holdings Inc. ("EP") vide a Membership Interest Purchase Agreement (MIPA) entered into by both parties. As per the Agreement, the sale consideration was agreed at \$ 85 million plus all accrued revenues from the period prior to the March 28, 2014 plus the net cash calculated from the Big Sky Balance Sheet prepared at the closing date of the Sale of Big Sky to EP on May 6, 2014. Accordingly based on the working prepared by the Management the net consideration as at May 6, 2014 amounted to \$ 103.50 million which included the sale consideration of \$ 85 million plus net cash and revenue earned on account of the sale of power during the interim period (ie March 25, 2014 to May 6, 2014) plus the accrued revenues earned prior to March 28, 2014. The total consideration of \$ 103.50 million was considered as current investment in the financial statements as at March 31, 2014. The total consideration was realised during the year ended March 31, 2015 and the agreement with EP was settled.

b) Impairment loss

The impairment loss, in case of plant and machinery has been recognised during the current year on account of management's estimate that the recoverable amount of the prototype wind turbines (classified as plant & machinery) is lesser than its net book value as on the balance sheet date. The Company has written down the value of these assets to its estimated net realisable value.

The loss has been recognised in the statement of profit and loss under the head 'other expenses'.

24 Prior year amounts have been reclassified wherever necessary to conform with current year presentation.

As per our report of even date

For SRBC & Co. LLP
Firm Registration No.: 324982E
Chartered Accountants

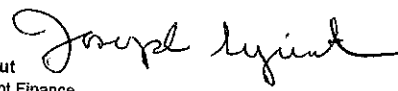
per Paul Alvares
Partner
Membership No.: 105754

Place: Pune, India

Date: 07/01/2015

For and on behalf of the board of directors of
Suzlon Wind Energy Corporation


Duncan Koerbel
Director


Joseph Siprut
Vice President Finance

Place: Chicago, USA
Date: 7/1/15