

Suzlon Wind Energy Limited

Financial Statements

31 March 2017

Company No. 05774256

Suzlon Wind Energy Limited

Registered No. 05774256

COMPANY INFORMATION

Directors

T R Tanti
F Visscher
S Baweja

Secretary

TMF Nominees Limited
400 Capability Green
Luton
Bedfordshire
LU1 3AE

Auditors

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

Bankers

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

Barclays Corporate
London Service Centre
PO Box 69961
1 Churchill Place
London, E14 1NP

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

Registered Office

19 Leyden Street
London
E1 7LE

Strategic report

The directors present their strategic report of the financial statements for the year ended 31 March 2017.

Principal activities and Review of the business

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

Principal risks and uncertainties

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

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

Key performance indicators

The Companies Act requires directors to disclose the company's Key Performance Indicators (KPI's). Given the nature of the Company the Directors believe the sole KPI to be the valuation of the Company's investments in subsidiaries. The Company sold its investment in Tarilo Holding B.V. to its ultimate parent, Suzlon Energy Limited for a consideration of Euro 1 on 28 December 2016. At the end of the year 2017, the company holds investments in AE Rotor Holding which were already fully impaired in the prior year.

By order of the board

Frans Visscher

Director

Date: 17 July, 2017

Directors' report

The directors present their report of the financial statements for the year ended 31 March 2017.

Directors

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

During the year, on 14 February, 2017, Director Mr. Kirti J. Vagadia resigned and Mr. Sanjay Baweja was appointed in his place.

Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company is dependent on financial support from the parent to continue its operations. The parent will subject to applicable law, endeavour to continue provide financial support to the Company to enable it to continue operations for a period of at least 12 months from the date of signing of these financial statements. Therefore, the financial statements continue to be prepared on a going concern basis.

Directors' responsibility statement

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

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

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

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

Disclosure of information to the auditors

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

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By order of the board

Frans Visscher

Director

Date: 17 July, 2017

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

We have audited the parent company financial statements of Suzlon Wind Energy Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

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

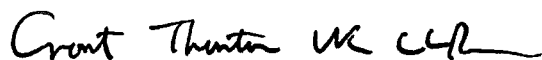
Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception

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

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



Andy Ka
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Reading

Date: 17 July 2017

Statement of comprehensive income

for the year ended 31 March 2017

	<i>Notes</i>	2017 €'000	2016 €'000
<i>Turnover</i>		-	-
Administrative expenses		(7)	(42)
Impairment	5	<u>-</u>	<u>(14,003)</u>
<i>Operating loss</i>	2	(7)	(14,045)
Foreign exchange (loss)/ gain		1	(1)
<i>Loss on ordinary activities before tax</i>		<u>(6)</u>	<u>(14,046)</u>
Tax	4	-	-
<i>Loss for the tax year</i>		<u><u>(6)</u></u>	<u><u>(14,046)</u></u>

All activities relate to continuing operations.

There are no recognised gains or losses other than the loss attributable to the shareholders of the company.

Statement of financial position

As at 31 March 2017

Company No. 05774256

		2017	2016
	Notes	€'000	€'000
Fixed assets			
Investments	5	-	-
Current assets			
Cash at bank and in hand		7	4
Other receivables and prepayments		<u>2</u>	<u>-</u>
		9	4
Creditors: amounts falling due within one year	6	<u>134</u>	<u>123</u>
Net current assets/(liabilities)		<u>(125)</u>	<u>(119)</u>
Total assets less current liabilities		<u>(125)</u>	<u>(119)</u>
Net assets / (liabilities)		<u>(125)</u>	<u>(119)</u>
Capital and reserves			
Called up share capital	7	813,303	813,303
Capital contribution reserve	8	234,368	234,368
Capital reduction reserve	8	3,663	3,663
Profit and loss account		<u>(1,051,459)</u>	<u>(1,051,453)</u>
Equity shareholders' funds		<u>(125)</u>	<u>(119)</u>

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

Frans Visscher
Director

Date: 17 July 2017

Statement of changes in Equity

for the year ended 31 March 2017

	<i>Capital contribution reserve*</i> €'000	<i>Share capital</i> €'000	<i>Capital reduction reserve*</i> €'000	<i>Profit and loss account</i> €'000	<i>Total share- holders' funds</i> €'000
Opening shareholders' funds and reserves	234,368	813,303	3,663	(1,051,453)	(119)
Loss for the year	-	-	-	(6)	(6)
Closing shareholders' funds and reserves	<u>234,368</u>	<u>813,303</u>	<u>3,663</u>	<u>(1,051,459)</u>	<u>(125)</u>

* Refer Note 8

For the year ended 31 March 2016

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

Notes to the financial statements

for the year ended 31 March 2017

1. Accounting policies

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

Accounting convention

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

The financial statements are presented in Euro (€). The directors of the Company have determined that the functional currency should be the Euro as the Company conducts most of its transactions in foreign currencies, the Company has chosen Euro as its functional and presentation currency. As on 31 March 2017, the exchange rate is Euro 1.1685/ GBP.

Basis of preparation

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company is dependent upon financial support from the parent to continue its operations. The parent will subject to applicable law, endeavour to continue provide financial support to the Company to enable it to continue operations for a period of at least 12 months from the date of signing of these financial statements. Therefore, the financial statements continue to be prepared on a going concern basis.

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

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

Foreign currencies

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

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

All differences are taken to the profit and loss account.

Investments

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

Creditors

Short term creditors are measured at transaction price.

Notes to the financial statements

for the year ended 31 March 2017

Tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Exemption from preparing consolidated financial statements

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

2. Operating loss

This is stated after charging:

	2017	2016
	€'000	€'000
Auditor's remuneration	5	11

3. Directors and employees

The Company had no employees during the year (2016: NIL).

No directors received any emoluments from or in respect of the Company (2016: NIL). Directors who served during the year are senior executives of Suzlon Energy Limited, India and received no remuneration for services to this company.

4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017	2016
	€'000	€'000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Under/(over)provision in prior years	-	-

Notes to the financial statements

for the year ended 31 March 2017

(b) Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK of 20% (2016-20%). The differences are explained below:

	2017	2016
	€'000	€'000
Loss on ordinary activities before tax	<u>(6)</u>	<u>(14,046)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(1)	(2,809)
<i>Effects of:</i>		
Utilisation of tax losses	1	2,809
Current tax for the year	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 March 2017

5. Investments

	<i>Subsidiary undertakings</i>
	<i>€'000</i>
Cost	
Opening Balance	1,049,826
Additions	-
Revaluation	-
Disposal	(29,118)
	<hr/>
Closing Balance	<u>1,020,708</u>
Impairment	
Opening Balance	(1,049,826)
Impairment for the year	-
Disposal	29,118
	<hr/>
Closing Balance	<u>(1,020,708)</u>
Net Book Value	
as at 31 March 2017	<u>-</u>
as at 31 March 2016	<u>-</u>

On 28 December 2016, the Company sold its investments in Tarilo Holding B.V. to its holding company Suzlon Energy Limited Mauritius for a consideration of EUR 1. The total impairment provision of Euro 29 million on the investment in Tarilo Holding B.V. as on 31 March 2016, has resulted in the gain of EUR 1 on sale of this investment.

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

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

Notes to the financial statements

for the year ended 31 March 2017

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

Company	Country of Incorporation	Shares held
SE Blades Technology B.V.	Netherlands	100%
Suzlon Energy B.V.	Netherlands	100%
Valum Holding B.V.	Netherlands	100%
S E Drive Technik GmbH	Germany	100%
Suzlon Wind Energy Lanka (Pvt) Limited	Sri Lanka	100%
Suzlon Wind Energy Uruguay SA	Uruguay	100%

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

6. Creditors: amounts falling due within one year

	2017 €'000	2016 €'000
Accruals	15	31
Other creditors	3	-
Amount owed to subsidiary - AE Rotor Holding B. V.	116	92
	<u>134</u>	<u>123</u>

7. Share capital

	2017 £'000	2016 £'000
Authorised		
1,200,000,000 (2016: 1,200,000,000) ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>
	€'000	€'000
Allotted, issued and fully paid		
580,826,291 (2016: 580,826,291) ordinary shares of £1 each	<u>813,303</u>	<u>813,303</u>

Notes to the financial statements

for the year ended 31 March 2017

8. Reserves

Capital contribution reserve

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

Capital reduction reserve

The Company has created capital reduction reserve in previous year as a result of capital reduction done during that year. The capital reduction reserve arose as the share capital of the Company was denominated in GBP while the functional currency of the Company was Euro. It was recorded at the difference between the historical exchange rate at which share capital was recorded in the books and the exchange rate as on the date of capital reduction.

9. Related party transactions

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

10. Guarantees

The Company has a negative lien in favour of the 'Offshore Security Trustee' for all its shares in AE Rotor Holdings B.V as on 31 March 2017.

11. Ultimate parent undertaking and controlling party

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

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