

Independent Auditors' Report

To
The Members of Suzlon Structures Limited

1. Report on Financial Statements

We have audited the accompanying Financial Statements of Suzlon Structures Limited ('the Company') which comprise the Balance-sheet as at 31st March, 2016, Statement of Profit and Loss and the Cash flow Statement for the year then ended and a summary of Significant Accounting Policies and Other Explanatory Information.

2. Management's Responsibility for the Financial Statements

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

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



Mumbai :
303, Konark Shram, 156, Tardeo Road,
Mumbai Central, Mumbai-400 034,
☎ (91) (22) 31921942 -3

Pune :
E-2-B, 4th Floor, The Fifth Avenue,
Dhole Patil Road, Pune - 411001
☎ (91) (20) 32549007 -8

Surat :
'SNK House', 31-A, Adarsh Society,
Athwalines, Surat-395 001
☎ (91) (261) 2656273 -4, 3299540 -7

Ahmedabad :
304, Super Plaza, Sandesh Press,
Road, Vasrapur, Ahmedabad-380 054
☎ (91) (79) 40032950

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

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

5. Report of the Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.

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

- i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- II. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;



iii. The Balance Sheet, the Statement of Profit & Loss and the Cash Flow dealt with by this report are in agreement with the books of account;

iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

v. On the basis of the written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act; and

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

- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.

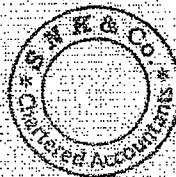
Firm registration no.:109176W

Chartered Accountants

Per Sanjay Kapadia

Partner

Membership No.:38292



Place: Pune

Date: May 29, 2016

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2016, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

(c) The title deeds of immovable properties are held in the name of the company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, Firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions 3(iii) (a) to (b) of the Order, is not applicable to the company and hence not commented upon.

iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and securities.

(v) The company has not accepted any deposits as per the directive issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder. Accordingly the provisions 3 (v) of the Companies (Auditor's Report) Order, 2015 is not applicable to the company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2016 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess payable on account of any dispute.

(viii) Based on our audit procedures and as per the information and explanations given by the management, the Company has not delayed in repayment of dues to banks

(ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments). The company has applied the term loans for the purposes for which those are raised.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

(xi) Based on the information and explanations given to us by the management, no managerial remuneration is paid or provided by the company. Accordingly, paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

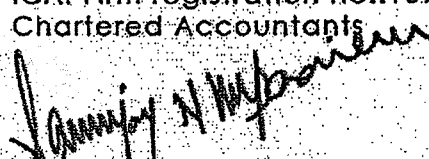


(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For SNK & Co.
ICAI Firm registration no.:109176W
Chartered Accountants


per Sanjay Kapadia
Partner
Membership No.:38292



Place: Pune
Date: May 29, 2016

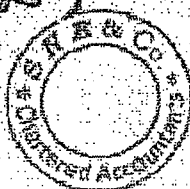
Suzlon Structures Limited
Balance Sheet as at March 31, 2016
All amounts in Rupees Lacs, unless otherwise stated

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholders' funds			
(i) Share capital	7	3,938.68	2,938.68
(ii) Reserves and surplus	8	93,754.22	1,889.85
		<u>97,690.90</u>	<u>4,828.53</u>
Non-current liabilities			
(i) Long-term borrowings	9	-	555.68
(ii) Long-term provisions	10	224.18	290.04
		<u>224.18</u>	<u>845.72</u>
Current liabilities			
(i) Short-term borrowings	11	8,521.62	4,651.65
(ii) Trade payables	12	5,135.71	3,267.30
(iii) Other current liabilities	12	213.43	208.31
(iv) Short-term provisions	10	68.56	55.21
		<u>13,937.33</u>	<u>8,182.47</u>
Total		<u>111,852.41</u>	<u>13,854.72</u>
Assets			
Non-current assets			
(i) Fixed assets	13		
(a) Tangible assets		2,614.15	2,879.81
(b) Capital work-in-progress		225.73	25.06
(ii) Non-current investments	14	84,676.74	0.20
(iii) Loans and advances	15	99.48	89.51
(iv) Other non-current assets	16	325.09	325.07
		<u>87,941.19</u>	<u>3,329.65</u>
Current assets			
(i) Inventories	17	6,958.54	6,544.80
(ii) Trade receivables	16	6,368.67	3,713.75
(iii) Cash and bank balances	18	271.37	6.41
(iv) Loans and advances	15	269.41	224.43
(v) Other current assets	19	25.21	31.58
		<u>13,911.20</u>	<u>10,625.07</u>
Total		<u>111,852.40</u>	<u>13,854.72</u>
Summary of significant accounting policies			
	3		

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

As per our report of even date

For SNK & Co.
Firm Registration number: 100170/M
Sanjay K. Kapadia
Partner
Membership No.: 38292



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

Vinod R. Tanti
Director
Din: 0002266

Ranjitsinh A. Parmar
Director
Din: 0002613

Retal Kapadia
Chief Financial Officer
Membership No: F45137

Place: Mumbai
Date: May 28, 2016

Place: Mumbai
Date: May 28, 2016

Suzlon Structures Limited
Statement of profit and loss for the year ended March 31, 2016
All amounts in Rupees Lacs, unless otherwise stated

Particulars	Notes	March 31, 2016	March 31, 2015
Income			
Revenue from operations	19	24,358.93	15,245.05
Other operating income		229.07	17.76
		24,587.99	15,262.81
Expenses			
Cost of raw materials and components consumed	20	16,716.32	14,030.89
Purchases of stock-in-trade	20	375.79	187.44
(Increase)/decrease in inventories of finished goods, work-in-progress and stock in trade	20	2,148.36	(2,877.91)
Employee benefits expense	21	1,401.59	1,080.37
Other expenses	22	2,899.23	1,904.23
		23,543.29	14,305.02
Earnings/(loss) before interest, tax and depreciation (EBITDA)		1,044.71	957.79
Depreciation / amortisation	13	413.68	508.11
Earnings/ (loss) before interest and tax (EBIT)		631.02	451.68
Finance costs	23	603.38	651.79
Finance income	24	52.94	58.82
Profit/(loss) before tax		80.60	(143.19)
Tax expense:			
Current tax		16.50	-
MAT credit entitlement		(15.50)	-
Earlier years tax		(0.77)	(5.21)
Profit/ (loss) after tax		81.37	(137.98)
Earnings/ (loss) per equity share:			
- Basic and diluted [Nominal value of share Rs 10 (Rs 10)]		(0.08)	(1.20)

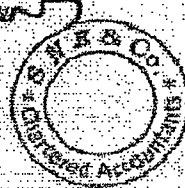
Summary of significant accounting policies

3

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

As per our report of even date

For SNK & Co.
Firm Registration number : 1001763
Chartered Accountants
Partner
Membership No. : 38292



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

Vinod R. Tani
Director
Din: 00002266

Ranjitkumar A. Panna
Director
Din: 00002613

Hetal Kapadia
Chief Financial Officer
Membership No: F45137

Place: Mumbai
Date: May 29, 2016

Place: Mumbai
Date: May 29, 2016

Suzlon Structures Limited
Cash flow statement for the year ended March 31, 2016
All amounts in Rupees Lacs, unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit/(loss) before tax	80.60	(143.19)
Adjustments for:		
Depreciation / amortisation	413.68	506.11
Profit/(loss) on assets sold / disposed, net	-	3.17
Interest expenses	544.44	548.43
Interest income	(52.84)	(56.92)
Exchange differences, net	(0.47)	1.30
Operating profit / (loss) before working capital changes	985.32	956.89
Movements in working capital		
Decrease / (increase) in inventories	(411.54)	(2,236.26)
Decrease / (increase) in sundry debtors	(2,672.52)	2,139.62
Decrease / (increase) in loans and advances	(44.96)	(106.82)
Decrease / (increase) in other current assets	6.70	(7.71)
(Decrease) / increase in current liabilities and provisions	1,878.43	506.13
Cash (used in) / generated from operating activities	(260.06)	1,351.84
Direct taxes paid (net of refunds)	0.77	(3.29)
Net cash (used in) / generated from operating activities	(269.29)	1,348.55
Cash flow from investing activities		
Investments in subsidiaries	(84,676.54)	-
Payment for purchase of fixed assets	(349.00)	(938.08)
Reduction in fixed assets	-	772.68
Interest received	53.58	60.26
Net cash (used in) / generated from investing activities	(84,971.96)	(103.13)
Cash flow from financing activities		
Proceeds from issuance of share capital including premium	92,783.00	-
Repayment of long term borrowings	(614.62)	(1,630.26)
Proceeds / (repayment) from short term borrowings, net	3,669.88	(249.67)
Interest paid	(544.44)	(548.43)
Net cash (used in) / generated from financing activities	95,493.91	(2,528.35)
Net increase in cash and cash equivalents (A+B+C)	262.67	(1,280.94)
Cash and cash equivalents at the beginning of year	333.41	1,614.38
Cash and cash equivalents at the end of year	696.37	333.41

Components of cash and cash equivalents	As at March 31, 2016	As at March 31, 2015
Cash on hand	1.39	1.42
Balances with banks	594.98	331.99
	696.37	333.41

Summary of significant accounting policies

Notes

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

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

As per our report of even date

For ENK & Co.
Firm Registration number : 10017534

Dr. Ganjay K. Kedia
Partner
Membership No. : 88292



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

Vinod R. Tanti
Director
Din: 00002268

Ranjit A. Patil
Director
Din: 00002613

Hetal Kedia
Chief Financial Officer
Membership No: F45127

Place: Mumbai
Date: May 29, 2016

Place: Mumbai
Date: May 26, 2016

Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

1. Corporate information

Suzlon Structures Limited ('SSL' or the 'Company') having CIN: U27109GJ2004PLC044170 is a subsidiary of Suzlon Energy Limited, a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the manufacture of fabricated structural products of Iron and Steel (Tubular towers for wind turbine generators).

During the year, the Company has amended its object clause and may carry additional business in India and abroad activities pertaining to designing and manufacturing of various components used for renewable and green energy sector, operation & maintenance and infrastructure development with respect to conventional and non-conventional power projects and selling up of independent power projects and related, incidental and ancillary activities in future.

2. Basis of preparation

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

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

3. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosures of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

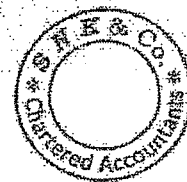
b. Tangible fixed assets

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

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

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

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



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

c. Depreciation on tangible fixed assets

Depreciation on tangible fixed asset is calculated on the written down value method (WDV) using the rates arrived at, based on the useful lives estimated by the management.

The Company has used the following useful lives to provide depreciation on its tangible assets:

Type of asset	Useful lives (years)
Office building	58
Factory building	28
Plant and machinery	15
Wind farm plant and machinery	22
Computers	03
Office equipment	05
Furniture and fixtures	10
Motor car and others	10

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

Leasehold land is amortized on a straight line basis over the period of lease i.e. up to 99 years depending upon the period of lease

d. Operating leases

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

e. Borrowing costs

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

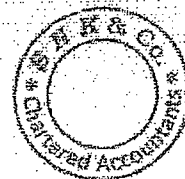
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period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

f. Investments

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

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

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.



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

g. Inventories

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

h. Revenue recognition

Revenue comprises sale of fabricated structural products of Iron and Steel, income from wind power generation, job work charges, interest income and dividend 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.

Sales

Sale of individual fabricated structural product of Iron and steel, are recognised in the statement of profit and loss account 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 provided that the income can reliably be measured and is expected to be received.

Interest Income

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

Dividend Income

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

i. Foreign currency transactions

i. Initial recognition

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

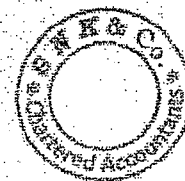
ii. Conversion

Foreign currency monetary items are 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 related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

the asset. For this purpose, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

2. Exchange differences arising on other 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.
3. All other exchange differences are recognized as income or as expense in the period in which they arise.

In case of exchange differences adjusted to the cost of fixed assets or arising on long-term foreign currency monetary items, the Company does not consider exchange difference as an adjustment to the interest cost.

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

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

j. Retirement and other employee benefits

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

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

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

k. Taxes on income

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

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In situations, where the Company has unabsorbed depreciation or carry forward of 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 respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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.

I. 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



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

m. 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 estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

n. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

Contingent assets are not recognised or disclosed.

o. Cash and cash equivalents

Cash and cash equivalents 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.

p. Measurement of EBITDA and EBIT

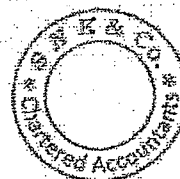
The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line items on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and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

The key features of the CDR package are as follows:

- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment terms of which are in similar to that of RTL with enabling mandatory prepayment obligations on realisation of proceeds from certain asset sale and capital infusion.



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

- 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.
- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in 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/CDDs 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 the provisions of the Companies Act, 2013 and / or the SEBI (ICDR) Regulations, 2009, if so required 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 Borrowers 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, 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 Borrowers is contingent upon the exit by the Borrowers which is inter-alia dependent upon various factors such as improved financial performance, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date, if required by CDR lenders. In case of CDR lenders who have exercised the right for issuance of equity shares, the cost is amortized over the period of sacrifice. 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 demerger and amalgamation

The Board of Directors of the Company, in the meeting held on April 27, 2016 have approved the amalgamation of Suzlon Global Services Limited with the Company. The proposed Scheme is yet to be filed with the Honourable High Court of Gujarat for approval and the Company shall duly follow the directions of the Honourable High Court of Gujarat. The merger, if approved, shall have an



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

impact on the financial statements of SSL for the financial year ending March 31, 2016. However, pending the approval of the Honourable High Court of Gujarat and directions thereon, the company is not in a position to quantify the impact of the amalgamation. The amalgamation shall be in compliance with the provisions of Section 391-Section 394 of the Companies Act, 1956.

Additionally, the Board of Directors of the Company, have also approved the de-merger of tubular tower division of the Company into SEL, being its sole shareholder. The said de-merger 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. The said de-merger, will however have no impact on the financial results for the financial year ending March 31, 2016.

7. Share capital

Authorised share capital

	March 31, 2016	March 31, 2015
35,000,000 (20,000,000) equity shares of Rs 10/- each	3,500.00	2,000.00
1,000,000 (1,000,000) preference shares of Rs 100/- each	1,000.00	1,000.00
	<u>4,500.00</u>	<u>3,000.00</u>

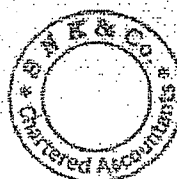
During the year, the Company has increased its authorised share capital from Rs 3,000 Lacs to Rs 4,500 Lacs divided into 350 Lacs equity share of Rs 10 each and 10 Lacs preference shares of Rs 100/- each.

Issued, subscribed and fully paid-up shares

	March 31, 2016	March 31, 2015
29,366,800 (19,366,800) equity shares of Rs 10/- each fully paid	2,936.68	1,936.68
1,000,000 (1,000,000) 8% redeemable cumulative preference shares of Rs 100/- each fully paid	1,000.00	1,000.00
	<u>3,936.68</u>	<u>2,936.68</u>

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

	March 31, 2016		March 31, 2015	
	No. Lacs	Rs in Lacs	No. Lacs	Rs in Lacs
Equity shares				
At the beginning of the year	193.67	1,936.68	193.67	1,936.68
Issued during the year	100.00	1,000.00	-	-
Outstanding at the end of the year	<u>293.67</u>	<u>2,936.68</u>	<u>193.67</u>	<u>1,936.68</u>
Preference shares				
At the beginning of the year	10.00	1,000.00	10.00	1,000.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>10.00</u>	<u>1,000.00</u>	<u>10.00</u>	<u>1,000.00</u>



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

b. Terms/rights attached to equity shares

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

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

c. Terms of preference shares

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

d. Shares held by holding and ultimate holding company

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

	March 31, 2016	March 31, 2015
Suzlon Energy Limited, the holding company		
29,366,800 (14,524,600) equity shares of Rs 10 each fully paid	2,936.68	1,452.46
1,000,000 (750,000) preference shares of Rs 100 each fully paid	1,000.00	750.00
	3,936.68	2,202.46

During the year under review, the Company has issued 100 Lacs equity shares of Rs 10 each to Suzlon Energy Limited, a holding company for consideration other than cash.

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

	March 31, 2016		March 31, 2015	
	Numbers in Lac	% holding in class	Numbers in Lac	% holding in class
Equity shares of Rs 10/- each fully paid				
Suzlon Energy Limited, holding company	293.67	100.00%	145.25	75.00%
Kalthia Investment Private Limited	-	-	46.30	23.91%
Preference shares of Rs 10/- each fully paid up				
Suzlon Energy Limited, holding company	10.00	100.00%	7.50	75.00%
Ritu Kalpesh Kalthia	-	-	2.20	22.03%



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

8. Reserves and surplus

	March 31, 2016	March 31, 2015
a. Securities premium account	92,219.68	436.68
b. General reserve	175.00	175.00
c. Statement of profit and loss		
As per last balance sheet	1,278.17	1,416.15
Add : Profit/ (loss) for the year	81.37	(137.98)
Net surplus in the statement of profit and loss	1,359.54	1,278.17
Total	93,754.22	1,889.85

During the year, the Company had purchased 98% equity stake of Suzlon Global Services Limited from Suzlon Energy Limited, holding Company at a consideration of Rs 92,783.00 Lacs. The Company has issued 100 Lacs equity shares of Rs 10/- each at a premium of Rs 917.83/- per equity share.

9. Long-term borrowings

	March 31, 2016	March 31, 2015
a. Secured		
Term loan from banks	-	555.68
Total	-	555.68

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

- In case of financial facilities from CDR lenders in accordance with MRA, RTL of Rs Nil (Rs 614.62 Lacs) of which Rs Nil (Rs 555.68 Lacs) classified as long-term borrowings and Rs Nil (Rs 58.94 Lacs) classified as current maturities of long-term borrowings. Fund based working capital facilities of Rs 8,494.01 Lacs (Rs 4,640.05 Lacs), and non-fund based working capital facilities are secured by first pari-passu charge on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account (TRA) and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 8 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius (SELM) held by SEL, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.

In addition to above, the loans outstanding as on March 31, 2015, were secured by pledge of shares of certain overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares and guarantee are cede from the charge.

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



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

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

Particulars	Up to 1 Year	2 to 5 Years	Beyond 5 years
Term loans from banks	(58.94)	(265.76)	(289.92)

10. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	224.18	290.04	66.56	55.21
Total	224.18	290.04	66.56	55.21

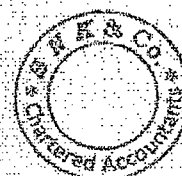
11. Short-term borrowings

	March 31, 2016	March 31, 2015
i. Working capital loan from banks (secured)	8,494.01	4,640.05
ii. Loans and advances from related parties (unsecured)	27.61	11.60
Total	8,521.62	4,651.65

For security please refer note 9 (i) – Secured term loans. The cash credit is repayable on demand and carries interest @ 11% p.a.

12. Trade payables and other current liabilities

	March 31, 2016	March 31, 2015
Trade payables		
Dues to micro, small and medium enterprises	323.32	26.65
Dues to others	4,812.39	3,240.65
Total	5,135.71	3,267.30
Other liabilities		
Current maturities of long-term borrowings	-	58.95
Other payables	185.33	181.46
Statutory dues	22.29	16.10
Advances from customers	5.82	1.80
Total	213.43	208.31



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

13. Fixed assets

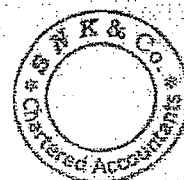
Assets	Gross block			Depreciation / amortisation				Net block	
	As at April 01, 2015	Additions	Deductions/ Adjustments	As at March 31, 2016	As at April 01, 2015	For the year	Deductions/ Adjustments	As at March 31, 2016	As at March 31, 2015
Tangible assets									
Freehold land	127.19	23.30	-	150.49	-	-	-	150.49	127.19
Leasehold land	34.47	-	-	34.47	5.99	1.68	-	7.67	28.48
Buildings	2,233.65	-	-	2,233.65	1,421.61	81.20	-	1,502.81	730.84
Plant and machinery	6,488.85	88.69	-	6,577.54	5,513.98	166.79	-	5,680.77	896.77
Vindhyana plant and machinery	1,709.85	-	-	1,709.85	788.20	148.88	-	934.88	774.97
Computers	29.62	19.14	-	48.66	29.24	8.55	-	34.79	13.87
Office equipments	52.53	5.59	-	58.12	47.91	5.25	-	53.16	4.86
Furniture and fixtures	64.52	11.31	-	75.83	54.98	5.50	-	60.48	15.35
Vehicles	1.53	-	-	1.53	1.39	0.04	-	1.43	0.14
Total	10,742.04	148.03	-	10,890.04	7,862.30	413.63	-	8,275.99	2,814.15
Previous year:	9,853.09	828.66	38.64	10,742.11	7,392.00	505.10	35.80	7,862.30	2,879.81

14. Investments

	Non-current investments	
	March 31, 2016	March 31, 2015
Non-trade investments (valued at cost unless stated otherwise)		
Investments in Government or trust securities (unquoted)	0.20	0.20
Trade investments in companies		
100,049,940 equity shares of Rs 10 each of Suzlon Global Services Limited.	94,676.54	-
Total	94,676.74	0.20
 Aggregate amount of unquoted investments	 94,676.74	 0.20

15. Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good				
Security deposits (a)	77.52	77.54	100.95	0.40
Advances recoverable in cash or in kind (b)	-	-	31.69	72.00
Other loans and advances	-	-	13.02	9.99
Prepaid expenses	-	-	123.75	142.04
Balances with government/ statutory authorities	21.96	21.96	-	-
(c)	21.96	21.96	136.77	152.03
Total (a+b+c)	99.48	99.50	269.41	224.43



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

16. Trade receivables and other assets

16.1 Trade receivables

	Current	
	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from due date	24.01	1.76
Other receivable	6,364.66	3,713.99
Total	6,388.67	3,715.75

Trade receivables include:

	Current	
	March 31, 2016	March 31, 2015
Dues from Suzlon Energy Ltd, holding company	6,363.61	3,703.64
Dues from Suzlon Global Services Limited, subsidiary company	-	2.05
Dues from Suzlon Gujarat Wind park Limited, related party	0.56	1.77

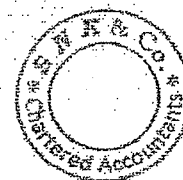
16.2 Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Unsecured, considered good unless stated otherwise				
Non-current bank balances*	325.00	325.00	-	-
Interest accrued on fixed deposits	-	-	13.84	14.58
Interest accrued on investments	0.09	0.07	-	-
Others	-	-	11.37	17.00
Total	325.09	325.07	25.21	31.58

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

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

	March 31, 2016	March 31, 2015
Raw materials (including goods in transit of Rs Nil ((Rs Nil)	4,137.32	1,743.27
Consumables	221.02	125.13
Stores & spares	298.01	240.25
Packing material	23.68	11.38
Semi-finished goods and work-in-progress	1,997.19	4,111.87
Finished goods	279.31	313.00
Total	6,956.54	6,544.90



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

18. Cash and bank balances

	March 31, 2016	March 31, 2015
Balance with banks in current accounts	269.98	6.99
Cash on hand	1.39	1.42
Total	271.37	8.41

19. Revenue from operations

	March 31, 2016	March 31, 2015
Sale of manufactured goods	23,220.78	14,494.98
Trading sales	408.94	178.18
(a)	23,629.72	14,673.16
Other operating revenue		
Scrap sales	505.03	271.63
Power generation	224.17	300.26
(b)	729.20	571.89
Total	(a+b) 24,358.93	15,245.05

20. Cost of raw material and components consumed

	March 31, 2016	March 31, 2015
Consumption of raw materials (including project business)		
Opening inventory	1,743.27	2,394.83
Add: Purchases	19,112.37	13,379.33
	20,855.64	15,774.16
Less: Closing inventory	4,137.32	1,743.27
	16,718.32	14,030.89
Purchases of stock-in-trade	376.79	187.44
Increase/ decrease in inventories:		
Opening inventory		
Semi-finished goods and work-in-progress	4,111.87	698.09
Finished goods	313.00	848.87
(A)	4,424.87	1,546.96
Closing inventory		
Semi-finished goods and work-in-progress	1,997.19	4,111.87
Finished goods	279.31	313.00
(B)	2,276.51	4,424.87
(Increase)/ decrease in stocks	(C) = (A) - (B) 2,148.36	(2,877.91)



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

21. Employee benefit expense

	March 31, 2016	March 31, 2015
Salaries, wages, allowances and bonus	1,259.98	953.97
Contribution to provident and other funds	87.36	71.23
Staff welfare expenses	54.25	35.18
	<u>1,401.59</u>	<u>1,060.38</u>

22. Other expenses

	March 31, 2016	March 31, 2015
Stores and spares consumed	554.19	385.13
Power and fuel	363.93	273.33
Job work charges	666.59	346.80
Machinery hire charges	246.44	183.00
Testing charges	50.89	46.86
Insurance	31.72	29.82
Factory expenses	17.23	11.63
Repairs and maintenance:		
- Plant and machinery	314.61	140.33
- Building	95.76	62.81
- Others	13.75	9.86
Freight outward	9.98	-
Packing expenses	163.51	107.73
Travelling, conveyance and vehicle expenses	146.71	115.95
Legal and professional fees	26.98	21.56
Rent	4.17	17.32
Rates and taxes	3.43	21.33
Communication expenses	12.32	6.98
Auditors' remuneration and expenses (refer details below)	4.35	5.62
CSR, charity and donations	2.45	-
Other selling and administrative expenses	170.67	122.31
Exchange differences, net	(0.47)	1.30
(Profit) / loss on assets sold / discarded, net	-	(5.46)
	<u>2,899.23</u>	<u>1,904.22</u>

Payment to auditor :

	March 31, 2016	March 31, 2015
As auditor:		
Statutory audit fees	3.78	4.50
Tax audit fees	0.57	1.12
	<u>4.35</u>	<u>5.62</u>



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

23. Finance costs

	March 31, 2016	March 31, 2015
Interest		
Fixed loans	7.91	95.83
Others	536.53	550.59
Bank charges	58.92	0.91
Amortisation of ancillary borrowing costs	-	4.45
	<u>603.36</u>	<u>651.80</u>

24. Finance income

	March 31, 2016	March 31, 2015
Interest income		
From banks on fixed deposits	25.22	50.35
From others	27.72	6.57
	<u>52.94</u>	<u>56.92</u>

25. Earnings per share (EPS)

	March 31, 2016	March 31, 2015
Basic and diluted earnings per share		
Net profit/ (loss) after tax	81.37	(137.98)
Less : Preference dividend and tax thereon	96.28	93.60
Net profit/ (loss) attributable to equity shareholders	<u>(14.91)</u>	<u>(231.58)</u>
Weighted average number of equity shares	19,394,197	19,366,800
Basic and diluted earnings/(loss) per share of face value of Rs 10 each*	<u>(0.08)</u>	<u>(1.20)</u>

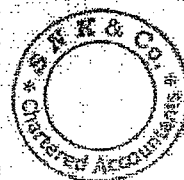
* Since the earnings/ (loss) per share computation list on diluted weighted average no. of shares is anti-diluted, the basic and diluted earnings/ (loss) per share is same.

26. Post employment benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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

	March 31, 2016	March 31, 2015
Current service cost	17.11	15.87
Interest cost on benefit obligation	8.71	8.07
Expected return on plan assets	(9.15)	(8.12)
Net actuarial (gain) / loss recognised in the year	<u>12.48</u>	<u>9.54</u>
Past service cost	-	-
Net benefit expense	<u>29.14</u>	<u>25.37</u>



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

Details of defined benefit obligation

	March 31, 2016	March 31, 2015
Defined benefit obligation (A)	144.87	116.66
Fair value of plan assets (B)	116.37	108.13
Present value of unfunded obligations (C=A-B)	28.50	8.53
Less: Unrecognised past service cost (D)	-	-
Plan liability/(asset) (E=C-D)	28.50	8.53

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	116.66	92.00
Interest cost	8.71	8.07
Current service cost	17.11	15.87
Benefits paid	(10.07)	(9.47)
Actuarial (gains)/losses on obligation	12.48	10.20
Closing defined benefit obligation	144.87	116.66

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	108.13	91.61
Expected return	9.15	8.11
Contributions by employer	9.18	17.22
Benefits paid	(10.07)	(9.47)
Actuarial gains / (losses)	0.00	0.66
Closing fair value of plan assets	116.37	108.13

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
Defined benefit obligation	(144.87)	(116.66)	(92.00)	(86.22)
Plan assets	116.37	108.13	91.61	81.08
Surplus/(deficit)	(28.50)	(8.53)	(0.39)	(5.14)
Experience adjustments on plan liabilities	14.11	(6.61)	(2.17)	0.74
Experience adjustments on plan assets	0.01	0.66	0.03	0.41
Actuarial gain/(loss) due to change on assumptions	0.00	10.20	10.87	(3.66)



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

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.

27. Operating leases

Premises

The Company has taken certain premises under cancellable operating leases. The total rental expense under cancellable operating leases during the period was Rs 4.17 Lacs (Rs 4.17 Lacs).

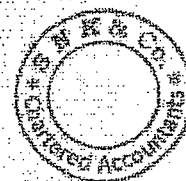
28. Segment information

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

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

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

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



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

Secondary segment information: (Business segments) :

Particulars	March 2016			March 2015		
	Tubular towers	Electricity	Total	Tubular Towers	Electricity	Total
Segment revenue	24,134.76	224.17	24,358.93	14,944.79	300.26	15,245.05
Segment result	353.20	48.76	401.96	355.03	78.88	433.91
Less : Un-allocable cost			321.36			577.10
Net profit/ (loss) before tax			80.60			(143.19)
Segment assets	16,373.90	801.77	17,175.67	12,932.87	921.65	13,854.52
Un-allocable asset			94,676.74			0.20
Capital expenditure incurred	356.11	-	356.11	68.45	867.61	936.06
Depreciation	265.32	148.36	413.68	309.23	196.88	506.11

29. Related party disclosures

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

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

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

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

i) Entities where key management personnel ('KMP') / relatives of key management personnel ('RKMP') has significant influence:

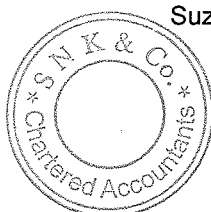
Synefra Engineering and Constructions Limited.

ii) Key Management Personnel (KMP)

Vinod R Tanti and Ranjitsinh Parmar

iii) Employee funds

Suzlon Structures Ltd. – Employee Group Gratuity Scheme.



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

c) Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2016:

Particulars	Holding company	Subsidiary	Fellow subsidiary	KMP	Entities where KMP / RKMP has significant influence	Employee funds
Sales (net of returns)	24,855.60 (15,150.96)	11.62 (14.09)	2.38 (2.43)	- (-)	- (-)	- (-)
Purchase of goods and services (including capital goods)	14,408.35 (11,681.30)	23.13 (-)	1428.91 (261.20)	- (-)	- (-)	- (-)
Interest received	20.77 (-)	(-) (-)	- (-)	- (-)	- (-)	- (-)
Interest paid	(11.60)	(-)	(-)	(-)	(-)	(-)
Loans/ deposits received	17,124.29 (1,713.95)	(-) (-)	- (-)	- (-)	- (-)	- (-)
Loans/ deposits paid	17,078.00 (1,775.98)	(-) (-)	- (-)	- (-)	- (-)	- (-)
Other expenses	5.46 (-)	(-) (20.07)	- (0.20)	- (-)	- (-)	- (-)

Outstanding balances:

Particulars	Holding company	Subsidiary	Fellow subsidiary	KMP	Entities where KMP / RKMP has significant influence	Employee funds
Trade payables	3,880.95 (689.71)	- (13.71)	- (190.26)	- (-)	- (-)	- (-)
Trade receivables	6,363.61 (3,703.64)	- (2.05)	0.66 (0.03)	- (-)	- (-)	- (-)
Unsecured loan	27.61 (11.60)	(-)	(-)	(-)	(-)	(-)
Corporate guarantees	5,527.00 (5,527.00)	- (-)	- (-)	- (-)	- (-)	- (-)

Disclosure of significant transactions with related parties:

Type of transaction	Type of relationship	Name of the entity	Year ended March 31,	
			2016	2015
Sales (net of returns)	Holding	Suzlon Energy Ltd.	24,855.60	15,150.96
	Subsidiary	Suzlon Global Services Ltd.	11.62	14.09
	Fellow subsidiary	Suzlon Gujarat Wind Park Ltd.	2.38	2.43
Purchase of goods and services (including capital goods)	Holding	Suzlon Energy Ltd.	14,408.35	11,681.30
	Subsidiary	Suzlon Global Services Ltd.	23.13	-
	Fellow subsidiary	SE Forge Ltd.	1,322.86	143.14



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

		Suzlon Gujarat Wind Park Ltd	0.40	118.06
		SE Electricals	3.03	-
		Suzlon Wind International Ltd.	103.52	-
Interest expense	Holding	Suzlon Energy Limited	-	11.60
Interest income			20.77	-
Unsecured loans	Holding	Suzlon Energy Limited	27.61	-

30. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances Rs 8.01 Lacs (Rs Nil).

31. Contingent liabilities

	March 31, 2016	March 31, 2015
Guarantees given on behalf of subsidiaries in respect of loans granted to them by banks/financial institutions	See note (a) below	See note (a) below
Bonds/ bank guarantee given under Duty Exemption Scheme	Nil	878.95
Claims against Company by employees	20.00	21.96
Preference shares dividend and tax thereon	770.24	653.94
Income-tax related matters	Nil	106.08
Compensation in lieu of sacrifice	Refer Note 5	Refer Note 5

- a) The Company has stood as co-guarantor for certain loans to holding company and fellow subsidiaries.
- b) The Company along with other borrowers has provided securities to secure Stand-by Letter of Facilities ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds 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.

32. Derivative instruments and un-hedged foreign currency exposure

There are no outstanding derivative instruments as at March 31, 2016 (March 31, 2015: Nil).
Particulars of un-hedged foreign currency exposure as at the balance sheet date:

	March 31, 2016	March 31, 2015
Current liabilities		6.73

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

Particulars	March 31, 2016	March 31, 2015
Principal amount remaining unpaid to any supplier as at the end of the year	323.32	26.65



Suzlon Structures Limited

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

All amounts in Rupees Lacs, unless otherwise stated

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

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

a. Value of imports calculated on CIF basis

	March 31, 2016	March 31, 2015
Stores and spares	19.70	9.30

b. Expenditure in foreign currency (accrual basis)

	March 31, 2016	March 31, 2015
Foreign travel	5.28	6.00

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

	Raw materials				Stores and spares			
	March 31, 2016		March 31, 2015		March 31, 2016		March 31, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	10.08	0.06	17.06	0.12	29.95	4.17	10.14	1.70
Indigenous	16,708.23	99.94	14,013.83	99.88	687.75	95.83	586.52	98.30
	16,718.32	100.00	14,030.89	100.00	717.70	100.00	596.66	100.00

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

As per our report of even date

For SNK & Co
Chartered Accountants
CAI Firm Registration number: 109176W
Per Sanjay Kapadia
Partner
Membership No: 38292



Place : Mumbai
Date : May 29, 2016

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

Minod R. Tanti
Director
DIN:00002266

Ranjitsinh A. Parmar
Director
DIN:00002613

Hetal Kapadia
Chief Financial Officer
Membership No: F45137

Place : Mumbai
Date : May 29, 2016