

SUZLON GENERATORS LIMITED

STATUTORY AUDIT

Financial Year : 2014-2015

- Auditor's Report & CARO
- Financial Statements
- Notes to Accounts



S N K & Co.

Chartered Accountants

E-2B, 4th Floor, The Fifth Avenue,

Nr. Hotel Regency, Dhole Patil Road,

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Independent Auditors' Report

To
The Members of Suzlon Generators Limited

1. Report on Financial Statements

We have audited the accompanying Financial Statements of Suzlon Generators 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 31st 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.

ICAI Firm registration no.:109176W

Chartered Accountants

Sanjay N. Kapadia

per Sanjay Kapadia

Partner

Membership No.:38292



Place:Pune

Date: May 20, 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 31st 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.
- (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 has been a slight delay in a 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 31st 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 cess on account of any dispute, are as follows :

Name of Statute	Nature of Dues	Amount Rs (in crores)	Accounting year to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax	Value Added Tax	1.55	2006-07 to 2009-10	Jt. Commissioner of Sales Tax, Appeals, Pune.

- (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's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred cash loss during the year and in the immediately previous 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.) in crores	Delay in days
Letter of Credit facilities	33.35	Upto 90
Buyers Credit	0.53	Upto 85
Devolvement	2.28	Upto 77
Cash Credit	1.11	2 to 55
Interest on Term Loan	0.71	Upto 86
Term Loan	0.13	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.

ICAI Firm registration no.:109176W

Chartered Accountants

Sanjay N Kapadia

per Sanjay Kapadia

Partner

Membership No.:38292



Place: Pune

Date: May 20, 2015

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

Particulars	Notes	As at March 31, 2015	As at March 31, 2014
Equity and liabilities			
Shareholders' funds			
(i) Share capital	6	76.28	76.28
(ii) Reserves and surplus	7	(36.03)	(36.33)
		40.25	39.95
Non-current liabilities			
(i) Long-term borrowings	8	12.44	18.20
(ii) Long-term provisions	9	1.17	1.31
		13.61	19.51
Current liabilities			
(i) Short-term borrowings	8	35.12	25.18
(ii) Trade payables	10	16.47	16.95
(iii) Other current liabilities	10	2.94	2.66
(iv) Short-term provisions	9	0.44	0.18
		54.97	44.97
Total		108.83	104.43
Assets			
Non-current assets			
(i) Fixed assets			
Tangible assets	11	41.30	46.58
(ii) Loans and advances	12	0.26	0.36
		41.56	46.94
Current assets			
(i) Inventories	13	15.08	16.55
(ii) Trade receivables	14	43.50	29.94
(iii) Cash and bank balances	15	0.45	0.39
(iv) Loans and advances	12	0.80	4.58
(v) Other current assets		7.44	6.03
		67.27	57.49
Total		108.83	104.43
Summary of significant accounting policies	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

Sanjay A. Kapadia

per Sanjay Kapadia

Partner

Membership No. : 38292



Place : Pune

Date : May 20, 2015

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

Ranjit A. Parmar

Ranjit A. Parmar

Managing Director

DIN : 00002613

Shivani Karmarkar

Shivani Karmarkar

Company Secretary

Membership No. : A33098

Place : Pune

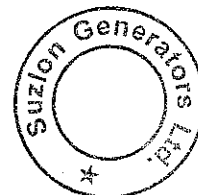
Date : May 20, 2015

Vinod R. Tanti

Vinod R. Tanti

Director

DIN : 00002266



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

Particulars	Notes	March 31, 2015	March 31, 2014
Income			
Sales and service income	16	89.80	57.51
Other operating income		0.54	0.07
		90.34	57.58
Expenses			
Cost of raw materials and components consumed		64.02	37.78
Increase/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	17	2.33	1.12
Employee benefits expense	18	4.76	4.81
Other expenses	19	8.95	4.34
		80.06	48.05
Earnings/ (loss) before interest, depreciation and tax (EBITDA)		10.28	9.53
Depreciation / amortisation	11	5.30	4.10
Earnings/ (loss) before interest and tax (EBIT)		4.98	5.43
Finance costs	20	4.70	5.17
Finance income	21	0.02	0.01
Profit/ (loss) before tax		0.30	0.27
Tax expense			
Current tax		-	0.06
MAT credit		-	(0.06)
Earlier years tax		-	(0.03)
Profit/ (loss) after tax		0.30	0.30
Earnings/ (loss) per equity share:			
- Basic and diluted [Nominal value of share Rs 10 (Rs 10)]	22	(0.03)	(0.03)
Summary of significant accounting policies	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 : Pune
Date : May 20, 2015

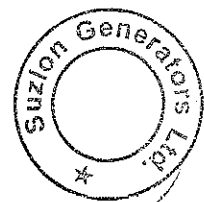
For and on behalf of the Board of Directors of
Suzlon Generators Limited

Ranjitsinh A. Parmar
Managing Director
DIN : 00002613

Shivani Karmarkar
Company Secretary
Membership No. : A33098

Place : Pune
Date : May 20, 2015

Vinod R. Tanti
Director
DIN : 00002266



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

Particulars	March 31, 2015	March 31, 2014
Cash flow from operating activities		
Profit/ (loss) before tax	0.30	0.30
Adjustments for:		
Depreciation / amortisation	5.30	4.10
Interest expenses	4.50	4.75
Interest income	(0.02)	(0.01)
Operating profit / (loss) before working capital changes	10.08	9.14
Movements in working capital		
(Increase) / decrease in inventories	1.47	5.61
(Increase) / decrease in trade receivables	(13.56)	1.36
(Increase) / decrease in loans and advances and other assets	2.46	(2.92)
(Decrease)/ Increase in trade payables	(0.46)	1.70
(Decrease) / increase in current liabilities and provisions	0.23	(13.63)
Cash (used in) / generated from operating activities	0.22	1.26
Direct taxes paid (net of refunds)	0.02	(0.06)
Net cash (used in) / generated from operating activities (A)	0.24	1.20
Cash flow from investing activities		
Payment for purchase of fixed assets	(0.04)	(0.01)
Interest received	0.02	0.01
Net cash (used in) / generated from investing activities (B)	(0.02)	-
Cash flow from financing activities		
Proceeds from long-term borrowings	-	1.01
Repayment of long-term borrowings	(5.61)	
Proceeds / (repayment) from short-term borrowings, net	9.95	2.31
Interest paid	(4.50)	(4.75)
Net cash (used in) / generated from financing activities (C)	(0.16)	(1.43)
Net increase in cash and cash equivalents (A+B+C)	0.06	(0.23)
Cash and cash equivalents at the beginning of the year	0.39	0.62
Cash and cash equivalents at the end of the year	0.45	0.39
Components of cash and cash equivalents	As at March 31, 2015	As at March 31, 2014
Cash on hand*	0.00*	0.00*
Balances with scheduled banks		
- In current account	0.28	0.22
- In term deposit accounts	0.17	0.17
	0.45	0.39

Summary of significant accounting policies 3

Notes:

1 The figures in brackets represent outflows.

2 Previous period's figures have been regrouped / reclassified, wherever necessary to confirm to current year presentation.

* less than Rs 0.01 Crore

As per our attached report of even date

For SNK & Co.

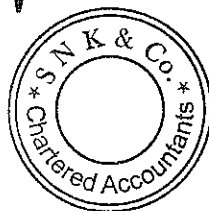
Chartered Accountants

ICAI Firm Registration number: 109176W

per Sanjay Kapadia

Partner

Membership No. : 38292



Place : Pune

Date : May 20, 2015

For and on behalf of the Board of Directors of

Suzlon Generators Limited

Ranjitsinh A. Parmar

Managing Director

DIN : 00002613

Shivani Karmarkar

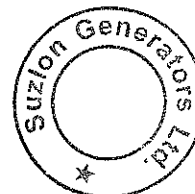
Company Secretary

Membership No. : A33098

Vinod R. Tanti

Director

DIN : 00002266



Place : Pune

Date : May 20, 2015

Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

1. Corporate Information

Suzlon Generators Limited ('SGL' or 'Company') having CIN U31101PN2004PLC019205 is a subsidiary of Suzlon Energy Limited, a company domiciled in India. The Company is engaged in the manufacture of wind turbine generators of various capacities and its components. It is also engaged in generation of electricity. The Company caters to both domestic and international markets. The Company also provides repairing and after sales service for 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 previous year.

3. Summary of significant accounting policies

a. Use of estimates

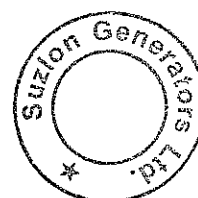
The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although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

The carrying amounts of the assets belonging to each cash generating unit ('CGU') are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts and where carrying amounts exceed the recoverable amount of the asset's CGU, assets are written down to their recoverable amount. Recoverable amount is the greater of the asset's net selling price and value in use. 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 risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed if there has been a change in estimates of recoverable amount. The carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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 straight line method ('SLM') unless otherwise stated, pro-rata to the period of use of assets and is based on the useful lives. The management estimates the useful lives for the tangible fixed assets as follows:

The following are useful lives for the tangible assets as:

Type of asset	Useful lives (Up to Years)
Buildings	30
Plant and machinery	15
Computers	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8
Windmill	22

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

d. 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.

e. Government grant and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

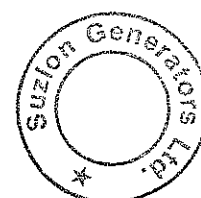
f. Inventories

Inventories of raw materials including stores, spares and consumables; packing materials; work-in-progress; project 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. Net realisable value is determined by management using technical estimates.

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

g. Revenue recognition

Revenue comprises sales of generators and various components; repairs/service income and interest income, if any. 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. Revenue is stated at, net of discounts, excise duty, sales tax, service tax, VAT or other taxes, as applicable.



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

Sales

Sale of generators and various components are recognised in the Statement of Profit and loss 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.

Expenses relating to sales work and the winning of contracts are recognised in the Statement of Profit and loss as incurred.

Interest income

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

h. 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

At the year end, foreign currency monetary items are reported using the year end exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were 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.

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

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

i. Retirement and other employee benefits

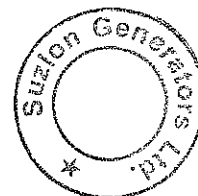
Defined contributions to provident fund and employee state insurance are charged to the Statement of Profit and loss for the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the Statement of Profit and loss on accrual basis.

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

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date.

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



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

j. Taxes on income

Tax expense for a year comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Deferred 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 based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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.

Deferred tax resulting from timing differences which originate during the tax holiday period but are expected to reverse after such tax holiday period is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date.

At each balance sheet 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. Further the carrying amounts of deferred tax assets are reviewed at each balance sheet 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.

Minimum alternative tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

k. Earnings/(loss) per share

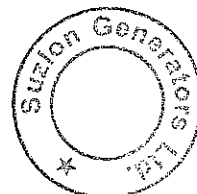
Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders (after deducting preference dividend and applicable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of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

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

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

l. 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.



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

a. Cash and cash equivalents

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

b. 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.

4. Corporate debt restructuring

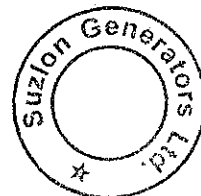
During the financial year ended March 31, 2013, Suzlon Energy Limited (SEL) along with its 7 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had restructured various financial facilities (restructured facilities) from the secured CDR lenders under the Corporate Debt Restructuring Proposal. Pursuant to approval of CDR Package by the CDR Empowered Group ('CDR EG'), the implementation of the CDR package was formalised upon execution of Master Restructuring Agreement (MRA) between the CDR Lenders and Borrowers during the financial year ending March 31, 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited was included as Borrower under the CDR package and hence the number of companies forming the group of borrowers has increased to 9 companies.

The key features of the CDR package are as follows:

- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment terms of which are in similar to that of RTL with enabling mandatory prepayment obligations on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- Unpaid Interest due on certain existing facilities on cut off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11% per annum with reset option in accordance with MRA.
- Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- Contribution of Rs 250.00 Crore in the SEL by promoters, their friends, relatives and business associates in lieu of bank sacrifice in the form of equity shares/CCDs including conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

- b. SEL issued equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date at the price determined in compliance with Securities and Exchange Board of India, if demanded by CDR lenders.

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

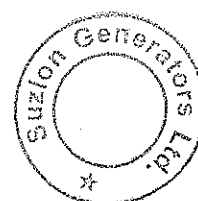
During the year ended March 31, 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term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

5. Recompense

Suzlon Energy Limited and its certain specified subsidiaries (collectively 'the Group') and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Group is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date, if demanded by CDR lenders. In case of CDR lenders who have exercised 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
65,000,000 (65,000,000) equity shares of Rs 10/- each	65.00	65.00
14,500,000 (14,500,000) preference shares of Rs 10/- each	14.50	14.50
Total	79.50	79.50
Issued, subscribed and fully paid up shares		
Equity		
62,510,546 (62,510,546) equity shares of Rs 10/- each fully paid	62.51	62.51
Preference		
13,770,422 (13,770,422) 3% compulsorily convertible preference shares of Rs 10/- each fully paid	13.77	13.77
Total	76.28	76.28



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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

	March 31, 2015		March 31, 2014	
	Number of shares(Crore)	Rs in Crore	Number of shares(Crore)	Rs in Crore
Equity shares				
At the beginning of the year	6.25	62.51	6.25	62.51
Issued during the year	-	-	-	-
Outstanding at the end of the year	6.25	62.51	6.25	62.51
Preference shares				
At the beginning of the year	1.38	13.77	1.38	13.77
Issued during the year	-	-	-	-
Outstanding at the end of the year	1.38	13.77	1.38	13.77

b. Terms/ rights attached to equity shares

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

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

c. Terms of conversion/ redemption of CCPS

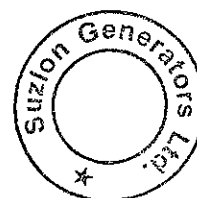
The Company has 13,770,422 compulsorily convertible preference shares ("CCPS") of Rs 10/- each fully paid-up at par. CCPS carry a cumulative dividend @ 3% p.a. The dividend proposed if any, by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of CCPS is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to CCPS.

The preference shares of Rs 10/- each will be fully and compulsorily converted into fully paid-up equity shares of Rs10/- each of the Company at par at the face value of Rs 10/- each on completion of five years from the date of allotment, i.e. on January 03, 2017, without any application or any further act on part of the preference shareholders.

d. Shares held by holding company

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

Holding company	March 31, 2015	March 31, 2014
Suzlon Energy Limited		
46,882,434 (46,882,434,) equity shares of Rs 10/- each	46.88	46.88
10,327,817 (10,327,817) preference shares of Rs 10/- each	10.33	10.33



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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

	March 31, 2015		March 31, 2014	
	Number of shares(Crore)	% holding in class	Number of shares(Crore)	%holding in class
Equity shares of Rs 10/- each fully paid				
Suzlon Energy Limited, holding company	4.69	75.00%	4.69	75.00%
Trasys Asia Limited	1.56	25.00%	1.56	25.00%
Preference shares of Rs 10/- each fully paid up				
Suzlon Energy Limited, holding company	1.03	75.00%	1.03	75.00%
Trasys Asia Limited	0.34	25.00%	0.34	25.00%

7. Reserves and surplus

	March 31, 2015	March 31, 2014
Statement of profit and loss		
As per last balance sheet	(36.33)	(36.63)
Add : Profit/ (loss) for the year	0.30	0.30
Total	(36.03)	(36.33)

8. Borrowings

a. Long-term borrowings

	March 31, 2015	March 31, 2014
Indian rupee term loan from bank (secured)	12.44	18.20

b. Short-term borrowings

	March 31, 2015	March 31, 2014
Cash credit from banks (secured)	19.41	20.18
Loans from related party	15.71	5.00
	35.12	25.18

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

In case of financial facilities from CDR Lenders in accordance with MRA and non-CDR lenders, RTL of Rs 13.70 Crore (Rs 19.30 Crore) of which Rs 12.44 Crore (Rs 18.20 Crore) classified as long term borrowing and Rs 0.90 Crore (Rs 1.10 Crore) classified as current maturities of long term borrowing, Rs 0.36 Crore (Rs Nil) charged as interest due on borrowing, fund based working capital facilities of Rs 19.41 Crore (Rs 20.18 Crore), FITL of Rs Nil (Rs 0.47 Crore) 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



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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, 2015, 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

The rate of interest on long-term borrowings ranges between 11.00 % p.a.to 15.00 % p.a. depending upon the prime lending rate of the bank and financial institutions, wherever applicable, and the interest rate spread agreed with the banks.

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

Particulars	March 31, 2015		March 31, 2014	
	Amount	Period of delay	Amount	Period of delay
	Rs in Crore	in days	Rs in Crore	in days
Repayment of term loan	0.13	Upto 01 days	-	-
Payment of interest	0.71	Upto 86 days	1.06	Upto 30 days
Letter of credit/ buyers credit/ devolvement/ cash credit	37.27	Upto 90 days	5.09	Upto 180 days

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

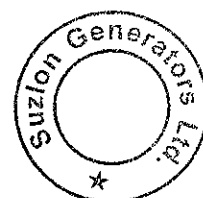
Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Secured loans	0.90 (1.10)	6.26 (10.31)	6.18 (7.89)	13.34 (19.30)
Total	0.90 (1.10)	6.26 (10.31)	6.18 (7.89)	13.34 (19.30)

9. Provisions

	Long-term		Short-term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Employee benefits	1.17	1.31	0.44	0.15
Provision for taxation	-	-	-	0.03
Total	1.17	1.31	0.44	0.18

10. Trade payables and other current liabilities

	March 31, 2015	March 31, 2014
Trade payables		
Dues to micro, small and medium enterprises (refer Note 29)	0.32	0.70
Dues to others	16.15	16.25



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

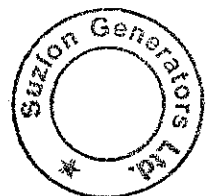
Total	16.47	16.95
Other liabilities		
Current maturities of long-term borrowings	0.90	1.10
Advances from customers	0.80	0.07
Others: current liabilities		
Statutory dues payable	0.11	0.44
Other payable	1.13	1.05
Total	2.94	2.66

11. Fixed assets

Fixed assets	Gross block			Depreciation / amortisation				Net block		
	As at April 1, 2014	Additions	Deductions/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the year	Deductions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Freehold land	2.37	-	-	2.37	-	-	-	-	2.37	2.37
Leasehold land	0.23	-	-	0.23	-	-	-	-	0.23	0.23
Buildings	22.81	-	-	22.81	6.05	0.76	-	6.81	16.00	16.76
Plant and machinery	58.45	0.02	-	58.47	31.93	4.10	-	36.03	22.44	26.52
Furniture and fixtures	0.53	-	-	0.53	0.24	0.10	-	0.34	0.19	0.29
Computers	0.66	-	-	0.66	0.59	0.06	-	0.65	0.01	0.07
Vehicles	0.03	-	-	0.03	0.01	0.01	-	0.02	0.01	0.02
Office equipments	0.49	-	-	0.49	0.17	0.27	-	0.44	0.05	0.32
Total	85.57	0.02	-	85.59	38.99	5.30	-	44.29	41.30	46.58
Previous year	85.56	0.03	0.02	85.57	34.89	4.10	-	38.99	46.58	

12. Loans and advances

	Non-current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital advances (Unsecured, considered good)	-	0.01	0.17	-
Security deposits (Unsecured, considered good)	0.17	0.18	-	-
Advances recoverable in cash or in kind				
Unsecured, considered good	-	-	0.49	4.56
Other loans and advances (Unsecured, considered good)				
Advance income tax (net of provisions)	-	0.01	0.08	-
MAT credit entitlement	-	0.06	-	-
Prepaid expenses	0.09	0.10	0.06	0.02
	0.09	0.17	0.14	0.02
Total	0.26	0.36	0.80	4.58



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

All amounts in Rupees Crore unless otherwise stated

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

	March 31, 2015	March 31, 2014
Raw materials [including goods-in-transit of Rs 0.38 Crore (Nil)]	11.49	10.63
Semi-finished goods and work-in-progress	3.38	3.97
Finished goods	0.21	1.95
Total	15.08	16.55

14. Trade receivables

	March 31, 2015	March 31, 2014
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding 6 months	31.49	14.34
Others	12.01	15.60
Total	43.50	29.94

15. Cash and bank balances

	March 31, 2015	March 31, 2014
Balances with banks:		
In current accounts	0.28	0.22
In term deposit accounts**	0.17	0.17
Cash on hand*	0.00*	0.00*
Total	0.45	0.39

* Less than Rs 0.01 Crore

** Under line to avail financial assistance.

16. Sales and service income

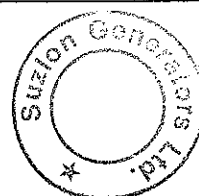
	March 31, 2015	March 31, 2014
Sale of generators	71.70	46.54
Sale of power	1.25	1.46
Income from operation services	16.47	7.19
Scrap sales	0.38	2.32
Total	89.80	57.51

17. Cost of raw material and components consumed

	March 31, 2015	March 31, 2014
Opening inventory	10.63	15.12
Add : Purchases during the year	64.88	33.29
	75.51	48.41
Less : Closing inventory	11.49	10.63
	64.02	37.78

Details of raw materials and components consumed

	March 31, 2015	March 31, 2014
Steel laminations (Kgs)	14.81	8.70
Copper strips and bars (Kgs)	11.40	8.49
Others	37.81	20.59
Total	64.02	37.78



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

(Increase)/ decrease in inventories

	March 31, 2015	March 31, 2014
Opening inventory		
Semi-finished goods and work- in- progress	3.97	3.54
Finished goods	1.95	3.50
	5.92	7.04
Closing inventory		
Semi-finished goods and work- in- progress	3.36	3.97
Finished goods	0.23	1.95
	3.59	5.92
Total	2.33	1.12

18. Employee benefit expense

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	4.03	4.27
Contribution to provident and other funds	0.26	0.23
Staff welfare expenses	0.47	0.31
Total	4.76	4.81

19. Other expenses

	March 31, 2015	March 31, 2014
Stores and spares consumed	1.23	0.38
Power and fuel	1.29	0.99
Factory expenses	0.16	0.17
Repairs and maintenance:		
Plant and machinery	0.37	0.39
Building	0.04	0.16
Others	0.13	0.10
Rates and taxes	0.11	0.08
Insurance	0.13	0.10
Testing charges	0.11	0.10
Travelling, conveyance and vehicle expenses	0.94	0.66
Communication expenses	0.07	0.07
Auditors' remuneration and expenses (refer note below)	0.07	0.06
Consultancy charges	0.25	0.18
Corporate social welfare expenses	0.50	-
Other selling and administrative expenses	2.96	0.78
Exchange differences, net	0.59	0.12
Total	8.95	4.34



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

Payment to auditor:

	March 31, 2015	March 31, 2014
As auditor:		
Statutory audit fees	0.05	0.05
Tax audit fees	0.01	0.01
Others	0.01	-
Total	0.07	0.06

20. Finance costs

	March 31, 2015	March 31, 2014
Interest	4.50	4.75
Bank charges	0.19	0.40
Amortization of ancillary borrowing costs	0.01	0.02
Total	4.70	5.17

21. Finance income

	March 31, 2015	March 31, 2014
Interest income		
From banks on fixed deposits	0.02	0.00*
Others	0.00*	0.01
Total	0.02	0.01

* Less than Rs 0.01 Crore.

22. Earnings/ (loss) per share (EPS)

	March 31, 2015	March 31, 2014
Basic and diluted earnings per share		
Net profit/(loss) after tax	0.30	0.30
Less: Preference dividend and tax thereon	(0.50)	(0.48)
Net profit/(loss) attributable to equity shareholders	(0.20)	(0.18)
Weighted average number of equity shares	62,510,546	62,510,546
Basic and diluted earnings/(loss) per share of face value of Rs 10 each*	(0.03)	(0.03)

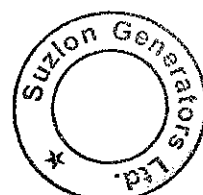
* Since the earnings/ (loss) per share computation list on diluted weighted average no of shares is anti-diluted, the basic and diluted earnings/ (loss) per share is same.

23. 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.



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Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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

	March 31, 2015	March 31, 2014
Current service cost	0.07	0.08
Interest cost on benefit obligation	0.04	0.04
Expected return on plan assets	(0.03)	(0.03)
Net actuarial (gain) / loss recognised in the year	(0.02)	(0.08)
Past service cost	-	-
Net benefit expense	0.06	0.01

Details of defined benefit obligation

	March 31, 2015	March 31, 2014
Defined benefit obligation	(0.56)	(0.51)
Fair value of plan assets	(0.41)	(0.36)
Present value of unfunded obligations	(0.15)	(0.15)
Less: Unrecognised past service cost	-	-
Plan liability/(asset)	(0.15)	(0.15)

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

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	0.50	0.47
Interest cost	0.04	0.04
Current service cost	0.07	0.08
Benefits paid	(0.05)	(0.02)
Actuarial (gains)/losses on obligation	(0.02)	(0.07)
Closing defined benefit obligation	0.56	0.50

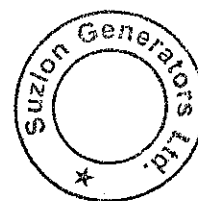
Changes in the fair value of plan assets are as follows:

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	0.35	0.29
Expected return	0.03	0.03
Contributions by employer*	0.07	-
Benefits paid	(0.05)	(0.02)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	0.41	0.30

*The contribution made by the employer during the year was Rs 0.07 Crore (Rs Nil) towards approved fund. The actual return on plan assets during the year was Rs 0.03 Crore (Rs Nil)

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%



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

Amounts for the current and previous periods are as follows:

	2015	2014	2013	2012
Defined benefit obligation	(0.56)	(0.51)	(0.47)	(0.36)
Plan assets	(0.41)	0.36	0.29	0.30
Surplus/(deficit)	(0.15)	(0.15)	(0.18)	(0.06)
Experience adjustments on plan liabilities	0.06	0.01	(0.02)	(0.03)
Experience adjustments on plan assets	-	-	-	-

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

	March 31, 2015	March 31, 2014
Discount rate	9.25%	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

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.

24. Segment information

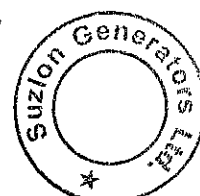
Since the Company primarily operates in one segment - manufacturing of electric generators for windmills, segment reporting as required under Accounting Standard 17 ("AS 17") issued by the Institute of Chartered Accountants of India is not applicable, further there is no geographical reporting segment.

25. Related party disclosures

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

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

Sl.No.	Name of the party	Nature of relationship
1.	Suzlon Energy Limited	Holding company
2.	Suzlon Wind International Ltd.	Fellow subsidiary
3.	SE Electricals Limited	Fellow subsidiary
4.	Suzlon Gujarat Windpark Limited	Fellow subsidiary
5.	Suzlon Global Services Ltd	Fellow subsidiary
6.	Suzlon Energia Eólica do Brasil Ltd	Fellow subsidiary
7.	SE Australia Pty. Ltd.	Fellow subsidiary
8.	Suzlon Wind Energy South-Africa (PTY) Limited	Fellow subsidiary
9.	Suzlon Energy A/S	Fellow subsidiary
10.	Suzlon Energy (Tianjin) Ltd	Joint Venture
11.	Suzlon Wind Energy Uruguay SA	Fellow subsidiary
12.	Suzlon Wind Energy Nicaragua S.A	Fellow subsidiary



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

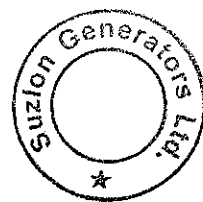
- | | | |
|-----|-------------------------------------|-------------------|
| 13. | Suzlon Wind Energy Espana | Fellow subsidiary |
| 14. | Suzlon Wind Energy Corporation, USA | Fellow subsidiary |

B) Other related parties

- a) Joint Venture
Trasys Asia Limited
- b) Entities where key management personnel ('KMP')/relatives of key management personnel ('RKMP') have significant influence:
SE Freight & Logistics India Pvt. Ltd
- c) Key Management Personnel (KMP)
Mr. Vinod R. Tanti
Mr. Ranjitsinh A. Parmar
Mr. Ing-Franz Hrachowitz
Mr. Vaidhyanathan Raghuraman
- d) Relatives of Key Management Personnel (RKMP)
Mrs. Rambhaben Ukabhai
Mrs. Sangeeta V. Tanti
Mrs. Gita T. Tanti
Mrs. Lina J. Tanti
Mrs. Nalini R. Parmar
- e) Employee Funds
Suzlon Generators Limited – Superannuation Fund
Suzlon Generators Limited- Employee Group Gratuity Scheme

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

Particulars	Holding and fellow subsidiary	Joint Ventures	Entities where KMP has significant influence	KMP/ RKMP	Employee funds
Transactions during the year					
Sale of goods	82.81 (50.98)	0.62 (0.04)	- (-)	- (-)	- (-)
Job work sales	2.25 (1.06)	- (-)	- (-)	- (-)	- (-)
Purchase of goods and services	1.00 (3.00)	- (-)	2.93 (0.65)	- (-)	- (-)
Operation and maintenance charges	0.19 (1.04)	- (-)	- (-)	- (-)	- (-)
Loans taken	39.06 (5.00)	- (-)	- (-)	- (-)	- (-)
Interest paid	0.67 (0.37)	- (-)	- (-)	- (-)	- (-)
Contribution to various funds	- (-)	- (-)	- (-)	- (-)	0.05 (0.05)



Suzlon Generators Limited

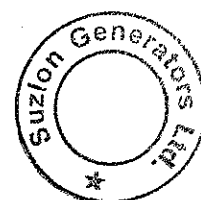
Notes to financial statements for the year ended March 31, 2015

All amounts in Rupees Crore unless otherwise stated

Outstanding balances					
Equity share capital	46.88 (46.88)	15.63 (15.63)	- (-)	- (-)	- (-)
Preference share capital	10.33 (10.33)	3.44 (3.44)	- (-)	- (-)	- (-)
Advance from customers	0.56 (-)	- (-)	- (-)	- (-)	- (-)
Trade receivables	42.57 (39.12)	0.12 (0.04)	- (-)	- (-)	- (-)
Trade payables	2.90 (2.27)	- (-)	2.71 (0.57)	- (-)	- (-)
Corporate guarantees taken	- (25.00)	- (-)	- (-)	- (-)	- (-)
Loans taken	15.71 (5.00)	- (-)	- (-)	- (-)	- (-)

D) Disclosure of significant transactions with related parties

Type of the Transaction	Type of relationship	Name of the entity/person	March 31, 2015	March 31, 2014
Sale of goods	Holding company	Suzlon Energy Limited	55.91	39.28
	Fellow subsidiary	Suzlon Wind International Limited	9.49	4.25
	Fellow subsidiary	SE Electricals Limited	0.30	1.57
Job work sales	Fellow subsidiary	Suzlon Global Services Limited	2.20	1.04
	Fellow subsidiary	SE Electricals Limited	0.98	2.81
Purchase of goods and services	Entities where KMP has significant influence	SE Freight & Logistics India Pvt. Ltd	2.93	0.65
Loans taken	Holding company	Suzlon Energy Limited	39.06	5.00
Operation and maintenance charges	Holding company	Suzlon Energy Limited	-	1.04
	Fellow subsidiary	Suzlon Global Services Limited	0.19	-
Interest paid	Holding company	Suzlon Energy Limited	0.67	0.37
Contribution to various funds	Employee funds	Suzlon Gen Pvt Ltd- Gratuity(LIC)	0.05	0.05



Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

26. Capital and other commitments

	March 31, 2015	March 31, 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	-	0.01

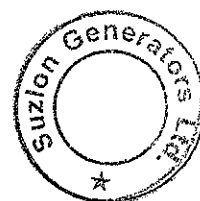
27. Contingent liabilities

	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
Preference shares dividend and tax thereon	1.73	1.23
Recompense cost related to CDR	Refer Note 5	2.10
Others	0.21	-

- 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 Facilities ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds issued by AE Rotor Holding B.V. a fellow subsidiary. The borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.



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Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

28. 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
Trade payables	1.15	2.02
Trade receivables	7.37	6.07

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

Sl. No.	Particulars	March 31, 2015	March 31, 2014
1	Principal amount remaining unpaid to any supplier as at the end of the year	0.32	0.70
	Interest due on the above amount	0.08	0.38
2	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	Nil	Nil
	Amounts of payment made to the suppliers beyond the appointed day during the year	1.24	0.19
3	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	0.07	0.34
4	Amount of interest accrued and remaining unpaid at the end of the year	0.01	0.04
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	2.13	1.63

30. 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

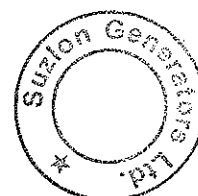
	March 31, 2015	March 31, 2014
Raw materials	0.31	0.36

b. Expenditure in foreign currency (accrual basis)

Sr. No.	Particulars	March 31, 2015	March 31, 2014
1	Foreign travel	0.02	0.15
2	Interest and bank charges	0.02	0.01
		0.04	0.16



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Suzlon Generators Limited

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

All amounts in Rupees Crore unless otherwise stated

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	5.39	9.01	7.44	20.00	-	-	-	-
Indigenous	54.40	90.99	30.35	80.00	1.47	100.00	0.39	100.00
	59.79	100.00	37.79	100.00	1.47	100.00	0.39	100.00

d. Earnings in foreign currency (accrual basis)

	March 31, 2015	March 31, 2014
FOB value of exports	9.72	9.79

31. 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

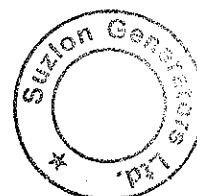


For and on behalf of the Board of Directors of
Suzlon Generators Limited

Ranjitsinh A. Parmar
Managing Director
DIN:00002613

Vinod R. Tanti
Director
DIN:00002266

Shivani Karmarkar
Company Secretary
Membership No. A33098



Place : Pune
Date : May 20, 2015

Place : Pune
Date : May 20, 2015

