

**SE ELECTRICALS LIMITED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016  
TOGETHER WITH AUDITORS' REPORT**

**S R B C & CO LLP  
CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of SE Electricals Limited

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of SE Electricals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditor's Responsibility.**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



# **SRBC & CO LLP**

Chartered Accountants

## **Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

## **Emphasis of Matter**

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

## **Report on Other Legal and Regulatory Requirements**

7. As required by the Companies (Auditor's report) Order, 2016 ("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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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# **SRBC & CO LLP**

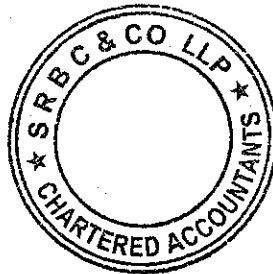
Chartered Accountants

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 5 and Note 31 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

  
per Paul Alvares  
Partner  
Membership Number: 105754  
Place of Signature: Pune  
Date: June 18, 2016



# **SRBC & CO LLP**

Chartered Accountants

Annexure 1 - Annexure referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: SE Electricals Limited (the "Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by management the title deeds of immovable properties included in fixed assets are held in the name of the Company except one for factory building for which the Company has obtained approval for local panchayat and it is in the process of obtaining the approval from the local town planning authority.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such 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, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence this is not commented upon. In our opinion and according to the information and explanations given to us, the provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148 (1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues wherever applicable, have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.



# SRBC & CO LLP

Chartered Accountants

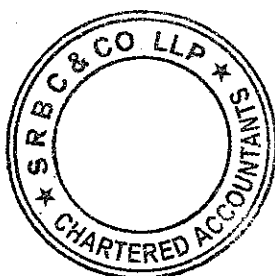
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues wherever applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (in Rs. Crore )	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax input credit on travelling and catering services	0.08	2007-08 to 2009-10	Customs Excise & Service Tax Appellate Tribunal

- (viii) According to the information and explanations given by management, the Company has delayed in repayment of dues to banks during the year to the extent of Rs. 0.38 Crores (the delay in such repayments being for less than 5 days in each individual case) and Rs. Nil of such dues were in arrears as on the balance sheet date.

The Company did not have any outstanding dues payable in the nature of loans or interest thereon to financial institution or debenture holders or to the government during the year.

- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, the Company has not raised any money by way of initial public offer / further public offer including debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, we report that the managerial remuneration in the nature of sitting fees has been paid / provided for in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company and hence not commented upon.




# **S R B C & CO LLP**

Chartered Accountants

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, clause 3(xiv) of the Order is not applicable to the Company and hence not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by management, the Company has not entered into any non-cash transactions covered by provisions of section 192 of the Companies Act, 2013 with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence, clause 3(xvi) of the Order is not applicable to the Company and hence not commented upon.

For S R B C & CO LLP  
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Paul Alvares  
Partner

Membership Number: 105754

Place of Signature: Pune

Date: June 18, 2016



# **S R B C & CO LLP**

Chartered Accountants

Annexure 2 - Annexure referred to in paragraph 8 (f) of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of SE Electricals Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.





# **S R B C & CO LLP**

Chartered Accountants

## **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003



per Paul Alvares  
Partner

Membership Number: 105754  
Place of Signature: Pune  
Date: June 18, 2016



**SE Electricals Limited**  
**Balance Sheet as at March 31, 2016**  
All amounts in Rupees Crore, unless otherwise stated

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(i) Share capital	7	95.90	95.90
(ii) Reserves and surplus	8	(18.72)	(32.22)
		<b>77.18</b>	<b>63.68</b>
<b>Non-current liabilities</b>			
(i) Long-term borrowings	9	-	67.36
(ii) Deferred tax liabilities (net)	10	12.64	11.17
(iii) Long-term provisions	11	1.27	0.18
		<b>13.91</b>	<b>78.71</b>
<b>Current liabilities</b>			
(i) Short-term borrowings	12	199.84	239.25
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (refer Note 33)		5.83	1.21
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		119.89	54.08
(iii) Other current liabilities	13	9.36	95.77
(iv) Short-term provisions	11	1.14	1.91
		<b>336.06</b>	<b>392.22</b>
<b>Total</b>		<b>427.15</b>	<b>534.61</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(i) Fixed assets	14		
(a) Tangible assets		124.56	132.94
(b) Intangible assets		0.39	0.72
(c) Capital work-in-progress		-	1.61
(ii) Loans and advances	16	4.76	4.74
(iii) Other non-current assets	15.2	2.50	2.50
		<b>132.21</b>	<b>142.51</b>
<b>Current assets</b>			
(i) Inventories	17	105.38	56.19
(ii) Trade receivables	15.1	176.79	330.90
(iii) Cash and bank balances	18	4.67	0.24
(iv) Loans and advances	16	7.98	4.28
(v) Other current assets	15.2	0.12	0.49
		<b>294.94</b>	<b>392.10</b>
<b>Total</b>		<b>427.15</b>	<b>534.61</b>
<b>Summary of significant accounting policies</b>			
	3		

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

As per our report of even date

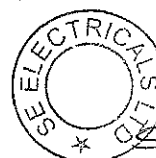
For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration number: 324982E/E300003

per Paul Alvarez  
Partner  
Membership No.: 105754



Place : Pune  
Date : June 18, 2016

For and on behalf of the Board of Directors of  
SE Electricals Limited



Amarsinh A. Parmar  
Managing Director  
DIN: 00028602

Sharvari A. Deshpande  
Company Secretary  
Membership No.: A19936

Vinod R. Tanti  
Director  
DIN: 00002266

Sanjay Agrawal  
Chief Financial Officer  
Membership No.: 057189

Place : Pune  
Date : June 18, 2016

**SE Electricals Limited**  
**Statement of profit and loss for the year ended March 31, 2016**  
All amounts in Rupees Crore, unless otherwise stated

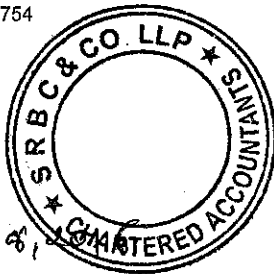
Particulars	Notes	March 31, 2016	March 31, 2015
<b>Income</b>			
Revenue from operations	19	345.23	173.64
Other operating income	20	8.48	0.44
<b>Total Revenue</b>		<b>353.71</b>	<b>174.08</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	21	283.77	116.39
(Increase)/ decrease in inventories of finished goods, semi-finished goods and work-in-progress	21	(23.76)	1.85
Employee benefits expense	22	12.54	8.84
Other expenses	23	26.38	18.08
<b>Total Expenses</b>		<b>298.93</b>	<b>145.16</b>
<b>Earnings/ (loss) before interest, tax and depreciation (EBITDA)</b>		<b>54.78</b>	<b>28.92</b>
Depreciation / amortisation	14	10.54	10.81
<b>Earnings/ (loss) before interest and tax (EBIT)</b>		<b>44.24</b>	<b>18.11</b>
Finance costs	24	29.50	42.87
Finance income	25	0.23	0.24
<b>Profit/ (loss) before tax</b>		<b>14.97</b>	<b>(24.52)</b>
Tax expense:			
Deferred tax charge/ (reversal)		1.47	(5.05)
<b>Profit/ (loss) after tax</b>		<b>13.50</b>	<b>(19.47)</b>
<b>Earnings/ (loss) per equity share:</b>			
- Basic and diluted [Nominal value of share Rs 10 (Rs 10)]	26	3.79	(28.78)
<b>Summary of significant accounting policies</b>	3		

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

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration number: 324982E/E300003

per Paul Alvarez  
Partner  
Membership No.: 105754



Place : Pune

Date : June 18, 2016

For and on behalf of the Board of Directors of  
SE Electricals Limited

Amarsinh A. Parmar  
Managing Director  
DIN: 00028602

Vinod R. Tanti  
Director  
DIN: 00002266

Sharvari A. Deshpande  
Company Secretary  
Membership No.: A19936

Sanjay Agarwal  
Chief Financial Officer  
Membership No.: 057189

Place : Pune

Date : June 18, 2016

**SE Electricals Limited**  
**Cash flow statement for the year ended March 31, 2016**  
All amounts in Rupees Crore, unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>14.97</b>	<b>(24.52)</b>
Adjustments for:		
Depreciation / amortisation	10.54	10.81
Loss on sale/ write off of assets, net	0.51	-
Interest income	(0.23)	(0.24)
Interest expenses	27.47	42.17
Amortisation of ancillary borrowing costs	0.13	0.26
Unrealised exchange (gain)/loss on foreign currency loan	0.96	(0.92)
<b>Operating profit / (loss) before working capital changes</b>	<b>54.35</b>	<b>27.56</b>
<b>Movements in working capital</b>		
Decrease / (increase) in inventories	(49.19)	18.24
Decrease / (increase) in trade receivables	154.11	38.95
Decrease / (increase) in loans and advances and other assets	(3.62)	(0.26)
(Decrease) / increase in trade payables, current liabilities and provisions	53.28	(3.43)
<b>Cash (used in) / generated from operating activities</b>	<b>208.93</b>	<b>81.06</b>
Direct taxes paid (net of refunds)	0.11	(0.11)
<b>Net cash (used in) / generated from operating activities</b>	<b>209.04</b>	<b>80.95</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of fixed assets including capital work in progress and capital advances	(2.71)	-
Proceeds from sale of fixed assets	-	2.02
Interest received	0.26	0.23
<b>Net cash (used in) / generated from investing activities</b>	<b>(2.45)</b>	<b>2.25</b>
<b>Cash flow from financing activities</b>		
Repayment from long-term secured loans	(106.57)	(4.68)
Proceeds from short-term secured loans	10.53	4.33
Repayment of short-term unsecured loans	(73.78)	(44.14)
Interest paid	(32.34)	(39.22)
<b>Net cash (used in) / generated from financing activities</b>	<b>(202.16)</b>	<b>(83.71)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4.43</b>	<b>(0.51)</b>
Cash and cash equivalents at the beginning of year	0.24	0.75
<b>Cash and cash equivalents at the end of year</b>	<b>4.67</b>	<b>0.24</b>
<b>Components of cash and cash equivalents</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cash on hand	0.00*	0.01
Balances with scheduled banks in current accounts	4.67	0.23
	<b>4.67</b>	<b>0.24</b>

\* Less than Rs 0.01 Crore

**Summary of significant accounting policies**

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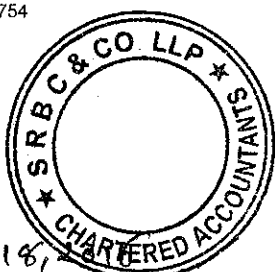
**Notes:**

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

As per our report of even date

For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration number: 324982E/E300003

per Pooja Anand  
Partner  
Membership No.: 105754



Place : Pune

Date : June 16, 2016

For and on behalf of the Board of Directors of  
SE Electricals Limited

Amarsinh A. Parmar  
Managing Director  
DIN: 00028602

Vinod R. Tanti  
Director  
DIN: 00002266

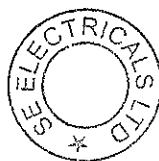
SSKaurhalikar

Sharvari A. Deshpande  
Company Secretary  
Membership No.: A19936

Sanjay Agrawal  
Chief Financial Officer  
Membership No.: 057189

Place : Pune

Date : June 16, 2016



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 1. Corporate Information

SE Electricals Limited ('SEEL' or the 'Company') having CIN - U31108GJ2006PLC091977 is engaged in the manufacture of Generators, Transformers and Panels for Wind Turbine Generators (WTGs). The Company has set up its manufacturing facilities for Generators and Panels as "Units in Notified Special Economic Zone ('SEZ') at Coimbatore in the State of Tamil Nadu. The Company has obtained an approval from the development commissioner, Suzlon Infrastructure Special Economic Zone for setting up of the manufacturing facilities as "Units in the Notified SEZ" vide letter No 8/2/2007/Suzlon Infra dated September 18, 2007.

The manufacturing facilities for Transformers are set up as non-SEZ units and are situated at Vadodara in the State of Gujarat.

### 2. Basis of preparation

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

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year, except for change in accounting policy explained below.

### 3. Summary of significant accounting policies

#### Change in accounting policy

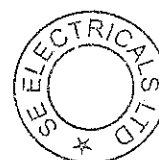
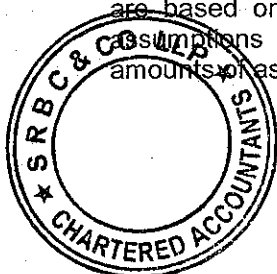
##### Component accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 01, 2015. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Until previous year, the Company was not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. However, now it identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier Company used to charge such cost directly to statement of profit and loss. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognised.

The above change in accounting policy does not have any material impact on depreciation, repair and maintenance expense, profit/ (loss) for the current year as well as the valuation of fixed assets as at March 31, 2016.

#### 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 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.



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### b. Tangible fixed assets

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

Capital work-in-progress comprises of cost of fixed assets that are not yet ready for their intended use as at the balance sheet date. Assets held for disposal are stated at the lower of net book value and the estimated net realisable value.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period.

In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

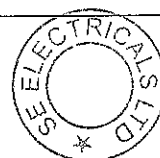
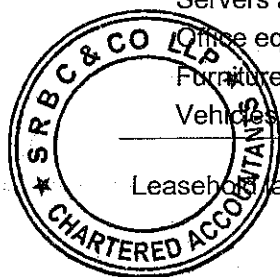
### c. Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is calculated on the Straight line method ('SLM') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has used the following useful lives to provide depreciation on its plant, property and equipment:

Type of asset	Useful lives (Upto years)
Office building	58
Factory building	28
Electrification	20
Moulds	15 years or useful life based on usage
Plant and machinery	15
Wind farm plant and machinery	22
Computers	03
Servers and networks	06
Office equipment	05
Furniture and fixtures	10
Vehicles	10

Leasehold and is amortized on a straight line basis over the period of lease.



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from de-recognition of an intangible asset 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.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Type of asset	Years (SLM)
Designs and drawings	5

### e. Operating lease - Where the Company is lessee

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

### f. Borrowing costs

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

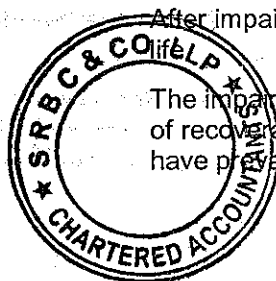
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period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

### g. 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 units ("CGU") net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### h. 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.

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

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.

### i. Inventories

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

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

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

However, materials and other items held for use in production are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### j. Revenue recognition

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

#### Sale of goods

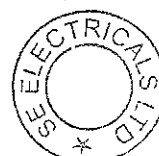
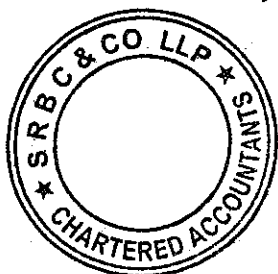
Sale of panels, transformers and generators are recognised in the statement of profit and loss when the significant risks and rewards of ownership of the goods have been transferred to the buyer as per the terms of the respective sales order, and that the income can reliably be measured and is expected to be received.

#### Sale of services

Revenue from sale of services is recognised in the statement of profit and loss as and when the services are rendered.

#### Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of interest charged to customers, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### k. Foreign currency transactions

#### i. Initial recognition

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

#### ii. Conversion

Foreign currency monetary items are translated 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

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.

2. All other exchange differences are recognised as income or as expenses in the period in which they arise.

#### iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contract is amortized and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

### l. Retirement and other employee benefits

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

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

Retirement benefits in the form of gratuity are considered as 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 an actuarial valuation, using projected unit credit method, as at each balance sheet date. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### m. Taxes on income

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years.

Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

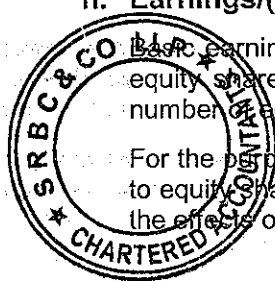
Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

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

### n. Earnings/(loss) per share

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

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



**o. Provisions**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**p. 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

**q. 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.

**r. Measurement of EBITDA and EBIT**

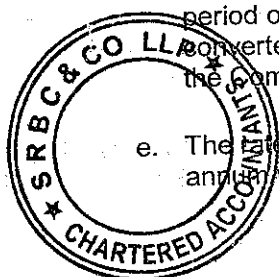
The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) and earnings before interest and tax (EBIT) as a separate line items on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortisation 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 along with its 8 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 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited ('SGSL') was included as Borrower under the CDR package.

The key features of the CDR package are as follows:

- a. 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.
- b. 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.
- c. Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- d. Unpaid Interest due on certain existing facilities on cut off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11% per annum with reset option in accordance with MRA.



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in the SEL by promoters, their friends, relatives and business associates as stipulated, conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- a. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- b. SEL to issue 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 exercised 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.

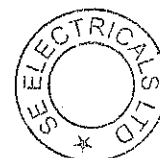
During the financial year, 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan would be in accordance with terms and conditions similar to those of RTL, whereas repayment of FITL I would be made in 32 equal quarterly instalments and should be co-terminus with RTL. Repayment of FITL II would be made in 12 quarterly instalments from December 2022 to September 2025. To give effect to the restructuring a bilateral agreement between the Borrower and PFC was entered into on August 12, 2015.

### 5. Recompense

The Borrowers 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 upon the exit by the Borrowers which is inter-alia dependent upon improved financial performance and various factors, 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. In case of CDR lenders who have exercised the right for issuance of equity shares for the first three years and to whom the equity shares have been issued, as a part of recompense, the cost is amortised over the period of sacrifice and the cost amortization is completed by March 31, 2016. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet is not ascertainable.

### 6. Proposed merger

The Board of Directors of the Company, in the meeting of the Board held on April 27, 2016, have approved the amalgamation of the Company with Suzlon Energy Limited, being the sole shareholder of the Company. The proposed amalgamation shall be a part of the composite Scheme of Amalgamation and Arrangement approved by the Board of Directors of the Suzlon Energy Limited. The proposed Scheme is yet to be filed with the Securities Exchange Board of India and subsequently with the Honourable High Court of Gujarat for approval.



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 7. Share capital

	March 31, 2016	March 31, 2015
<b>Authorised</b>		
10,000,000 (10,000,000) equity shares of Rs 10/- each	10.00	10.00
20,000,000 (20,000,000) cumulative redeemable preference shares of Rs 100/- each	200.00	200.00
	<b>210.00</b>	<b>210.00</b>
<b>Issued, subscribed and fully paid up Equity</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
10,000,000 (10,000,000) equity shares of Rs 10/- each	10.00	10.00
<b>Preference</b>		
8,590,000 (8,590,000) 9% cumulative redeemable preference shares of Rs 100/- each	85.90	85.90
	<b>95.90</b>	<b>95.90</b>

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
<b>Equity shares</b>				
At the beginning of the year	1.00	10.00	1.00	10.00
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1.00</b>	<b>10.00</b>	<b>1.00</b>	<b>10.00</b>
<b>Preference shares</b>				
At the beginning of the year	0.86	85.90	0.86	85.90
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>0.86</b>	<b>85.90</b>	<b>0.86</b>	<b>85.90</b>

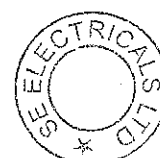
#### b. Terms/rights attached to equity shares

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.

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 redemption of Cumulative Redeemable Preference Shares (CRPS)

The Company issued 9% CRPS of Rs 100 each at par value to SEL, the holding company. The CRPS carry a fixed dividend rate of 9%. Per the terms of the CRPS, the Company as well as the preference shareholders respectively shall have the Call and Put Option to redeem the Preference Shares any time after 3 months from the date of allotment subject to the consent of the Preference Shareholders and the Company, as the case may be. If either party does not exercise its option, the same shall automatically and compulsorily be redeemed at the end of 15 (fifteen) years from the respective dates of allotment or June 30, 2023, whichever is earlier.



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### d. Shares held by holding company

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

	March 31, 2016	March 31, 2015
10,000,000 (10,000,000) equity shares of Rs 10/- each fully paid	10.00	10.00
8,590,000 (8,590,000) preference shares of Rs 100/- each fully paid	85.90	85.90

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

Name of the shareholder	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	% holding in class	Number of shares (Crore)	% holding in class
<b>Equity shares of Rs 10/- each fully paid</b>				
Suzlon Energy Limited, holding company	1.00	100%	1.00	100%
<b>Preference shares of Rs 100/- each fully paid</b>				
Suzlon Energy Limited, holding company	0.86	100%	0.86	100%

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

## 8. Reserves and surplus

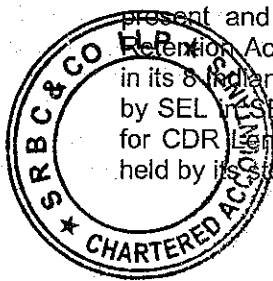
	March 31, 2016	March 31, 2015
<b>Statement of profit and loss</b>		
As per last balance sheet	(32.22)	(12.75)
Add : Profit/ (loss) for the year	13.50	(19.47)
<b>Net surplus/(deficit) in the statement of profit and loss</b>	<b>(18.72)</b>	<b>(32.22)</b>

## 9. Long-term borrowings

	March 31, 2016	March 31, 2015
Indian rupee loan from banks (secured)	-	42.36
Loans from related parties ( unsecured) (refer Note 29)	-	25.00
<b>Total</b>	<b>-</b>	<b>67.36</b>

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

In case of financial facilities from CDR Lenders in accordance with MRA and non-CDR lenders, RTL of Rs Nil (Rs 45.54 Crore) of which Rs Nil (Rs 42.36 Crore) is classified as long-term borrowings and Rs Nil (Rs 3.18 Crore) is classified as current maturities of long-term borrowings, WCTL of Rs Nil (Rs 61.03 Crore) is classified as long-term borrowings and Rs Nil (Rs 61.03 Crore) is classified as current maturities of long-term borrowings, fund based working capital facilities of Rs Nil (Rs 44.04 Crore), 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 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SEE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL for CDR Lenders and PFC, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, to



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

the CDR Lenders and PFC and remaining non-CDR Lenders as the case may be, 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 Servion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are cede from the charge.

b. The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2016 is as below :

Particulars	March 31, 2016		March 31, 2015	
	Amount	Period of	Amount	Period of delay
	Rs in Crore	in days	Rs in Crore	in days
Repayment of term loan	-	-	0.46	Upto 30 days
Repayment of working capital term loan	-	-	1.16	Upto 30 days
Payment of interest	-	-	2.80	Upto 60 days
Letter of credit/ buyers credit/ devolvement	-	-	2.30	Upto 90 days

### 10. Deferred tax liabilities (net)

	March 31, 2016	March 31, 2015
<b>A. Deferred tax liabilities</b>		
Difference between tax depreciation and depreciation charged for the financial reporting	13.47	11.84
<b>B. Deferred tax assets</b>		
Provision for employee benefits	0.83	0.67
<b>Deferred tax liabilities, net (A-B)</b>	<b>12.64</b>	<b>11.17</b>

### 11. Provisions

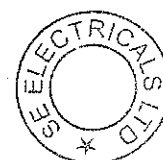
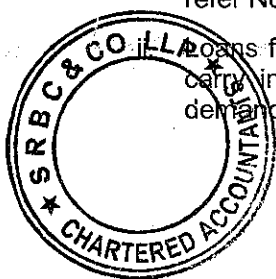
	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	1.27	0.18	1.14	1.91
<b>Total</b>	<b>1.27</b>	<b>0.18</b>	<b>1.14</b>	<b>1.91</b>

### 12. Short-term borrowings

	March 31, 2016	March 31, 2015
Working capital loans from banks (secured)	55.53	44.04
Loans and advances from related parties (refer Note 29) (unsecured)	144.31	195.21
<b>Total</b>	<b>199.84</b>	<b>239.25</b>

i. The rate of interest on the working capital loans is 11.00% p.a., being the interest rate spread agreed with CDR lenders pursuant to the CDR proposal. For details of security given for short-term borrowings, refer Note 9 a.

Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @11% p.a. which is used for business operations. The said loan is repayable on demand.



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 13. Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings	-	64.21
Interest accrued but not due on borrowings	0.11	0.06
Interest accrued and due on borrowings	-	2.80
Advances from customers	8.25	23.28
Others:		
Statutory dues payable	0.38	1.09
Employee payables	0.38	1.37
Other payables	0.24	2.96
<b>Total</b>	<b>9.36</b>	<b>95.77</b>

### 14. Fixed assets

Assets	Gross block			Depreciation / amortisation			Net block		
	As at April 01, 2015	Additions	Deductions/ adjustments	As at March 31, 2016	As at April 01, 2015	For the year	Deductions/ adjustments	As at March 31, 2016	As at March 31, 2015
<b>a. Tangible assets</b>									
Lease hold land	37.92	-	-	37.92	7.59	1.09	-	8.68	29.24
Factory building	52.94	0.23	-	53.17	11.11	1.77	-	12.88	40.29
Office building	3.99	-	-	3.99	0.24	0.06	-	0.30	3.69
Plant and machinery	70.03	1.01	-	71.04	29.96	5.80	-	35.76	35.28
Windfarm plant & machinery	19.02	-	-	19.02	3.56	1.00	-	4.56	14.46
Office equipments	0.85	0.51	-	1.36	0.64	0.14	-	0.78	0.58
Furniture and fixtures	2.92	0.01	-	2.93	1.75	0.28	-	2.03	0.90
Computer and computer software	0.78	0.07	-	0.85	0.70	0.06	-	0.76	0.09
Vehicles	0.06	-	-	0.06	0.02	0.01	-	0.03	0.03
	<b>188.51</b>	<b>1.83</b>	<b>-</b>	<b>190.34</b>	<b>55.57</b>	<b>10.21</b>	<b>-</b>	<b>65.78</b>	<b>124.56</b>
Previous year	188.81	0.15	0.45	188.51	45.40	10.17	-	55.57	132.94
<b>b. Intangible Assets</b>									
Designs and drawings	1.65	-	-	1.65	0.93	0.33	-	1.26	0.39
	<b>1.65</b>	<b>-</b>	<b>-</b>	<b>1.65</b>	<b>0.93</b>	<b>0.33</b>	<b>-</b>	<b>1.26</b>	<b>0.39</b>
Previous year	1.61	0.04	-	1.65	0.60	0.33	-	0.93	0.72

Buildings include those constructed on lease hold land.

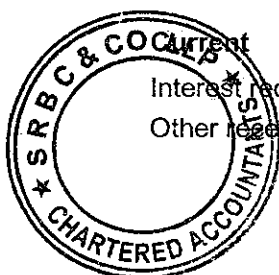
### 15. Trade receivables and other assets

#### 15.1 Trade receivables

	March 31, 2016	March 31, 2015
Unsecured, considered good, unless stated otherwise		
<b>Current</b>		
Outstanding for a period exceeding six months from due date	152.37	294.18
Other receivables	24.42	36.72
	<b>176.79</b>	<b>330.90</b>

#### 15.2 Other assets

	March 31, 2016	March 31, 2015
Unsecured, considered good		
<b>Non-current</b>		
Non-current bank balances	2.50	2.50
<b>Current</b>		
Interest receivable on fixed deposits	0.12	0.15
Other receivables	-	0.34
	<b>0.12</b>	<b>0.49</b>





# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 16. Loans and advances

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Capital advances</b>				
Unsecured, considered doubtful	-	0.09	-	-
	-	0.09	-	-
Less : Provision for doubtful advances	-	(0.09)	-	-
(a)	-	-	-	-
<b>Security deposits</b>				
Unsecured, considered good	4.37	4.35	-	-
(b)				
<b>Advances recoverable in cash or in kind</b>				
Unsecured, considered good	-	-	5.71	2.53
Unsecured, considered doubtful	-	-	0.10	0.01
	-	-	5.81	2.54
Less : Provision for doubtful advances	-	-	(0.10)	(0.01)
(c)	-	-	5.71	2.53
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance income tax (net of provisions)	0.39	0.39	0.13	0.24
Prepaid expenses	-	-	0.08	0.30
Balances with statutory/ government authorities	-	-	2.06	1.21
(d)	0.39	0.39	2.27	1.75
<b>Total</b>	<b>(a + b + c + d) 4.76</b>	<b>4.74</b>	<b>7.98</b>	<b>4.28</b>

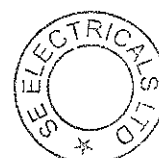
### 17. Inventories (valued at lower of cost and net realisable value)

	March 31, 2016	March 31, 2015
Raw materials and components [including goods in transit of Rs 15.71 Crore (Rs 0.55 Crore)] (refer Note 21)	61.33	36.28
Semi-finished goods and work-in-progress	28.84	12.21
Finished goods (refer Note 21)	11.38	4.25
Stores and spares	3.83	3.45
<b>Total</b>	<b>105.38</b>	<b>56.19</b>

### 18. Cash and bank balances

	March 31, 2016	March 31, 2015
Balances with banks in current accounts	4.67	0.23
Cash on hand	0.00*	0.01
<b>Total</b>	<b>4.67</b>	<b>0.24</b>

\*Less than Rs 0.01 Crore



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 19. Revenue from operations

	March 31, 2016	March 31, 2015
<b>Sale of products</b>		
Finished goods	334.99	156.78
Sale of services	2.94	2.17
<b>Others operating revenue</b>		
Sale of raw materials	6.67	13.88
Scrap sales	0.63	0.81
<b>Total</b>	<b>345.23</b>	<b>173.64</b>

#### Details of finished goods sold

	March 31, 2016	March 31, 2015
Generators	70.31	17.37
Transformers	72.58	26.36
Panels	192.10	85.31
Others	-	27.74
<b>Total</b>	<b>334.99</b>	<b>156.78</b>

#### Details of services rendered

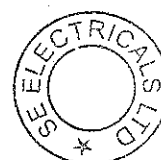
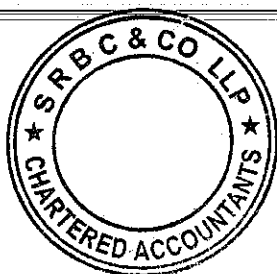
	March 31, 2016	March 31, 2015
Repairs and maintenance services	2.94	2.17

### 20. Other operating income

	March 31, 2016	March 31, 2015
Exchange differences, net	5.71	0.36
Miscellaneous income	2.77	0.08
<b>Total</b>	<b>8.48</b>	<b>0.44</b>

### 21. Cost of raw materials and components consumed

	March 31, 2016	March 31, 2015
Opening inventory	36.28	52.25
Add: Purchases during the year	308.82	100.42
	<b>345.10</b>	<b>152.67</b>
Less: Closing inventory	61.33	36.28
	<b>283.77</b>	<b>116.39</b>



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

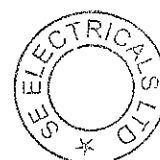
All amounts in Rupees Crore, unless otherwise stated

### Details of raw materials and components consumed

	March 31, 2016	March 31, 2015
ST copper	6.94	-
Contacto vacuum	20.03	4.18
Battery charger	7.52	1.54
Frequency converter	27.09	9.49
ST lamination 2.1 MW	8.04	0.97
M1 CNTRSTN top	11.54	0.92
C.R.G.O. strip	14.65	3.87
Copper conductor	18.22	6.80
Controller CBO	0.60	1.81
RT lamination 2.1 MW	5.26	0.58
Terminal	4.02	-
St frame	8.04	0.66
Air cooler	3.07	-
ACB	5.87	-
Bayed encl CBO	5.85	1.81
Other materials	137.03	84.60
<b>Total</b>	<b>283.77</b>	<b>116.39</b>

### Details of closing inventory

	March 31, 2016	March 31, 2015
Contacto vacuum	0.98	0.69
Battery charger	0.50	1.06
Frequency converter	0.00	1.13
ST lamination 2.1 MW	0.78	0.38
M1 CNTRSTN top	1.09	0.18
IGBT	0.05	0.05
M1 Controller CBO stv	0.60	0.41
Terminal	0.20	0.22
Fan axial	0.13	0.11
Copper conductor	3.34	0.55
St Frame	0.31	0.29
Bearing	0.47	0.72
Air cooler	0.51	0.53
ACB	0.81	0.02
Other materials	51.56	29.94
	<b>61.33</b>	<b>36.28</b>



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Opening inventory		
Semi-finished goods and work-in-progress	12.21	10.52
Finished goods	4.25	7.79
	<u>16.46</u>	<u>18.31</u>
Closing inventory		
Semi-finished goods and work-in-progress	28.84	12.21
Finished goods	11.38	4.25
	<u>40.22</u>	<u>16.46</u>
	<u>(23.76)</u>	<u>1.85</u>

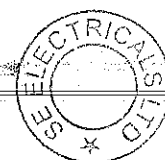
### Details of closing inventory of finished goods

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Generators	7.27	1.95
Panels	-	0.00*
Transformers	3.55	2.27
Others	0.56	0.03
<b>Total</b>	<u>11.38</u>	<u>4.25</u>

\* Less than Rs 0.01 Crore

## 22. Employee benefits expense

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
Salaries, wages and bonus	10.42	7.44
Contribution to provident and other funds	0.51	0.40
Gratuity expense (refer Note 27)	0.40	0.24
Staff welfare expenses	1.21	0.76
	<u>12.54</u>	<u>8.84</u>



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 23. Other expenses

	March 31, 2016	March 31, 2015
Stores and spares consumed	5.26	2.63
Power and fuel	2.29	1.48
Factory and site expenses	2.53	1.79
Repairs and maintenance:		
- Plant and machinery	0.20	0.17
- Building	0.32	0.10
- Others	0.02	0.02
Rent	0.86	0.88
Rates and taxes	0.29	0.44
Insurance	0.19	0.22
Freight outward and packing expenses	3.85	2.70
Travelling, conveyance and vehicle expenses	1.68	1.17
Communication expenses	0.14	0.11
Auditors' remuneration and expenses (refer details below)	0.11	0.13
Consultancy charges	0.67	0.80
CSR, charity and donations	2.48	2.50
Miscellaneous expenses	4.99	2.93
Provision for doubtful advances	-	0.01
Loss on sale/ write off of assets, net	0.50	-
	<b>26.38</b>	<b>18.08</b>

### Payment to auditor:

As auditor:	March 31, 2016	March 31, 2015
Statutory audit fees	0.10	0.11
Tax audit fees	0.01	0.01
Reimbursement of out of pocket expenses	0.00*	0.01
	<b>0.11</b>	<b>0.13</b>

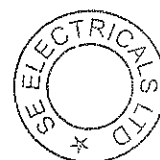
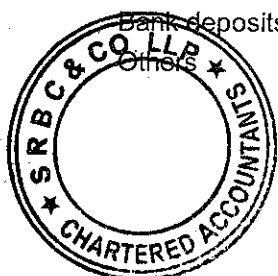
\* Less than Rs 0.01 Crore

### 24. Finance costs

	March 31, 2016	March 31, 2015
Interest	27.47	42.17
Bank charges	1.90	0.44
Amortization of ancillary borrowing costs	0.13	0.26
	<b>29.50</b>	<b>42.87</b>

### 25. Finance income

	March 31, 2016	March 31, 2015
Interest income on:		
Bank deposits	0.20	0.24
Others	0.03	-
	<b>0.23</b>	<b>0.24</b>



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 26. Earnings/ (loss) per share (EPS)

	March 31, 2016	March 31, 2015
<b>Basic and diluted earnings per share</b>		
Profit/ (loss) after tax	13.50	(19.47)
Less: Preference dividend and tax thereon	(9.71)	(9.31)
Net Profit/ (loss) for calculation of basic and diluted EPS	3.79	(28.78)
Weighted average number of equity shares in calculating basic and diluted EPS	10,000,000	10,000,000
Basic and diluted* earnings/ (loss) per share of face value of Rs 10 each	3.79	(28.78)

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

### 27. 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 on departure. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

#### Net employee benefits expense recognised in the statement of profit and loss account:

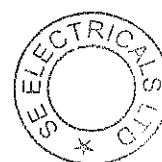
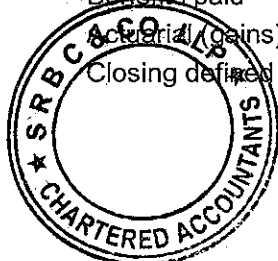
	March 31, 2016	March 31, 2015
Current service cost	0.14	0.13
Interest cost on benefit obligation	0.05	0.05
Expected return on plan assets	(0.08)	(0.08)
Net actuarial (gain)/ loss recognised in the year	0.29	0.14
Net benefit (income)/ expense	0.40	0.24

#### Details of defined benefit obligation

	March 31, 2016	March 31, 2015
Defined benefit obligation	1.09	0.77
Fair value of plan assets	0.98	0.94
Present value of unfunded obligations	0.11	(0.17)
Less: Unrecognised past service cost	-	-
Plan liability/(asset)	0.11	(0.17)

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	0.77	0.57
Interest cost	0.05	0.05
Current service cost	0.14	0.13
Acquisition cost/(credit)	0.12	-
Benefits paid	(0.29)	(0.12)
Actuarial (gains)/ losses on obligation	0.30	0.14
Closing defined benefit obligation	1.09	0.77



# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	0.94	0.97
Expected return	0.08	0.08
Acquisition adjustment	0.12	-
Contribution	0.11	
Benefits paid	(0.29)	(0.12)
Actuarial gains	0.02	0.01
Closing fair value of plan assets	0.98	0.94

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

	March 31, 2016	March 31, 2015
Investments in approved fund	100%	100%

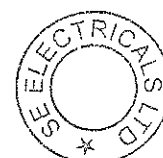
### Amounts for the current and previous periods are as follows:

	2016	2015	2014	2013	2012
Defined benefit obligation	(1.09)	(0.77)	(0.57)	(0.67)	(0.56)
Plan assets	0.98	0.94	0.97	0.88	0.58
Surplus/(deficit)	(0.11)	0.17	0.40	0.21	0.02
Experience adjustments on plan liabilities	0.30	(0.03)	0.21	0.14	(0.06)
Experience adjustments on plan assets	(0.02)	0.01	0.03	-	-

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

	March 31, 2016	March 31, 2015
Discount rate	7.90%	7.80%
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.



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 28. Segment information

#### Primary segment: Business segment

The Company's operations predominantly comprise of only one segment, components for wind turbine generators. In view of the same, separate segmental information is not required to be disclosed as per the requirements of Accounting Standard 17, (AS 17): Segment Reporting as notified by the Rules.

#### Secondary segment: Geographical segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- India
- United States of America
- Europe
- Australia
- South Africa
- Rest of World

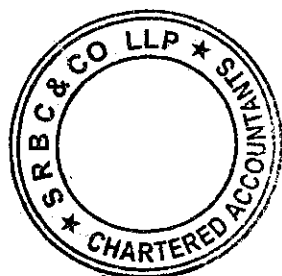
#### Secondary segment information

##### (a) Details of segment revenue

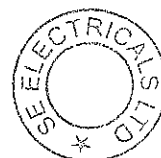
	March 31, 2016	March 31, 2015
India	333.00	142.14
South Africa	0.29	1.76
Europe	9.36	25.86
United States of America	1.80	2.86
Australia	0.66	0.11
Rest of World	0.12	0.91
<b>Total</b>	<b>345.23</b>	<b>173.64</b>

(b) Details of carrying amount of segment assets and costs incurred to acquire the fixed assets on the geographical base are as follows:

Territory	Period	Carrying value of the assets	Additions to fixed assets
India	Year ended March 31, 2016	299.92	0.22
	Year ended March 31, 2015	(290.17)	(0.19)
United States of America	Year ended March 31, 2016	74.00	-
	Year ended March 31, 2015	(119.18)	-
Europe	Year ended March 31, 2016	5.98	-
	Year ended March 31, 2015	(65.72)	-
Australia	Year ended March 31, 2016	37.32	-
	Year ended March 31, 2015	(34.20)	-
South Africa	Year ended March 31, 2016	0.18	-
	Year ended March 31, 2015	(22.96)	-
Rest of World	Year ended March 31, 2016	6.61	-
	Year ended March 31, 2015	(2.38)	-
<b>Total</b>	<b>Year ended March 31, 2016</b>	<b>424.01</b>	<b>0.22</b>
	<b>Year ended March 31, 2015</b>	<b>(534.61)</b>	<b>(0.19)</b>



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 29. Related party disclosures

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

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Holding company

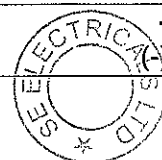
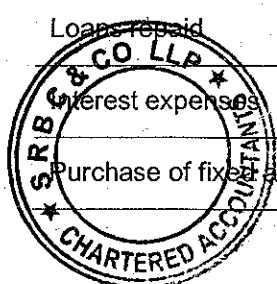
- b. Other related parties with whom transactions have taken place during the year :

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Wind International Limited	Fellow subsidiary
2	Suzlon Generators Limited	Fellow subsidiary
3	Suzlon Global Services Limited	Fellow subsidiary
4	Suzlon Gujarat Wind Park Limited	Fellow subsidiary
5	SE Forge Limited	Fellow subsidiary
6	Suzlon Wind Energy Corporation	Fellow subsidiary
7	Suzlon Energia Eolica do Brasil Ltda	Fellow subsidiary
8	Suzlon Energy B.V.	Fellow subsidiary
9	Suzlon Wind Energy South-Africa (PTY) Ltd	Fellow subsidiary
10	Servion SE	Fellow subsidiary*
11	Suzlon Energy Australia Pty Ltd	Fellow subsidiary
12	Suzlon Wind Energy Uruguay S.L.	Fellow subsidiary
13	Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Fellow subsidiary
14	Mr. Amarsinh A. Parmar	Key management personnel ("KMP")
15	Mr. Vinod R. Tanti	Key management personnel ("KMP")
16	Mr. Jitendra R. Tanti	Key management personnel ("KMP")
17	Mr. Ranjitsinh A. Parmar	Relative of key management personnel ("RKMP")
18	Mr. Vaidhyanathan Raghuraman	Key management personnel ("KMP")
19	Mr. Venkataraman Subramaniam	Key management personnel ("KMP")
20	Aspen Infrastructures Limited	Entities where KMP have significant influence
21	SE Freight & Logistics India Pvt. Ltd	Entities where KMP have significant influence
22	Suzlon Foundation	Entities where KMP have significant influence

\* Ceased to be subsidiary w.e.f. April 29, 2015.

- c. Transactions between the Company and the related party and the status of outstanding balances :

Particulars	Holding company	Fellow subsidiary	KMP/ RKMP	Entities where KMP has significant influence	Employee funds
Sale of goods and services	303.80 (104.98)	31.42 (65.73)	- (-)	- (-)	- (-)
Purchase of goods and services	0.02 (0.56)	19.04 (1.39)	- (-)	3.06 (2.68)	- (-)
Loans received	627.01 (153.15)	- (-)	- (-)	- (-)	- (-)
Loans repaid	725.68 (221.99)	- (-)	- (-)	- (-)	- (-)
Interest expenses	22.77 (24.89)	- (-)	- (-)	- (-)	- (-)
Purchase of fixed assets	- (0.04)	- (-)	- (-)	- (-)	- (-)



# SE Electricals Limited

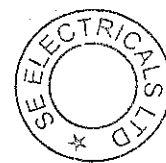
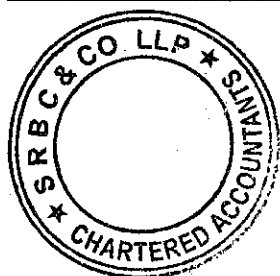
## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

Particulars	Holding company	Fellow subsidiary	KMP/ RKMP	Entities where KMP has significant influence	Employee funds
Operations and maintenance	- (-)	0.23 (0.22)	- (-)	- (-)	- (-)
Land lease rent	0.60 (0.60)	- (-)	0.23 (0.25)	- (-)	- (-)
Facility management charges	- (-)	- (-)	- (-)	1.01 (1.01)	- (-)
Electricity charges	- (-)	- (-)	- (-)	1.96 (1.30)	- (-)
Contribution to gratuity funds	- (-)	- (-)	- (-)	0.11 (-)	- (-)
Other charges, including water expenses	- (-)	- (-)	- (-)	0.26 (0.11)	- (-)
Deposit paid	- (-)	- (-)	- (-)	0.02 (0.09)	- (-)
Testing charges	- (-)	0.05 (0.02)	- (-)	- (-)	- (-)
Advance paid	- (-)	- (-)	- (-)	2.39 (-)	- (-)
Corporate social welfare expenses	- (-)	- (-)	- (-)	0.11 (-)	- (-)

### Outstanding balances

Particulars	Holding company	Fellow subsidiary	Entities where KMP has significant influence	Employee funds
Trade receivables	45.75 (39.28)	125.89 (289.37)	0.25 (0.25)	- (-)
Preference share capital	85.90 (85.90)	- (-)	- (-)	- (-)
Unsecured loan	144.32 (220.21)	- (-)	- (-)	- (-)
Security deposits given	- (-)	- (-)	4.28 (4.26)	- (-)
Advance from customers	- (-)	- (22.85)	- (-)	- (-)
Advance to suppliers/ fund	- (-)	- (-)	2.19 (-)	0.03 (0.04)
Trade payables	3.17 (8.06)	28.90 (11.53)	1.11 (3.91)	- (-)



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### d. Disclosure of significant transactions with related parties

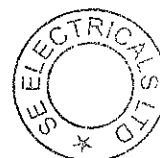
Type of the transaction	Type of relationship	Name of the entity/person	March 31, 2016	March 31, 2015
Sale of goods and services	Fellow subsidiary	Suzlon Wind International Limited	5.52	10.87
	Fellow subsidiary	Suzlon Wind Energy South Africa Pty Ltd	0.29	1.76
	Fellow subsidiary	Suzlon Energy B.V.	0.00*	9.34
	Fellow subsidiary	Suzlon Energy A/s.	4.41	-
	Fellow subsidiary	Suzlon Wind Energy Corporation	1.59	1.93
	Fellow subsidiary	Suzlon Global Services Limited	17.44	19.55
	Fellow subsidiary	Senvion SE	0.68	16.52
Purchase of goods and services	Fellow subsidiary	Suzlon Wind International Limited	0.00*	0.97
	Fellow subsidiary	Suzlon Generators Limited	19.03	0.30
	Entities where KMP has significant influence	SE Freight & Logistics India Pvt. Ltd	3.06	2.68
Operations and maintenance	Fellow subsidiary	Suzlon Global Services Limited	0.23	0.22
Facility management charges	Entities where KMP has significant influence	Aspen Infrastructure Limited	1.01	1.01
Electricity charges	Entities where KMP has significant influence	Aspen Infrastructure Limited	1.96	1.30
Other charges, including water expenses	Entities where KMP has significant influence	Aspen Infrastructure Limited	0.26	0.11
Land lease rent	RKMP	Ranjitsinh A. Parmar	0.23	0.25
Corporate social welfare expenses	Entities where KMP has significant influence	Suzlon Foundation	0.11	-
Contribution to gratuity funds	Entities where KMP has significant influence	Employee fund gratuity scheme	0.11	-

Note: As there is only one holding company, significant transactions with the holding company have not been disclosed separately in the above table.

\* Less than Rs 0.01 Crore

### 30. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances is Rs 0.02 Crore (Rs 0.01 Crore).



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

### 31. Contingent liabilities

	March 31, 2016	March 31, 2015
Preference share dividend and tax thereon	66.84	57.13
Excise and service tax matters in appeal	See note (c) below	See note (c) below
Compensation in lieu of sacrifice	refer Note 5	refer Note 5
Dues related to MSMED Enterprises (refer Note 33)	7.55	5.90

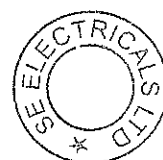
- a) The Company has stood as co-borrower for loans granted to the Company and its fellow subsidiaries for which certain securities are provided, the amount of which is not ascertainable.
- b) The Company along with other borrowers has provided securities to secure Stand-by Letter of Credit ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds and foreign currency loan issued/availed 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.
- c) It includes demand from tax authorities for various matters. The Company / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management. Below are the details of the same.

Name of the statute	Nature of the dues	Amount (in Rs Crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act 1994	Service tax input credit on travelling and catering services	0.08	2007-08 to 2009-10	Customs Excise & Service Tax Appellate Tribunal

### 32. Derivative instruments and unhedged foreign currency exposure

- a. There are no outstanding derivative instruments as at balance sheet date.
- b. Particulars of unhedged foreign currency exposure as at the balance sheet dates are:

	March 31, 2016	March 31, 2015
Trade payables	46.22	14.29
Advances to suppliers	8.42	-
Loans payable	21.94	7.32
Trade receivables	131.11	248.19
Advance from customers	7.89	22.85



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

Sl. No.	Particulars	March 31, 2016	March 31, 2015
1	Principal amount remaining unpaid to any supplier as at the end of the year	5.83	1.21
2	Interest due on the above amount	0.04	0.01
3	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	-	-
4	Amounts of payment made to the suppliers beyond the appointed day during the year	16.33	11.74
5	Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	-	-
6	Amount of interest accrued and remaining unpaid at the end of the year*	-	-
7	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	7.55	5.90

\* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 amounting Rs 7.55 Crore (Rs 5.90 Crore) is not accrued in the books of accounts.

### 34. Disclosure required under Sec 186(4) of the Companies Act, 2013:

For details of Securities given refer Note 9(a).

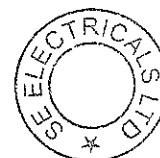
### 35. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013

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

	March 31, 2016	March 31, 2015
Raw materials	98.09	32.58
Stores and spares	0.75	0.02
	<u>98.84</u>	<u>32.60</u>

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

	March 31, 2016	March 31, 2015
Freight outward	0.01	-
Foreign travel	0.14	0.03
Interest and bank charges	0.35	0.22
Repairs and maintenance	-	0.03
R&D expenses	0.27	0.13
Exhibition expenses	0.12	-
	<u>0.89</u>	<u>0.41</u>



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# SE Electricals Limited

## Notes to the financial statements for the year ended March 31, 2016

All amounts in Rupees Crore, unless otherwise stated

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

	Raw materials and components				Stores and spares			
	March 31, 2016		March 31, 2015		March 31, 2016		March 31, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	91.84	33%	39.85	34%	0.08	2%	0.16	6%
Indigenous	191.93	67%	76.54	66%	5.18	98%	2.47	94%
	<b>283.77</b>	<b>100%</b>	<b>116.39</b>	<b>100%</b>	<b>5.26</b>	<b>100%</b>	<b>2.63</b>	<b>100%</b>

### d. Earnings in foreign currency (accrual basis)

	March 31, 2016	March 31, 2015
FOB value of exports*	8.96	41.65

\* FOB value of sales excludes sales to SEZ units denominated in Indian Rupees, aggregating Rs 5.46 Crore (Rs 10.87 Crore).

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

As per our report of even date

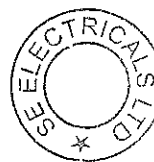
For S R B C & Co LLP  
Chartered Accountants  
ICAI Firm Registration number:  
324982E/E300003

per Paul Alvares  
Partner  
Membership No. 105754



For and on behalf of the Board of Directors of  
SE Electricals Limited

Amarsinh A. Parmar  
Managing Director  
DIN : 00028602



Vinod R. Tanti  
Director  
DIN : 00002266

SSK ahalikar

Sharvari A. Deshpande  
Company secretary  
Membership No. : A19936

Sanjay Agrawal  
Chief Financial Officer  
Membership No. : 057189

Place : Pune

Date : June 14, 2016

Place: Pune

Date : June 14, 2016