

Suzlon Wind Energy Limited

Financial Statements

31 March 2016

Company No. 05774256

Directors

T R Tanti
K Vagadia
Frans Visscher (appointed on 15 April 2015)

Secretary

TMF Nominees Limited
400 Capability Green
Luton
Bedfordshire
LU1 3AE

Auditors

Grant Thornton UK LLP
1020 Eskdale Road
Winkersley Wokingham
Berkshire
RG41 5TS

Bankers

Standard Chartered Bank
Clements House
27-28 Clements Lane
London
EC4N 7AP

Barclays Commercial Bank
State bank of India

Registered Office

19 Leyden Street
London
E1 7LE

Strategic report

The directors present their strategic report of the financial statements for the year ended 31 March 2016.

Principal activities and Review of the business

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

Principal risks and uncertainties

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

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

Key performance indicators

The Companies Act requires directors to disclose the company's Key Performance Indicators (KPI's). Given the nature of the Company the Directors believe the sole KPI to be the valuation of the Company's investments in subsidiaries. During the year, the Company has made the impairment provision of Euro 14 million on its investment in Tarlo Holding B.V. The Company had recorded an impairment of Euro 35 million and nil on its investment in AE Rotor Holding B.V. as of 31 March 2015 and 31 March 2016 respectively.

By order of the board

Frans Visscher

Director

Date: 23 Aug 2016



Directors' report

The directors present their report of the financial statements for the year ended 31 March 2016.

Directors

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

There have been no director appointments or resignations since 1 April 2015 except as listed on page 1.

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company is dependent upon financial support from the parent to continue its operations. The parent will subject to applicable law, endeavour to continue provide financial support to the Company to enable it to continue operations through up to 31st March 2017. Therefore, the financial statements continue to be prepared on a going concern basis.

On January 22, 2015, AE Rotor Holding B.V. a wholly owned subsidiary of the Company and its subsidiaries signed a binding agreement with Centerbridge Partners LP, USA to sell 100% stake in Senvion SE, for consideration of Euro 1,000 million and future earn out of up to Euro 50 Million. Post regulatory and customary clearance, the deal was concluded on April 29, 2015. Accordingly, the Company had recorded an impairment of Euro 35 million and Nil on its investment in AE Rotor Holding B.V. as of 31 March 2015 and 31 March 2016 respectively.

Directors' responsibility statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

Disclosure of information to the auditors

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

Auditors

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

By order of the board

Frans Visscher
Director



Date: 23 Aug 2016

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

We have audited the company financial statements of Suzlon Wind Energy Limited for the year ended 31 March 2016 which comprise the balance sheet, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andy Ka FCA (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Wokingham

Date: 24 August 2016

Profit and loss account

for the year ended 31 March 2016

	<i>Notes</i>	2016 €'000	2015 €'000
Turnover		-	-
Administrative expenses		(42)	(33)
Impairment	5	<u>(14,003)</u>	<u>(35,492)</u>
Operating loss	2	(14,045)	(35,525)
Interest receivable		-	-
Foreign exchange (loss)/ gain		(1)	1
Interest payable and similar charges		<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation		(14,046)	(35,524)
Tax	4	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(14,046)</u>	<u>(35,524)</u>

All activities relate to continuing operations.

Statement of comprehensive income

for the year ended 31 March 2016

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of € 14,046k in the year ended 31 March 2016 (2015-€35,524k).

Balance sheet

as at 31 March 2016
Company No. 05774256

	Notes	2016 €'000	2015 €'000
Fixed assets			
Investments	5	-	153,003
Current assets			
Cash at bank and in hand		<u>4</u>	<u>3</u>
Creditors: amounts falling due within one year	6	<u>123</u>	<u>79</u>
Net current liabilities		<u>(119)</u>	<u>(76)</u>
Total assets less current liabilities		<u>(119)</u>	<u>152,927</u>
Net assets / (liabilities)		<u>(119)</u>	<u>152,927</u>
Capital and reserves			
Called up share capital	7	813,303	955,966
Capital contribution reserve	8	234,368	234,368
Capital reduction reserve	8	3,663	-
Profit and loss account		<u>(1,051,453)</u>	<u>(1,037,407)</u>
Equity shareholders' funds		<u>(119)</u>	<u>152,927</u>

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

Frans Visscher
Director



Date: 23 Aug 2016

Statement of changes in equity

for the year ended 31 March 2016

	<i>Capital contribution reserve*</i> €000	<i>Share capital</i> €000	<i>Capital reduction reserve*</i> €000	<i>Profit and loss account</i> €000	<i>Total share- holders' funds</i> €000
Opening shareholders' funds and reserves	234,368	955,966	-	(1,037,407)	152,927
Reduction of share capital	-	(142,663)	3,663	-	(139,000)
Comprehensive loss for the year	-	-	-	(14,046)	(14,046)
Closing shareholders' funds and reserves	234,368	813,303	3,663	(1,051,453)	(119)

* Refer Note 8

Notes to the financial statements

for the year ended 31 March 2016

1. Accounting policies

The company is a private company limited by shares registered in England & Wales. Its registered address and registered number is shown on page 1.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. There were no transition adjustments.

The financial statements are presented in Euro (€). The directors of the Company have determined that the functional currency should be the Euro as the Company conducts most of its transactions in foreign currencies, the Company has chosen Euro as its functional and presentation currency. As on 31 March 2016, the exchange rate is Euro 1.2663/ GBP.

Basis of preparation

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company is dependent upon financial support from the parent to continue its operations. The parent will subject to applicable law, endeavour to continue provide financial support to the Company to enable it to continue operations through up to 31st March 2017. Therefore, the financial statements continue to be prepared on a going concern basis.

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 102.1.12. Therefore these financial statements do not include:

- A statement of cash flows and related notes
- Related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group

Foreign currencies

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

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

All differences are taken to the profit and loss account.

Investments

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

Notes to the financial statements

for the year ended 31 March 2016

Tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. The corporation tax rate for the current year was 20% (2015: 21%).

Exemption from preparing consolidated financial statements

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

2. Operating loss

This is stated after charging:

	2016 €'000	2015 €'000
Auditor's remuneration	11	14
	<u> </u>	<u> </u>

3. Directors and employees

The Company had no employees during the period (2015: Nil).

No directors received any emoluments from or in respect of the company (2015: Nil). Directors who served during the year are senior executives of Suzlon Energy Limited, India and received no remuneration for services to this company.

4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 €'000	2015 €'000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Under/(over)provision in prior years	-	-
	<u> </u>	<u> </u>

(b) Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK of 20% (2015–21%). The differences are explained below:

Notes to the financial statements

for the year ended 31 March 2016

	2016 €'000	2015 €'000
Loss on ordinary activities before tax	(14,046)	(35,524)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015:21%)	(2,809)	(7,460)
<i>Effects of:</i>		
Utilisation of tax losses	2,809	7,460
Group relief surrendered for nil consideration	-	-
Current tax for the year	-	-

5. Investments

	<i>Subsidiary undertakings €'000</i>
Cost:	
At 1 April 2015	153,003
Capital reduction during the year*	(139,000)
Impairment**	(14,003)
At 31 March 2016	-

* On the 7 May 2015, the board of directors of AE Rotor Holding B.V. (the Company's subsidiary) has approved for a capital reduction amounting to Euro 139 million. Accordingly, the cash was transferred to the Company on 19 May 2015.

** During the year, the Company has made an impairment provision of Euro 14 million on its investment in Tarilo Holding B.V. on account of negative equity/ net worth of Tarilo Holding B.V. as on 31 March 2016.

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

Company	Country of Incorporation	Shares held
AE Rotor Holding B V	Netherlands	99.46%
Tarilo Holding B V	Netherlands	100.00%

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

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

Notes to the financial statements

for the year ended 31 March 2016

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

6. Creditors: amounts falling due within one year

	2016 €'000	2015 €'000
Accruals	31	53
Loan from the subsidiary - AE Rotor Holding B V	92	26
	123	79
	123	79

7. Share capital

	2016 £'000	2015 £'000
Authorised		
1,200,000,000 (2015: 1,200,000,000) ordinary shares of £1 each	1,200,000	1,200,000
	1,200,000	1,200,000
	1,200,000	1,200,000
Allotted, issued and fully paid		
580,826,291 (2015: 682,710,041) ordinary shares of £1 each	813,303	955,966
	813,303	955,966
	813,303	955,966

On 7 May 2015, the board of directors of the Company passed a resolution to approve the capital reduction amounting to Euro 139 million (number of shares from 682,710,041 to 580,826,291). On 19 May 2015, the sole shareholder of the Company has passed the special resolution and approved the reduction of the share capital. Accordingly, the cash was transferred to the Holding Company on 19 May 2015. The Company has filed all the documents in this connection with the Companies House in compliance with the law.

Refer note 8 (capital reduction reserve).

8. Reserves

Capital contribution reserve

The Holding Company has made the capital contribution in earlier years. Capital contribution reserve is a distributable reserve and does not impact on percentage of holding of the Company.

Capital reduction reserve

During the year, the Company created capital reduction reserve in relation to the abovementioned transactions of capital reduction. The capital reduction reserve arises as the share capital of the Company is denominated in GBP while the functional currency of the Company is Euro. It is recorded at the difference between the historical exchange rate at which share capital is recorded in the books and the exchange rate as on the date of capital reduction.

9. Related party transactions

The Company has taken advantage of the exemption available under FRS102.1.12 not to disclose transactions with other members of the Suzlon Energy Limited group.

Notes to the financial statements

for the year ended 31 March 2016

10. Guarantees

The Company has a negative lien in favour of the 'Offshore Security Trustee' for all its shares in AE Rotor Holdings B.V as on 31 March 2016.

11. Ultimate parent undertaking and controlling party

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

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

