

**SUZLON ENERGY LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2017**

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**SUZLON ENERGY LIMITED**  
**MANAGEMENT AND ADMINISTRATION**

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1.

**DIRECTORS** : Mrs. Caryl Rey  
Mr. Tulsi Tulsibhai Ranchhodbhai Tanti  
Mr. Hilbert Jan Frans Visscher  
Mr. Neermalsingh Poonie  
Mr. Nimish Harendra Shah - alternate to Mr. Tulsi Tulsibhai Ranchhodbhai Tanti  
Mr Sanjay Baweja

**ADMINISTRATOR  
AND SECRETARY** : Navitas Management Services Ltd.  
Navitas House  
Robinson Lane  
Floreale  
Mauritius

**REGISTERED OFFICE** : C/o Navitas Management Services Ltd  
Navitas House  
Robinson Lane  
Floreale  
Mauritius

**AUDITORS** : Ernst & Young  
9th Floor  
NeXTeraCom Tower I  
Cybercity  
Ebene  
Mauritius

**BANKERS** : Barclays Bank Mauritius Limited  
1st Floor, Barclays House  
Cybercity  
Ebene  
Mauritius

: State Bank Of India  
London Main Branch  
15 King Street  
London EC2V 8EA

**SUZLON ENERGY LIMITED**  
**COMMENTARY OF DIRECTORS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

2.

The directors present the audited financial statements of Suzlon Energy Limited (the "Company") for the year ended 31 March 2017.

**PRINCIPAL ACTIVITY**

The Company was incorporated in Mauritius under the Companies Act 2001 on 17 March 2008 as a private domestic company with liability limited by shares. The Company has been converted to a Category 1 Global Business Licence Company on 12 May 2015.

The principal activity of the Company is that of an investment holding company engaged in projects involving in the use of non-conventional resources such as wind energy and wave energy.

**MEMBERS OF THE BOARD OF DIRECTORS**

Mrs. Caryl Rey  
Mr. Tulsit Tulsibhai Ranchhodhbhai Tanti  
Mr. Hilbert Jan Frans Visscher  
Mr. Neermalsingh Poonie  
Mr. Nimish Harehdra Shah - alternate to Mr. Tulsit Tulsibhai Ranchhodhbhai Tanti  
Mr. Sanjay Baweja

**RESULTS AND DIVIDENDS**

The Company's net gain for the year ended 31 March 2017 is EUR 33,194 (2016: Loss of EUR 63,708).

The directors do not recommend the payment of a dividend for the year under review (2016: Nil).

**DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the Company's statement of financial position at 31 March 2017 and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act 2001.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

**AUDITORS**

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Approved and authorised for issue by the Board of Directors on: 02.06.2017

NAME OF DIRECTOR

SIGNATURE

Frans HJ Visscher



Caryl Rey

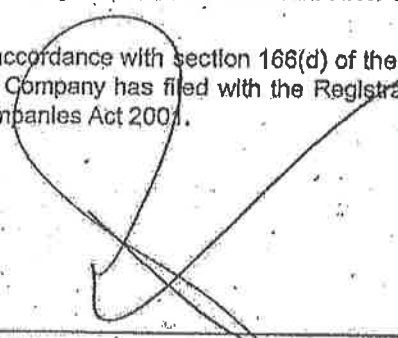


**SUZLON ENERGY LIMITED**  
**SECRETARY'S CERTIFICATE**  
**FOR THE YEAR ENDED 31 MARCH 2017**

3.

**Secretary's Certificate under section 166(d) of the Companies Act 2001**

In accordance with section 166(d) of the Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Companies Act 2001.



For and on behalf of  
**Navitas Management Services Ltd.**  
Secretary

Date: 05.08.2017.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUZLON ENERGY LIMITED

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Suzlon Energy Limited ("the Company") set out on pages 7 to 23, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

#### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Directors for the Financial Statements*

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SUZLON ENERGY LIMITED (CONTINUED)

#### Report on the Audit of the Financial Statements (Continued)

##### *Responsibilities of the Directors for the Financial Statements (Continued)*

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SUZLON ENERGY LIMITED (CONTINUED)**

**Report on the Audit of the Financial Statements (Continued)**

*Other matter*

This report is made solely for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. 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.

**Report on Other Legal and Regulatory Requirements**

*Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.


In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.



ERNST & YOUNG  
Ebène, Mauritius

02 AUG 2017

Date: .....



DARYL CSIZMADIA, C.A. (S.A).  
Licensed by FRC



**SUZLON ENERGY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

7.

	Note	2017	2016
		EUR	EUR
<b>Income</b>			
Other Income		50,000	-
		50,000	-
<b>Expenses</b>			
Directors' fees		(3,837)	(3,855)
Secretarial fees		-	(9,373)
Audit fees		(4,884)	(6,374)
Legal expenses		(477)	-
Licence fees		-	(230)
Consultancy fees		(4,511)	(35,127)
Bank charges		(2,029)	(1,364)
Insurance - other		-	(7,358)
Loss on foreign exchange		(1,068)	(117)
<b>Total expenses</b>		<b>(16,806)</b>	<b>(63,798)</b>
<b>Loss before taxation</b>		<b>33,194</b>	<b>(63,798)</b>
Taxation	8	-	-
<b>Profit/(loss) for the year</b>		<b>33,194</b>	<b>(63,798)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>33,194</b>	<b>(63,798)</b>

The notes on pages 11 to 23 form an integral part of these financial statements.  
Auditors' report on pages 4 to 6.

**SUZLON ENERGY LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

B.

	Note	2017 EUR	2016 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	8	6	1
		<u>6</u>	<u>1</u>
<b>Current assets</b>			
Prepayments		1,837	1,755
Cash at bank	10	11,72,142	1,73,142
Cash in transit			12,10,598
		<u>11,73,979</u>	<u>13,94,495</u>
<b>TOTAL ASSETS</b>		<u><b>11,73,984</b></u>	<u><b>13,94,496</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	6	11,19,291	11,19,291
Retained earnings		8,387	(24,807)
Shareholders' interest		<u>11,27,678</u>	<u>10,94,484</u>
<b>Current liabilities</b>			
Trade and other payables	7	46,306	3,00,012
		<u>46,306</u>	<u>3,00,012</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>11,73,984</b></u>	<u><b>13,94,496</b></u>

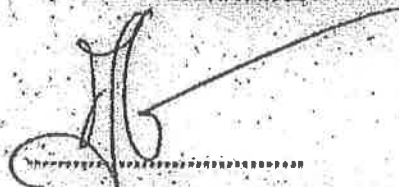
Approved and authorised for Issue by the Board of Directors on

02 AUG 2017

NAME OF DIRECTORS

SIGNATURE

Frans H.T. Visser



Caryl Rey



The notes on pages 11 to 23 form an integral part of these financial statements.  
 Auditors' report on pages 4 to 6.

**SUZLON ENERGY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2017**

9.

	Note	Stated capital EUR	Retained earnings EUR	Total EUR
At 01 April 2015		1,19,10,67,008	(1,05,29,08,726)	13,81,58,282
Loss for the year		-	(63,798)	(63,798)
Reduction in share capital		(1,05,29,47,717)	1,05,29,47,717	-
Buy back of shares during the year		(13,70,00,000)	-	(13,70,00,000)
Other comprehensive income for the year		-	-	-
At 01 April 2016		11,19,291	(24,807)	10,94,484
Profit for the year		-	33,194	33,194
Other comprehensive income for the year		-	-	-
As at 31 March 2017		11,19,291	8,387	11,27,678

The notes on pages 11 to 23 form an integral part of these financial statements.  
Auditors' report on pages 4 to 6.

**SUZLON ENERGY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

10.

	2017	2016
	EUR	EUR
<b>Cash flow from operating activities</b>		
Profit/(loss) for the year before taxation	33,194	(63,798)
<i>Adjustments for:</i>		
Loss on exchange difference	1,068	117
<i>Changes in working capital:</i>		
Prepayments	(82)	80
Trade and other payables	(2,53,706)	(5,43,804)
<b>Net cash used in operating activities</b>	<b>(2,19,526)</b>	<b>(6,07,405)</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	(4)	-
Proceeds from disposal of investment in subsidiary	-	13,90,00,000
<b>Net cash (used in)/generated from investing activities</b>	<b>(4)</b>	<b>13,90,00,000</b>
<b>Cash flows from financing activities</b>		
Buyback of shares from holding company	-	(13,70,00,000)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(13,70,00,000)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(2,19,530)</b>	<b>13,92,595</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>13,92,740</b>	<b>262</b>
Cash in transit at end of year	-	(12,19,598)
Effect of foreign exchange difference	(1,068)	(117)
<b>Cash and cash equivalents at end of year</b>	<b>11,72,142</b>	<b>1,73,142</b>

The notes on pages 11 to 23 form an integral part of these financial statements.  
Auditors' report on pages 4 to 6.



**SUZLON ENERGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

11.

**1. GENERAL INFORMATION**

Suzlon Energy Limited ("the Company") is a private Company with liability limited by shares incorporated in the Republic of Mauritius on 17 March 2016. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The Company has its registered office at c/o Navitas Corporate Services, 13, St Clement Street, Curepipe, Mauritius.

The principal activity of the Company is that of an investment holding in companies engaged in projects involved in the use of non-conventional resources such as wind energy and wave energy.

The financial statements of the Company for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on the date as stamped on page 8.

**2. BASIS OF PREPARATION**

The financial statements are prepared under the historical cost convention and are presented in Euro ("EUR"). The preparation of financial statements in conformity with IFRS requires the use of certain critical account estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The Company is the holder of a Category 1 Global Business License and has a subsidiary. The Company has elected in accordance with the Fourteenth Schedule of the Companies Act 2001, Section 12, to not to prepare group financial statements in accordance with Section 211 of the Companies Act 2001 "Contents and form of financial statements".

The basis of preparation of these financial statements complies with International financial Reporting Standards (IFRS) and Interpretations adopted by the International Accounting Standards Board (IASB), except for the application of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities. Instead of presenting consolidated financial statements of the Group, the Company only presents separate financial statements as described in IAS 27 - Separate Financial Statements.

**2.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

The accounting policies adopted in these financial statements are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for the financial year, none of which are expected to have an impact on the Company.

**2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below:

**Foreign currency translation**

*Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Foreign currency translation (Continued)**

#### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Company at its functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

### **Financial assets**

#### **(i) Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchases) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include cash and cash equivalents.

#### **(ii) Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation and the losses arising from impairment are recognised in profit or loss.

##### *Derecognition*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired



## 2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial assets (Continued)

#### *Subsequent measurement (Continued)*

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### *Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### Financial liabilities

#### *Initial recognition and measurement*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities consist of trade and other payables.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Financial liabilities (Continued)**

#### ***Subsequent measurement***

The subsequent measurement of financial liabilities depends on their classification as follows:

#### ***Loans and borrowings***

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### ***Offsetting of financial instruments***

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### ***Equity instruments***

Equity instruments are recorded at the proceeds received, net of direct issue costs, and are classified as equity.

#### ***Investment in subsidiary***

A subsidiary is an enterprise which the Company controls. Control is achieved where the Company has power over more than one half of the voting rights or the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investment in subsidiary undertakings is shown at cost in the Company's financial statements. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### ***Investment in subsidiary (Continued)***

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

### ***Consolidated financial statements***

The Company owns 100% of the issued share capital of Suzlon Wind Energy Limited, 80% of SA, Suzlon Wind Energy South Africa, 99% of Suzlon Energy A/S, which are considered to be subsidiary undertakings. Also it holds 12.70% of the issued share capital of Suzlon Energia Eólica do Brasil Ltda. in which 87.30% is held by Suzlon Energy A/S. The Company being the parent is required to prepare consolidated financial statements under IFRS 10 "Consolidated Financial Statements". The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly owned parent company holding a Category 1 Global Business License not to present consolidated financial statements which contain financial information of the Company. These financial statements are of the individual company only and do not contain consolidated financial information as parent of the group.

Under IFRS 10 "Consolidated Financial Statements", consolidated financial statements of the Company and its subsidiaries as a group should have been presented as the Company's ultimate parent does not produce consolidated financial statements available for public use that comply with International Financial Reporting Standards. The directors are of opinion that preparation of consolidated financial statements that comply with International Financial Reporting Standards will not be useful to its parent as the Company is wholly owned by its ultimate parent Suzlon Energy Limited (India) which produces consolidated financial statements prepared in accordance with Indian Generally Accepted Accounting Principles. The registered office of Suzlon Energy Limited (India) is "Suzlon", 5, Shrimati Society, Near Shri Krishna Complex, Navarangpura, Ahmedabad - 380009.

### ***Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### ***Taxes***

#### ***Current income tax***

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### ***Deferred taxation***

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences unless the deferred tax liability arises from goodwill amortisation or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or subsequently enacted at the reporting date.

### ***Revenue recognition***

#### ***Interest income***

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in profit or loss.

### ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.



## **2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Related parties**

Related parties are individuals and companies where the individual or the Company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

### **Expenses**

All expenses are recognised in profit or loss on an accruals basis.

## **3. ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

A number of new standards, amendments to existing standards and interpretations have been issued and are not yet effective at the date of issuance of the financial statements of the Company. The Company does not intend to adopt these standards and interpretations as the directors do not consider these to have a material impact on the Company.

## **4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

### *Critical accounting judgements in applying the Company's accounting policies*

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### *Judgements*

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

### *Determination of functional currency*

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors described therein and have determined that the functional currency of the Company is the Euro.

### *Going concern*

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

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**5. INVESTMENT IN SUBSIDIARY**

	2017	2016
	EUR	EUR
At 01 April 2016	1	13,90,00,000
Purchase of Investments	4	-
Repurchase of shares*	-	(13,89,99,999)
At 31 March 2017	5	1

\* Under process of Group restructuring, the Company has purchased stake in 4 (four) subsidiaries namely - Suzlon Energia Eolica do Brasil Ltda. (100%) for EUR 1, and Suzlon Wind Energy South Africa (80%) for EUR 1 from its Indirect subsidiary - AE Rotor Holding B.V. It has also purchased stake in Suzlon Energy A/S, Denmark for EUR 1 each from AE Rotor Holding B.V. (75%) and Suzlon Energy Limited (24%) from Suzlon Energy Limited, India.

Also, as per this restructuring process, the Company is to acquire 100% stake in Suzlon Wind Energy Lanka (Pvt) Ltd. and Suzlon Wind Energy Uruguay for a consideration of EUR 1.8 million and 3.04 million respectively. However, no transactions have taken place till the year end, i.e., 31st March, 2017. In case of Suzlon Wind Energy Uruguay, SA, USD 2 million is received from Suzlon Energy Limited, Mauritius towards the sale consideration of Uruguay on 31 May 2017.

Details of investment are as follows:

Name of company	Type of shares	Place of Incorporation	%		2017	2016
			Effective Holding		EUR	EUR
			2017	2016		
Suzlon Wind Energy Limited	Equity	United Kingdom	100%	100%	1	1
Suzlon Energia Eolica do Brasil Ltda.	Equity	Brazil	100%	-	1	-
Suzlon Wind Energy South Africa	Equity	South Africa	80%	-	1	-
Suzlon Energy A/S	Equity	Denmark	99%	-	2	-

The Company has fully impaired all its stake in Suzlon Wind Energy Limited, UK. There is a negative lien in favour of 'Offshore Security Trustee' for all its shares in Suzlon Wind Energy Limited as on 31 March 2016.

**6. STATED CAPITAL**

	2017	2016
	EUR	EUR
<i>Issued and fully paid:</i>		
4,358,552,059 (2016: 4,358,552,059) ordinary shares at no par value.	11,19,291	11,19,291



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**7. TRADE AND OTHER PAYABLES**

	2017	2016
	EUR	EUR
Accruals	11,360	13,926
Amount due to related companies (note 9)	34,948	2,86,086
	<b>46,306</b>	<b>3,00,012</b>

Amount due to related companies are unsecured, interest-free and repayable on demand.

**8. TAXATION**

The Company, being the holder of a Category 1, Global Business Licence, is liable to income tax in Mauritius on its taxable profit arising from its world-wide income at the rate of 15%. The Company's foreign sourced income is eligible for a foreign tax credit which is computed as the lower of the Mauritian tax and the foreign tax on the respective foreign sourced income. The foreign tax for a GBL1 company is based on either the foreign tax charged by the foreign country or a presumed amount of foreign tax: the presumed amount of foreign tax is based on 80% of the Mauritian tax on the relevant foreign sourced income. In computing its total foreign tax credit, the Company is allowed to pool all its foreign sourced income.

Capital gains are outside the scope of the Mauritian tax net while trading profits made by the Company from the sale of shares are exempt from tax. At 31 December 2015, the Company had tax losses.

A reconciliation between accounting profit and tax expense for the years 31 March 2017 and 2016 is as follows:

	2017	2016
	EUR	EUR
Loss for the year	33,194	(63,798)
(Less)/Add: Exempt (Income)/expense	(1,068)	(117)
Add: Expenditure disallowed	-	-
Chargeable Income	32,126	(63,915)
Loss brought forward	(89,710)	(25,795)
Loss carried forward	<b>(57,584)</b>	<b>(89,710)</b>

**9. RELATED PARTY DISCLOSURES**

During the year, the Company had the following transactions on an arm's length basis with related entities. Details of the nature, volume of transactions and balances with these related entities are as follows:

Name of company	Nature of transactions	Volume of transactions during the year (net)	Balances at 31 March 2017	Balances at 31 March 2016
		EUR	EUR	EUR
AE Rotor Holding B.V (AERH)	Loans and advances	(28,903)	32,788	61,961
Suzlon Wind Energy Corporation	Loans and advances	(2,19,598)	-	2,19,598
Navitas Corporate Services Ltd.	Administration, secretarial and directors fees	(1,672)	2,855	4,527

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**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Fair values**

The carrying amount of the Company's financial assets and financial liabilities approximate their fair values.

**Financial risk factors**

The Company's activities expose it to a variety of financial risks such as credit risk, market risk (including cash flow interest rate risk, foreign currency risk and other price risk) and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

**Credit risk**

With respect to credit risk arising from financial assets, which comprises of its cash at bank, the Company's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

**2017**

	Carrying amount	Of which: neither impaired or past due	Of which: not impaired and past due in the following periods		
	EUR	EUR	Less than 90 days	Between 91 and 180 days	More than 180 days
	EUR	EUR	EUR	EUR	EUR
Cash at bank	11,72,142	11,72,142	-	-	-
Cash in transit	-	-	-	-	-
At 31 March	11,72,142	11,72,142	-	-	-

**2016**

	Carrying amount	Of which: neither impaired or past due	Of which: not impaired and past due in the following periods		
	EUR	EUR	Less than 90 days	Between 91 and 180 days	More than 180 days
	EUR	EUR	EUR	EUR	EUR
Cash at bank	1,73,142	1,73,142	-	-	-
Cash in transit	12,19,598	12,19,598	-	-	-
At 31 March	13,92,740	13,92,740	-	-	-

The financial assets are neither past due nor impaired at the reporting date. The cash balance is held with reputable institutions.

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**10.. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The types of risk that the Company is exposed in relation to market prices are: cash flow interest rate risk, foreign currency risk and other price risk.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The impact of changes in interest rates on the Company's financial assets and liabilities is nil since there are no interest sensitive financial assets and financial liabilities.

**Foreign currency risk**

The Company has financial assets and financial liabilities which are denominated in Mauritian Rupee ("MUR") and United States Dollar ("USD"). Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the MUR and USD may change in a manner which has a material effect on the reported value of the Company's financial assets and financial liabilities denominated in MUR and USD.

The impact in exchange rates on the Company's financial assets and liabilities is minimal. As such, the effect of a sensitivity analysis on the Company's profit before tax would be negligible.

**Currency profile**

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2017		2016	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	EUR	EUR	EUR	EUR
Mauritian Rupee	16	2,158	15	4,527
Euro	11,71,925	32,788	13,92,713	2,81,559
United States Dollar	201	11,360	12	13,926
	<b>11,72,142</b>	<b>46,306</b>	<b>13,92,740</b>	<b>3,00,012</b>

**Other price risk**

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Company's investments are unquoted and are held subsidiaries as listed in Note 5 above.

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**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains sufficient cash to address any liquidity risks that may arise.

Residual contractual maturity of financial liabilities are presented below in Euro (EUR).

31 March 2017		
Within 1 year	Greater than 1 year	Total
EUR	EUR	EUR
Trade and other payables	46,306	46,306
31 March 2016		
Within 1 year	Greater than 1 year	Total
EUR	EUR	EUR
Trade and other payables	3,00,012	3,00,012

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The impact of changes in interest rates on the Company's financial assets and liabilities is nil since there are no interest sensitive financial assets and financial liabilities.

The Company's income and operating cash flows are substantially independent of changes in interest rates. The Company's only significant interest earning financial asset is cash at bank. Interest income from cash at bank may fluctuate in amount, in particular due to changes in market interest rates.

The table below analyses the Company's interest rate risk exposure in terms of the remaining period to the next contractual repricing date or to the maturity date, whichever is the earlier. The floating rate column represents the financial assets and liabilities which have floating rates of interest that do not reprice at set dates, but rather reprice whenever the underlying interest rate index changes.

	Total	Floating	Non-interest sensitive
	EUR	EUR	EUR
As at 31 March 2017			
Financial assets	11,72,142	11,72,142	-
Financial liabilities	46,306	-	46,306

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**10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**

**Interest rate risk (Continued)**

	<b>Total</b>	<b>Floating</b>	<b>Non-Interest sensitive</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>As at 31 March 2016</b>			
Financial assets	13,92,740	1,73,142	12,19,598
Financial liabilities	3,00,012	-	3,00,012

The impact of changes in interest rates on the Company's financial assets and liabilities is minimal. As such, the effect of a sensitivity analysis on the Company's profit before tax is negligible.

**11. CAPITAL MANAGEMENT**

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 March 2017 and 31 March 2016.

**12. FUNCTIONAL AND PRESENTATION CURRENCY**

The financial statements of the Company are presented in Euro ("EUR"). The directors of the Company have determined that the functional currency should be the EUR. As the company conducts most of its transactions in foreign currencies, the Company has chosen Euro as its functional and presentation currency. Its "domiciled" currency, the Mauritian Rupee, does not reflect the fundamentals of the business as the major transactions are carried in Euro. After careful evaluation, the Company has opted for the Euro as its functional and presentation currency as the presentation of the financial statements in Euro results in the financial statements providing a more faithful view of the Company's affairs than by presentation in Mauritian currency.

**13. HOLDING AND ULTIMATE HOLDING COMPANY**

The directors consider Suzlon Energy Limited (India), the registered office of which is "Suzlon", 5, Shrimati Society, Near Shri Krishna Complex, Navarangpura, Ahmedabad - 380009 as the Company's holding and ultimate holding company.

**14. EVENTS AFTER REPORTING DATE**

On 31 May 2017, the Company has disbursed USD 2 million towards the total sale consideration of USD 3.04 million of Suzlon Wind Energy Uruguay.