

Suzlon Wind Energy Limited

Report and Financial Statements

31 March 2015

Company No. 05774256

Suzlon Wind Energy Limited

Registered No. 05774256

Directors

T R Tanti

K Vagadia

Frans Visscher (appointed 15 April 2015)

Secretary

TMF Nominees Limited

400 Capability Green

Luton

Bedfordshire

LU1 3AE

Auditors

Grant Thornton UK LLP

1020 Eskdale Road

Winnersh Wokingham

Berkshire

RG41 5TS

Bankers

Standard Chartered Bank

Clements House

27-28 Clements Lane

London

EC4N 7AP

Registered Office

Global House

5A Sandy's Row

London

E1 7HW

Statement of directors' responsibilities

The directors present their report of the financial statements for the year ended 31 March 2015.

Principal activities and Review of the business

The principal activity of the company during the period was that of an investment holding company. The directors do not currently anticipate any change in the company's business or activities for the future.

Directors

The directors who served during the year were those listed on page 1.

There have been no director appointments or resignations since 1 April 2014 except as listed on page 1.

Principal risks and uncertainties

The company aims to deliver sustainable value by identifying and responding successfully to risks. Risk management is integrated into the process of planning and performance management at a group level. Monitoring and accountability for the management of these risks occur through quarterly performance reviews at a group level.

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due.

Going concern

The Company's Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis. On January 22, 2015, AE Rotor Holding B.V. a wholly owned subsidiary of the Company and its subsidiaries signed a binding agreement with Centerbridge Partners LP, USA to sell 100% stake in Servion SE, for consideration of Euro 1,000 Million and future earn out of up to Euro 50 Million. Post regulatory and customary clearance, the deal has been concluded on April 29, 2015. Accordingly, the Company has recorded an impairment of Euro 985 million and 35 million on its investment in AE Rotor Holding B.V. as of 31 March 2014 and 31 March 2015 respectively.

Key performance indicators

The Companies Act requires directors to disclose the company's Key Performance Indicators (KPI's). Given the nature of the Company the Directors believe the sole KPI to be the valuation of the Company's investments in subsidiaries. There have been no impairments in these investments during the year other than already provided for in the financial statement.

Directors' responsibility statement

The directors are responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

Statement of directors' responsibilities

- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Small Companies Exemption

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Grant Thornton UK LLP as auditor of the Company.

By order of the board


Frans Visscher

Director

Date: 30-07-2015

Independent auditor's report to the members of Suzlon Wind Energy Limited

We have audited the financial statements of Suzlon Wind Energy Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in not preparing the strategic report and take advantage of the small companies' exemption in preparing the directors' report.

Grant Thornton UK LLP

Andy Ka FCA (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Wokingham

Date: 1 August 2015

Profit and loss account

for the year ended 31 March 2015

	Notes	2015 €'000	2014 €'000
Turnover		-	-
Administrative expenses		(33)	(31)
Impairment	5	(35,492)	(985,330)
Operating loss	2	(35,525)	(985,361)
Interest receivable		-	-
Foreign exchange gain		1	-
Interest payable and similar charges		-	-
Loss on ordinary activities before taxation		(35,524)	(985,361)
Tax	4	-	-
Loss for the financial year		(35,524)	(985,361)

All activities relate to continuing operations.

Statement of total recognised gains and losses

for the year ended 31 March 2015

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of € 35,524k in the year ended 31 March 2015 (2014-€985,361k).

Balance sheet

as at 31 March 2015

Company No. 05774256

	Notes	2015 €'000	2014 €'000
Fixed assets			
Investments	5	153,003	188,495
Current assets			
Cash at bank and in hand		3	10
Creditors: amounts falling due within one year	6	79	54
Net current liabilities		(76)	(44)
Total assets less current liabilities		152,927	188,451
Net assets		152,927	188,451
Capital and reserves			
Called up share capital	7	955,966	955,966
Capital contribution reserve	8	234,368	234,368
Profit and loss account	8	(1,037,407)	(1,001,883)
Equity shareholders' funds	8	152,927	188,451

These accounts were approved by the board of directors and were signed on its behalf by:

Frans Visscher
Director

Date: 30-07-2015

Notes to the financial statements

for the year ended 31 March 2015

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006.

Basis of preparation

The financial statements are prepared on a going concern basis.

The Company's Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement. Therefore, the financial statements presents information about the company as an individual undertaking and not about its group.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Investments

Investments are included at cost less amounts written off or impaired.

Tax

The corporation tax rate for the current year was 21% (2014: 23%).

Exemption from preparing consolidated financial statements

The financial statements contain information about Suzlon Wind Energy Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Suzlon Energy Limited, a company registered in India.

Notes to the financial statements

for the year ended 31 March 2015

2. Operating loss

This is stated after charging:

	2015 €'000	2014 €'000
Auditor's remuneration	14	18

3. Directors and employees

The Company had no employees during the period (2014: Nil).

No directors received any emoluments from or in respect of the company (2014: Nil). Directors who served during the year are senior executives of Suzlon Energy Limited, India and received no remuneration for services to this company.

4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 €'000	2014 €'000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Under/(over)provision in prior years	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK of 21% (2014-23%). The differences are explained below:

	2015 €'000	2014 €'000
Loss on ordinary activities before tax	(35,524)	(985,361)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014:23%)	(7,460)	(226,633)
<i>Effects of:</i>		
Non Deductible taxable income	(7,460)	226,626
Group relief surrendered for nil consideration	-	7
Current tax for the year	-	-

Notes to the financial statements

for the year ended 31 March 2015

5. Investments

	<i>Subsidiary undertakings €'000</i>
Cost:	
At 1 April 2014	188,495
Additions	-
Impairment	(35,492)
At 31 March 2015	<u>153,003</u>

On 22 January 2015, AE Rotor Holding B.V. a wholly owned subsidiary of the Company and its subsidiaries signed a binding agreement with Centerbridge Partners LP, USA to sell 100% stake in Senvion SE, for consideration of Euro 1,000 Million and future earn out of up to Euro 50 Million. Post regulatory and customary clearance, the deal has been concluded on April 29, 2015. Accordingly, the Company has recorded an impairment of Euro 985 million and 35 million on its investment in AE Rotor Holding B.V. as of 31 March 2014 and 31 March 2015 respectively.

The company holds the issued ordinary share capital of the companies listed below:

Company	Company of Incorporation	Shares held
AE Rotor Holding B V	Netherlands	99.5%
Tarilo Holding B V	Netherlands	100%

AE Rotor Holding BV holds more than 50% of the issued ordinary share capital of the companies listed below:

Company	Company of Incorporation	Shares held
Suzlon Blade Technology B.V.	Netherlands	100%
Suzlon Energy B V	Netherlands	100%
Valum Holding B.V	Netherlands	100%
S E Drive Technik GmbH	Germany	100%
Suzlon Wind Energy South-Africa (Pty) Limited	South Africa	80%
Suzlon Energy A/S	Denmark	75%
Suzlon Wind Energy Lanka (Pvt) Limited	Srilanka	100%
Suzlon Wind Energy Uruguay SA	Uruguay	100%

Under the provision of section 402 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Notes to the financial statements

for the year ended 31 March 2015

6. Creditors: amounts falling due within one year

	2015 €'000	2014 €'000
Accruals	79	54
	<u>79</u>	<u>54</u>

7. Share capital

	2015 £'000	2014 £'000
Authorised		
1,200,000,000 (2014: 1,200,000,000) ordinary shares of £1 each	1,200,000	1,200,000
	<u>1,200,000</u>	<u>1,200,000</u>
	€'000	€'000
Allotted, issued and fully paid		
682,710,041 (2014: 682,710,041) ordinary shares of £1 each	955,966	955,966
	<u>955,966</u>	<u>955,966</u>

8. Reconciliation of shareholders' funds and movements in reserves

	Capital contribution reserve €000	Share capital €000	Profit and loss account €000	Total share- holders' funds €000
Opening shareholders' funds and reserves	234,368	955,966	(1,001,883)	188,451
Movement in the period	-	-	(35,524)	(35,524)
Closing shareholders' funds and reserves	<u>234,368</u>	<u>955,966</u>	<u>(1,037,407)</u>	<u>152,927</u>

9. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Suzlon Energy Limited group.

Notes to the financial statements

for the year ended 31 March 2015

10. Guarantees

The company has a negative lien in favour of the Offshore Security Trustee* for all its shares in AE Rotor Holdings B.V as part of the security for a refinancing agreement obtained by AE Rotor Holdings' subsidiary, SE DRIVE TECHNIK GMBH.

*"Offshore Security Trustee" means, as at the date hereof, ABN AMRO Bank N.V., appointed pursuant to Offshore Security Trustee Deed to act inter alia as security trustee for an on behalf of the lenders in relation to the Security over the offshore assets pursuant to the Security Documents

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Suzlon Energy Limited, Mauritius. The directors consider the ultimate parent undertaking and controlling party to be Suzlon Energy Limited, India.

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Suzlon Energy Limited, India. Copies of the financial statements can be obtained from the website, www.suzlon.com.

12. Events after the reporting date

On the 7 May 2015, the board of directors of AE Rotor Holding B.V. (the Company's subsidiary) has approved for a capital reduction amounting to Euro 139 Million. Accordingly, the cash was received by the Company on 19 May 2015. On 7 May 2015, the board of directors of the Company has passed the resolution to approve the capital reduction amounting to Euro 139 million (number of shares from 682,710,041 to 580,826,291). On 19 May 2015, the sole shareholders of the Company has passed the special resolution and approved the reduction of the share capital. Accordingly, the cash was transferred to the Holding Company on 19 May 2015. The company has filed all the documents in this connection with the Companies House in compliance with the law. Other than this, there have been no material events after the reporting year which would require disclosure or adjustment to the 31 March 2015 financial statements.