

SUZLON GUJARAT WIND PARK LIMITED
IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017
TOGETHER WITH AUDITORS' REPORT

S R B C & CO LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Suzlon Gujarat Wind Park Limited

Report on the Ind AS financial statements

1. We have audited the accompanying Ind AS financial statements of Suzlon Gujarat Wind Park Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Ind AS financial statements').

Management's Responsibility for the Ind AS financial statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("the Rules"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss, its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

6. We draw attention to Note 33(b) of accompanying financial statements, in relation to accounting of financial guarantee provided by the Company along with the ultimate holding Company, holding company, four Indian fellow subsidiaries and a jointly controlled entity in respect of a borrowing availed by one of its fellow subsidiary based in The Netherlands and disclosure of the same as contingent liability is more fully described therein. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
8. As required by section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated May 19, 2017 in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 33 to the Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 12.1 to the Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For SRBC & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 049237

Place: Mumbai
Date: May 19, 2017



Annexure 1 - Annexure referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"**Re: Suzlon Gujarat Wind Park Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets/ property, plant and equipment.
- (b) All fixed assets/ property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except for 14 number of immovable properties aggregating 1.14 Crores as at March 31, 2017 for which title deed were not available with the Company and hence we are unable to comment on the same.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, wherever applicable, have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases.

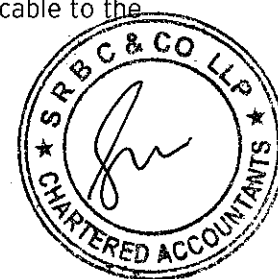


- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end,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

| Name of the statute | Nature of the dues | Amount (in Rs. Crore)* | Period to which the amount relates | Forum where the dispute is pending |
|-----------------------------------|--------------------|------------------------|------------------------------------|------------------------------------|
| Maharashtra Value Added Tax, 2002 | Value Added Tax | 4.31 | 2007-08 to 2012-12 | Joint Commissioner (Appeals) |

* amount deposited under protest Rs 0.25 Crores.

- (viii) In our opinion and according to the information and explanations given by the management, money raised by the Company by way of term loans were utilised for the purposes for which the loans were obtained. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / including debt instruments and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (ix) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the officers and employees of the Company has been noticed or reported during the year.
- (x) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration in the nature of sitting fees has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xi) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.
- (xii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiii) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.



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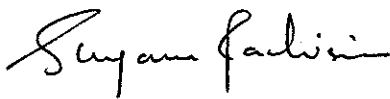
Chartered Accountants

- (xiv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xv) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 049237

Place: Mumbai
Date: May 19, 2017



Annexure 2: Annexure referred to in paragraph 8 (f) of our Independent Auditor's Report of even date on the Ind AS financial statements of Suzlon Gujarat Wind Park Limited.

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

1. We have audited the internal financial controls over financial reporting of Suzlon Gujarat Wind Park Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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



Meaning of Internal Financial Controls Over Financial Reporting

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

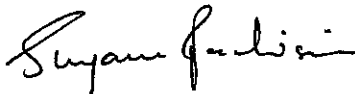
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number:324982E/E3000003



per Shyamsundar Pachisia
Partner
Membership No.: 049237

Place: Mumbai
Date: May 19, 2017



Suzlon Gujarat Wind Park Limited
Balance sheet as at March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Particulars | Notes | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|-------|-------------------------|-------------------------|------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| (i) Property, plant and equipment | 5 | 33.14 | 23.49 | 20.16 |
| (ii) Financial assets | | | | |
| (a) Investments | 6 | 0.01 | 0.01 | 0.01 |
| (b) Loans | 7 | 1.05 | 0.98 | 0.92 |
| (c) Trade receivables | 8 | 11.03 | - | - |
| (d) Other financial assets | 9 | 33.23 | 54.89 | 58.63 |
| (iii) Other non-current assets | 10 | 6.97 | 2.85 | 25.80 |
| | | 85.43 | 82.22 | 105.52 |
| Current assets | | | | |
| (i) Inventories | 11 | 357.89 | 324.24 | 179.64 |
| (ii) Financial assets | | | | |
| (a) Trade receivables | 8 | 911.50 | 532.24 | 269.49 |
| (b) Cash and cash equivalents | 12 | 47.58 | 21.95 | 7.49 |
| (c) Other financial assets | 9 | 0.33 | 0.29 | 2.75 |
| (iii) Other current assets | 10 | 555.97 | 251.97 | 182.77 |
| | | 1,873.27 | 1,130.69 | 642.14 |
| Total assets | | 1,958.70 | 1,212.91 | 747.66 |
| Equity and liabilities | | | | |
| Equity | | | | |
| (i) Equity share capital | 13 | 1,245.92 | 1,245.92 | 45.92 |
| (ii) Other equity | 14 | (1,324.28) | (1,253.25) | (987.28) |
| | | (78.36) | (7.33) | (941.36) |
| Non-current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | 15 | 704.31 | 54.31 | 372.48 |
| (b) Other financial liabilities | 16 | 23.87 | 22.85 | 17.25 |
| (ii) Provisions | 17 | 4.98 | 5.87 | 6.87 |
| | | 733.16 | 83.03 | 396.60 |
| Current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | 15 | 394.07 | 690.58 | 781.06 |
| (b) Trade payables | 18 | 759.34 | 352.18 | 314.79 |
| (c) Other financial liabilities | 16 | 22.06 | 11.89 | 39.39 |
| (ii) Other current liabilities | 19 | 121.83 | 78.77 | 153.57 |
| (iii) Provisions | 17 | 6.60 | 3.79 | 3.61 |
| | | 1,303.90 | 1,137.21 | 1,292.42 |
| Total equity and liabilities | | 1,958.70 | 1,212.91 | 747.66 |
| Summary of significant accounting policies | 2.3 | | | |

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number : 324982E/ E300003



per Shyamsundar Pachisia

Partner

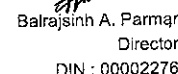
Membership No.: 049237

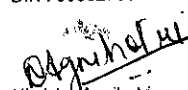

 Place: Mumbai
Date: May 19, 2017

 For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

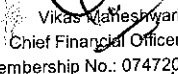


 Harish H. Mehta
Managing Director
DIN : 00062753


 Balrajsinh A. Parmar
Director
DIN : 00002276



 Nimisha Agnihotri
Company Secretary
Membership No.: A30859 ICAI Membership No.: 074720


 Vikas Maheshwari
Chief Financial Officer

 Place: Pune
Date: May 18, 2017


Suzlon Gujarat Wind Park Limited

Statement of profit and loss for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Particulars | Notes | March 31, 2017 | March 31, 2016 |
|---|-------|-----------------|-----------------|
| Income | | | |
| Revenue from operations | 20 | 1,858.63 | 814.33 |
| Other operating income | | 0.50 | 0.97 |
| Other income | 21 | 2.73 | 6.80 |
| | | 1,861.86 | 822.10 |
| Expenses | | | |
| Cost of raw materials consumed/ services rendered | 22 | 1,676.55 | 793.41 |
| Changes in inventories of work-in-progress and finished goods | 22 | (16.46) | (19.67) |
| Employee benefits expenses | 23 | 66.77 | 40.12 |
| Depreciation expenses | 5 | 4.88 | 1.25 |
| Finance costs | 24 | 98.57 | 209.74 |
| Other expenses | 25 | 101.00 | 60.77 |
| | | 1,931.31 | 1,085.62 |
| Profit/ (loss) before tax | | (69.45) | (263.52) |
| Tax expenses | 26 | - | - |
| Profit/ (loss) after tax | | (69.45) | (263.52) |
| Other comprehensive income | | | |
| Item that will not be reclassified to profit or loss in subsequent years : | | | |
| Remeasurements of the defined benefit plans | 27 | (1.75) | (0.33) |
| Income tax effect on the above | | - | - |
| Other comprehensive income for the year, net of tax | | (1.75) | (0.33) |
| Total comprehensive income for the year | | (71.20) | (263.85) |
| Earnings/ (loss) per equity share: | | | |
| Basic and diluted (Nominal value of share Rs 10 (Rs 10)) | 28 | (0.56) | (29.76) |
| Summary of significant accounting policies | 2.3 | | |

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

As per our report of even date

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

Shyam Sundar Pachisia

per Shyamsundar Pachisia
Partner
Membership No.: 049237



Place: Mumbai
Date: May 19, 2017

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

Harish H. Mehta

Harish H. Mehta
Managing Director
DIN : 00002753

Nimisha Agnihotri

Nimisha Agnihotri
Company Secretary
Membership No.: A30859

Place: Pune
Date: May 18, 2017

Balrajsinh A. Parmar
Balrajsinh A. Parmar
Director
DIN : 00002276

Vikas Maheshwari
Vikas Maheshwari
Chief Financial Officer
ICAI Membership No.: 074720



Suzlon Gujarat Wind Park Limited
Cash flow statement for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Particulars | March 31, 2017 | March 31, 2016 |
|--|-----------------------|-----------------------|
| Cash flow from operating activities | | |
| Profit/ (loss) before tax | (69.45) | (263.52) |
| Adjustments for: | | |
| Depreciation | 4.88 | 1.25 |
| (Profit)/ loss on assets sold/ discarded, net | (0.01) | (0.01) |
| Exchange gain/ (loss) | (0.53) | (0.68) |
| Interest income | (2.73) | (6.80) |
| Interest expenses | 94.73 | 207.00 |
| Reversal for estimated loss on contracts | (7.44) | (6.08) |
| Bad debts written off | 0.11 | 2.77 |
| Provision for doubtful debts and advances | 4.06 | (0.45) |
| Employee share-based payment expense | 0.17 | 1.24 |
| Operating profit/ (loss) before working capital changes | 23.79 | (65.28) |
| Movements in working capital | | |
| (Increase)/ decrease in loans, financial assets and other assets | (274.70) | (38.00) |
| (Increase)/ decrease in trade receivables | (394.46) | (265.07) |
| (Increase)/ decrease in inventories | (33.64) | (144.61) |
| (Decrease)/ increase in other liabilities, financial liabilities and provisions | 468.06 | (29.54) |
| Cash used in operating activities | (210.95) | (542.50) |
| Direct taxes paid (net of refunds) | (10.06) | 4.61 |
| Net cash used in operating activities | (221.01) | (537.89) |
| Cash flow from investing activities | | |
| Payment for purchase of property, plant and equipment including capital advances | (14.31) | (5.31) |
| Proceeds from sale of property, plant and equipment | 0.02 | 0.01 |
| Interest received | 0.69 | 0.80 |
| Net cash used in investing activities | (13.60) | (4.50) |
| Cash flow from financing activities | | |
| Proceeds from long-term borrowings | 1,241.76 | 1,116.11 |
| Repayment of long-term borrowings | (967.45) | (1,495.02) |
| Proceeds/ (repayment) from short term-borrowings, net | (0.88) | (50.56) |
| Interest paid | (13.19) | (13.68) |
| Redemption of preference shares | - | (200.00) |
| Issue of equity shares | - | 1,200.00 |
| Net cash generated from financing activities | 260.24 | 556.85 |
| Net increase in cash and cash equivalents | 25.63 | 14.46 |
| Cash and cash equivalents at the beginning of year | 21.95 | 7.49 |
| Cash and cash equivalents at the end of year | 47.58 | 21.95 |
| Components of cash and cash equivalents | As at | As at |
| | March 31, 2017 | March 31, 2016 |
| Cash on hand | 0.83 | 1.41 |
| With banks in current accounts | 46.75 | 20.54 |
| | 47.58 | 21.95 |



Summary of significant accounting policies

2.3

Notes:

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

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

As per our report of even date

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

Shyamsundar Pachisia

per Shyamsundar Pachisia
Partner
Membership No.: 049237



Place : Mumbai
Date : May 19, 2017

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

Harish H. Mehta

Harish H. Mehta
Managing Director
DIN : 00002753

Nimisha Agnihotri

Nimisha Agnihotri
Company Secretary
Membership No.: A30859

Place : Pune
Date : May 19, 2017

Balrajsinh A. Parmar

Balrajsinh A. Parmar
Director
DIN : 00002276

Vikas Maheshwari

Vikas Maheshwari
Chief Financial Officer
ICAI Membership No.: 074720



Suzlon Gujarat Wind Park Limited

Statement of changes in equity for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

a. Equity share capital

Equity shares of Rs 10 each, subscribed and fully paid

As at April 1, 2015

Issue of share capital (refer Note 13)

As at March 31, 2016

Issue of share capital (refer Note 13)

As at March 31, 2017

| No. in Crore | Rs in Crore |
|--------------|-------------|
| 4.59 | 45.92 |
| 120.00 | 1,200.00 |
| 124.59 | 1,245.92 |
| - | - |
| 124.59 | 1,245.92 |

b. Other equity

As at April 1, 2015

Profit/ (loss) for the year

Other comprehensive income

Total comprehensive income

Unwinding of interest of financial instruments

Share based payment (refer Note 30)

As at March 31, 2016

As at April 1, 2016

Profit/ (loss) for the year

Other comprehensive income

Total comprehensive income

Share based payment (refer Note 30)

As at March 31, 2017

| Equity component of compound financial instruments | Reserves and surplus | | Total |
|--|----------------------------------|-------------------|------------|
| | Share option outstanding account | Retained earnings | |
| 101.91 | - | (1,089.19) | (987.28) |
| - | - | (263.52) | (263.52) |
| - | - | (0.33) | (0.33) |
| 101.91 | - | (1,353.04) | (1,251.13) |
| (3.36) | - | - | (3.36) |
| - | 1.24 | - | 1.24 |
| 98.55 | 1.24 | (1,353.04) | (1,253.25) |
| 98.55 | 1.24 | (1,353.04) | (1,253.25) |
| - | - | (69.45) | (69.45) |
| - | - | (1.75) | (1.75) |
| 98.55 | 1.24 | (1,424.24) | (1,324.45) |
| - | 0.17 | - | 0.17 |
| 98.55 | 1.41 | (1,424.24) | (1,324.28) |

Summary of significant accounting policies 2.3

a) Refer Note 14 for nature and purpose of reserves.

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

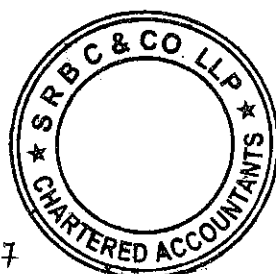
ICAI Firm Registration Number : 324982E/ E300003

Shyamsundar Pachisia

per Shyamsundar Pachisia

Partner

Membership No.: 049237



Place : Mumbai

Date : May 19, 2017

For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited

Harish H. Mehta

Harish H. Mehta

Managing Director

DIN : 00002753

Nimisha Agnihotri

Nimisha Agnihotri

Company Secretary

Membership No.: A30859 ICAI Membership No.: 074720

Place : Pune

Date : May 18, 2017

Balrajsinh A. Parmar

Balrajsinh A. Parmar

Director

DIN : 00002276

Vikas Maheshwari

Vikas Maheshwari

Chief Financial Officer



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

1. Company information

Suzlon Gujarat Wind Park Limited ('SGWPL' or the 'Company') having CIN U40108GJ2004PLC044409 is a public company domiciled in India and incorporated under the provisions of Companies Act, 1956. The registered office of the Company is located at Suzlon House, 5 Shrimali Society, Near Shree Krishna Centre, Navrangpura, Ahmedabad, India. The principal place of business is its headquarters located at One Earth, Hadapsar, Pune, India.

The Company is primarily engaged in erection, installation and commissioning and construction and sale of power evacuation facility and sale and lease/sub lease of land for wind turbine generators ('WTG's').

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("the Rules").

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or 'IGAAP'). These financial statements for the year ended March 31, 2017 are the first financial of the Company that have been prepared in accordance with Ind AS. Refer to Note 4 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees and all values are rounded to the nearest Crore (INR 00,00,000) up to two decimals, except when otherwise indicated.

2.2 Recent accounting developments

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standards:

Amendment to Ind AS 7: Statement of cash flows

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Amendment to Ind AS 102: Share based payment

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Since the Company does not have cash settled awards or awards with net settlement features, this amendment does not have any effect on the financial statements of the Company.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Company classifies all other liabilities as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by the Company management. The management decides after discussion with external valuers, about valuation technique and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. Revenue from operation comprises of project execution income, land revenue and power evacuation infrastructure facility offered to customer. The Company collects sales tax, 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.

Project execution

Revenue from project execution, consisting of installation, erection and commissioning of WTG's and solar park is recognised on completion of the respective activities identified as per terms of the sales order, net of taxes charged.

Land revenue

Revenue from land lease activity is recognised upon the lease / sub lease of lease hold rights to the customers. Revenue from sale of land/right to sale land is recognised when significant risks and rewards in respect of title of land are transferred to the customers as per the terms of the respective sales order. Revenue from land development is recognised upon rendering of the service as per the terms of the respective sales order.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Power evacuation infrastructure facility

Revenue from power evacuation infrastructure facilities are recognised upon commissioning and electrical installation of the Wind Turbine Generators (WTG) and solar park to the said facilities followed by approval for commission of WTG from the concerned authorities.

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of the goods have been passed to the buyer as per the terms of the respective sales order, net of taxes charged.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, 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 gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividend

Dividend income from investments is recognised when the right to receive dividend is established as at the reporting date.

d. Taxes

Current income tax

Current income tax assets and liabilities 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.

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates the 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 tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from 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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

e. Property, plant and equipment (PPE)

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz. April 1, 2015.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any.

Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use as at the balance sheet date. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss when they are incurred.

Depreciation is calculated on the written down value method ('WDV') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013 as per table given below. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Type of asset | Useful lives (years) |
|------------------------|----------------------|
| Buildings | 28 |
| Plant and machinery | 15 |
| Computers | 3 |
| Office equipment | 5 |
| Furniture and fixtures | 10 |
| Vehicles | 10 |

Leasehold land is amortised on a straight line basis over the period of lease.

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 on the date of disposal and are recognised in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Borrowing costs

Borrowing cost includes interest and amortisation 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 capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

g. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

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

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

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

i. Inventories

Inventories of raw materials, project materials, stock in trade, work-in-progress and finished goods are valued at the lower of the cost and estimated net realisable value. Cost is determined on a weighted average basis. However, materials and other items held for use in the construction of civil, electrical line and PE facility are not written down below cost; if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost of work-in-progress and finished goods includes the cost of material, labour and a proportion of overheads. Work-in-progress includes cost of civil, electrical line, installation of WTG's and portion of non-utilised charges paid for capacity allocation, power evacuation infrastructure facilities which are in process as at the balance sheet date. Further, cost incurred for laying external lines at the wind farms is expensed to the extent of Mega Watt (MW) installed as compared to the planned MW for the wind farm site and the balance is carried as work-in-progress.

Stock of land and land lease rights is valued at lower of cost and estimated net realisable value. Cost is determined on specific identification basis. Net realisable value is determined by management using technical estimates.

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.

j. 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.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

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

Exchange differences are recognised as income or as expenses in the period in which they arise.

k. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l. Retirement and other employee benefits

Retirement benefits in the form of provident fund, employee state insurance and superannuation fund are defined contribution schemes. The Company has no obligation other than the contribution payable to the funds and the contribution payable to fund is recognised as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognised the following changes in defined benefit obligation as an expense in statement of profit or loss:

- Service cost comprising of current service cost, past service cost gains and loss on entitlements and non-routine settlement.
- Net interest expenses or income.

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 entire leave is presented as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

m. Share-based payments

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply exemption for share based payments to equity instruments that are vested before date of transition to Ind AS. viz. April 1, 2015.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share option outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

n. Financial Instruments

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply following exceptions/exemptions prospectively from April 1, 2015.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- De-recognition of financial assets and financial liabilities have been applied prospectively
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind AS 109 prospectively.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company has not designated any financial asset as at FVTOCI.

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instrument as at FVTOCI.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- 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, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. 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.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables:** ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts:** ECL is presented as a provision in the balance sheet, i.e. as a liability.



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Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

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 is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

o. Redeemable cumulative preference shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the redeemable preference shares, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Transaction costs are apportioned between the liability and equity components of the redeemable cumulative preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

p. Earnings/ (loss) per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a. Significant judgements in applying the Company's accounting policy

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:

Financial guarantee

Suzlon Energy Limited ('SEL') with its six Indian subsidiaries and a jointly controlled entity have given stand by letter of credit which has been recognised as financial guarantee by SEL. SEL believes that the relevant overseas subsidiary (in whose favour SBLC has been issued) will be able to refinance the obligation and meet its financial obligations. Please refer to Note 33(b) for further details.

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as principal or as an agent. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

b. Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Uncertainty about these assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

Allowance for trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies. The company has unabsorbed depreciation and unabsorbed business loss details which are given in Note 26. The unabsorbed depreciation can be carried forward indefinitely. The business loss can be carried forward for 8 years. Majority of business losses will expire in between March 2021 to March 2023. As there are not certain taxable temporary differences or tax planning operations, the Company has not recognised deferred tax assets on conservative basis. Refer Note 26.

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate used in determining the defined benefit plan obligations differ from subsidiary to subsidiary. The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors.

Further details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Property, plant and equipment

Refer Note 2.3 e for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Note 5.

Recompense liability

The Company is in negotiation with CDR lenders for a voluntary exit from CDR scheme. The Company has recognised recompense liability payable to CDR lenders based on reasonable estimate which is derived considering possibility certain scenarios and assumptions in relation to interest rate, waiver in recompense, timing of loan repayment and CDR Exit etc. The amount payable by the Company as recompense is dependent on various factors and also on discussions and negotiations with the CDR lenders. Refer Note 16.

4. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (IGAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet is prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP ('IGAAP') financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its IGAAP financials as deemed cost at the transition date.
- Ind AS 102 share-based payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2015.
- Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.
- The Company has applied the requirements for de-recognition of financial instruments, as required in Ind AS 109 Financial Instruments prospectively for financial transactions occurring on or after April 1, 2015, the date of transition to Ind AS.

Estimates

The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with IGAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

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Suzlon Gujarat Windpark Limited

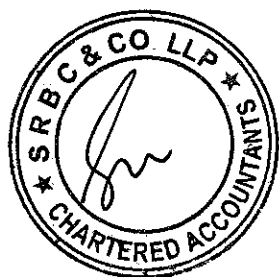
Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Reconciliation of equity as at April 1, 2015

| Particulars | Notes | April 1, 2015 | | |
|-------------------------------------|-------------|-----------------|-----------------|-----------------|
| | | IGAAP | Adjustments | Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| (i) Property, plant and equipment | | 20.16 | - | 20.16 |
| (ii) Financial assets | | | | |
| (a) Investments | | 0.01 | - | 0.01 |
| (b) Loans | k | 0.92 | - | 0.92 |
| (c) Other financial assets | h,k | 68.61 | (9.98) | 58.63 |
| (iii) Other non-current assets | i,k | 25.95 | (0.15) | 25.80 |
| | | 115.65 | (10.13) | 105.52 |
| Current assets | | | | |
| (i) Inventories | | 179.64 | - | 179.64 |
| (ii) Financial assets | | | | |
| (a) Trade receivables | a | 272.21 | (2.72) | 269.49 |
| (b) Cash and cash equivalents | | 7.49 | - | 7.49 |
| (c) Other financial assets | k | 2.75 | - | 2.75 |
| (iii) Other current assets | i,k | 182.94 | (0.17) | 182.77 |
| | | 645.03 | (2.89) | 642.14 |
| Total assets | | 760.68 | (13.02) | 747.66 |
| Equity and liabilities | | | | |
| Equity | | | | |
| (i) Equity share capital | d | 245.92 | (200.00) | 45.92 |
| (ii) Other equity | a,d,e,h,i,j | (1,027.58) | 40.30 | (987.28) |
| | | (781.66) | (159.70) | (941.36) |
| Non-current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | d,e | 234.64 | 137.84 | 372.48 |
| (b) Other financial liabilities | k | 17.25 | - | 17.25 |
| (ii) Provisions | | 6.87 | - | 6.87 |
| | | 258.76 | 137.84 | 396.60 |
| Current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | e | 781.06 | - | 781.06 |
| (b) Trade payables | k | 314.79 | - | 314.79 |
| (c) Other financial liabilities | j,k | 30.55 | 8.84 | 39.39 |
| (ii) Other current liabilities | k | 153.57 | - | 153.57 |
| (iii) Provisions | | 3.61 | - | 3.61 |
| | | 1,283.58 | 8.84 | 1,292.42 |
| Total equity and liabilities | | 760.68 | (13.02) | 747.66 |

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Reconciliation of equity as at March 31, 2016

| Particulars | Notes | March 31, 2016 | | |
|-------------------------------------|---------------|-----------------|----------------|-----------------|
| | | IGAAP | Adjustments | Ind AS |
| Assets | | | | |
| Non-current assets | | | | |
| (i) Property, plant and equipment | | 23.49 | - | 23.49 |
| (ii) Financial assets | | | | |
| (a) Investments | | 0.01 | - | 0.01 |
| (b) Loans | k | 0.98 | - | 0.98 |
| (c) Other financial assets | h,k | 58.88 | (3.99) | 54.89 |
| (iii) Other non-current assets | k | 2.85 | - | 2.85 |
| | | 86.21 | (3.99) | 82.22 |
| Current assets | | | | |
| (i) Inventories | | 324.24 | - | 324.24 |
| (ii) Financial assets | | | | |
| (a) Trade receivables | a | 537.62 | (5.38) | 532.24 |
| (b) Cash and cash equivalents | | 21.95 | - | 21.95 |
| (c) Other financial assets | k | 0.29 | - | 0.29 |
| (iii) Other current assets | i,k | 252.12 | (0.15) | 251.97 |
| | | 1,136.22 | (5.53) | 1,130.69 |
| Total assets | | 1,222.43 | (9.52) | 1,212.91 |
| Equity and liabilities | | | | |
| Equity | | | | |
| (i) Equity share capital | | 1,245.92 | - | 1,245.92 |
| (ii) Other equity | a,c,d,e,i,h,j | (1,233.87) | (19.38) | (1,253.25) |
| Total | | 12.05 | (19.38) | (7.33) |
| Non-current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | e | 54.31 | - | 54.31 |
| (b) Other financial liabilities | k | 22.85 | - | 22.85 |
| (ii) Provisions | | 5.87 | - | 5.87 |
| | | 83.03 | - | 83.03 |
| Current liabilities | | | | |
| (i) Financial liabilities | | | | |
| (a) Borrowings | e | 690.58 | - | 690.58 |
| (b) Trade payables | k | 352.18 | - | 352.18 |
| (c) Other financial liabilities | j,k | 2.03 | 9.86 | 11.89 |
| (ii) Other current liabilities | k | 78.77 | - | 78.77 |
| (iii) Provisions | | 3.79 | - | 3.79 |
| | | 1,127.35 | 9.86 | 1,137.21 |
| Total equity and liabilities | | 1,222.43 | (9.52) | 1,212.91 |

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Reconciliation of statement of profit and loss for the year ended March 31, 2016

| Particulars | Notes | March 31, 2016 | |
|---|-------|-----------------|-----------------|
| | | IGAAP | Ind AS |
| Income | | | |
| Revenue from operations | | 814.33 | 814.33 |
| Other operating income | | 0.97 | 0.97 |
| Other income | h | 0.82 | 6.80 |
| | | 816.12 | 822.10 |
| Expenses | | | |
| Cost of raw materials consumed/ services rendered | | 793.41 | 793.41 |
| Changes in inventories of work-in-progress and finished goods | | (19.67) | (19.67) |
| Employee benefits expenses | c | 39.21 | 40.12 |
| Depreciation expenses | | 1.25 | 1.25 |
| Finance costs | d,e,i | 150.10 | 209.74 |
| Other expenses | a | 58.11 | 60.77 |
| | | 1,022.41 | 1,085.62 |
| Profit/ (loss) before tax | | (206.29) | (263.52) |
| Tax expenses | | - | - |
| Profit/ (loss) after tax | | (206.29) | (263.52) |
| Other comprehensive income | | | |
| Item that will not be reclassified to profit or loss in subsequent years : | | | |
| Re-measurements of the defined benefit plans | b,f | - | (0.33) |
| Income tax effect on the above | | - | - |
| Other comprehensive income for the year, net of tax | | - | (0.33) |
| Total comprehensive income for the year | | (206.29) | (263.85) |

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and profit or loss for the year ended March 31, 2016:

a) Trade receivables

Under IGAAP, the Company has created provision for impairment of receivables only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on expected credit loss model ('ECL'). Due to ECL model, the Company impaired its trade receivable which has been adjusted against retained earnings.

b) Defined benefit obligations

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

c) Share-based payments

Under IGAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. Share options which were granted before and still vesting at April 1, 2015, have been recognised as a separate component of equity in SBP reserve against retained earnings at April 1, 2015.

d) Redeemable cumulative preference shares

The Company has issued redeemable cumulative preference shares ('RCPS'). The RCPS carry a cumulative dividend which is non-discretionary. Under IGAAP, the RCPS were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, RCPS are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

e) Borrowings

Under IGAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

f) Other comprehensive income

Under IGAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled IGAAP profit or loss to profit or loss as per Ind AS. Further, IGAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

g) Statement of cash flows

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

h) Other financial assets

Under IGAAP, interest free security deposit given is initially measured at the transaction price and no consideration is given to the fair value at the time of initial measurement. Under Ind AS, interest free security deposit is to be initially measured at fair value. As at the date of transition, the interest free security deposit has been recognised at fair value based on the facts and circumstances which existed at the date of initial measurement by giving corresponding effect to retained earnings for the period from initial measurement to the date of transition and to other current assets (pre-paid expense) for remaining period of deposit post the date of transition.

i) Restructuring cost

The Company had restructured its outstanding loans under the Corporate Debt Restructuring ('CDR') Scheme approved by CDR Empowered Group. In connection of this restructuring, the Group incurred certain costs such as consultancy fees, legal fees etc. On transition date, the transaction costs which were recorded as a prepaid asset under previous GAAP has been de-recognised as it does not meet the asset recognition criteria under Ind AS.



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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

j) Recompense liability

The Company is in negotiation with CDR lenders for a voluntary exit from CDR scheme. The Company has recognised recompense liability payable to CDR lenders based on reasonable estimate which is derived considering possibility certain scenarios and assumptions in relation to interest rate, waiver in recompense, timing of loan repayment and CDR exit etc. The amount payable by the Company, as recompense is dependent on various factors and also on discussions and negotiations with the CDR lenders. The Company has recognised the present value of estimated recompense liability on the date of transition and the unwinding cost has been recognised as part of finance cost in subsequent periods.

k) Reclassification of loans and advances and other assets

| | March 31, 2016 | | April 1, 2015 | |
|-------------------------------------|----------------|---------------|---------------|---------------|
| | Non-current | Current | Non-current | Current |
| Classification as per IGAAP | | | | |
| Loans and advances | 59.98 | 252.41 | 94.84 | 183.18 |
| Other assets | 2.73 | - | 3.15 | - |
| | 62.71 | 252.41 | 97.99 | 183.18 |
| Classification as per Ind AS | | | | |
| Loans | 0.98 | - | 0.92 | - |
| Other financial assets | 58.88 | 0.29 | 68.61 | 2.75 |
| Other assets | 2.85 | 252.12 | 25.95 | 182.94 |
| Security deposit | - | - | 2.51 | (2.51) |
| | 62.71 | 252.41 | 97.99 | 183.18 |

Loans and advances under IGAAP has been primarily reclassified as other financial assets (Non-current:- March 31, 2016: Rs 58.88 Crore, April 1, 2015: Rs 68.61 Crore), advance recoverable in kind as other asset (Current:- March 31, 2016: Rs 197.35 Crore, April 1, 2015: Rs 134.85 Crore).

| | March 31, 2016 | | April 1, 2015 | |
|-------------------------------------|----------------|---------------|---------------|---------------|
| | Non-current | Current | Non-current | Current |
| Classification as per IGAAP | | | | |
| Other liabilities | 22.85 | 80.80 | 17.25 | 184.12 |
| Trade payable | - | 352.18 | - | 314.79 |
| | 22.85 | 432.98 | 17.25 | 498.91 |
| Classification as per Ind AS | | | | |
| Other financial liabilities | 22.85 | 2.03 | 17.25 | 30.55 |
| Trade payable | - | 352.18 | - | 314.79 |
| Other liabilities | - | 78.77 | - | 153.57 |
| | 22.85 | 432.98 | 17.25 | 498.91 |

Other liabilities has been primarily reclassified to other financial liabilities as lease rent payable (Non-current:- March 31, 2016: Rs 22.85 Crore, April 1, 2015: Rs 17.25 Crore) and other current liabilities as advance from customers (Current:- March 31, 2016: Rs 58.94 Crore, April 1, 2015: Rs 135.97 Crore).

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

5. Property, plant and equipment

| Particulars | Gross block | | | Accumulated depreciation | | | Net block | | |
|--------------------------------|---------------------|-------------|-------------|--------------------------|---------------------|-------------|----------------------|----------------------|----------------------|
| | As at April 1, 2015 | Additions | Disposals | As at March 31, 2016 | Charge for the year | Disposals | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Freehold land | 15.21 | 2.14 | - | 17.35 | - | - | - | 17.35 | 15.21 |
| Buildings | 2.65 | 1.19 | - | 3.84 | 0.46 | - | 0.46 | 3.38 | 2.65 |
| Plant and machinery | 1.05 | 0.32 | - | 1.37 | 0.21 | - | 0.21 | 1.16 | 1.05 |
| Computer and office equipments | 0.50 | 0.63 | - | 1.13 | 0.33 | - | 0.33 | 0.80 | 0.50 |
| Furniture and fixtures | 0.37 | 0.10 | - | 0.47 | 0.12 | - | 0.12 | 0.35 | 0.37 |
| Vehicles | 0.38 | 0.20 | 0.03 | 0.55 | 0.13 | 0.03 | 0.10 | 0.45 | 0.38 |
| Total | 20.16 | 4.58 | 0.03 | 24.71 | 1.25 | 0.03 | 1.22 | 23.49 | 20.16 |

| Particulars | Gross block | | | | Accumulated depreciation | | | Net block | | |
|--------------------------------|---------------------|--------------|-------------|----------------------|--------------------------|---------------------|-------------|----------------------|----------------------|----------------------|
| | As at April 1, 2016 | Additions | Disposals | As at March 31, 2017 | As at April 1, 2016 | Charge for the year | Disposals | As at March 31, 2017 | As at March 31, 2017 | As at March 31, 2016 |
| Freehold land | 17.35 | 3.56 | - | 20.91 | - | - | - | - | 20.91 | 17.35 |
| Buildings | 3.84 | 2.70 | - | 6.54 | 0.46 | 1.69 | - | 2.15 | 4.39 | 3.38 |
| Plant and machinery | 1.37 | 3.71 | - | 5.08 | 0.21 | 0.93 | - | 1.14 | 3.94 | 1.16 |
| Computer and office equipments | 1.13 | 3.19 | - | 4.32 | 0.33 | 1.74 | - | 2.07 | 2.25 | 0.80 |
| Furniture and fixtures | 0.47 | 0.97 | - | 1.44 | 0.12 | 0.34 | - | 0.46 | 0.98 | 0.35 |
| Vehicles | 0.55 | 0.41 | 0.17 | 0.79 | 0.10 | 0.18 | 0.16 | 0.12 | 0.67 | 0.45 |
| Total | 24.71 | 14.54 | 0.17 | 39.08 | 1.22 | 4.88 | 0.16 | 5.94 | 33.14 | 23.49 |

- For property, plant and equipment existing on April 1, 2015, i.e. its date of transition to Ind AS, the Company had considered IGAAP carrying value as deemed costs (refer Note 4).
- Out of total freehold land of Rs 20.91 Crore (March 31, 2016: Rs 17.35 Crore, April 1, 2015: Rs 15.21 Crore), land of Rs 4.43 Crore (March 31, 2016: Rs 4.43 Crore, April 1, 2015: Rs 4.43 Crore) has been leased out to lessees for installation of wind turbine generators.
- For contractual commitment with respect to property, plant & equipment refer Note 32.
- For details of property, plant and equipment given as security to lenders refer Note 15(d).

6. Investments

Non-current investments comprise of Government securities (unquoted) of Rs 0.01 Crore (March 31, 2016: Rs 0.01 Crore, April 1, 2015: Rs 0.01 Crore).

7. Loans

Non-current
Inter-corporate deposits

| March 31, 2017 | March 31, 2016 | April 1, 2015 |
|----------------|----------------|---------------|
| 1.05 | 0.98 | 0.92 |
| 1.05 | 0.98 | 0.92 |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

8. Trade receivables

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--------------------------------|-------------------|-------------------|------------------|
| Non-current | | | |
| Unsecured, considered good | 11.14 | - | - |
| Unsecured, considered doubtful | 10.45 | 10.33 | 13.45 |
| | 21.59 | 10.33 | 13.45 |
| Less : Impairment allowance | | | |
| Considered good | (0.11) | - | - |
| Considered doubtful | (10.45) | (10.33) | (13.45) |
| Total | 11.03 | - | - |
| Current | | | |
| Unsecured, considered good | 920.71 | 537.62 | 272.21 |
| Less : Impairment allowance | (9.21) | (5.38) | (2.72) |
| Total | 911.50 | 532.24 | 269.49 |

The movement in impairment allowance as per ECL model is as under:

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| Balance as at the beginning of the year | 5.38 | 2.72 |
| Impairment allowance during the year | 3.94 | 2.66 |
| Balance as at the end of the year | 9.32 | 5.38 |

Trade receivable include receivable of Rs 90.82 Crore (March 31, 2016: Rs 28.83 Crore, April 1, 2015: Rs 2.63 Crore) from ultimate holding company/ holding company, Rs 2.54 Crore (March 31, 2016: Rs 38.51 Crore, April 1, 2015: Rs 6.89 Crore) from fellow subsidiaries, Rs 7.47 Crore (March 31, 2016: Rs 2.47 Crore, April 1, 2015: Rs 3.09 Crore) from entities where KMP has significant influence and Rs 26.75 Crore (March 31, 2016: Rs Nil, April 1, 2015: Rs Nil) from jointly controlled entities.

For details of receivable given as security to lenders refer Note 15(d).

9. Other financial assets

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Non-current | | | |
| Bank balances (refer note below) | 2.08 | 2.73 | 3.15 |
| Security deposits (unsecured, considered good) | 12.43 | 12.09 | 15.74 |
| Interest accrued on deposits, loans and advances | - | - | 0.08 |
| Advances recoverable in cash (unsecured, considered good) | 18.72 | 40.07 | 39.66 |
| Total | 33.23 | 54.89 | 58.63 |
| Current | | | |
| Security deposits | - | - | 2.50 |
| Loans and advances to employees | 0.23 | 0.14 | 0.11 |
| Interest accrued on deposits, loans and advances | 0.10 | 0.15 | 0.14 |
| Total | 0.33 | 0.29 | 2.75 |

Bank balances represents margin money deposits, which are subject to first charge towards non-funds facilities from borrowers.

All the financial assets are disclosed at amortised cost.

For details of financial assets given as security to lenders refer Note 15(d).



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

10. Other assets

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Non-current | | | |
| Capital advances (unsecured, considered good) | 0.52 | 0.75 | 0.02 |
| Advances recoverable in kind | | | |
| Unsecured, considered good | - | - | 6.10 |
| Unsecured, considered doubtful | 89.84 | 88.84 | 8.92 |
| | 89.84 | 88.84 | 15.02 |
| Less : Impairment allowance | (89.84) | (88.84) | (8.92) |
| | - | - | 6.10 |
| Advance income tax (net of provisions) | 6.45 | 2.10 | 7.68 |
| Balances with government authorities | - | - | 12.00 |
| Total | 6.97 | 2.85 | 25.80 |
| Current | | | |
| Advances recoverable in kind (unsecured, considered good) | 498.74 | 197.35 | 134.85 |
| Advance income tax (net of provisions) | 8.85 | 3.14 | 2.18 |
| Prepaid expenses | 3.52 | 1.97 | 1.61 |
| Balances with government authorities | 44.86 | 49.51 | 44.13 |
| Total | 555.97 | 251.97 | 182.77 |

For details of other assets given as security to lenders refer Note 15(d).

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

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--|-------------------|-------------------|------------------|
| Raw materials [including goods-in-transit of Rs 0.26 Crore (March 31, 2016: Rs 1.02 Crore, April 1, 2015: Rs Nil)] | 130.05 | 82.71 | 51.10 |
| Work-in-progress | 80.26 | 56.50 | 48.25 |
| Finished goods (power evacuation) | 4.12 | 11.42 | - |
| Land and lease rights | 143.46 | 173.61 | 80.29 |
| Total | 357.89 | 324.24 | 179.64 |

For details of inventories given as security to lenders refer Note 15(d).

12. Cash and cash equivalents

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Balances with banks in current accounts | 46.75 | 20.54 | 6.93 |
| Cash on hand | 0.83 | 1.41 | 0.56 |
| Total | 47.58 | 21.95 | 7.49 |

There are no restrictions with regard to cash and cash equivalents as the end of the reporting period and prior period.

For details of cash and cash equivalents given as security to lenders refer Note 15(d).



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

12.1 Specified bank notes disclosure (SBN)

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

| Particulars | SBNs* | (in Rs) | |
|--|-----------|--------------------------|------------|
| | | Other denomination notes | Total |
| Closing cash on hand as on November 8, 2016 | 7,698,000 | 3,661,207 | 11,359,207 |
| Add: Amount withdrawn from banks | - | 2,558,922 | 2,558,922 |
| Add: Permitted receipts | - | 8,600,759 | 8,600,759 |
| Less: Permitted payments | - | 12,186,678 | 12,186,678 |
| Less: Amount deposited in banks | 7,698,000 | - | 7,698,000 |
| Closing cash on hand as on December 30, 2016 | - | 2,634,210 | 2,634,210 |

* For the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

13. Equity share capital

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|----------------|----------------|---------------|
| Authorised share capital | | | |
| 1,250,000,000 (March 31, 2016: 1,250,000,000, April 1, 2015: 50,000,000) equity shares of Rs 10/- each. | 1,250.00 | 1,250.00 | 50.00 |
| 20,000,000 (March 31, 2016: 20,000,000, April 1, 2015: 20,000,000) preference shares of Rs 100/- each | 200.00 | 200.00 | 200.00 |
| | 1,450.00 | 1,450.00 | 250.00 |
| Issued, subscribed and paid up capital | | | |
| 1,245,915,359 (March 31, 2016: 1,245,915,359, April 1, 2015: 45,915,359) equity shares of Rs 10/- each | 1,245.92 | 1,245.92 | 45.92 |
| | 1,245.92 | 1,245.92 | 45.92 |

a. Reconciliation of the shares outstanding at the beginning and at the end of the financial year

| Particulars | March 31, 2017 | | March 31, 2016 | |
|------------------------------------|--------------------------|-------------|--------------------------|-------------|
| | Number of shares (Crore) | Rs in Crore | Number of shares (Crore) | Rs in Crore |
| At the beginning of the year | 124.59 | 1,245.92 | 4.59 | 45.92 |
| Issued during the year | - | - | 120 | 1,200.00 |
| Outstanding at the end of the year | 124.59 | 1,245.92 | 124.59 | 1,245.92 |

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

b. Terms/ rights attached to equity shares

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

In the event of liquidation of the Company, the holders 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. Shares held by holding company

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

| | March 31, 2017** | March 31, 2016** | April 1, 2015* |
|---|---------------------|---------------------|-------------------|
| 1,245,915,359 (March 31, 2016: 1,245,915,359, April 1, 2015: 45,915,359) equity shares of Rs 10 each fully paid | 1,245.92 | 1,245.92 | 45.92 |

d. Details of shareholders holding more than 5% equity shares in the Company:

| Name of the shareholder | March 31, 2017** | | March 31, 2016** | | April 1, 2015* | |
|---|--------------------------|-----------|--------------------------|-----------|--------------------------|-----------|
| | Number of shares (Crore) | % holding | Number of shares (Crore) | % holding | Number of shares (Crore) | % holding |
| Equity shares of Rs 10 each fully paid | | | | | | |
| Suzlon Energy Limited, ultimate holding company (along with its nominees) | - | - | - | - | 4.59 | 100% |
| Suzlon Power Infrastructure Limited, holding company | 124.59 | 100% | 124.59 | 100% | - | - |

* Held by Suzlon Energy Limited ('SEL').

** Held by Suzlon Power Infrastructure Limited ('SPIL').

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

14. Other equity

Refer statement of changes in equity for detailed movement in equity balance:

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Share option outstanding account* | 1.41 | 1.24 | - |
| Equity component of compound financial instruments (refer Note below) | 98.55 | 98.55 | 101.91 |
| Retained earnings | (1,424.24) | (1,353.04) | (1,089.19) |
| Total | (1,324.28) | (1,253.25) | (987.28) |

* The share option outstanding account is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

a. Terms of redemption of preference shares

Redeemable cumulative preference shares shall be redeemable in one or more instalments at par and the board shall have the sole discretion to decide the date/dates and manner of redemption subject however if not redeemed earlier, the same shall automatically and compulsorily be redeemed at the end of 15 (Fifteen) years from the date of allotment i.e. March 5, 2012.

The Company as well as the preference shareholders respectively shall have the Call and Put Option to redeem the preference shares so issued at any time after 3 (Three) months from the date of allotment subject however to the consent of the other party.

Preference shares shall carry a dividend at the rate of 9% per annum; which shall be payable quarterly or annually or otherwise at the sole discretion of the Board of Directors.

The board of directors shall have the sole discretion to vary the rate of dividend from time to time, however the same shall not exceed 12% per annum. The dividend proposed by the Board of Directors is subject to approvals of the shareholders in ensuring Annual General Meeting. Each holder of preference share is entitled to one vote per share, only on resolutions placed before company which directly affect rights attached to preference shares.

During the year ended March 31, 2016, the Company has fully redeemed 20,000,000 9% redeemable cumulative preference shares of Rs 100/- each fully paid at face value out of the proceeds received from the fresh issue of equity shares.

Under IGAAP, the RCPS were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, RCPS are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

In view of the losses, the Company was not in a position to pay dividend on the said preference shares and requested SEL to waive their right to receive dividend on the said preference shares from the date of allotment till the date of redemption.

Accordingly, Suzlon Energy Limited has waived their right to receive dividend accumulated on the said preference shares from the date of allotment till the date of redemption.

15. Borrowings

Non-current

Term loan from banks/ financial institutions (secured)
Liability component of preference shares (unsecured)
(refer Note 14 (a))
Loans from related party (unsecured)
Total

| March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------|-------------------|------------------|
| 54.31 | 54.31 | 84.64 |
| - | - | 137.84 |
| 650.00 | - | 150.00 |
| 704.31 | 54.31 | 372.48 |

Current

Working capital facilities from banks and
financial institutions (secured)
Loans from related party (unsecured)
Total

| | | |
|---------------|---------------|---------------|
| 13.25 | 14.12 | 12.20 |
| 380.82 | 676.46 | 768.86 |
| 394.07 | 690.58 | 781.06 |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

a) Corporate debt restructuring

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

The key features of the CDR package are as follows:

- i. 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.
- ii. 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.
- iii. Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- iv. 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.
- v. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11.00% per annum with reset option in accordance with MRA.
- vi. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- vii. 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 / CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- i. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- ii. SEL to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut-off date at the price determined in compliance with Securities and Exchange Board of India, if exercised by CDR lenders.

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

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



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Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

b) Loans from related parties comprise of Inter Corporate Deposit from the ultimate holding company SEL, which carry interest @11% p.a. and used for business operations. As per the terms of the agreement between the Company and lender (SEL), the lender consents that it will not raise any demand on the Company to make any prepayment of the loan up to Rs 650 Crore provided under the agreement during the term up to March 31, 2020.

c) The rate of interest on cash credit from banks and long-term borrowings is ~11.00% p.a. depending upon the prime lending rate of the bank and financial institutions, wherever applicable, and the interest rate spread agreed with the banks.

d) The details of security for the current and non-current secured loans are as follows:

In case of financial facilities from CDR lenders in accordance with MRA and non-CDR lenders, RTL, WCTL, FITL aggregating Rs 54.31 Crore (March 31, 2016: Rs 54.31 Crore, April 1, 2015: Rs 92.00 Crore) of which Rs 54.31 Crore (March 31, 2016: Rs 54.31 Crore, April 1, 2015: Rs 84.64 Crore) classified as long-term borrowings and Rs Nil (March 31, 2016: Rs Nil, April 1, 2015: Rs 6.44 Crore) classified as current maturities of long-term borrowings, fund based working capital facilities of Rs (March 31, 2016: Rs 14.12, April 1, 2015: Rs 12.20 Crore), and non-fund based working capital facilities are secured by first pari passu charge on all chargeable present and future tangible/intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its identified domestic 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 chairman and managing director of SEL and limited personal guarantee of an erstwhile director of a fellow subsidiary.

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

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

| Particulars | Up to 1 year | 2 to 5 years | Above 5 years | Total |
|-----------------|-----------------|-----------------|------------------|--------|
| Secured loans* | | | | |
| March 31, 2017 | - | 44.19 | 10.12 | 54.31 |
| March 31, 2016 | - | 24.87 | 29.44 | 54.31 |
| April 1, 2015 | 22.15 | 40.48 | 44.16 | 106.79 |
| Unsecured loans | | | | |
| March 31, 2017 | - | 650.00 | - | 650.00 |
| March 31, 2016 | - | - | - | - |
| April 1, 2015 | - | 150.00 | - | 150.00 |

* The effective rate of interest on the long term and short term borrowing ranges between 11.00% p.a. to 15.00% p.a. during the year, depending upon the prime lending rate of the banks and financial institutions at the time of borrowing, wherever applicable, and the interest rate spread agreed with the banks.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

16. Other financial liabilities

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--|-------------------|-------------------|------------------|
| Non-current | | | |
| Lease rent payable | 23.87 | 22.85 | 17.25 |
| Total | 23.87 | 22.85 | 17.25 |
| Current | | | |
| Current maturities of long-term borrowings | - | - | 22.15 |
| Interest accrued and due on borrowings | 0.51 | - | 3.01 |
| Other liabilities* | 21.55 | 11.89 | 14.23 |
| Total | 22.06 | 11.89 | 39.39 |

* Primarily includes provision for recompense liability, incentive and bonus payable.

All the financial liabilities are disclosed at amortised cost.

17. Provisions

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--------------------|-------------------|-------------------|------------------|
| Non-current | | | |
| Employee benefits | 4.98 | 5.87 | 6.87 |
| Total | 4.98 | 5.87 | 6.87 |
| Current | | | |
| Employee benefits | 6.60 | 3.79 | 3.61 |
| Total | 6.60 | 3.79 | 3.61 |

18. Trade payables

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--|-------------------|-------------------|------------------|
| Trade payables | 688.59 | 320.86 | 258.22 |
| Outstanding dues of micro enterprises and small enterprises (refer Note below) | 6.91 | 12.84 | 3.09 |
| Trade payables to related parties | 63.84 | 18.48 | 53.48 |
| Total | 759.34 | 352.18 | 314.79 |

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

a) Details of dues to micro and small enterprises as defined under MSMED Act, 2006

| Particulars | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| The principal amount remaining unpaid to any supplier as at the end of the year | 6.91 | 12.84 |
| Interest due on the above amount | 0.25 | 0.09 |
| The amount of interest paid by in terms of Section 16 of the Micro, Small and Medium Enterprises Act, 2006 | Nil | Nil |
| Amounts of the payment made to the supplier beyond the appointed day during the year. | 22.90 | 17.88 |
| Amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act | Nil | Nil |
| Amount of interest accrued and remaining unpaid at the end of the year* | Nil | Nil |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | 25.92 | 20.33 |

* The same has been not accrued in the books of the company as the amount is not contractually payable.

19. Other current liabilities

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-----------------------|-------------------|-------------------|------------------|
| Advance from customer | 98.08 | 58.94 | 135.97 |
| Statutory dues | 18.02 | 10.23 | 5.17 |
| Others* | 5.73 | 9.60 | 12.43 |
| Total | 121.83 | 78.77 | 153.57 |

* Primarily includes provision for expenses and current portion of lease rent payable.

20. Revenue from operations

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| Project execution income | 1,468.21 | 621.62 |
| Income from land and land development | 319.36 | 121.89 |
| Power evacuation infrastructure facility | 54.79 | 55.18 |
| Sale of goods | 16.00 | 15.51 |
| Scrap sales | 0.27 | 0.13 |
| Total | 1,858.63 | 814.33 |

21. Other income

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Interest income on: | | |
| Financial assets measured at amortised cost | | |
| on deposits with banks | 0.18 | 0.27 |
| on other financial assets | 2.55 | 6.53 |
| Total | 2.73 | 6.80 |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

22. Cost of raw materials consumed/ services rendered

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| Consumption of raw materials | | |
| Opening inventory | 82.71 | 51.10 |
| Add : Purchases | 550.41 | 262.00 |
| | 633.12 | 313.10 |
| Less : Closing inventory | 130.05 | 82.71 |
| | 503.07 | 230.39 |
| Cost of land | 279.77 | 120.56 |
| (Reversal)/ provision for estimated loss on contracts* | (7.44) | (6.08) |
| Cost of project services and infrastructure development expenses | 901.15 | 448.54 |
| | 1,173.48 | 563.02 |
| Cost of raw material consumed/ services rendered | 1,676.55 | 793.41 |
| Changes in inventories of work-in-progress and finished goods | | |
| Opening inventory | | |
| Work-in-progress | 56.50 | 48.25 |
| Finished goods | 11.42 | - |
| | 67.92 | 48.25 |
| Closing inventory | | |
| Work-in-progress | 80.26 | 56.50 |
| Finished goods | 4.12 | 11.42 |
| | 84.38 | 67.92 |
| Changes in inventory | (16.46) | (19.67) |

* The Company had earlier provided for estimated loss on certain contracts. During the year, the same has been reversed to the extent not required as at year end.

23. Employee benefits expense

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Salaries, wages, allowances and bonus | 55.42 | 33.58 |
| Contribution to provident fund and other funds* | 3.40 | 2.33 |
| Share based payments (refer Note 30) | 0.17 | 1.24 |
| Staff welfare expenses | 7.78 | 2.97 |
| Total | 66.77 | 40.12 |

* Includes gratuity expense of Rs 2.67 Crore (Rs 1.01 Crore).

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

24. Finance costs

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| Interest expenses on: | | |
| Financial liabilities measured at amortised cost | | |
| on term loans | 6.32 | 6.48 |
| on inter corporate deposits | 80.05 | 136.50 |
| on other financial liabilities | 7.98 | 62.97 |
| Bank charges | 3.24 | 2.78 |
| Compensation in lieu of bank sacrifice | 0.98 | 1.01 |
| Total | 98.57 | 209.74 |

25. Other expenses

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Factory and site expenses | 15.32 | 12.53 |
| Security expenses | 10.44 | 5.30 |
| Repairs and maintenance: | | |
| Plant and machinery | 0.05 | 0.11 |
| Others | 1.16 | 0.52 |
| Rent (refer Note 31) | 4.84 | 2.78 |
| Rates and taxes | 3.96 | (0.30) |
| Insurance | 9.01 | 3.23 |
| Business promotion expense | 1.07 | 2.40 |
| SEB and nodal agency charges | 2.18 | 2.16 |
| Travelling, conveyance and vehicle expenses | 21.12 | 10.44 |
| Communication expenses | 1.56 | 0.88 |
| Auditors' remuneration and expenses (refer details below) | 0.29 | 0.30 |
| Consultancy charges | 7.56 | 6.69 |
| CSR, charity and donations | 5.78 | 5.47 |
| Miscellaneous expenses | 13.02 | 5.25 |
| Exchange differences, net | (0.52) | 0.70 |
| Bad debts written off | 0.11 | 2.77 |
| Provision for doubtful debts and advances | 0.12 | (3.11) |
| Impairment allowance | 3.94 | 2.66 |
| (Profit)/ loss on assets sold/ discarded, net | (0.01) | (0.01) |
| Total | 101.00 | 60.77 |

Payment to auditor:

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Statutory audit fees | 0.28 | 0.28 |
| Tax audit fees* | 0.01 | 0.01 |
| Reimbursement of out of pocket expenses | - | 0.01 |
| Total | 0.29 | 0.30 |

* Paid to auditor other than statutory auditor.

The Company has average negative net profit for preceding three financial years and therefore CSR disclosure is not applicable.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

26. Income tax

- a. As the Company has tax losses, there is no income tax expense to statement of profit and loss for the year ended March 31, 2017.
- b. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2016:

| | March 31, 2017 | March 31, 2016 |
|--|-------------------|-------------------|
| Accounting profit before income tax | (69.45) | (263.52) |
| Enacted tax rates in India | 34.61% | 34.61% |
| Computed tax expense | (24.03) | (91.20) |
| Non-deductible expenses for tax purposes | 1.25 | 2.14 |
| Current year losses on which deferred tax assets not recognised | 22.78 | 89.06 |
| At the effective income tax rate of 34.61% (March 31, 2016: 34.61%) | - | - |

- c. The following is the details of carry forward losses and unused credit on which no deferred tax asset is recognised by the Company. Unabsorbed depreciation is available for offsetting all future taxable profits of the Company. Business losses are available for offsetting future taxable profits of the Company for 8 years from the year in which losses arose. Majority of the business losses will expire between March 2021 to March 2023.

| Particulars | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------------|-------------------|-------------------|------------------|
| Business loss | 1,178.52 | 1,113.63 | 932.86 |
| Unabsorbed depreciation | 14.96 | 12.01 | 10.53 |
| Total | 1,193.48 | 1,125.64 | 943.39 |

27. Components of other comprehensive income (OCI)

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Re-measurement gains/ (losses) on defined benefit plans | (1.75) | (0.33) |
| Total | (1.75) | (0.33) |

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

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Net profit/ (loss) after tax attributable to equity shareholders | (69.45) | (263.52) |
| Weighted average number of equity shares | 1,245,915,359 | 88,538,310 |
| Basic and diluted earnings*/ (loss) per share of face value of Rs 10/- each | (0.56) | (29.76) |

* Since the earnings/ (loss) per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings/ (loss) per share is the same.

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

29. Post-employment benefit plans

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 partially funded with an insurance company in the form of a qualifying insurance policy.

Net employees benefit expense recognised in profit or loss and in other comprehensive income:

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Current service cost | 0.59 | 0.50 |
| Net interest cost | 0.18 | 0.15 |
| Net defined benefit cost recognised in profit and loss | 0.77 | 0.65 |
| Other comprehensive income | | |
| Re-measurement for the period – Obligation (gain)/ loss | 1.82 | 0.33 |
| Re-measurement for the period – Plan assets (gain)/ loss | (0.07) | (0.00)* |
| Total defined benefit cost recognised in OCI | 1.75 | 0.33 |
| Total | 2.52 | 0.98 |

* Less than Rs 0.01 Crore.

Changes in the defined benefit obligation:

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Opening defined benefit obligation | 4.37 | 3.59 |
| Current service cost | 0.59 | 0.50 |
| Interest cost | 0.34 | 0.26 |
| Benefits paid | (0.39) | (0.54) |
| Acquisition adjustments/ settlement cost | 0.13 | 0.23 |
| Re-measurement adjustment: | | |
| Experience adjustments | 0.68 | 0.39 |
| Actuarial changes arising from changes in demographic assumptions | (0.03) | - |
| Actuarial changes arising from changes in financial assumptions | 1.17 | (0.06) |
| Closing defined benefit obligation | 6.86 | 4.37 |

Changes in the fair value of plan assets:

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Opening fair value of plan assets | 2.01 | 1.15 |
| Interest income | 0.16 | 0.11 |
| Contributions by employer towards approved fund | 0.22 | 1.06 |
| Benefits paid | (0.39) | (0.54) |
| Acquisition adjustments | 0.11 | 0.23 |
| Re-measurement adjustment: | | |
| Experience adjustments | 0.08 | 0.02 |
| Actuarial changes arising from changes in financial assumptions | (0.01) | (0.02) |
| Closing fair value of plan assets | 2.18 | 2.01 |
| Actual return on plan assets | 0.23 | 0.11 |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Net asset/ (liability) recognised in the balance sheet:

| | March 31, 2017 | March 31, 2016 |
|---|-------------------|-------------------|
| Present value of defined benefit obligation as at the end of the period | 6.86 | 4.37 |
| Fair value of plan assets as at the end of the period | 2.18 | 2.01 |
| Surplus/ (deficit) | (4.68) | (2.36) |
| Current portion of the above | - | - |
| Non-current portion of the above | 6.86 | 4.37 |
| Amount not recognised as asset due to asset ceiling | - | - |
| Net asset/ (liability) recognised in the balance sheet | (4.68) | (2.36) |

Principal assumptions used in determining gratuity obligations:

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|--------------------------------|---|--|--|
| Discount rate (in %) | 7.00 | 7.90 | 7.80 |
| Future salary increases (in %) | 10.00 | 8.00 | 8.00 |
| Life expectation (in years) | 6.45 | 12.55 | 13.08 |
| Attrition rate | 22% at younger ages and reducing to 11% at older ages according to graduated scale | 10% at younger ages and reducing to 1% at older ages according to graduated scale | 10% at younger ages and reducing to 1% at older ages according to graduated scale |

During the year, the Company has re-assessed the actuarial assumption for attrition rate based on trend of attrition.

Quantitative sensitivity analysis for significant assumption:

| Assumptions | March 31, 2017 | | March 31, 2016 | | March 31, 2017 | | March 31, 2016 | |
|---------------------------------------|----------------|----------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
| | Discount rate | | | | Future salary increases | | | |
| | 1% increase | 1% decrease | 1% increase | 1% decrease | 1% increase | 1% decrease | 1% increase | 1% decrease |
| Sensitivity level | | | | | | | | |
| Impact on defined benefit obligations | (0.50) | 0.56 | (0.50) | 0.59 | 0.47 | (0.42) | 0.54 | (0.46) |

For the year ending on March 31, 2018 the Company expects to contribute Rs 0.68 Crore (March 31, 2016: Rs 1.06 Crore) towards its defined benefit plan.

The average duration of the defined benefit plan obligation at the end of the reporting period is 11.09 years (March 31, 2016: 16.40 years).

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Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

30. Share-based payments

Employees Stock Option Plan 2014

The Scheme shall be applicable to the employees of SEL, its subsidiary companies in India (including the Company) and abroad, any successor company thereof and may be granted to the employees of SEL and its subsidiary companies, as determined by the Nomination and Remuneration Committee. Options granted under this Scheme would vest in tranches not earlier than one year and not later than a maximum of three years (revised to five years) from the date of grant of such options. Vesting of options would be subject to continued employment with SEL or its subsidiary companies, as the case may be, and thus the options would vest on passage of time. The options would be granted at an exercise price equal to the closing market price of the shares of SEL or certain discount to the closing market price on the NSE on the date of grant or such other price as may be decided by the Nomination and Remuneration Committee. Once the options vest as per the schedule, they would be exercisable by the option holder and the shares arising on exercise of such options shall not be subject to any lock-in period provided however that the shares allotted on such exercise cannot be sold for a period of 30 days from the date of allotment in terms of the insider trading code of SEL. The employee stock options granted shall be capable of being exercised within a period of three years (revised to five years) from the date of first vesting. Payment of the exercise price shall be made by a crossed cheque or a demand draft drawn in favour of SEL, or in such other manner as the Nomination and Remuneration Committee may decide.

SEL has provided employee stock option and purchase schemes to its employees. The total expense recognised in the books of the Company arising from equity-settled share-based payment transactions is Rs 0.17 Crore (March 31, 2016: Rs 1.24 Crore).

Fair value of options

The Company measures the cost of cash-settled transactions with employees using a Lattice model to determine the fair value of the liability incurred.

31. Operating leases

The Company has taken certain premises under operating leases. Expenses under cancellable operating leases during the year is Rs 4.56 Crore (Rs 2.59 Crore). The Company has also taken furnished/unfurnished offices under non-cancellable operating lease agreement. The lease rental charge during the year is Rs 0.28 Crore (Rs 0.19 Crore) and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows :

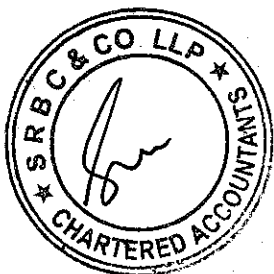
Obligation under non-cancellable operating leases:

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Not later than one year | 0.00* | 0.17 | - |
| Later than one year and not later than five years | - | 0.05 | - |
| Later than five years | - | - | - |

* Less than Rs 0.01 Crore.

32. Capital and other commitments

Estimated amount of contract remaining to be executed on capital accounts and not provided for, net of advances Rs 0.78 Crore (March 31, 2016: Rs 1.15 Crore, April 1, 2015: Rs 0.15 Crore).



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

33. Contingent liabilities

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|---|-------------------|-------------------|------------------|
| Disputed legal cases | 13.85 | 12.08 | 11.97 |
| Disputed dues with government authorities | - | 0.02 | 0.02 |
| Interest payable under MSMED Act, 2006 | 25.92 | 20.33 | 15.81 |
| | 39.77 | 32.43 | 27.80 |

- a) The Company has stood as co-borrower for loans granted to the SEL and its subsidiaries for which certain securities are provided, the amount of which is not ascertainable.
- b) The Company, ultimate holding Company, holding Company and its identified domestic fellow subsidiaries (collectively 'the Group') and Suzlon Generators Limited, a jointly controlled entity ('SGL') are obligors under the Onshore Stand by letter of credit ('SBLC') Facility Agreement and have provided security under the Offshore SBLC Facility Agreement in connections with a SBLC issued by State Bank of India of USD 655 Million for securing the credit facility and covered bonds availed by AE Rotor Holding B.V. (AERH), a step-down wholly owned subsidiary of the SEL. The Group has classified the Onshore facility availed amounting to USD 538 million as a financial guarantee contract. AERH has a borrowing of USD 626 million as at March 31, 2017, which is due for repayment in March 2018, as per original schedule. The Group has obtained No Objection Certificate from the SBLC lenders as well as approval from Reserve Bank of India for extension of SBLC from April 2018 to April 2023. The Group believes that based on the strength of extended SBLC, the outstanding borrowing of AERH can be extended/refinanced by the existing lenders or by new lenders. AERH and its subsidiaries are engaged in dealing of WTGs in international markets and the cash-flows generated from these business activities will be used for serving the finance cost as well as towards part repayment of outstanding debt of AERH. The ability of AERH to repay the outstanding debt is primarily dependent on generation of cash-flows from business operations in overseas market. The Group management believes that AERH has reasonable business forecast over the next few years and estimates that AERH will be able to refinance the outstanding debt, if required and meet the debt obligations as and when they fall due and hence they believe that the financial guarantee obligation of USD 538 million is not required to be recognised in financial statements and it has been disclosed as contingent liability in SEL.

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

Included in loans and advances are certain inter-corporate deposits the particulars of which are disclosed as below by Sec 186(4) of Companies Act 2013.

| Name of the party | Rate of interest | Secured/unsecured | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|-------------------------------------|------------------|-------------------|----------------|----------------|---------------|
| Kishangarh Hi-Tech Textile Park Ltd | 12% | Unsecured | 0.66 | 0.66 | 0.76 |

The loans have been utilised for meeting their working capital requirements.

35. Segment information

The Company provides facilities related to wind power business and has a single reportable segment as defined in Ind AS 108 – Operating Segment. The Company provides these facilities only in India and hence the entire amount of revenue is from external customers based in India and all non-current assets are also located in India.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Cröre, unless otherwise stated

36. Related party transactions

A. List of related parties and nature of relationship where control exists

| Sr. No. | Name of the entity | Nature of relationship |
|---------|--|---|
| 1. | Suzlon Energy Limited | Ultimate holding company |
| 2. | Suzlon Power Infrastructure Limited | Holding company |
| 3. | Gale Solarfarms Limited (formerly Gale Windfarms Private Limited) | Fellow subsidiary |
| 4. | Heramba Renewables Limited (formerly Heramba Wind Energy Limited) | Fellow subsidiary |
| 5. | SE Blades Limited ⁽ⁱ⁾ | Fellow subsidiary |
| 6. | SE Electricals Limited ⁽ⁱ⁾ | Fellow subsidiary |
| 7. | Suzlon Global Services Limited ⁽ⁱⁱ⁾ | Fellow subsidiary |
| 8. | Suzlon Global Services Limited (formerly known as Suzlon Structures Limited) | Fellow subsidiary |
| 9. | Suzlon Energy A/S | Fellow subsidiary |
| 10. | Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd | Fellow subsidiary |
| 11. | Suzlon Wind International Limited ⁽ⁱ⁾ | Fellow subsidiary |
| 12. | Tornado Solarfarms Limited (formerly Tornado Windfarms Private Limited) | Fellow subsidiary |
| 13. | Amun Solarfarms Limited ⁽ⁱⁱⁱ⁾ (formerly Amun Solarfarms Private Limited) | Jointly controlled entity |
| 14. | Avighna Solarfarms Limited ⁽ⁱⁱⁱ⁾ (formerly Avighna Solarfarms Private Limited) | Jointly controlled entity |
| 15. | Prathamesh Solarfarms Limited (formerly Prathamesh Solarfarms Private Limited) ⁽ⁱⁱⁱ⁾ | Jointly controlled entity |
| 16. | Rudra Solarfarms Limited (formerly Rudra Solarfarms Private Limited) ⁽ⁱⁱⁱ⁾ | Jointly controlled entity |
| 17. | SE Solar Limited ⁽ⁱⁱⁱ⁾ | Jointly controlled entity |
| 18. | Suzlon Generators Limited | Jointly controlled entity |
| 19. | Vayudoot Solarfarms Limited ⁽ⁱⁱⁱ⁾ (formerly Vayudoot Solarfarms Private Limited) | Jointly controlled entity |
| 20. | Aspen Infrastructure Limited | Entities where KMP have significant influence |
| 21. | M/s. PT Wind Energy | Entities where KMP have significant influence |
| 22. | Samiran Realities Limited | Entities where KMP have significant influence |
| 23. | Sandla Wind Project Private Limited | Entities where KMP have significant influence |
| 24. | Sarjan Realities Limited | Entities where KMP have significant influence |
| 25. | SE Freight & Logistics (India) Private Limited | Entities where KMP have significant influence |
| 26. | Shubh Realty (South) Limited | Entities where KMP have significant influence |
| 27. | Skeiron Renewable Energy Amidyala Limited (formerly known as Rashmi Renewables Limited) | Entities where KMP have significant influence |
| 28. | Suzlon Foundation | Entities where KMP have significant influence |
| 29. | Tanti Holdings Private Limited | Entities where KMP have significant influence |
| 30. | Balrajsinh A. Parmar | Key managerial personnel (KMP) |
| 31. | Gita T. Tanti | Key managerial personnel (KMP) |
| 32. | Harish H. Mehta | Key managerial personnel (KMP) |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Sr. No. | Name of the entity | Nature of relationship |
|---------|--|--------------------------------|
| 33. | Ranjitsinh A. Parmar | Key managerial personnel (KMP) |
| 34. | Shailesh D. Tanti | Key managerial personnel (KMP) |
| 35. | Nimisha Agnihotri | Key managerial personnel (KMP) |
| 36. | Vaidhyanathan Raghuraman | Key managerial personnel (KMP) |
| 37. | Venkataraman Subramanian | Key managerial personnel (KMP) |
| 38. | Vikas Maheshwari | Key managerial personnel (KMP) |
| 39. | Suzlon Gujarat Wind Park Limited - Superannuation Fund | Employee fund |
| 40. | Suzlon Gujarat Wind Park Limited - Gratuity Fund | Employee fund |

- (i) Merged with ultimate holding company.
- (ii) Merged with Suzlon Structures Limited (Renamed to Suzlon Global Services Limited).
- (iii) During financial year 2015-16, SEL entered in solar sector and in order to execute the project, various special purpose vehicles ('SPV') were incorporated/ acquired with an intent to dispose these to prospective buyers. Accordingly, under IGAAP, the same were classified as subsidiaries. On transition to Ind AS SEL has assessed and determined that these companies are its jointly controlled entities under Ind AS 111 - Joint Arrangements. These entities were fellow subsidiaries of the Company during financial year 2015-16 and during the financial year 2016-17 reclassified as jointly controlled entities. As per companies act 2013, these entities are still fellow subsidiaries of the Company as at March 31, 2017.

B. Transactions between the Company and related parties during the year and the status of outstanding balances as at March 31, 2017 :

| Particulars | Ultimate holding company/ holding company | Fellow subsidiaries | Entities where KMP has significant influence | Jointly controlled entities | KMP | Employee funds |
|---|---|---------------------|--|-----------------------------|----------------|----------------|
| Purchase of property, plant and equipment asset | 0.01 (-) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Loans received | 1,241.76 (1,116.01) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Purchases of goods and services | 76.66 (5.12) | 0.14 (0.48) | 99.11 (70.26) | - (-) | - (-) | - (-) |
| Advances given | - (-) | - (-) | 87.57 (-) | - (-) | - (-) | - (-) |
| Advances received | - (-) | 18.32 (-) | - (11.98) | 111.81 (-) | - (-) | - (-) |
| Sales of goods and services | 341.44 (52.41) | 17.91 (44.89) | 100.58 (15.60) | 54.23 (-) | - (-) | - (-) |
| Issue of equity shares | - (1,200.00) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Interest expenses | 80.05 (136.50) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Donation given | - (-) | - (-) | 4.62 (3.47) | - (-) | - (-) | - (-) |
| Director sitting fees | - (-) | - (-) | - (-) | - (-) | 0.01 (0.01) | - (-) |
| Guarantee and warranty charges | - (-) | 0.85 (-) | - (-) | - (-) | - (-) | - (-) |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

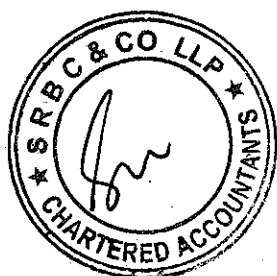
| Particulars | Ultimate holding company/ holding company | Fellow subsidiaries | Entities where KMP has significant influence | Jointly controlled entities | KMP | Employee funds |
|-------------------------------------|---|---------------------|--|-----------------------------|----------|----------------|
| Reimbursement of expenses | 0.41 (0.73) | 0.03 (0.01) | - (-) | - (-) | - (-) | - (-) |
| Redemption of preference shares | - (200.00) | - (-) | - (-) | - (-) | - (-) | - (-) |
| Contribution to superannuation fund | - (-) | - (-) | - (-) | - (-) | - (-) | - (0.01) |
| Contribution to gratuity fund | - (-) | - (-) | - (-) | - (-) | - (-) | 0.22 (1.06) |

Outstanding balances:

| Particulars | Year | Ultimate holding company/ holding company | Fellow subsidiaries | Entities where KMP has significant influence | Jointly controlled entities | KMP | Employee funds |
|---|---|---|-----------------------|--|-----------------------------|-------------|----------------|
| Trade payables/ other current liability | March 31, 17 March 31, 16 April 1, 15 | 49.55 2.86 43.11 | 6.00 6.51 9.06 | 8.28 9.11 1.31 | 0.01 - - | - - - | - - - |
| Advances from customer | March 31, 17 March 31, 16 April 1, 15 | - - - | 3.20 - - | - 3.15 7.88 | 46.48 - - | - - - | - - - |
| Advances to creditors / suppliers | March 31, 17 March 31, 16 April 1, 15 | - - - | - - - | 43.43 40.31 64.01 | - - - | - - - | - - - |
| Unsecured loan | March 31, 17 March 31, 16 April 1, 15 | 1,030.82 676.46 918.86 | - - - | - - - | - - - | - - - | - - - |
| Trade receivables | March 31, 17 March 31, 16 April 1, 15 | 90.82 28.83 2.63 | 2.54 38.51 6.89 | 7.47 2.47 3.09 | 26.75 - - | - - - | - - - |

C. Disclosure of significant transactions with related parties

| Type of transaction | Type of relationship | Name of the entity/ person | March 31, 2017 | March 31, 2016 |
|---------------------------|---|---|----------------|----------------|
| Sales of goods & services | Ultimate holding company | Suzlon Energy Limited | 341.31 | 26.63 |
| | Entities where KMP have significant influence | Skeiron Renewable Energy Amidyala Limited Sandla Wind Project Private Limited | 55.62 40.23 | - 15.60 |
| | Jointly controlled entities | SE Solar Limited Prathamesh Solarfarms Limited | 18.85 15.82 | 25.31 8.43 |
| | Fellow subsidiary | Gale Solarfarms Limited | 11.48 | - |
| | Jointly controlled entities | Avighna Solarfarms Limited Amun Solarfarms Limited | 5.93 5.62 | - - |
| | Fellow subsidiary | Tornado Solarfarms Limited | 5.11 | - |
| | Jointly controlled entities | Vayudoot Solarfarms Limited | 5.07 | - |



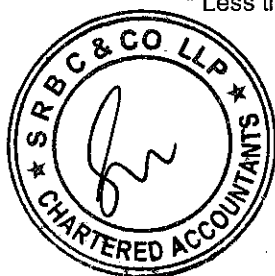
Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

| Type of transaction | Type of relationship | Name of The Entity | March 31, 2017 | March 31, 2016 |
|-------------------------------------|---|--|----------------|----------------|
| | Entities where KMP have significant influence | SE Freight & Logistics (India) Private Limited | 4.71 | - |
| | Jointly controlled entities | Rudra Solarfarms Limited | 2.94 | 2.90 |
| | Fellow subsidiary | Suzlon Global Services Limited | 1.20 | 8.25 |
| | Holding company | Suzlon Power Infrastructure Limited | 0.12 | 25.78 |
| Purchase of goods and services | Entities where KMP have significant influence | Aspen Infrastructure Limited | 61.29 | 1.47 |
| | Ultimate holding company | Suzlon Energy Limited | 39.00 | 4.75 |
| | Holding company | Suzlon Power Infrastructure Limited | 37.66 | 0.37 |
| | Entities where KMP have significant influence | Sarjan Realities Limited | 23.79 | 20.72 |
| | | Tanti Holdings Private Limited | 14.03 | 32.60 |
| | | Shubh Realty (South) Limited | - | 15.47 |
| | Fellow subsidiary | SE Electricals Limited | 0.05 | 0.29 |
| Advances given | Entities where KMP have significant influence | Aspen Infrastructure Limited | 64.74 | - |
| | | Sarjan Realities Limited | 22.83 | - |
| Advances received | Jointly controlled entities | SE Solar Limited | 73.37 | - |
| | Fellow subsidiary | Gale Solarfarms Limited | 12.10 | - |
| | Entities where KMP have significant influence | Sandla Wind Project Private Limited | - | 11.98 |
| Interest expense | Ultimate holding company | Suzlon Energy Limited | 80.05 | 136.50 |
| Loans received | Ultimate holding company | Suzlon Energy Limited | 1,241.76 | 1,116.01 |
| Reimbursement of Expenses | Ultimate holding company | Suzlon Energy Limited | 0.26 | 0.68 |
| | Holding company | Suzlon Power Infrastructure Limited | 0.15 | 0.06 |
| Donation given | Entities where KMP have significant influence | Suzlon Foundation | 4.62 | 3.47 |
| Director sitting fees | KMP | Gita T. Tanti | 0.00* | 0.00* |
| | | Vaidhyanathan Raghuraman | 0.01 | 0.00* |
| Guarantee and warranty charges | Fellow subsidiary | Heramba Renewables Limited | 0.85 | - |
| Issue of equity shares | Holding company | Suzlon Power Infrastructure Limited | - | 1,200.00 |
| Redemption of preference shares | Ultimate holding company | Suzlon Energy Limited | - | 200.00 |
| Contribution to superannuation fund | Employee fund | Suzlon Gujarat Wind Park Limited - Superannuation Fund | - | 0.01 |
| Contribution to gratuity fund | Employee fund | Suzlon Gujarat Wind Park Limited - Gratuity Fund | 0.22 | 1.06 |

* Less than Rs 0.01 Crore.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

37. Fair value measurements

The fair value of the financial assets and liabilities are considered to be same as their carrying values. Accordingly the Company has not disclosed fair value hierarchy.

38. Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Recompense liability payable by the company to CDR lenders could be affected due to changes in market interest rate (refer Note 3(b)).

ii) Price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of electrical items for power evacuation which are affected by the commodity price. The Company has a risk management strategy and planning regarding commodity price risk and its mitigation.

iii) Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. As the Company does not have material exposure to the foreign currency, there is no risk associated with changes in foreign exchange rates.

The Company's exposure to foreign currency risk as at the end of the reporting period expressed in INR are as follows:

| | March 31, 2017 | | | March 31, 2016 | | | April 1, 2015 | | |
|------------------------------|----------------|-------------|-------------|----------------|-------------|-------------|---------------|-------------|-------------|
| | USD | EURO | Others | USD | EURO | Others | USD | EURO | Others |
| Financial assets | | | | | | | | | |
| Other current assets | - | 0.02 | 0.04 | - | 0.02 | 0.04 | - | - | - |
| Total | - | 0.02 | 0.04 | - | 0.02 | 0.04 | - | - | - |
| Financial liabilities | | | | | | | | | |
| Trade Payable | 0.86 | 5.90 | 0.01 | 0.01 | 6.42 | 0.01 | 0.69 | 5.72 | 0.01 |
| Total | 0.86 | 5.90 | 0.01 | 0.01 | 6.42 | 0.01 | 0.69 | 5.72 | 0.01 |



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2017 and March 31, 2016 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and EURO exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The other currencies includes Chinese Yuan, Swiss Franc and Uruguayan Peso.

| | % Change in currency rate | Effect on profit before tax |
|-----------------------|------------------------------|--------------------------------|
| March 31, 2017 | | |
| USD | +5% | (0.04) |
| USD | -5% | 0.04 |
| EURO | +5% | (0.29) |
| EURO | -5% | 0.29 |
| March 31, 2016 | | |
| USD | +5% | - |
| USD | -5% | - |
| EURO | +5% | (0.32) |
| EURO | -5% | 0.32 |
| April 1, 2015 | | |
| USD | +5% | (0.03) |
| USD | -5% | 0.03 |
| EURO | +5% | (0.29) |
| EURO | -5% | 0.29 |

b. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities (primarily loans). The Company consistently monitors the financial health of its customers, progress under its contracts and sales proceeds are being realized as per the milestone payment terms agreed to minimize the loss due to defaults or insolvency of the customer. Progressive liquidity management is being followed to de-risk the Company from any non-fulfilment of its liabilities to various creditors, statutory obligations, or any stakeholders.

i) Trade receivables

The Company's exposure to trade receivables is limited due to diversified customer base. The Company consistently monitors the financial health of its customers, progress under its contracts and sales proceeds are being realized as per the milestone payment terms agreed to minimize the loss due to defaults or insolvency of the customer.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

Refer Note 2.3(n) for accounting policy on financial instruments.



Suzlon Gujarat Windpark Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees Crore, unless otherwise stated

ii) Financial instruments

Financial instruments that are subject to concentrations of credit risk primarily consist of cash and cash equivalents, term deposit with banks and other financial assets. Investments of surplus funds are made only with approved counterparties and within credit limits assigned.

The Company's maximum exposure to credit risk as at March 31, 2017 and as at March 31, 2016 is the carrying value of each class of financial assets.

c. Liquidity risk

The Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. In doing this, management considers both normal and stressed conditions. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flow forecast and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the contractual maturity profile of the Company's financial liabilities:

| | On demand | Up to 1 year | 1-5 years | > 5 years | Total |
|---|---------------|---------------|---------------|--------------|-----------------|
| Year ended March 31, 2017 | | | | | |
| Borrowings (other than convertible preference shares) | 394.07 | - | 694.19 | 10.12 | 1,098.38 |
| Other financial liabilities | - | 22.06 | 2.09 | 21.78 | 45.93 |
| Trade payables | - | 759.34 | - | - | 759.34 |
| Total | 394.07 | 781.40 | 696.28 | 31.90 | 1,903.65 |
| Year ended March 31, 2016 | | | | | |
| Borrowings (other than convertible preference shares) | 690.58 | - | 24.87 | 29.44 | 744.89 |
| Other financial liabilities | - | 11.89 | 0.26 | 22.59 | 34.74 |
| Trade payables | - | 352.18 | - | - | 352.18 |
| Total | 690.58 | 364.07 | 25.13 | 52.03 | 1,131.81 |
| Year ended April 1, 2015 | | | | | |
| Borrowings (other than convertible preference shares) | 781.06 | 22.15 | 190.48 | 44.16 | 1,037.85 |
| Other financial liabilities | - | 39.39 | 1.62 | 15.63 | 56.64 |
| Trade and other payables | - | 314.79 | - | - | 314.79 |
| Total | 781.06 | 376.33 | 192.10 | 59.79 | 1,409.28 |

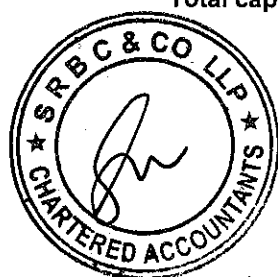
39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard its ability to reduce the cost of capital and to maximise shareholder value.

The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The calculation of the capital for the purpose of capital management is as below.

| | March 31, 2017 | March 31, 2016 | April 1, 2015 |
|----------------------|----------------|----------------|-----------------|
| Equity share capital | 1,245.92 | 1,245.92 | 45.92 |
| Other equity | (1,324.28) | (1,253.25) | (987.28) |
| Total capital | (78.36) | (7.33) | (941.36) |



Suzlon Gujarat Windpark Limited


Notes to financial statements for the year ended March 31, 2017

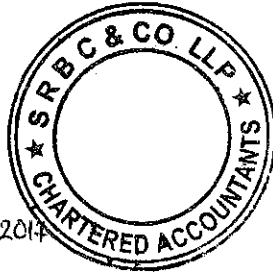
All amounts in Rupees Crore, unless otherwise stated

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

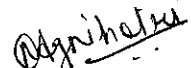

per Shyamsundar Pachisia
Partner
Membership No.: 049237




Place : Mumbai
Date : May 19, 2017


For and on behalf of the Board of Directors of
Suzlon Gujarat Wind Park Limited


Harish H. Mehta
Managing Director
DIN : 00002753


Nimisha Agnihotri
Company Secretary
Membership No.: A30859

Place : Pune
Date : May 18, 2017


Balrajsinh A. Parmar
Director
DIN : 00002276


Vikas Maheshwari
Chief Financial Officer
ICAI Membership No.: 074720

