

ANNUAL REPORT  
2015-16

RESURGENCE!

**SUZLON**  
POWERING A GREENER TOMORROW



On a barren plain, the landscape comes alive as hope blooms and proves that the indomitable spirit of nature can never be kept down. Tough times test the mettle of those who can face the odds and yet flourish because there is a larger purpose to life.

# SUZLON THE VISION 2020

- TO BE THE BEST RENEWABLE ENERGY COMPANY IN THE WORLD
- WORK TOWARDS SUSTAINABLE, SOCIAL, ECONOMICAL AND ECOLOGICAL DEVELOPMENT
- TO CREATE A BETTER LIFE FOR FUTURE GENERATIONS



## KEY MARKETS

### India

- Realised 'Make in India' vision of the government by developing our vertically integrated value chain to build India's position as a hub for renewable energy
- Aim to achieve, and surpass the annual wind energy government target of 5,000 MW

### Brazil

- Improved physical and digital infrastructure, established to create a business-friendly environment
- Extend our decade long association by bringing to Brazil utility scale projects

### China

- Remains a strong market for Suzlon
- Leverage our capabilities and experience to expand our reach

### North America

- The regions of U.S.A., Mexico and Canada remain attractive for Suzlon
- Development of technology, R&D and innovation



## TECHNOLOGY ADVANCEMENT FOR REDUCED COST OF ENERGY

- Establish new manufacturing and R&D facilities to further technology innovation
- Digitisation of services and use of big data to increase efficiency and performance of wind turbines
- Aim at reducing Levelized Cost of Energy (LCoE) and enable higher return on investment for customers



## GLOBAL CUSTODIANS OF CUSTOMERS' ASSETS

- Ensure profitable functioning of wind turbines across the world, and expansion of 20 GW portfolio worth US\$25 billion
- Ensure smooth functioning of products through long term services
- Strengthening OMS capabilities to develop solutions that enhances life of WTGs and operational excellence to enable energy security and reliability



## A TALENTED WORKFORCE OF BRAND AMBASSADORS

- Sustain an environment where the global workforce of 7,500 employees can work with increased transparency and measurable goals, aided by promoting employee initiatives and proactivity
- Inspire a culture where employees are brand ambassadors of the organisation
- Enthuse values where employees and the organisation work in tandem for optimum business performance



## COMPANY OF CHOICE FOR RENEWABLE ENERGY

- Building utility scale, GW size, viable projects as investment opportunities, with the aim of installing an additional 20 GW in the next six years
- Develop innovative business models with the aim to offer repowering, wind-solar hybrid solutions, off-shore wind energy generation and solar power
- Improve technology strength and enhance successful project execution and best-in-class service to re-establish market leadership, with the aim to capitalize on the potential available under the government's new policy framework

# I N D E X

COMPANY INFORMATION	03
BOARD OF DIRECTORS	04
CHAIRMAN'S LETTER	06
FINANCIAL HIGHLIGHTS	10
KEY HIGHLIGHTS	12
SUZLON IN SOLAR	16
SUZLON SERVICE	18
DIRECTORS' REPORT AND ANNEXURE THERETO	21
MANAGEMENT DISCUSSION AND ANALYSIS	50
CORPORATE GOVERNANCE REPORT	58
STANDALONE FINANCIAL STATEMENTS	
• INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	74
• BALANCE SHEET	79
• STATEMENT OF PROFIT AND LOSS	80
• CASH FLOW STATEMENT	81
• NOTES TO FINANCIAL STATEMENTS	83
• FORM AOC-1 STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES AS PER COMPANIES ACT, 2013	119
CONSOLIDATED FINANCIAL STATEMENTS	
• INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS	121
• CONSOLIDATED BALANCE SHEET	125
• STATEMENT OF CONSOLIDATED PROFIT AND LOSS	126
• CONSOLIDATED CASH FLOW STATEMENT	127
• NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	129
NOTICE AND PROXY FORM	164

# COMPANY INFORMATION

SUZLON ENERGY LIMITED  
CIN: L40100GJ1995PLC025447

**Mr. Tulsi R. Tanti**  
(DIN: 00002283)  
Chairman & Managing Director

**Mr. Vinod R. Tanti**  
(DIN: 00002266)  
Non-Executive Director

**Mr. Girish R. Tanti**  
(DIN: 00002603)  
Non-Executive Director

**Mr. Rajiv Ranjan Jha**  
(DIN: 03523954)  
A nominee of  
Power Finance Corporation Limited  
Non-Executive Director

**Mrs. Medha Joshi**  
(DIN: 00328174)  
A nominee of  
IDBI Bank Limited  
Non-Executive Director

**Mrs. Pratima Ram**  
(DIN: 03518633)  
A nominee of  
State Bank of India  
Non-Executive Director

**Mr. Vaidhyanathan  
Raghuraman**  
(DIN: 00411489)  
Non-Executive  
Independent Director

**Mr. Marc Desaedeleer**  
(DIN: 00508623)  
Non-Executive  
Independent Director

**Mr. Ravi Uppal**  
(DIN: 00025970)  
Non-Executive  
Independent Director

**Mr. Venkataraman  
Subramanian**  
(DIN: 00357727)  
Non-Executive  
Independent Director

**Mr. Per Hornung Pedersen**  
(DIN: 07280323)  
Non-Executive Independent Director  
(appointed as Additional Director in  
the capacity of Independent Director  
w.e.f. September 28, 2015)

**Mrs. Vijaya Sampath**  
(DIN: 00641110)  
Non-Executive  
Independent Director  
(appointed as Additional  
Director in the capacity of  
Independent Director  
w.e.f. August 12, 2016)

**GROUP CHIEF EXECUTIVE OFFICER**  
**Mr. J. P. Chalasani**  
DIN: 00308931 (Appointed as Chief  
Executive Officer w.e.f. April 4, 2016)

**GROUP CHIEF FINANCIAL OFFICER**  
**Mr. Kirti J. Vagadia**  
ICAI Membership No.042833

**COMPANY SECRETARY**  
**Mr. Hemal A. Kanuga**  
ICSI Membership No.F4126

## AUDITORS

**SNK & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 109176W  
E-2-B, 4th Floor, The Fifth Avenue,  
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Pune - 411001, India

**S.R.Batlilboi & Co., LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005  
C-401, 4th Floor, Panchshil Tech Park, Yerawada,  
(Near Don Bosco School),  
Pune - 411006, India

## BANKERS / INSTITUTIONS

Axis Bank Limited | Bank of Baroda | Bank of India | Bank of Maharashtra | Central Bank of India | Corporation Bank | Dena Bank | Export Import Bank of India | ICICI Bank Limited | IDBI Bank Limited | Indian Renewable Energy Development Agency Limited | Indian Overseas Bank | Life Insurance Corporation of India | Oriental Bank of Commerce | Power Finance Corporation Limited | Punjab National Bank | State Bank of Bikaner and Jaipur | State Bank of India | State Bank of Patiala | The Saraswat Co-operative Bank Limited | Union Bank of India | Yes Bank

## REGISTERED OFFICE

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Fax: +91.79.2656 5540  
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## CORPORATE OFFICE

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Pune - 411028, India  
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## REGISTRAR AND SHARE TRANSFER AGENTS

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Nanakramguda, Hyderabad-500032, India. Toll Free No. 1800-3454-001  
Website: [www.karvycomputershare.com](http://www.karvycomputershare.com) Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

# BOARD OF DIRECTORS



Mr. Vinod Tanti, Mr. Per Hornung Pederson, Mr. Girish Tanti  
Standing (L to R)  
Mrs. Medha Joshi, Mr. Tulsi Tanti  
Seated (L to R)



Mr. Ravi Uppal, Mr. Rajiv Ranjan Jha, Mr. Vaidhyanathan Raghuraman, Mr. Venkataraman Subramanian  
Standing (L to R)  
Mr. Marc Desaeleer, Mrs. Pratima Ram  
Seated (L to R)

# CHAIRMAN'S LETTER

Dear Stakeholders,

We began Financial Year 2015-2016 (FY16) with our sights set on one goal alone – rapid ramp up of volumes in order to achieve a turnaround of our Company. We have successfully implemented our growth strategy in the last twelve months and we now bear the results of our efforts.

## **SUZLON ACHIEVES TURNAROUND, BACK IN PROFIT**

The end of FY16 marked the period when we stepped back into black. The fiscal period came to a close on a net profit of Rs. 483 crores. We achieved this by focusing our efforts to ramp up volumes, maintaining tight control on fixed costs and increasing our order intake. Our endeavour to reduce debt and interest cost as well as improve net working capital has reinforced stakeholder confidence. In FY16, consolidated net debt was brought down to Rs. 8,452 crores from Rs. 14,570 crores in the previous year.

This was combined with an annual sales volume of 1131 MW which was an increase of over 149% over previous year. These efforts have enabled us to surpass the industry growth rate in India, which stood at approximately 48%. We aim to increase our growth at a pace higher than the industry average, with a bid to further expand our 26% market share and maintaining our consolidated leadership position in the domestic market.

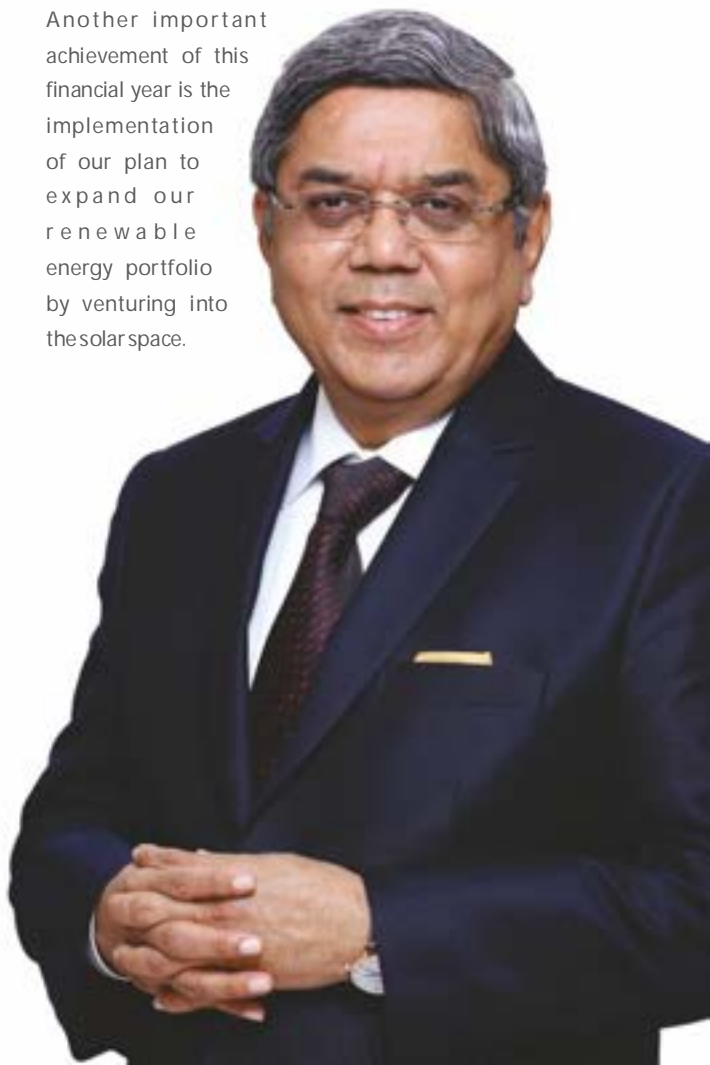
We have already begun to strengthen our management team to support our growth plans with two recent inductions, J.P. Chalasani and Rakesh Sarin.

J.P. Chalasani, has rich experience in the power sector and is renowned for his people leadership and project management skills. He joined us as CEO of Suzlon Group. On the other hand, Rakesh Sarin, who brings vast global experience in energy, has joined us as CEO of international

business and global services. Both these leaders have already implemented changes to further drive innovation and growth, leading to higher productivity and human capital enhancement. We have also ensured that the leaders of Suzlon remain motivated through extensive workshops with world renowned management gurus, organised on a periodical basis, to facilitate implementation of global best practices at the workplace.

On the manufacturing front, we have re-started two manufacturing facilities at Pondicherry for the production of Nacelle, Hub, Nacelle cover and Nose cone and also expanded our blade manufacturing facility at Bhuj, Gujarat.

Another important achievement of this financial year is the implementation of our plan to expand our renewable energy portfolio by venturing into the solar space.





## FROM 'WIND ENERGY' TO 'RENEWABLE ENERGY'

As planned, we have successfully made our transition from wind energy to renewable energy through our foray into solar. Our business model for solar energy complements our expertise in wind and leverages our two decades of experience, relationships and network. As a result, we have positioned ourselves as one of the few turnkey solutions providers in the sector offering concept to commissioning solutions. This covers the entire spectrum of activities, functions and relationships that make possible the successful completion and maintenance of every solar power project right from site identification, technology design and selection, EPC (construction of solar parks), system integration and lifecycle asset management (service). Needless to say, customers choosing Suzlon as their solar energy provider will receive the advantage of Suzlon's value chain. Hence we believe we are best placed in the sector to form long term business partnerships.

Our asset-light business model for solar is advantageous as it allows us to outsource equipment supply to strategically chosen Original Equipment Manufacturers (OEMs), while also giving us the advantage of minimum capital investment, low fixed cost and high volume potential in projects as well as service contracts.

This approach is what has led to the signing of PPAs for 280 MW of solar power projects in Telangana and Maharashtra. As we continue to further expand our product portfolio, we will focus on what we believe to be the backbone of our organisation and its growth – R&D and technology.

## WIND-SOLAR HYBRID

There is huge opportunity in this area given the complementary cycles of generation and the better utilization of the installed infrastructure. However, a dedicated policy for hybrid is still awaited and we believe it will take a 1-2 years for this opportunity to translate into commercial scale.

Wind-Solar Hybrid has multiple benefits to offer. One does not have to duplicate costs such as land and evacuation infrastructure. And most importantly, Suzlon has an edge due to its existing development pipeline and infrastructure and national wide operations and maintenance strength.

## R&D FOR TECHNOLOGY DEVELOPMENT

Research and Development (R&D) has been the backbone of Suzlon since its inception. We have established four R&D centres across the world to capitalise on expertise and experience indigenous to particular regions. In FY16, we established the Blade Science Centre at Vejle, Denmark with a view to capitalise on the technology expertise of the region. The centre will work on the development of aerodynamics, pitch control systems, smart controls and new structures.

This centre demonstrates our growing research base that will enable us to achieve the innovation required to unlock the true potential of renewable energy. Through technology advancement, we aim at lowering the Levelised Cost of Energy (LCoE) until we achieve a desired 20% reduction in five years.

We took one more step in this journey of technological advancement with the installation of our newest product from our 2.1 MW range, the S111 120m prototype, at Naliya, Gujarat. This is the latest variant of our successful S97 120m and S111 90m products which combines the larger blade of S111 with the higher hub height and hybrid tower of S97. The S111 120m showcases our ability to make low wind sites viable, increase efficiency, and enable energy security, affordability and reliability.

The S97 120m wind turbine with hybrid tower recently won the prestigious Golden Peacock award in the category of Eco-Innovation. The S97 120m is an innovation unique to the climatic and economic environment of the Indian wind energy market. Its prototype, installed at Kutch, Gujarat in November 2014, achieved a Plant Load Factor (PLF) of 35%, higher than the Indian industry average in similar conditions by approximately 10%. The result of predominantly indigenous design, the S97 120m was developed within a record time of 13 months, against a regular development time of 24 months.

The hybrid tower, combining a lattice and tubular tower, offers the customer advantages of a taller hub height, greater stability, larger rotor diameter and reduced cost. It also combines a larger swept area for the blade with large blade size thereby increasing the wind captured and the potential energy generation. We have already received an encouraging response for the product, reiterating customer faith in our portfolio and project execution capability.

Additionally, we have dedicated efforts on wind farm management technology to control the complete park. We will develop the ability to tailor not only the individual turbine's performance with smart pitch control, but also to optimize the downstream wake-effect of all turbines in the park from any wind angle.

### **SERVICE: AN IMPORTANT PART OF OUR CUSTOMER EXPERIENCE**

At Suzlon we offer the advantage of lifetime support to our customers, thereby establishing a partnership that goes beyond the installation and commissioning of wind turbine generators (WTG). The operations, maintenance and service (OMS) division offers SUZlon RELiability (SURE services) which is Suzlon's assurance of dependability at every stage of investment.

This range of services offers support to ensure smooth functioning of all WTGs. An important aspect of OMS is the best-in-class Supervisory Control and Data Acquisition (SCADA) system. Designed with TIA 942 with TIER 3 availability, the SCADA system connects each WTG to Suzlon monitoring centres in Pune- India, Chicago- USA and Melbourne- Australia. The SCADA service enables real time monitoring of WTGs, expedites troubleshooting and notification, facilitates data acquisition and analysis for predictive maintenance, all with secured access.

### **SUZLON FOUNDATION: CSR THAT IS ENTRENCHED WITHIN THE BUSINESS**

The Suzlon Foundation continues to touch the lives of people around our project sites with the unique CSR model that it employs. We believe that CSR should be an integral part of every aspect of our business.

Suzlon's operations, including those of the Suzlon Foundation, are guided by the philosophy of sustainable social, economic and ecological development. This translates into action at the grass roots level, not to just offer support, but to facilitate sustainability as a way of life. Suzlon Foundation is actively involved in all activities and carries them out in collaboration with carefully chosen NGO partners. At the end of the past year, Suzlon has implemented CSR programs in 668 villages, reaching out to over one million local populace, across 8 states and Union Territory of Daman.

This number will continue to rise as our market reach increases, aided by the fact that renewable energy has today become a mainstream source of energy globally.

### **RENEWABLE ENERGY: GLOBAL OUTLOOK AND OPPORTUNITY**

The renewable energy sector achieved numerous landmarks in 2015. Global investment stood at US\$329 billion, surpassing the previous highest of US\$318 billion achieved in 2011. We live in a new era of clean energy growth that can fuel a future of opportunity and greater prosperity for every person on the planet. Governments, businesses and investors around the world are realising that the progression to low-emission, climate-resilient growth is inevitable, beneficial and already under way. Boosted by growing climate change awareness, the sector is expected to leave its previous year's records behind in 2016. Leading the transition from fossil fuels to renewable sources are the developing nations, including India and China, among others. The renewable industry recorded a growth of 18% CAGR in 2015 and is expected to attract US\$5.86 trillion worth of investment between 2014-2035. *(Source: IEA, World Energy Investment Outlook: 2014)*

This poses massive growth potential for the sector in India, as well as for Suzlon which plays a pivotal role in shaping the country's renewable energy footprint. With the government's commitment to install 175 GW of renewable energy by 2022, and to reduce carbon emissions by 30% to 35% and increase renewables to 40% of the energy mix by 2030 made at COP21, India is set to truly expand its renewable energy portfolio. The demand for renewable energy in the country is also high, with production getting a noticeable boost through the 'Make in India' initiative.

The government has also strived to facilitate the growth of renewable energy through the establishment of a positive policy and business environment. As a result, we witnessed annual installations of 3,415 MW in FY15-16, higher than ever before and 48% higher than the previous year. The industry is expected to grow at a rate of 30% annually, and may even surpass this on the back of the positive policies. Suzlon is expected to grow at a rate higher than the market.

The Supreme Court ruling that supports Renewable Purchase Obligation (RPO) compliance, the Renewable Generation Obligation (RGO), Green Corridor, inter-state transmission charges waiver, inclusion of renewable energy

in the priority lending sector, UDAY scheme which gives state utilities stronger credibility to invest in renewable energy and approval of National Off-shore Policy which has opened up 7,600 km of coastline for off-shore wind energy generation projects have all positively affected the environment and established a US\$200 billion opportunity.

With our product range, unique business model, and best-in-class services, we are poised to capitalise on the opportunity in the renewable energy market and will grow at a rate higher than the industry. Foreign investment in the industry is also on a rise and we have proven ourselves to be a preferred choice for potential partners over the past many years. We can also expect this trend to continue as we consolidate our position as a pivotal player in the Indian market and then move to other focus markets and strengthen our international footprint.

## **RENEWABLE ENERGY: FROM ALTERNATIVE TO MAINSTREAM**

Renewable energy, so far considered to be an alternative to the conventional fuel source has now progressed into becoming a mainstream energy source. This shift is driven by the improved cost efficiency of wind energy sources with the help of advancements in technology combined with an increasing focus on climate change which is leading people, companies and countries to consume energy from more efficient sources.

There is an increased awareness about penalising the emitters of greenhouse gases. At the same time, we are witnessing technological advancement and reduced technology costs which enables renewable energy to be accessed even in rural areas.

To facilitate the desirable and sustainable growth of renewable energy sources, Governments around the world have put into place a positive and supportive policy framework. The mainstream position of renewables is evidenced in the global installations during 2015 which stood at 64 GW wind energy and 57 GW solar energy. The world now adds more renewable power capacity annually than it adds (net) capacity from all fossil fuels combined. By the end of 2015, renewable capacity in place was enough to supply an estimated 23.7% of global electricity, with hydropower providing about 16.6%.

Infact, renewable energy has witnessed this growth at a

time when the price of fossil fuels is falling. Infact, from the total 200 GW of energy installed in the previous year, 120 GW came from renewables. Contributing to 60% of energy installed, renewables have established themselves as a preferred choice for power. This gives the sector a very positive outlook and its players, an unprecedented opportunity.

## **LOOKING AHEAD**

Aligned with the 'Make in India' initiative and the green commitments of the Indian Government, we aim to install 20 GW in the next six years. This is more than our installations till date but, this achievement is well within reach. We have established a multi-promged strategy that covers R&D, manufacturing and design as we endeavour to meet our goals. We plan to invest Rs. 200 crore for the setup of manufacturing facilities in Rajasthan, Andhra Pradesh and Madhya Pradesh.

Our focus areas include R&D to harness technology and reduce Cost of Energy (CoE), increase Plant Load Factor (PLF) and make low wind sites viable, ramp up volumes, expand our presence in focused markets, realize business efficiencies, introduce new generation products, enable digitalisation to enhance services and further optimize capital structure. We are also working on setting up utility-scale, GW size renewable projects. With our foray into solar energy, we have already expanded our portfolio and presence. We are confident that, with our plans and strategies, we are well on the way to achieving our vision of becoming one of the best renewable energy companies of the world.

Our successful turnaround is evidenced in the positive figures on which we closed the financial year. Now, we aim at gaining momentum on this path of profitability. The support of all our stakeholders including, but not limited to our investors, customers, bankers, suppliers, employees and government bodies, has been pivotal to this achievement. I sincerely thank all of you for your unwavering trust and look forward to your continued patronage as we continue to work towards powering a greener tomorrow.

Best Wishes,

**Tulsi R Tanti**

# FINANCIAL HIGHLIGHTS

Suzlon Energy Limited and its subsidiaries

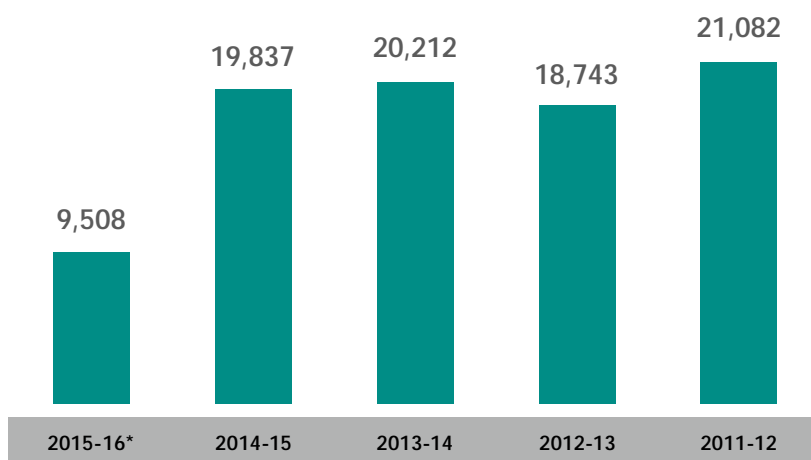
Rs in Crore

Particulars	2015-16*	2014-15	2013-14	2012-13	2011-12
Revenue from operations	9,508	19,837	20,212	18,743	21,082
EBIDTA	969	316	(141)	(1,296)	1,821
Interest	997	1,746	1,792	1,518	1,379
Depreciation	403	809	777	740	661
Net profit/(loss)	483	(9,158)	(3,520)	(4,724)	(479)
Equity share capital	1,004	742	498	355	355
Net worth	(7,083)	(9,122)	(544)	320	4,978
Gross fixed assets	4,905	16,154	18,055	15,809	15,161
Net fixed assets	1,925	6,200	13,948	12,382	12,602
Total assets	9,967	21,731	30,315	29,216	32,427
Book value per share - Rs	(14.1)	(24.6)	(2.2)	1.8	28.0
Turnover per share - Rs	18.9	53.5	81.2	105.5	118.6
Basic earning per share - Rs	1.0	(30.5)	(15.7)	(26.6)	(2.7)
EBIDTA/Gross turnover (%)	10.2%	1.6%	-0.7%	-6.9%	8.6%

\* refer note 6 of consolidated financial statements.

Prior year amounts have been reclassified wherever necessary to confirm with current year presentation.

## REVENUE FROM OPERATIONS



FINANCIAL YEAR

Snowtown, Australia  
S88



# KEY HIGHLIGHTS

## NSE becomes 1st stock exchange to deploy wind energy

The National Stock Exchange of India Ltd. (NSE) became the first stock exchange to utilize wind energy for its captive power usage. Suzlon fulfilled the role of technical partner by supplying for, and commissioning the 6.25 MW project that would meet 65% of the NSE's power consumption.



## Suzlon receives investment grade rating from CARE

Rating agency CARE upgraded Suzlon to an investment grade rating of BBB- for its long term loans, fund based working capital limits and SBLC backing AERH Bonds and A3, for its non-fund based working capital and proposed commercial paper. This increased rating is a result of strategic steps taken towards debt reduction, and strengthening the order book and operating performance. The rating boosted Suzlon credibility amongst stakeholders, and facilitated timely and cost effective finance.



## Crossed 2 GW milestone installation in Maharashtra and Tamil Nadu

Suzlon crossed the 2 GW installation mark in two of its key states, Tamil Nadu and Maharashtra. Commencing operations in Maharashtra in 1998, Suzlon currently has over 1,900 wind turbines installed in the State that power 1.1 million households and offset ~4.43 million tonnes of carbon emissions annually. Present in Tamil Nadu since 1999, Suzlon presently has over 1,700 wind turbines installed in the State, which offset 4.47 million tonnes of carbon emissions while powering 1.12 million homes.



## Delivered PLF above industry average

Part of Suzlon's 2.1 MW platform of products, the S97 120m hybrid tower wind turbine generator achieved a 35% Plant Load Factor (PLF), over the period of 12 months since its installation in November 2014. This is higher than the industry average in India which stands at approximately 25% to 30%. The S97 120m WTG has an all-steel hybrid tower which combines a lattice base and a tubular tower. This enables greater stability and hub height, reduced cost, and higher return on investment for customers. The S97 120m WTG has also been a game changer by making viable, through increased height, low wind sites.





### SE Forge exits CDR; receives CARE rating

Suzlon's wholly owned subsidiary, SE Forge, exited Corporate Debt Restructuring (CDR) mechanism by improving performance, and achieving sales revenue growth of more than 90% as compared to the same nine-month period of the previous year. Rating agency CARE has also assigned SE Forge with a BBB- rating for its long term bank facilities, and A3 for its short term bank facilities.



### Suzlon forays into solar with 210 MW project in Telangana

Suzlon forayed into the solar energy market with projects of 210 MW by Telangana State Utility Southern Power Distribution Company of Telangana Limited (TSSPDCL). Won through competitive bidding, the project is to be fulfilled at six sites across the state through six Special Purpose Vehicles (SPVs). Suzlon will fulfil the role of developer and Engineering, Procurement and Construction (EPC) player, with the project being commissioned in FY16-17.



### Suzlon wind installation of 78 MW marks the entry of Telangana state in wind

Suzlon commissioned a 77.70 MW project for Mytrah Energy India Limited at site Nazeerabad, Telangana. The project comprises of S97 120m HT 2100kW rated WTGs and marks the debut of Telangana in the wind energy industry.



### Established new Blade Centre in Vejle, Denmark

Furthering its international R&D footprint, Suzlon opened a new blade science centre in Vejle, Denmark. Focusing on developing aerodynamics, smart control systems and new structures, the blade centre will be the epicentre for the development of next generation wind turbines. It will accelerate Suzlon's research into the next generation of air foils and rotor systems, to continue to reduce the Levelised Cost of Energy (LCoE), increase the Plant Load Factor (PLF) and thereby increase Return on Investment (ROI) for customers.



### Commissioned prototype of S111 120m hybrid in Gujarat, India

Suzlon successfully completed the erection and commissioning of the prototype of its latest 2.1 MW platform product – the S111 120m hybrid tower WTG. Installed at Naliya, Gujarat, India, in March 2016, the S111 has 30% more swept, thereby increasing efficiency, reducing Levelized Cost of Energy (LCoE) and enabling energy security, affordability and reliability. This offers higher return on investment to customers, and also makes low wind sites viable.



### Type certification of S111 received

Suzlon received the Type Testing and Certification of its S111 turbine, for 50 Hz and 60 Hz variants. This certification acknowledges conformity with standards and regulations for the design, testing and manufacturing of the turbine, while also meeting Indian Grid Regulations. The testing was carried out by an accredited independent third party testing agency, and the certification was awarded by TÜV NORD.



### Suzlon achieves more than 100% growth in installations in India (900 MW); double of the industry

Suzlon commissioned 900 MW of wind energy capacity in India during FY15-16, which is double that of its installations of the previous financial year which stood at 442 MW. This led to the organisation increasing its market share from 19% in FY14-15 to 26% in FY15-16. Furthermore, Suzlon's growth rate, which stood at approximately 104%, was more than twice that of the industry growth rate which stood at approximately 47%, with a total installation of 3,415 MW during the period.



### Suzlon Back in Black with net profit in FY15-16

Suzlon demonstrated a turnaround and closed FY15-16 with a consolidated net profit of Rs 483 crore. The annual sales volume of 1,131 MW achieved during the year signifies a Y-o-Y growth of 149%. Order intake for the year stood at 1,251 MW, which is 3 times higher than that of the previous year. Suzlon continues to focus on execution and is confident of maintaining the growth momentum, outpacing the expected industry growth rate of 30% in FY16-17.



### Received ABP CSR Leadership Award

Suzlon was honoured with the award for Best Corporate Social Responsibility Practices at the ABP CSR Leadership Awards. Hosted in February 2016, by the Ananda Bazar Patrika Group, a leading Indian media company established in 1922, these awards recognize the work of those organisations that make a difference to their social environment through their CSR practices and actions. This is a significant achievement for Suzlon, where the focus remains on business that brings about sustainable social, economic and ecological development.



### SE Forge wins Best Supplier of the Year 2015 at GE Award

SE Forge, Suzlon's wholly owned subsidiary, received the prestigious award of the 'Best Supplier of the Year 2015' from its esteemed customer, GE. The award was bestowed in recognition of achieving 'Best Overall Performance' by supplier in Quality, Delivery, EHS and Compliance. SE Forge was presented with the award at the supplier Conference 2016 hosted by GE and attended by supplier across all sectors.







### J.P. Chalasani appointed as Group CEO

J.P. Chalasani joined Suzlon as Group CEO in April 2016, bringing to the organisation deep and rich relevant experience. Widely acclaimed for his project management and people leadership skills, J.P. Chalasani aims to leverage HR and Finance, to position Suzlon for strong and sustainable growth, and create value for the stakeholders. Under his guidance, Suzlon has already set forth on the path to achieving its vision to be the best renewable energy company in the world, and work towards social, economic and sustainable development to create a better life for our future generations.



### Suzlon receives additional working capital sanctions of ~Rs. 2,300 crore

In a movement that enhanced its project execution plans, Suzlon received an additional working capital sanction of approximately Rs. 2,300 crore. Over and above the existing limits, this sanction will help Suzlon meet all requirements to execute its sizeable order backlog and pipeline. The sanction translates into scaled up volumes for Suzlon and will give the company a competitive edge to capitalize on growth opportunities in the Indian and global renewable energy sector.



### Suzlon signs a MoU with the Government of Andhra Pradesh

Suzlon Group signed a Memorandum of Understanding (MoU) with Government of Andhra Pradesh (GoAP) to establish 4,000 MW of renewable energy power projects in the Anantapur district in the next five years, and integrated wind turbine generator manufacturing facilities in the State. These manufacturing plants are expected to create jobs for 8,000 people and indirect employment for 25,000. Suzlon will also extend support to establish Energy University in the State and work towards skill development. Signed in the presence of the Honorable Chief Minister of Andhra Pradesh, Shri N Chandrababu Naidu, the 4,000 MW renewable energy projects in AP MoU is part of Suzlon's green commitment, at the first Renewable Energy Global Investors Meet (RE-INVEST) 2015.



# SUZLON IN SOLAR

With 20 years of experience in the wind energy sector, we have established a multitude of relationships with stakeholders, enabling us to become one of the most vertically integrated wind energy companies in the country. These core values and experience, we are applying to solar energy. Our vision is aligned with the goal of 175 GW renewable energy by 2022, as envisioned by the government and Suzlon has successfully entered and made its mark in the solar energy sector. Currently working on the implementation of over 280 MW of solar energy projects in the states of Maharashtra and Telangana, we have numerous other projects in the pipeline. We are one of the few players, who provide complete turnkey and EPC (Engineering, Procurement and Construction) solutions, which also include:

- Cost effective sourcing of major equipment such as module, inverter, structure, tracker etc.
- Comprehensive Operations and Management Services
- Bankable 3rd party PPA

Our unique business model has enabled us to become a one-stop solution for customers' needs for renewable energy. From data collection to land acquisition, and from installation to life cycle asset management, we carry out every function to ensure that customers receive maximum benefit from minimum effort. Furthermore, we stand by our customers' side, as long term and transparent partners, giving us the competitive edge that is already making us the preferred choice, and that we call the Suzlon Solar Edge.





## Solar Energy Industry

- 178 GW of solar PV power capacity installed by the end of 2014
- Target of 400 GW expected over the next 4 years
- China, Japan, the USA, and India leading the solar revolution



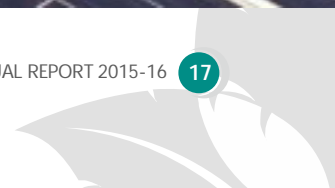
## Solar Energy in India

- Target of 100 GW of solar power by 2022
- Government commitment to reduce carbon emission by up to 35% by 2030
- Increased demand for power from industry and individuals
- Increased commitment to green energy to offset climate risk
- Positive policy framework that supports solar energy sector growth



### Why invest in solar energy

- Align with the government to achieve its renewable targets
- Be a part of the global stand against climate risk
- Increase employee morale by becoming a beacon of the earth's green future
- Let your brand demonstrate your commitment to sustainability
- Create jobs and aid in economic development by facilitating renewable energy sector growth
- Reduce your spending on electricity
- Stabilize your budgets by shifting to a more steadily-priced power source
- Hedge your investment in power for longer periods
- Demonstrate corporate social responsibility while powering your business



# SUZLON SERVICE

At Suzlon, we look at ourselves not just as suppliers of wind turbines, but as custodians of our customers' investments. And we fulfil this responsibility with our world-class Operations, Maintenance and Service (OMS).

Suzlon wind service provides lifecycle support to its customers operating in 17 countries through a strong team of 3,500 competent individuals. We operate 15 GW across the world out of which two-third capacity is in India. Suzlon believes in overall development of its people and has strong learning and development systems which include rigorous on-site training. Suzlon learning and development centres are equipped with live simulators to provide technicians with real-world experience, ensuring that they are prepared for the demanding conditions on-site.

Suzlon wind service is focused on digitizing the operations to enhance operational performance of customer assets as well as improve internal efficiency. We are developing value-added products and services for the existing fleets of our customers to enhance their profitability. We are also looking at this as a growth avenue for Suzlon on win-win basis.

It is on the basis of these plans currently being implemented, that Suzlon remains confident when telling customers that we will deliver on our promises.



Bhuj, India  
S97

# BLADE TESTING

Blade Testing Center, Vadodara, India



Blade Testing Center, Vadodara, India

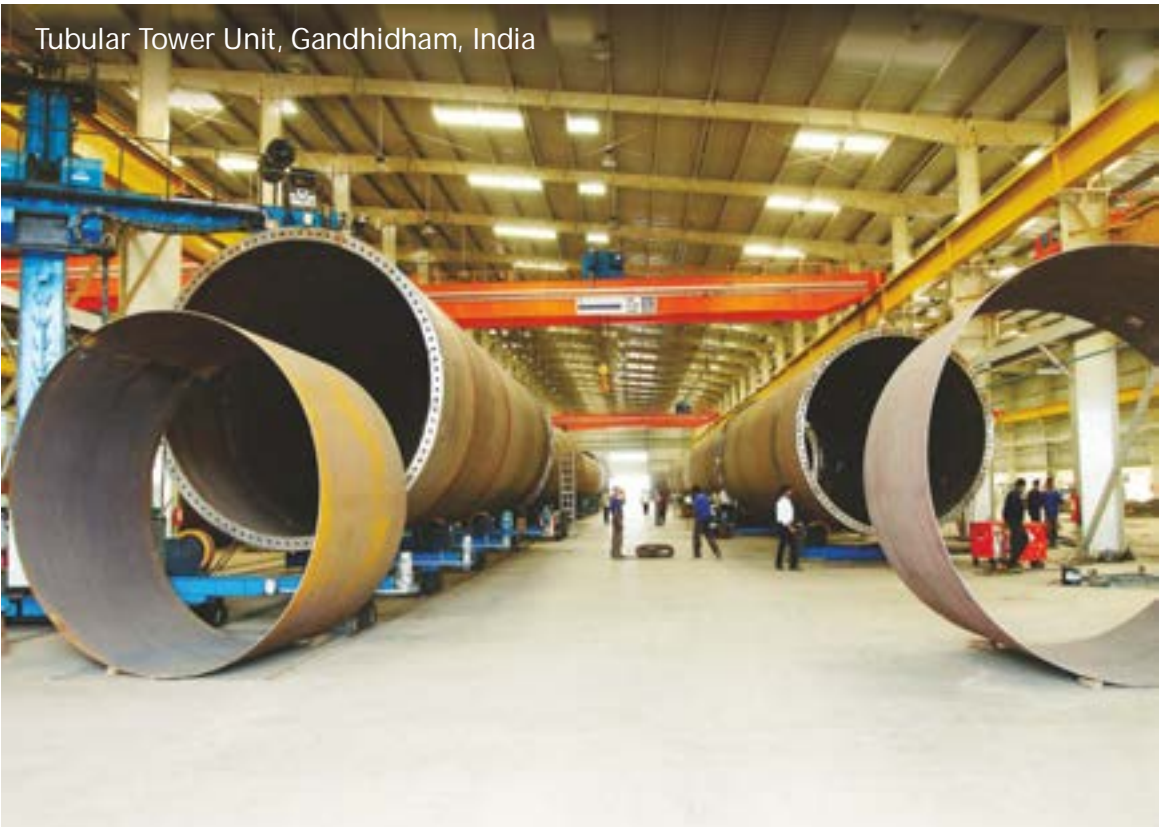


# MANUFACTURING

Rotor Blade Unit, Bhuj, India



Tubular Tower Unit, Gandhidham, India



# DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Twenty First Annual Report of your Company together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2016.

## 1. FINANCIAL RESULTS

The audited standalone and consolidated financial results for the year ended March 31, 2016 are as under:

Particulars	Standalone				Consolidated			
	Rs in Crore		USD in Million		Rs in Crore		USD in Million	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Revenue from operations	5,930.64	2,261.49	895.09	361.84	9,508.45	19,836.68	1,435.08	3,173.87
Other operating income	8.72	8.81	1.32	1.41	54.11	117.76	8.17	18.84
Earnings before interest, tax, depreciation and amortization (EBITDA)	853.89	(380.98)	128.87	(60.96)	968.58	315.74	146.18	50.52
Less: Depreciation and amortization expense	165.49	157.81	24.98	25.25	403.26	808.77	60.86	129.40
Earnings before interest and tax (EBIT)	688.40	(538.79)	103.89	(86.21)	565.32	(493.03)	85.32	(78.88)
Add: Finance income	500.67	333.69	75.57	53.39	65.54	53.30	9.89	8.53
Less: Finance costs	686.94	1,219.39	103.68	195.10	1,226.12	2,064.69	185.05	330.35
Profit/(loss) before tax before exceptional items	502.13	(1,424.49)	75.78	(227.92)	(595.26)	(2,504.42)	(89.84)	(400.70)
Less: Exceptional items	455.31	4,607.85	68.71	737.25	(1,064.13)	6,311.66	(160.61)	1,009.87
Profit/(loss) before tax	46.82	(6,032.34)	7.07	(965.17)	468.87	(8,816.08)	70.77	(1,410.57)
Less: Current tax (Net of earlier years tax and MAT credit entitlement)	0.07	-	0.01	-	(12.44)	289.81	(1.88)	46.37
Less: Deferred tax	-	-	-	-	1.47	27.47	0.23	4.40
Profit/(loss) after tax	46.75	(6,032.34)	7.06	(965.17)	479.84	(9,133.36)	72.42	(1,461.34)
Add / (Less): Share of loss / (profit) of minority	N.A.	N.A.	N.A.	N.A.	2.75	(24.33)	0.42	(3.89)
Net profit/(loss) for the year	46.75	(6,032.34)	7.06	(965.17)	482.59	(9,157.69)	72.84	(1,465.23)
Add: Balance brought forward	(10,060.65)	(4,028.31)	(1,518.42)	(644.53)	(18,464.62)	(9,306.93)	(2,786.80)	(1,489.11)
Less : Transferred to legal and statutory reserve	-	-	-	-	35.91	-	5.42	-
Less : Appropriations	-	-	-	-	0.02	-	0.00*	-
Surplus / (deficit) carried to balance sheet	(10,013.90)	(10,060.65)	(1,511.36)	(1,609.70)	(18,017.96)	(18,464.62)	(2,719.38)	(2,954.34)

1 US\$ = Rs 66.2575 as on March 31, 2016 (1 US\$ = Rs 62.5000 as on March 31, 2015)

\*Less than USD 0.01 million

Note - The consolidated financial results for the year ended March 31, 2016 are not comparable with the year ended March 31, 2015 (refer Note 6 of consolidated financial statement).

## 2. COMPANY'S PERFORMANCE

**On a standalone basis**, the Company achieved revenue from operations of Rs 5,930.64 Crore and EBIT of Rs 688.40 Crore as against Rs 2,261.49 Crore and Rs (538.79) Crore respectively in the previous year. Net profit for the year is Rs 46.75 Crore as compared to net loss of Rs 6,032.34 Crore in the previous year. The improved performance is on account of strong operational performance including volume growth and tight control over fixed costs.

**On consolidated basis**, the Group achieved revenue from operations of Rs 9,508.45 Crore and EBIT of Rs 565.32 Crore as against Rs 19,836.68 Crore and Rs (493.03) Crore respectively in the previous year. Net profit for the year is Rs 482.59 Crore as compared to net loss of Rs 9,157.69 Crore in the previous year.

## 3. APPROPRIATIONS

### a) Transfer to reserves

During the financial year under review, the Company was not required to transfer any amount to any reserves.

### b) Dividend

In view of accumulated losses, the Board of Directors expresses its inability to recommend any dividend on equity shares for the year under review.

## 4. MATERIAL DEVELOPMENTS DURING THE YEAR UNDER REVIEW AND OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THIS REPORT

During the year under review and up to the date of this Report, certain material changes took place, the details of which together with their rationale are as under:

- a) **Acquisition of 25% stake in Suzlon Structures Limited (“SSL”) from Kalthia Group** pursuant to which SSL became a wholly owned subsidiary of the Company.
- b) **Transfer of entire equity shareholding in Suzlon Gujarat Wind Park Limited (SGWPL), a wholly owned subsidiary of the Company, to Suzlon Power Infrastructure Limited (SPIL), another wholly owned subsidiary of the Company** - Pursuant to this transfer, SGWPL has become a wholly owned subsidiary of SPIL, and continues to be a step down wholly owned subsidiary of the Company.

Balance of Parts (“BOP”) business of the Group is being carried on by and between SGWPL and SPIL. With a view to create an independent vertical within the Group to handle the value chain of BOP / Balance of Systems (“BOS”) for wind / solar sectors, which in turn would help the Group in coping with the possible changes in the infrastructure industry, SPIL, in addition to its current activities, will also act as a holding company for BOP / BOS business and will hold SGWPL and certain other companies, in future, which may be required to be set up as joint ventures with the third parties for the purpose of building up resources around land, for consents / approvals, for power evacuation facilities, to cater effectively to the business opportunities and competitive business scenario.

- c) **Transfer of entire 98% equity shareholding in Suzlon Global Services Limited (SGSL) to Suzlon Structures Limited (SSL), another wholly owned subsidiary of the Company** - Pursuant to this transfer, SGSL has become a wholly owned subsidiary of SSL, and continues to be a step down wholly owned subsidiary of the Company.

The operation, maintenance and services (OMS) business was separated from the Company to achieve a strategic and operational focus on the business and development of a qualitative enterprise and a sector leader for OMS operations. The said business has gathered required critical mass and has good and sustainable operating margins, since separation from the Company. Thus with a view to rationalise the OMS business to optimise future fund raising or capital raising activities, this transfer has been effected.

- d) **Venturing into Solar business** - During the year under review, the Company decided to embark further into the renewable energy sector by venturing into solar space. The Company has won bids for 515 MW solar power projects across four states namely Telangana, Maharashtra, Rajasthan and Jharkhand, out of which power purchase agreements for 340 MW have been signed. Post March 31, 2016, the Company signed a Share Subscription and Shareholders Agreement with CLP Windfarms (India) Private Limited (“CLP”) and SE Solar Limited, a subsidiary of the Company for setting up 100 MW solar power project in the State of Telangana and eventually sale of SE Solar Limited to CLP.

- e) **Amalgamation / Merger / Demerger**

Post March 31, 2016, the Board of Directors of the Company has approved, subject to approval of jurisdictional High Court, Composite Scheme of merger and demerger for:

- merger of SE Blades Limited (SEBL), SE Electricals Limited (SEEL) and Suzlon Wind International Limited (SWIL), the wholly owned subsidiaries of the Company, into the Company; and
- demerger of the tubular tower manufacturing division of Suzlon Structures Limited (SSL), the wholly owned subsidiary of the Company, into the Company.

Such consolidation of the above referred manufacturing companies will result in achieving business and administrative synergies for the Group like increased competitive strength; improved productivity and efficiency resulting in cost reduction; optimisation of working capital; pooling of managerial and technical resources, etc.

Additionally, Suzlon Global Services Limited, a step down wholly owned subsidiary of the Company is being merged with SSL another wholly owned subsidiary of the Company.

## 5. CAPITAL

- a) **Increase in paid-up share capital** - During the year under review, the Company has made various allotments, whose details are as under:

Date of allotment	No. of Securities	Remarks
April 18, 2015	105,249,608 equity shares of Rs 2/- each	Allotment pursuant to conversion of 27,018 USD 546,916,000 Step-up Convertible Bonds due 2019
May 15, 2015	10,704,934 equity shares of Rs 2/- each	Allotment pursuant to conversion of 2,748 USD 546,916,000 Step-up Convertible Bonds due 2019
May 15, 2015	1,000,000,000 equity shares of Rs 2/- each	Preferential allotment to the Investor Group being Dilip Shanghvi Family and Associates in terms of ICDR Regulations
June 25, 2015	2,088,007 equity shares of Rs 2/- each	Allotment pursuant to conversion of 536 USD 546,916,000 Step-up Convertible Bonds due 2019
August 21, 2015	47,276,233 equity shares of Rs.2/- each	Allotment pursuant to conversion of 12,136 USD 546,916,000 Step-up Convertible Bonds due 2019
September 16, 2015	35,309,144 equity shares of Rs.2/- each	Allotment pursuant to conversion of 9,064 USD 546,916,000 Step-up Convertible Bonds due 2019
October 20, 2015	65,250,241 equity shares of Rs.2/- each	Allotment pursuant to conversion of 16,750 USD 546,916,000 Step-up Convertible Bonds due 2019
November 18, 2015	15,582,147 equity shares of Rs.2/- each	Allotment pursuant to conversion of 4,000 USD 546,916,000 Step-up Convertible Bonds due 2019
December 14, 2015	358,388 equity shares of Rs.2/- each	Allotment pursuant to conversion of 92 USD 546,916,000 Step-up Convertible Bonds due 2019
January 6, 2016	11,686,610 equity shares of Rs.2/- each	Allotment pursuant to conversion of 3,000 USD 546,916,000 Step-up Convertible Bonds due 2019
February 8, 2016	19,282,907 equity shares of Rs.2/- each	Allotment pursuant to conversion of 4,950 USD 546,916,000 Step-up Convertible Bonds due 2019



Accordingly, the paid-up share capital of the Company as on the date of this Report is Rs 1,004.10 Crore divided into 5,020,503,414 equity shares of Rs 2/- each.

- b) Global Depository Receipts (GDRs)** – The outstanding GDRs as on March 31, 2016 are 2,710,731 representing 10,842,924 equity shares of Rs 2/- each. Each GDR represents four underlying equity shares in the Company.
- c) Foreign Currency Convertible Bonds (“FCCBs”)** – During the year under review, 312,788,219 equity shares of Rs 2/- each have been allotted to the Bondholders pursuant to conversion of 80,294 USD 546,916,000 Step-up Convertible Bonds due 2019. The details of outstanding convertible securities as on March 31, 2016 are as under:

Series	Outstanding Amount (USD) as on March 31, 2016	Exchange Rate	Convertible on or before	Conversion Price
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured Bonds)	248,826,000	60.225	July 9, 2019	15.46
USD 175,000,000 5% Convertible Bonds due 2016 (5% April 2016 Bonds)	28,800,000	44.5875	April 6, 2016	54.01

Post March 31, 2016 and upto the date of this Report, the Company has not made any allotments pursuant to conversion of FCCBs. Further the outstanding USD 175,000,000 5% Convertible Bonds due 2016 worth USD 28.8 million in principal amount, along with the applicable 8.7% redemption premium were repaid in cash on April 14, 2016. Accordingly the details of outstanding convertible securities as on date of this Report are as under:

Series	Outstanding Amount (USD) as on date of this Report	Exchange Rate	Convertible on or before	Conversion Price
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured Bonds)	248,826,000	60.225	July 9, 2019	15.46

Note: As on date of this Report, the Company has received notice(s) for conversion of 1,000 FCCBs to be converted into 38,95,536 equity shares at a conversion price of Rs 15.46 per equity share.

## 6. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form MGT-9 in terms of Section 92(3) of the Companies Act, 2013 for the financial year under review has been provided in an Annexure which forms part of the Directors' Report.

## 7. NUMBER OF BOARD MEETINGS HELD

The details pertaining to number of Board Meetings held during the financial year under review have been provided in the Corporate Governance Report forming part of this Annual Report.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors confirm to the best of their knowledge and belief that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 9. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Companies Act, 2013, Mr. Vaidhyathan Raghuraman, Mr. Marc Desaedeleer, Mr. Ravi Uppal, Mr. Venkataraman Subramanian, Mr. Per Hornung Pedersen and Mrs. Vijaya Sathya, the Independent Directors of the Company have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and there has been no change in the circumstances which may affect their status as Independent Directors.

## 10. COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

In accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations, the Nomination and Remuneration Committee of the Board of Directors has approved the 'Board Diversity and Remuneration Policy' which is available on the Company's website (www.suzlon.com). The details of remuneration paid to the executive and non-executive directors have been provided in the Corporate Governance Report forming part of this Annual Report.

## 11. AUDITORS AND AUDITORS' OBSERVATIONS

- a) **Statutory Auditors** - M/s. SNK & Co., Chartered Accountants (Firm Registration No.109176W) and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.301003E/E300005) were appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company, i.e. for a period of three years (subject to ratification of their appointment at every annual general meeting). The Board of Directors recommend ratification of appointment of M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company.

### Statutory Auditors' Observations in Audit Report and Directors' explanation thereto –

- i) In respect of Note 5 of the standalone financial statements and consolidated financial statements regarding amount payable towards recompense in lieu of bank sacrifice.

The recompense amount payable in lieu of bank sacrifice is contingent on various factors including improved performance of Borrowers and various factors, the outcome of which currently is materially uncertain. The recompense amount due to the date of this balance sheet is not ascertainable.

- b) **Secretarial Auditor** – Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, Mr. Dinesh Joshi, Partner, Kanj & Associates, Company Secretaries, Pune (Membership No.F3752 and C.PNo.2246) has been appointed as a Secretarial Auditor to conduct the Secretarial Audit for the financial year 2015-16. A Secretarial Audit Report in Form MR-3 given by M/s. Kanj & Associates, Company Secretaries, Pune has been provided in an Annexure which forms part of the Directors Report.

### Secretarial Auditors' Observations in Secretarial Audit Report and Directors' explanation thereto -

- i) In respect of observation pertaining to requisite number of Independent Directors as required under the Listing Regulations:

As on March 31, 2016, the Board of Directors of the Company consists of eleven Directors. Of the said eleven Directors, three Directors are Promoter-Directors, of which only one is an Executive Director and rest two are Non-executive Directors. As regard the balance, eight directors are non-promoter / non-executive and unrelated directors with three being the nominee directors of various lenders in terms of the CDR arrangements and five are Independent Directors, i.e. more than 2/3rd are non-promoter / non-executive and unrelated directors, and more of the nature of independent directors only.

In terms of Regulation 17(1)(b) of the Listing Regulations, at least half of the Company's Board shall consist of Independent Directors, which the Company was complying with till September 30, 2014. However, due to change in the definition of "independent director" by excluding the "nominee director" outside the purview of the definition of the "independent director", with effect from October 1, 2014, the composition of the Board of the Company required change in terms of the then revised Clause 49 of the Listing Agreement as well as the Listing Regulations. The Nominee Directors fulfil all other criteria of independence as specified in the Listing Regulations and they are more of the nature of independent directors only. Accordingly, in spirit the Company does comply with the requirements of the Board composition, with more than 2/3rd directors, being non-promoter / non-executive and unrelated directors. Irrespective of the above, the Company has been making its best endeavour to find appropriate persons as independent directors on its Board.

Irrespective of above, post March 31, 2016 and as on date of this Report, Mrs. Vijaya Sampath (DIN: 00641110) has been appointed as an Independent Director on the Board of the Company for a term of five years with effect from August 12, 2016. Accordingly, as on date of this Report, the Company is compliant with Regulation 17(1)(b) of the Listing Regulations.

- ii) In respect of observation pertaining to delay in filing of monthly ECB-2 returns in few cases beyond prescribed statutory period: It is clarified that the delay was due to clerical oversight.
- iii) In respect of observation pertaining to non-disclosure of the criteria for performance of evaluation of independent directors in the annual report for the financial year 14-15: It is clarified that the performance was evaluated on the basis of the criteria such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience, staying abreast of governmental / regulatory policy developments, developments in industry and market conditions, etc. The performance evaluation form containing criteria of evaluation has been placed on the the Company's website. The non-disclosure of the same was unintentional.

- c) **Cost Auditors** – In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of Audit Committee, the Company has appointed M/s. D.C.Dave & Co., Cost

Accountants, Mumbai (Registration No.000611) as a Cost Auditor for conducting audit of cost accounting records of the Company for the financial year 2016-17 at a remuneration of Rs.5,00,000/- (Rupees Five Lacs Only), which shall be subject to ratification by the shareholders at the Twenty First Annual General Meeting. The due date of filing the cost audit report for the financial year 2016-17 is within a period of one hundred eighty days from the end of the financial year, i.e. March 31, 2017.

- d) Internal Auditor** – In terms of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has appointed Mr. Sandip Shah, Chartered Accountant (Membership no.106157) as the Internal Auditor of the Company.

## **12. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The particulars of loans, guarantees and investments in terms of Section 186 of the Companies Act, 2013 for the financial year under review have been provided in the Notes to the Financial Statement which forms part of this Annual Report.

## **13. PARTICULARS OF CONTRACTS / ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts / arrangements with related parties referred to in Section 188(1) entered into during the financial year under review as required to be given in Form AOC-2, have been provided in an Annexure which forms part of the Directors' Report.

## **14. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo for the financial year under review as required to be given under Section 134(3)(m) of the Companies Act, 2013 and the Rules made thereunder, has been provided in an Annexure which forms part of the Directors' Report.

## **15. RISK MANAGEMENT**

In terms of the Listing Regulations, though not mandatorily required, the Company has constituted a Risk Management Committee, the details of which have been provided in the Corporate Governance Report forming part of this Annual Report. The Board of Directors has approved a Risk Management Policy which is available on Company's website ([www.suzlon.com](http://www.suzlon.com)). The Company's risk management and mitigation strategy has been discussed in the Management Discussion and Analysis Report forming part of this Annual Report. The Board of Directors have not found any risk, which in its view may threaten the existence of the Company.

## **16. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted the CSR Committee in accordance with Section 135(1) of the Companies Act, 2013, the details of which have been provided in the Corporate Governance Report forming part of this Annual Report. The Board of Directors has approved the CSR policy which is available on the Company's website ([www.suzlon.com](http://www.suzlon.com)). The Annual Report on CSR activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

## **17. ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The information pertaining to Annual Evaluation of Board's performance as required to be stated in terms of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014 have been provided in the Corporate Governance Report forming part of this Annual Report.

## **18. DIRECTORS / KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE YEAR AND UPTO THE DATE OF THIS REPORT**

**Appointment of Independent Directors** – Mr. Per Hornung Pedersen has been appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company for a term of five years with effect from September 28, 2015 to hold office up to the ensuing Twenty First Annual General Meeting of the Company and then till September 27, 2020 subject to regularisation of such appointment by the shareholders of the Company. Post March 31, 2016, Mrs. Vijaya Sampath (DIN: 00641110) has been appointed as an Additional Director in the capacity as an Independent Director on the Board of the Company for a term of five years with effect from August 12, 2016 to hold office up to the ensuing Twenty First Annual General Meeting of the Company and then till August 11, 2021 subject to regularisation of such appointment by the shareholders of the Company.

The Nomination and Remuneration Committee and the Board has recommended appointment of Mr. Per Hornung Pedersen and Mrs. Vijaya Sampath as Independent Directors of the Company to hold office till September 27, 2020 and August 11, 2021 respectively, in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder. In the opinion of the Board, Mr. Per Hornung Pedersen and Mrs. Vijaya Sampath fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as Independent Directors and are independent of the management of the Company. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Per Hornung Pedersen and Mrs. Vijaya Sampath as the Independent Directors of the Company.

**Appointment of Executive Director** - In terms of the recommendation of the Nomination and Remuneration Committee and approval of the Board at their respective meetings held on August 12, 2016, it has been proposed to appoint Mr. Vinod R.Tanti (DIN: 00002266) as the Wholetime Director & Chief Operating Officer of the Company with effect from October 1, 2016, for a period of three years, i.e. upto September 30, 2019, subject to approval of such appointment by the shareholders at the ensuing Annual General Meeting of the Company.

**Re-appointment of directors retiring by rotation** – Mr. Girish R.Tanti (DIN: 00002603), the non-executive director and Mr. Tuls R.Tanti (DIN: 00002283), the Chairman & Managing Director retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

**Key Managerial Personnel** – Mr. Kirti J.Vagadia (ICAI Membership No.042833) has been appointed as the Chief Financial Officer, designate as Group Chief Financial Officer, with effect from August 1, 2015. Post March 31, 2016, Mr. J.P.Chalasanani (DIN: 00308931) has been appointed as the Chief Executive Officer, designate as Group Chief Executive Officer, with effect from April 4, 2016.

**Profile of Directors seeking appointment / re-appointment** – Profile of the directors seeking appointment / re-appointment as required to be given in terms of Regulation 36(3) of the Listing Regulations forms part of the Notice convening the ensuing Annual General Meeting of the Company.

## 19. SUBSIDIARIES

As on March 31, 2016, the Company has sixty subsidiaries and two joint ventures, a list of which is given in the notes to the financial statements.

### a) Companies which became subsidiaries during the year under review

Sr. No.	Name of the entity	Country
1.	Amun Solarfarms Limited	India
2.	Avighna Solarfarms Limited	India
3.	Prathamesh Solarfarms Limited	India
4.	Rudra Solarfarms Limited	India
5.	Vayudoot Solarfarms Limited	India
6.	Gale Solarfarms Private Limited	India
7.	Tornado Solarfarms Private Limited	India
8.	Abha Solarfarms Private Limited	India
9.	Aalok Solarfarms Private Limited	India
10.	Shreyas Solarfarms Private Limited	India
11.	Heramba Wind Energy Limited	India
12.	Sirocco Renewables Limited	India
13.	Sirocco Wind Energy Limited	India
14.	Vakratunda Wind Energy Limited	India
15.	Varadvinayak Wind Energy Limited	India
16.	Vignaharta Wind Energy Limited	India

### b) Change of name of subsidiaries during the year under review

Sr. No.	Previous name of the entity	New name of the entity
1.	Amun Solarfarms Private Limited	Amun Solarfarms Limited
2.	Avighna Solarfarms Private Limited	Avighna Solarfarms Limited
3.	Prathamesh Solarfarms Private Limited	Prathamesh Solarfarms Limited
4.	Rudra Solarfarms Private Limited	Rudra Solarfarms Limited
5.	Vayudoot Solarfarms Private Limited	Vayudoot Solarfarms Limited
6.	Senvion Energy PLC	Suzlon Energy PLC

### c) Companies which ceased to be subsidiaries during the year under review

Sr. No.	Name of the entity	Country	Remarks
1.	RPW Investments, SGPS, S.A.	Portugal	Merged with SE Drive Technik GmbH
2.	Suzlon Energy Australia CYMWF D Pty. Ltd.	Australia	Liquidated
3.	Senvion SE and its subsidiaries	–	Pursuant to 100% stake sale of Senvion SE to Centerbridge Partners, Senvion SE and its subsidiaries ceased to be subsidiaries of the Company w.e.f. April 29, 2015

### d) Consolidated financial statements

The consolidated financial statements as required in terms of Section 129(3) of the Companies Act, 2013 and the Listing Regulations have been provided along with standalone financial statements. Further a statement containing salient features of the financial statement of the subsidiaries / associate companies / joint ventures in Form AOC-1 as required to be given in terms of first proviso to Section 129(3) of the Companies Act, 2013 has been provided in a separate section which forms part of this Annual Report. The financial statements including the consolidated financial statements, financial statements of the subsidiaries and all other documents have been uploaded on the Company's website ([www.suzlon.com](http://www.suzlon.com)).

## 20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the year under review, no significant and material orders impacting the going concern status and Company's operations in future have been passed by any Regulators or Courts or Tribunals.

## 21. INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The details pertaining to internal financial control systems and their adequacy have been disclosed in the Management Discussion and Analysis Report forming part of this Annual Report.

## 22. AUDIT COMMITTEE

The Company has constituted an Audit Committee in accordance with Section 177(1) of the Companies Act, 2013, the details of which have been provided in the Corporate Governance Report forming part of this Annual Report. There has been no instance where the Board of Directors had not accepted any recommendation of the Audit Committee. The Company has formulated a Whistle Blower Policy to provide vigil mechanism for employees including directors of the Company to report genuine concerns which is available on the Company's website ([www.suzlon.com](http://www.suzlon.com)).

## 23. PARTICULARS OF EMPLOYEES

### a) Statement showing details of employees drawing remuneration exceeding the limits specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A statement showing details of employees in terms of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been provided in a separate Annexure which forms part of the Directors' Report. However, in terms of Section 136 of the Companies Act, 2013, the annual report excluding the aforesaid information is being sent to all the shareholders of the Company and others entitled thereto. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary at the registered office of the Company.

### b) Disclosures pertaining to remuneration of directors as required under Schedule V to the Companies Act, 2013

Details pertaining to remuneration of directors as required under Schedule V to the Companies Act, 2013 have been provided in the Corporate Governance Report forming part of this Annual Report.

### c) Payment of commission from subsidiaries - The Managing Director of the Company has been appointed as a Chairman in Suzlon Wind Energy Corporation, the USA, a subsidiary of the Company at a remuneration of USD 200,000 per annum. Besides this, the Managing Director did not receive any commission / remuneration from any other subsidiaries of the Company during the year under review.

### d) Information pertaining to remuneration to be disclosed by listed companies in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information / details pertaining to remuneration to be disclosed by listed companies in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have been provided in an Annexure which forms part of the Directors' Report.

### e) Employees Stock Option Plans

The Company has introduced few Employee Stock Option Plan(s) ("ESOPs") for its employees and employees of its subsidiaries (hereinafter referred to as the "Schemes"). The information pertaining to these Schemes as required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 have been provided in an Annexure which forms part of the Directors' Report. All the Schemes formulated by the Company are in compliance with the applicable regulations. During the year under review, the terms of Special ESOP 2014 were modified by extending the exercise period of the options granted under Special ESOP 2014 by two years i.e. extending the end date from March 31, 2017 to March 31, 2019 in terms of the recommendation of the Nomination and Remuneration Committee and as approved by the shareholders at the Twentieth Annual General Meeting of the Company held on September 28, 2015. The details of the Schemes are available on the Company's website ([www.suzlon.com](http://www.suzlon.com)).

## 24. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

## 25. CORPORATE GOVERNANCE

A detailed report on corporate governance has been provided in a separate section which forms part of this Annual Report. The Company is in compliance with the requirements and disclosures that have to be made in this regard except Regulation 17(1)(b) of the Listing Regulations. Post March 31, 2016 and as on date of this Report, Mrs. Vijaya Sampath has been appointed as an Independent Director on the Board of the Company for a term of five years with effect from August 12, 2016. Accordingly, as on date of this Report, the Company is compliant with Regulation 17(1)(b) of the Listing Regulations. The auditors' certificate on compliance with corporate governance requirements by the Company is attached to the Corporate Governance Report.

## 26. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

During the year under review, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2007-08 aggregating to Rs.0.10 Crore to the Investor Education and Protection Fund (IEPF) set up by the Government of India.

## 27. OTHER DISCLOSURES

- a) **Deposits** - During the year under review, the Company did not accept any deposits falling within the purview of Section 73 of the Companies Act, 2013.
- b) **Equity shares with differential voting rights** - During the year under review, the Company has not issued equity shares with differential voting rights as to dividend, voting or otherwise.
- c) **Sweat equity shares** - During the year under review, the Company has not issued any sweat equity shares.
- d) **Revision of financial statements and directors report** - The Company was not required to revise its financial statements or directors' report during the year under review.
- e) **Prevention of Sexual Harassment at Workplace** – In terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has an internal complaints committee in place, which entertains the complaints made by any aggrieved women. There have been no cases in this regard during the year under review.

## 28. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the co-operation and support received from the government and semi-government agencies, especially from the Ministry of New and Renewable Energy (MNRE), Government of India, all state level nodal agencies and all state electricity boards.

The Directors are thankful to all the Bankers, Financial Institutions and the Investor Group for their support to the Company. The Board places on record its appreciation for continued support provided by the esteemed customers, suppliers, bankers, financial institutions, consultants, bondholders and shareholders.

The Directors also acknowledge the hard work, dedication and commitment of the employees. Their enthusiasm and unstinting efforts have enabled the Company to emerge stronger than ever, enabling it to maintain its position as one of the leading players in the wind industry, in India and around the world.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN.: 00002283

**FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN**

As on financial year ended on March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014]**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L40100GJ1995PLC025447
2.	Registration Date	April 10, 1995
3.	Name of the Company	SUZLON ENERGY LIMITED
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office & contact details	"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat, India; Tel.: +91.79.66045000; Fax: +91.79.26565540; Email: investors@suzlon.com; Website: www.suzlon.com.
6.	Whether listed company (Yes / No)	Yes, National Stock Exchange of India Limited and BSE Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, Unit: Suzlon Energy Limited, Karvy Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Sale of Wind Turbine Generators and related components of various capacities	27101	~98

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held as on March 31, 2016*	Applicable Section
1.	Aalok Solarfarms Private Limited : Shop No. 104, Avadh Plaza, Panchnath Plot, Dr. Rajendra Prasad Road, Rajkot-360001, India	U40300GJ2015PTC082718	Subsidiary	100	2(87)
2.	Abha Solarfarms Private Limited : Shop No. 104, Avadh Plaza, Panchnath Plot, Dr. Rajendra Prasad Road, Rajkot-360001, India	U40300GJ2015PTC082583	Subsidiary	100	2(87)
3.	AE-Rotor Holding B.V., The Netherlands	N.A.	Subsidiary	100	2(87)
4.	Amun Solarfarms Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40300GJ2015PLC082716	Subsidiary	100	2(87)
5.	Avighna Solarfarms Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40102GJ2015PLC082733	Subsidiary	100	2(87)
6.	Avind Desenvolvimento De Projetos De Energia Ltda, Brazil	N.A.	Subsidiary	100	2(87)
7.	Consortium Suzlon Padgreen Co Ltd, Mauritius	N.A.	Joint Venture	26	2(87)
8.	Gale Solarfarms Private Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40106GJ2015PTC082732	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held as on March 31, 2016*	Applicable Section
9.	Heramba Wind Energy Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40100GJ2015PLC083751	Subsidiary	70	2(87)
10.	Parque Eolico El Almendro S.L., Spain	N.A.	Subsidiary	100	2(87)
11.	Prathamesh Solarfarms Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40106GJ2015PLC082734	Subsidiary	100	2(87)
12.	Rudra Solarfarms Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40108GJ2015PLC082717	Subsidiary	100	2(87)
13.	SE Blades Limited : 806A, 8 <sup>th</sup> Floor, Prestige Towers, # 99 & 100, Residency Road, Bangalore-560025, India	U28999KA2006PLC041188	Subsidiary	100	2(87)
14.	SE Blades Technology B.V., The Netherlands	N.A.	Subsidiary	100	2(87)
15.	SE Drive Technik GmbH, Germany	N.A.	Subsidiary	100	2(87)
16.	SE Electricals Limited : 806A, 8 <sup>th</sup> Floor, Prestige Towers, # 99 & 100, Residency Road, Bangalore-560025, India	U31108KA2006PLC041190	Subsidiary	100	2(87)
17.	SE Forge Limited : 5, Shrimali Society, Navrangpura, Ahmedabad-380009, India	U27310GJ2006PLC048563	Subsidiary	100	2(87)
18.	SE Solar Limited : One Earth, Hadapsar, Pune-411028, India	U40108PN2008PLC131668	Subsidiary	100	2(87)
19.	Shreyas Solarfarms Private Limited : Shop No. 104, Avadh Plaza, Panchnath Plot, Dr. Rajendra Prasad Road, Rajkot-360001, India	U40300GJ2015PTC082722	Subsidiary	100	2(87)
20.	Sirocco Renewables Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40100GJ2015PLC083663	Subsidiary	70	2(87)
21.	Sirocco Wind Energy Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40100GJ2015PLC083655	Subsidiary	70	2(87)
22.	Sure Power LLC, USA	N.A.	Subsidiary	100	2(87)
23.	Suzlon Energia Elocia do Brasil Ltda, Brazil	N.A.	Subsidiary	100	2(87)
24.	Suzlon Energy (Tianjin) Limited, China	N.A.	Joint Venture	25	2(87)
25.	Suzlon Energy A/S, Denmark	N.A.	Subsidiary	100	2(87)
26.	Suzlon Energy Australia Pty. Ltd., Australia	N.A.	Subsidiary	100	2(87)
27.	Suzlon Energy Australia RWFD Pty Ltd., Australia	N.A.	Subsidiary	100	2(87)
28.	Suzlon Energy B.V. , The Netherlands	N.A.	Subsidiary	100	2(87)
29.	Suzlon Energy GmbH, Germany	N.A.	Subsidiary	100	2(87)
30.	Suzlon Energy Korea Co., Ltd., Republic of South Korea	N.A.	Subsidiary	100	2(87)
31.	Suzlon Energy Limited, Mauritius	N.A.	Subsidiary	100	2(87)
32.	Suzlon Energy PLC, United Kingdom	N.A.	Subsidiary	100	2(87)
33.	Suzlon Generators Limited : Gat No.339/3/1 & Plot No.A-20/1, Chakan Industrial Area, Village Mahalunge, Taluka Khed, District Pune-410501, India	U31101PN2004PLC019205	Subsidiary	75	2(87)
34.	Suzlon Global Services Ltd. : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U70101GJ2004PLC044948	Subsidiary	100	2(87)
35.	Suzlon Gujarat Wind Park Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40108GJ2004PLC044409	Subsidiary	100	2(87)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held as on March 31, 2016*	Applicable Section
36.	Suzlon Power Infrastructure Limited : 4A, 4 <sup>th</sup> Floor, 723, Thirumalai Towers, Upstairs of HDFC Bank, Avinashi Road, Coimbatore-641018, India	U45203TZ2004PLC011180	Subsidiary	100	2(87)
37.	Suzlon Project VIII LLC, USA	N.A.	Subsidiary	100	2(87)
38.	Suzlon Rotor Corporation, USA	N.A.	Subsidiary	100	2(87)
39.	Suzlon Structures Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U27109GJ2004PLC044170	Subsidiary	100	2(87)
40.	Suzlon Wind Energy (Lanka) Pvt Limited, Sri Lanka	N.A.	Subsidiary	100	2(87)
41.	Suzlon Wind Energy BH, Bosnia & Herzegovina	N.A.	Subsidiary	100	2(87)
42.	Suzlon Wind Energy Bulgaria EOOD, Bulgaria	N.A.	Subsidiary	100	2(87)
43.	Suzlon Wind Energy Corporation, USA	N.A.	Subsidiary	100	2(87)
44.	Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd., China	N.A.	Subsidiary	100	2(87)
45.	Suzlon Wind Energy Espana, S.L, Spain	N.A.	Subsidiary	100	2(87)
46.	Suzlon Wind Energy Italy s.r.l., Italy	N.A.	Subsidiary	100	2(87)
47.	Suzlon Wind Energy Limited, United Kingdom	N.A.	Subsidiary	100	2(87)
48.	Suzlon Wind Energy Nicaragua Sociedad Anonima, Nicaragua	N.A.	Subsidiary	100	2(87)
49.	Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda, Portugal	N.A.	Subsidiary	100	2(87)
50.	Suzlon Wind Energy Romania SRL, Romania	N.A.	Subsidiary	100	2(87)
51.	Suzlon Wind Energy South Africa (PTY) Ltd, South Africa	N.A.	Subsidiary	80	2(87)
52.	Suzlon Wind Energy Uruguay SA, Uruguay	N.A.	Subsidiary	100	2(87)
53.	Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi, Turkey	N.A.	Subsidiary	100	2(87)
54.	Suzlon Wind International Limited : 806A, 8 <sup>th</sup> Floor, Prestige Towers, # 99 & 100, Residency Road, Bangalore-560025, India	U40108KA2006PLC041191	Subsidiary	100	2(87)
55.	Suzlon Windenergie GmbH, Germany	N.A.	Subsidiary	100	2(87)
56.	Tarilo Holding B.V., The Netherlands	N.A.	Subsidiary	100	2(87)
57.	Tornado Solarfarms Private Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40300GJ2015PTC082719	Subsidiary	100	2(87)
58.	Vakratunda Wind Energy Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40106GJ2015PLC083763	Subsidiary	70	2(87)
59.	Valum Holding B.V., The Netherlands	N.A.	Subsidiary	100	2(87)
60.	Varadvinayak Wind Energy Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40200GJ2015PLC083747	Subsidiary	70	2(87)
61.	Vayudoot Solarfarms Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40300GJ2015PLC082720	Subsidiary	100	2(87)
62.	Vignaharta Wind Energy Limited : "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, India	U40100GJ2015PLC083644	Subsidiary	100	2(87)

# either directly or through its subsidiaries

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015 based on shareholding pattern as on March 31, 2015)				No. of Shares held at the end of the year (As on March 31, 2016 based on shareholding pattern as on March 31, 2016)				% Change during the year	
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares		
<b>A. Promoters</b>										
<b>(1) Indian</b>										
a) Individual/ HUF	598,384,000	-	598,384,000	16.14	598,384,000	-	598,384,000	11.92	(4.22)	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	454,400,456	-	454,400,456	12.26	454,400,456	-	454,400,456	9.05	(3.20)	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(1)</b>	<b>1,052,784,456</b>	<b>-</b>	<b>1,052,784,456</b>	<b>28.39</b>	<b>1,052,784,456</b>	<b>-</b>	<b>1,052,784,456</b>	<b>20.97</b>	<b>(7.42)</b>	
<b>(2) Foreign</b>										
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-	
b) Other – Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Bank / FI	-	-	-	-	-	-	-	-	-	
e) Any other	-	-	-	-	-	-	-	-	-	
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total shareholding of Promoter [(A) = (A)(1) + (A)(2)]</b>	<b>1,052,784,456</b>	<b>-</b>	<b>1,052,784,456</b>	<b>28.39</b>	<b>1,052,784,456</b>	<b>-</b>	<b>1,052,784,456</b>	<b>20.97</b>	<b>(7.42)</b>	
<b>B. Public Shareholding</b>										
<b>1. Institutions</b>										
a) Mutual Funds	51,445,425	-	51,445,425	1.39	74,604,602	-	74,604,602	1.49	0.10	
b) Banks / FI	665,910,309	-	665,910,309	17.96	349,452,144	-	349,452,144	6.96	(11.00)	
c) Central Govt	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	90,232,017	-	90,232,017	2.43	90,232,017	-	90,232,017	1.80	(0.64)	
g) FIs/Foreign Portfolio Investors	374,229,846	168,801,397	543,031,243	14.65	642,933,183	-	642,933,183	12.81	(1.84)	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
<b>Sub-total (B)(1)</b>	<b>1,181,817,597</b>	<b>168,801,397</b>	<b>1,350,618,994</b>	<b>36.43</b>	<b>1,157,221,946</b>	<b>-</b>	<b>1,157,221,946</b>	<b>23.05</b>	<b>(13.38)</b>	

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015 based on shareholding pattern as on March 31, 2015)				No. of Shares held at the end of the year (As on March 31, 2016 based on shareholding pattern as on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	346,889,280	-	346,889,280	9.36	1,109,730,829	1,000	1,109,731,829	22.10	12.75
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	617,810,481	39,792	617,850,273	16.66	942,339,511	45,764	942,385,275	18.77	2.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	271,935,580	-	271,935,580	7.33	656,443,730	-	656,443,730	13.08	5.74
c) Others- (specify)									
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	2,199,343	-	2,199,343	0.04	0.04
Employee trust	-	-	-	-	-	-	-	-	-
Non Resident Indians	41,618,678	-	41,618,678	1.12	57,211,707	-	57,211,707	1.14	0.02
Foreign Nationals	62,500	-	62,500	0.00	74,000	-	74,000	0.00	0.00
Foreign Corporate Bodies	-	-	-	-	6,415,076	-	6,415,076	0.13	0.13
Clearing Members	16,316,535	-	16,316,535	0.44	21,815,543	-	21,815,543	0.43	(0.01)
Trusts	1,180,375	-	1,180,375	0.03	3,377,585	-	3,377,585	0.07	0.04
<b>Sub-total (B)(2)</b>	<b>1,295,813,429</b>	<b>39,792</b>	<b>1,295,853,221</b>	<b>34.95</b>	<b>2,799,607,324</b>	<b>46,764</b>	<b>2,799,654,088</b>	<b>55.76</b>	<b>20.81</b>
<b>Total Public Shareholding [(B) = (B)(1)+ (B)(2)]</b>	<b>2,477,631,026</b>	<b>168,841,189</b>	<b>2,646,472,215</b>	<b>71.38</b>	<b>3,956,829,270</b>	<b>46,764</b>	<b>3,956,876,034</b>	<b>78.81</b>	<b>7.44</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>8,458,524</b>	<b>-</b>	<b>8,458,524</b>	<b>0.23</b>	<b>10,842,924</b>	<b>-</b>	<b>10,842,924</b>	<b>0.22</b>	<b>(0.01)</b>
<b>Grand Total (A+B+C)</b>	<b>3,538,874,006</b>	<b>168,841,189</b>	<b>3,707,715,195</b>	<b>100.00</b>	<b>5,020,456,650</b>	<b>46,764</b>	<b>5,020,503,414</b>	<b>100.00</b>	<b>-</b>

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2015 based on shareholding pattern as on March 31, 2015)			Shareholding at the end of the year (as on March 31, 2016 based on shareholding pattern as on March 31, 2016)			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares Pledged/ encumbered to total shares	
	Paid up capital:	3,707,715,195			5,020,503,414			
1.	Tulsi R.Tanti	3,905,000	0.11	0.11	3,905,000	0.08	0.08	(0.03)
2.	Gita T.Tanti	64,512,000	1.74	1.74	64,512,000	1.28	1.28	(0.46)
3.	Tulsi R.Tanti as karta of Tulsi Ranchhodhbhai HUF	18,000,000	0.49	0.49	18,000,000	0.36	0.36	(0.13)
4.	Tulsi R.Tanti as karta of Ranchhodhbhai Ramjibhai HUF	42,570,000	1.15	1.15	42,570,000	0.85	0.45	(0.30)
5.	Tulsi R.Tanti J/w. Vinod R.Tanti J/w. Jitendra R.Tanti	42,660,000	1.15	1.15	42,660,000	0.85	0.85	(0.30)
6.	Tanti Holdings Private Limited	154,626,093	4.17	4.16	158,901,093	3.17	3.16	(1.00)
7.	Vinod R.Tanti	11,367,000	0.31	0.31	11,367,000	0.23	0.23	(0.08)
8.	Jitendra R.Tanti	12,400,000	0.33	0.33	12,400,000	0.25	0.25	(0.09)
9.	Sangita V.Tanti	70,182,000	1.89	1.89	70,182,000	1.40	1.40	(0.49)
10.	Lina J.Tanti	70,182,000	1.89	1.89	70,182,000	1.40	1.40	(0.49)
11.	Rambhaben Ukabhai	3,000	0.00	0.00	3,000	0.00	0.00	-
12.	Vinod R.Tanti as karta of Vinod Ranchhodhbhai HUF	18,900,000	0.51	0.51	18,900,000	0.38	0.19	(0.13)
13.	Jitendra R.Tanti as karta of Jitendra Ranchhodhbhai HUF	12,723,000	0.34	0.34	12,723,000	0.25	0.25	(0.09)
14.	Pranav T.Tanti	59,067,000	1.59	1.59	59,067,000	1.18	1.18	(0.42)
15.	Nidhi T.Tanti	3,052,000	0.08	0.08	3,052,000	0.06	0.06	(0.02)
16.	Rajan V.Tanti	16,605,000	0.45	0.45	16,605,000	0.33	0.33	(0.12)
17.	Brij J.Tanti	37,117,000	1.00	1.00	37,117,000	0.74	0.74	(0.26)
18.	Trisha J.Tanti	15,120,000	0.41	0.41	15,120,000	0.30	0.30	(0.11)
19.	Girish R.Tanti	100,019,000	2.70	2.70	100,019,000	1.99	1.99	(0.71)
20.	Suruchi Holdings Private Limited	4,275,000	0.12	0.11	(See note 1 below)	-	-	(0.12)
21.	Sugati Holdings Private Limited	262,497,868	7.08	6.69	262,497,868	5.23	4.94	(1.85)
22.	Samanvaya Holdings Private Limited	33,001,495	0.89	0.89	33,001,495	0.66	0.66	(0.23)
	<b>Total</b>	<b>1,052,784,456</b>	<b>28.39</b>	<b>27.99</b>	<b>1,052,784,456</b>	<b>20.97</b>	<b>20.08</b>	<b>(7.42)</b>

Notes:

1. Suruchi Holdings Private Limited has been merged with Tanti Holdings Private Limited by virtue of orders passed by Honourable High Courts sanctioning the Scheme of Amalgamation, which became effective from September 29, 2015 from the Appointed Date April 1, 2014.
2. The shareholding of promoters has reduced due to various allotments made by the Company to non-promoters during the financial year under review.

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.	Particulars	Shareholding at the beginning of the year (as on April 1, 2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1.	Promoters shareholding at the beginning of the year	1,052,784,456	28.39	1,052,784,456	20.97
2.	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / and decrease (e.g. allotment / transfer / bonus etc)	Nil	Nil	Nil	Nil
3.	Promoters shareholding at the end of the year	1,052,784,456	28.39	1,052,784,456	20.97

Notes :

- For changes in shareholding % of each Promoter, refer point no. IV (ii)
- The shareholding of Promoters remained unchanged, however the % has reduced due to various allotments made by the Company to non-promoters during the financial year under review.

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 1, 2015 based on shareholding pattern as on March 31, 2015)		Cumulative Shareholding during the year as on March 31, 2016 based on shareholding pattern as on March 31, 2016)	
		No. of shares	% of total shares	No. of shares	% of total shares
	Paid up capital	3,707,715,195		5,020,503,414	
1.	IDBI Bank Ltd.	204,529,516	5.52	54,399,258	1.08
2.	Cowell & Lee Investment (Mauritius) Limited	136,986,172	3.69	132,986,172	2.65
3.	State Bank of India	130,920,597	3.53	51,104,874	1.02
4.	Life Insurance Corporation of India	89,932,017	2.43	89,932,017	1.79
5.	Punjab National Bank	64,624,677	1.74	22,796,274	0.45
6.	Barclays Capital Mauritius Limited	57,891,572	1.56	-	-
7.	Bank of Baroda	53,100,819	1.43	43,100,819	0.86
8.	India Overseas Bank	51,067,665	1.38	32,753,316	0.65
9.	Morgan Stanley Asia (Singapore) Pte.	46,664,390	1.26	42,808,920	0.85
10.	Central Bank of India	41,235,868	1.11	29,935,868	0.60
11.	Suraksha Buildwell LLP	-	-	110,000,000	2.19
12.	Family Investment Private Limited	-	-	100,900,000	2.01
13.	Viditi Investment Private Limited	-	-	100,900,000	2.01
14.	Tejaskiran Pharmachem Industries Private Limited	-	-	100,900,000	2.01
15.	Real Gold Developers LLP	-	-	85,000,000	1.69
16.	Neostar Developers LLP	-	-	85,000,000	1.69
17.	Vibha D. Shanghvi	-	-	68,000,000	1.35
18.	Aalok D. Shanghvi	-	-	68,000,000	1.35

Note: The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not provided.

**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (as on April 1, 2015 based on shareholding pattern as on March 31, 2015)		Cumulative Shareholding during the year as on March 31, 2016		Remarks
		No. of shares	% of total shares	No. of shares	% of total shares	
	Paid up capital	3,707,715,195		5,020,503,414		
1.	Tulsi R.Tanti, Managing Director (MD)*	3,905,000	0.11	3,905,000	0.08	
2.	Girish R.Tanti, Non-executive Director	100,019,000	2.70	100,019,000	1.99	
3.	Vaidhyanathan Raghuraman, Independent Director	-	-	-	-	
4.	Vinod R.Tanti, Non-executive Director*	11,367,000	0.31	11,367,000	0.23	
5.	Rajiv Ranjan Jha, Non-executive Director	-	-	-	-	
6.	Marc Desaeleer, Independent Director	-	-	-	-	
7.	Ravi Uppal, Independent Director	1,000	0.00	1,000	0.00	
8.	Medha Joshi, Non-executive Director	-	-	-	-	
9.	Venkataraman Subramanian, Independent Director	-	-	-	-	
10.	Pratima Ram, Non-executive Director	-	-	-	-	
11.	Per Hornung Pedersen, Independent Director	-	-	-	-	
12.	Kirti J. Vagadia, Chief Financial Officer (CFO)	N.A.	N.A.	541,000	0.01	Kirti J. Vagadia was appointed as CFO w.e.f. August 1, 2015
13.	Hemal A.Kanuga, Company Secretary (CS)	59,928	0.00	59,928	0.00	

\* Mr. Tulsi R.Tanti and Mr. Vinod R.Tanti also hold shares in the capacity as karta of HUF and jointly with others.

**V. INDEBTEDNESS**

The Indebtedness of the Company including interest outstanding/accrued but not due for payment as on March 31, 2016 is as under:

Particulars	Secured Loans excluding deposits (Rs in Crore)	Unsecured Loans (Rs in Crore)	Deposits (Rs in Crore)	Total Indebtedness (Rs in Crore)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	8709.69	2237.00	-	10,946.69
ii) Interest due but not paid	169.61	8.90	-	178.51
iii) Interest accrued but not due	8.91	12.47	-	21.38
<b>Total (i+ii+iii)</b>	8888.21	2258.37	-	11,146.58
<b>Change in Indebtedness during the financial year</b>				
Addition	635.47	-	-	635.47
Reduction	5,570.12	394.37	-	5,964.49
Net Change	(4,934.65)	(394.37)	-	(5,329.02)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,943.68	1,839.48	-	5,783.16
ii) Interest due but not paid	4.76	-	-	4.76
iii) Interest accrued but not due	5.13	24.52	-	29.65
<b>Total (i+ii+iii)</b>	3,953.56	1,864.00	-	5,817.56

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Mr. Tulsi R.Tanti, Managing Director (Rs in Crore)	Total Amount (Rs in Crore)
1.	Gross salary		
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961 (Rs)	1.58	1.58
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (Rs)	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961 (Rs)	Nil	Nil
2.	Stock Option (Nos.)	Nil	Nil
3.	Sweat Equity (Nos.)	Nil	Nil
4.	Commission (Rs)	Nil	Nil
	- as % of profit		
	- others, specify...		
5.	Others, please specify	Nil	Nil
	Total (A) (Rs)	1.58	1.58
	Ceiling as per the Act* (Rs)	1.70	1.70

\*In terms of the approval granted by the Central Government, in case of loss or inadequate profits, the remuneration payable to Mr. Tulsi R.Tanti, the Managing Director shall not exceed Rs 1,70,50,000/- per annum. The details pertaining to payment of remuneration to Mr. Tulsi R.Tanti is given in the Corporate Governance Report, which forms part of Annual Report.

### B. Remuneration to other directors

Sr. No.	Name of Directors	Particulars of Remuneration			Total Amount (Rs in Crore)
		Fee for attending board/committee meetings (Rs in Crore)	Commission	Others, please specify	
1.	<b>Independent Directors:</b>				
	Mr. V. Raghuraman	0.036	-	-	0.036
	Mr. Marc Deseadeleer	0.014	-	-	0.014
	Mr. Ravi Uppal	0.008	-	-	0.008
	Mr. V. Subramanian	0.022	-	-	0.022
	Mr. Per Hornung Pedersen	0.008	-	-	0.008
	Total (1)	0.088	-	-	0.088
2.	<b>Other Non-Executive Directors:</b>				
	Mr. Girish R.Tanti	0.008	-	-	0.008
	Mr. Vinod R.Tanti	0.038	-	-	0.038
	Mr. Rajiv Ranjan Jha	0.01	-	-	0.01
	Mrs. Medha Joshi	0.018	-	-	0.018
	Mrs. Pratima Ram	0.01	-	-	0.01
	Total (2)	0.084	-	-	0.084
	Total =(1+2)	0.172	-	-	0.172
	Total Managerial Remuneration	0.172	-	-	0.172
	Overall Ceiling as per the Act	-	-	-	-

Note: The non-executive directors are not paid any remuneration except sitting fees for attending the meetings of the Board and / or Committees thereof, which is within the limits prescribed under the Companies Act, 2013.

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Kirti J. Vagadia - CFO (Rs in Crore)	Mr. Hemal A.Kanuga – CS (Rs in Crore)	Total (Rs in Crore)
1.	Gross salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961 (Rs)	11.07	0.75	11.82
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (Rs)	–	–	–
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961 (Rs)	–	–	–
2.	Stock Option (live as on date)			
	Special ESOP 2014 (Nos.)	1,201,500	308,200	–
3.	Sweat Equity (Nos.)	Nil	Nil	Nil
4.	Commission (Rs)	Nil	Nil	Nil
	– as % of profit			
	– others, specify			
5.	Others, please specify (Reimbursement)	0.007	Nil	0.007
	Total (Rs)	11.08	0.75	11.83

Note: Apart from fixed remuneration, the remuneration includes significant amount towards variable components like performance linked incentive, project bonus, retention bonus, leave encashment etc.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN.: 00002283



Annexure to Directors' report

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto**

**1. Details of contracts or arrangement or transactions not at arm's length basis: None**

Sr. No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	
b)	Nature of contracts/arrangements/transactions	
c)	Duration of the contracts / arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board,	
g)	Amount paid as advances, if any:	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

**2. Details of material contracts or arrangement or transactions at arm's length basis: None**

Sr. No.	Particulars	Remarks
a)	Name(s) of the related party and nature of relationship	
b)	Nature of contracts/arrangements /transactions	
c)	Duration of the contracts / arrangements/ transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
e)	Date(s) of approval by the Board / shareholders, if any:	
f)	Amount paid as advances, if any:	

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN.: 00002283

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out hereunder.

### A. Conservation of energy

The Company's Corporate Headquarter in Pune, India named 'ONE EARTH' is an environmental-friendly campus, with a minimal carbon footprint on the surrounding environment. As already informed in the previous years, the Campus has been awarded the coveted LEED (Leadership in Energy and Environmental Design) Platinum rating and GRIHA (Green Rating for Integrated Habitat Assessment) green building certifications for its approach towards sustainability and green practices towards infrastructure. The Company continues its efforts to reduce and optimise the use of energy consumption at its Corporate Headquarter and at its manufacturing facilities by installing hi-tech energy monitoring and conservation systems to monitor usage, minimise wastage and increase overall efficiency at every stage of power consumption. The Company is also emphasising to utilise the maximum natural sources of energy instead of using electricity.

- Steps taken or impact on conservation of energy - The energy conservation measures taken are given as under:

Sr. No.	Measures Taken
---------	----------------

- |    |  |
|----|--|
| 1. | Replaced 2 Star rated AC with 5 star rated AC along with power saver unit at our Daman facility. Further to save the electricity, installed Poly carbonate sheet at the roof of shop floor, installed water level controller for overhead & underground water tanks. |
| 2. | Replaced the existing Bay fittings with LED lights at Dhule and Padubudri facility.  |
| 3. | Installation of solar street lights at our Coimbatore Facility. Added Capacitor at the work station leading to improved power factor for VPI Air compressor.   |

The impact of above measures undertaken by the Company result in optimisation of energy consumption, savings in energy cost and environment protection.

- Steps taken by the Company for utilising alternate sources of energy - The Company along with its subsidiaries being in the business of selling and installing wind turbine generators and related equipment, it is very active in promoting renewable sources of energy and supporting conservation. The Company concentrates on reengineering of process to facilitate optimum utilisation of energy. The Company has further decided to embark in the renewable sector by venturing into the solar space.
- Capital Investment on energy conservation equipments – Rs 0.12 Crore

### B. Technology absorption

#### Research & Development (R&D) -

Specific areas in which R & D is carried out by the Company -

- The Company continues to drive various R&D projects, operating out of world-class technology centres in Germany, Denmark, Netherlands and India. In India, a constant Technology-Watch is being done to identify and adopt useful technical breakthroughs in the Industry.
- The S111, prototyped last year, has been successfully field-validated for its design and performance. Leveraging the success of the S97 with 120m Hybrid Tower, the S111 turbine has been prototyped with 120m Hybrid Tower for improved performance and enhanced saleability.
- The Company continues to work in areas of reduction of head mass and tower mass, which will result in cost-optimized turbine.
- Latest technologies in the areas of Composites and Power Electronics are being experimented for future use in the turbines. Several projects, involving plant and field trials, and measurement campaigns are being undertaken in these areas.

#### Expenditure on R&D -

Sr. No.	Particulars	2015-16 (Rs in Crore)	2014-15 (Rs in Crore)
a.	Capital	257.75	3.88
b.	Recurring	46.57	35.26
c.	Total	304.32	39.14
d.	Total R&D expenditure as a % of total turnover	5.13%	1.73%

**Technology absorption, adaption and innovation** – The efforts made towards technology absorption, adaption and innovation and benefits derived are given as under:

- The Technology Transfer for the S111 Generator, initiated last Financial Year, was completed and serial production of the S111 Generators, under the technical guidance of our Technology partner, has been stabilised.
- Processes that aid reduction of tower mass have been contemplated and conceptualized. The prototype trials and benefits of the projects will be assessed next year.

**C. Foreign exchange earnings and outgo**

Total foreign exchange used and earned is given as under:

<b>Sr. No.</b>	<b>Particulars</b>	<b>2015-16 (Rs in Crore)</b>	<b>2014-15 (Rs in Crore)</b>
1.	Total Foreign Exchange Earned	59.44	226.59
2.	Total Foreign Exchange Used	2,867.38	1,042.40

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN.: 00002283

## ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programmes:

CSR in Suzlon is based on the premise that business and its environment are inter-dependent, and the organic link between them should be strengthened. A higher degree of sustainability can be achieved in business by balancing growth in all aspects of development - financial, natural, social, human and physical. Suzlon Foundation established in 2007 is the implementing arm of Suzlon's CSR. More information on its CSR policy and programs can be availed from the Company's website (www.suzlon.com).

Clubbed under six thematic areas (Natural Resource Management, Livelihood, Health, Education, Empowerment and Civic Amenities) Suzlon's CSR Projects include among others – Soil and Water Conservation, Integrated Agriculture based Livelihood Program, Skill Development, Enhancing preventive and curative health practices, E-learning for schools, Enhancing green cover, enhancing availability of drinking water and alternative energy sources.

2. The Composition of the CSR Committee: Mr. Tulsi R.Tanti is the Chairman, Mr. Girish R.Tanti and Mr. V.Raghuraman are the members of the CSR Committee, which was constituted on May 30, 2014. The role of CSR Committee includes:
- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, as amended, read with Rules framed thereunder;
  - recommend the amount of expenditure to be incurred on such activities; and
  - monitor the Corporate Social Responsibility Policy of the Company from time to time.
3. Average net profit/(loss) before tax of the Company for last three financial years (preceding the financial year under review):

Particulars	Last three financial years (Rs in Crore)			Average net profit for calculating CSR expenditure (Rs in Crore)
	2014-15	2013-14	2012-13	
Net Profit / (loss) before tax	(6,032.34)	(924.47)	(2,989.80)	(3,315.54)

4. Prescribed CSR expenditure (2% of the amount as mentioned in item 3 above): The prescribed CSR expenditure required to be spent during the financial year 2015-16 was NIL since the average net profit before tax for last three financial years (preceding the financial year under review) is in negative.
5. Details of CSR spent during the financial year:
- Total amount to be spent for the financial year: Not Applicable
  - Amount unspent, if any: Not Applicable
  - Manner in which the amount spent during the financial year is detailed below :

Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (i) local area or others; (ii) specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto the reporting period	Amount spent direct or through implementing agency*
					Direct expenditure on projects or programs	Overheads		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Not Applicable for the financial year under review								

\*Give details of implementing agency

- In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board's report: Not applicable.
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the Company:  
It is hereby stated that the implementation and monitoring of CSR Policy is in compliance / will be in compliance with the CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN.: 00002283

**INFORMATION PERTAINING TO REMUNERATION TO BE DISCLOSED BY LISTED COMPANIES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 (FOR THE FINANCIAL YEAR 2015-16)**

- i) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year under review:**

Sr. No.	Name of directors	Category	~ Ratio to median remuneration
1.	Mr. Tulsi R.Tanti	Chairman & Managing Director	1: 41.84
2.	Mr. V. Raghuraman	Non-executive independent Director	1:0.88
3.	Mr. Marc Deseadeleer	Non-executive independent Director	1:0.34
4.	Mr. Ravi Uppal	Non-executive independent Director	1:0.20
5.	Mr. V.Subramanian	Non-executive independent Director	1:0.54
6.	Mr. Per Hornung Pedersen	Non-executive independent Director	1:0.20
7.	Mr. Girish R.Tanti	Non-executive Director	1:0.20
8.	Mr. Vinod R.Tanti	Non-executive Director	1:0.93
9.	Mr. Rajiv Ranjan Jha	Non-executive Director	1:0.25
10.	Mrs. Medha Joshi	Non-executive Director	1:0.44
11.	Mrs. Pratima Ram	Non-executive Director	1:0.25

Note: The non-executive directors are not paid any remuneration except sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013.

- ii) **The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS) for the financial year under review:**

Sr. No.	Name	Category	~ Increase / (decrease) (%)
1.	Mr. Tulsi R.Tanti	Chairman & Managing Director	0%
2.	Mr. J.P.Chalasani	Group Chief Executive Officer <sup>1</sup>	N.A.
3.	Mr. Kirti J.Vagadia <sup>2,3</sup>	Group Chief Financial Officer <sup>3</sup>	361.89%
4.	Mr. Hemal A.Kanuga <sup>3</sup>	Company Secretary	76.80%

<sup>1</sup> Mr. J.P.Chalasani has been appointed as the Group Chief Executive Officer w.e.f. April 4, 2016. There are few senior level officers of the Company who are designated as CEOs of few verticals whose details are not considered.

<sup>2</sup> Mr. Kirti J.Vagadia has been appointed as the Group Chief Financial Officer w.e.f. August 1, 2015. The % increase in salary of Mr. Kirti J.Vagadia has been compared with his own previous year's salary and not with the salary of erstwhile CFO and thus to that extent salary of 'CFO' may not be exactly comparable.

<sup>3</sup> Apart from fixed remuneration, the remuneration includes significant amount towards variable components like performance linked incentive, project bonus, retention bonus, leave encashment, etc. (See note under point no.v)

- iii) **The percentage increase in the median remuneration of employees in the financial year under review: 8.50%**
- iv) **The number of permanent employees on the rolls of the Company as at the end of the financial year under review: 1,947**

- v) **Average percentile increase already made in the salaries of employees other than the key managerial personnel in the last financial year and its comparison with the percentile increase in the key managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in managerial remuneration:**

Particulars	~ Increase / (decrease) %
Average salary of all employees (other than KMPs)	24.13%
Average salary of all KMPs mentioned above	201.94%

**Justification for increase in remuneration of the key managerial personnel:** In preceding financial year, i.e. 2014-15, there was no variable component forming part of the remuneration, whereas the remuneration for the financial year 2015-16 includes a variable component of performance linked incentive and also includes one-off components like project bonus, retention bonus and one time leave encashment.

- vi) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R. Tanti  
Chairman & Managing Director  
DIN : 00002283

**Annexure to Directors' report**  
**EMPLOYEE STOCK OPTION PLANS (ESOPs)**

The details of options granted under various ESOPs of the Company as required to be provided in terms of Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are given as under:

Sr. No.	Particulars	Special ESOP 2009 forming part of ESOP Perpetual I				Special ESOP 2014
		ESOP 2007	Tranche III Scheme VI	Tranche VII Scheme XI	Tranche VIII Scheme XII	
1.	Date of shareholders' approval	May 22, 2008	August 13, 2009	August 13, 2009	August 13, 2009	March 27, 2014
2.	Date of Grant	May 21, 2009	July 28, 2010	July 31, 2011	May 25, 2012	June 23, 2014
3.	Vesting requirements					
	Tranche 1	May 21, 2010 - 75%	July 28, 2011 - 50%	August 1, 2012 - 50%	May 26, 2013 - 50%	June 23, 2015 - 50%
	Tranche 2	May 21, 2011 - 25%	July 28, 2012 - 25%	August 1, 2013 - 25%	May 26, 2014 - 25%	June 23, 2016 - 50%
	Tranche 3	-	July 28, 2013 - 25%	August 1, 2014 - 25%	May 26, 2015 - 25%	-
4.	Maximum term of options granted / Exercise period	Till May 21, 2015	Till July 28, 2015	July 31, 2016	May 25, 2017	Till March 31, 2019 (Refer Note 2)
5.	Pricing formula	The closing price of Equity Shares of the Company on BSE as on date of grant	For all Employees (except US ) - 20% Discount to the closing price of Equity Shares of the Company on BSE as on date of grant For US Employees – the closing price of Equity Shares of the Company on BSE as on date of grant	The closing price of Equity Shares of the Company on BSE as on August 1, 2011	The closing price of Equity Shares of the Company on BSE as on date of grant	10% Discount to the closing price of Equity Shares of the Company on BSE as on date of grant
6.	Sources of shares (primary, secondary or combination)	Primary	Primary	Primary	Primary	Primary
7.	Options granted under the Plan as at March 31, 2016 (Nos.)	1,878,000	175,000	65,000	25,000	45,000,000
8.	Options outstanding as at April 1, 2015 (Nos.)	815,000	35,000	10,000	12,500	44,265,600
9.	Options granted during the year ended March 31, 2016 (Nos.)	Nil	Nil	Nil	Nil	Nil
10.	Options vested during the year ended March 31, 2016 (Nos.)	Nil	Nil	Nil	3,125	2,19,79,100
11.	Options exercised during the year ended March 31, 2016 (Nos.)	Nil	Nil	Nil	Nil	Nil
12.	Total number of shares arising as a result of exercise of options (Nos.)	Nil	Nil	Nil	Nil	Nil
13.	Options forfeited / cancelled during the year ended March 31, 2016 (Nos.)	1,04,000	Nil	10,000	12,500	39,24,800
14.	Options lapsed / expired during the year ended March 31, 2016 (Nos.)	7,11,000	35,000	Nil	Nil	Nil
15.	Options in force as at March 31, 2016 (Nos.)	Nil	Nil	Nil	Nil	4,03,40,800
16.	Options exercisable at the end of the year	Nil	Nil	Nil	Nil	4,03,40,800
17.	Variation of terms of options during the year ended March 31, 2016	Nil	Nil	Nil	Nil	Refer Note 2

Sr. No.	Particulars	ESOP 2007			Special ESOP 2009 forming part of ESOP Perpetual I			Special ESOP 2014	
		Scheme III	Tranche III Scheme VI	Tranche VII Scheme XI	Tranche VIII Scheme XII	Scheme XIV	Tranche VIII Scheme XII	Scheme XIV	
18.	Money realised by exercise of options (Rs)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
19.	Loan repaid by the Trust during the year ended March 31, 2016	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
20.	Lock-in period, if any	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
21.	Employee wise details of options granted to: Senior Managerial Personnel (including Key Managerial Personnel)	Refer Note 3							
ii)	Employees receiving 5% or more of the total number of options granted during the year ended March 31, 2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
iii)	Employees granted options equal to or exceeding 1% of the issued capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
22.	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs)	0.10							
23.	Method used to account for the Plan	The Company uses intrinsic value based method of accounting for determining the compensation cost for the Schemes							
24.	Difference between employee compensation cost calculated using intrinsic value of stock options and employee compensation cost that shall have been recognised if the fair value of the options had been used and the impact of this difference on profits and EPS of the Company	The Company has provided Rs Nil (Rs Nil) at the rate of Rs 2.20 per option under Scheme III, Rs Nil (Rs Nil) at the rate of Rs 12.29 per option and Rs 0.60 per option under Scheme VI – Tranche III, Rs Nil (Rs Nil) at the rate of Rs Nil per option under Scheme XI - Tranche VII, Rs Nil (Rs Nil) at the rate of Rs Nil per option under Scheme XII – Tranche VIII, Rs 3.80 Crore (Rs 7.67 Crore) at the rate of Rs 3.00 per option under Scheme XIV for the year ended March 31, 2016. The value of option is calculated as a difference between intrinsic value of options and exercise price. Had the Company adopted the fair value method based on 'Black-Scholes' model for pricing and accounting the options, the cost would have been Rs 43.32 (Rs 43.32) per option for Scheme III, Rs 30.73 (Rs 30.73) per option, Rs 26.39 (Rs 26.39) per option for Scheme VI – Tranche III, Rs 22.67 (Rs 22.67) per option for Scheme XI – Tranche VII, Rs 9.25 (Rs 9.25) per option for Scheme XII – Tranche VIII, Rs 13.18 (Rs 13.18) per option for Scheme XIV and accordingly the loss after tax would have been higher by Rs 38.70 Crore (Rs 26.00 Crore).							
25.	Weighted average exercise price and weighted average fair value of options, exercise price of which is less than the market price on the date of grant:	90.50	46.76 / 58.45	54.15	20.85	26.95			
i)	Weighted average exercise price (Rs)	43.32	26.39 / 30.73	22.67	9.25	13.18			
ii)	Weighted average fair value (Rs)								
26.	Significant assumptions used to estimate fair values of options granted during the year								
i)	Risk free interest rate	8.20%	8.20%	8.20%	8.20%	8.00%			
ii)	Expected life (Years)	6	5	5	5	2.8			
iii)	Expected volatility	48.90%	48.90%	48.90%	48.90%	65.10%			
iv)	Dividend yield	Nil	Nil	Nil	Nil	Nil			
v)	The price of the underlying share in market at the time of option grant (Rs)	92.70	59.05	52.40	20.85	29.95			



The Securities and Exchange Board of India (SEBI) has issued SEBI (Share Based Employee Benefits) Regulations, 2014 which are effective from October 28, 2014. Prior to that SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 were in force for all stock option schemes established after June 19, 1999. In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the excess of the market price of the underlying equity shares as of the date of grant over the exercise price of the option, including upfront payments, if any, had to be recognised and amortised on a straight line basis over the vesting period. The equity shares issued / to be issued under Special ESOP 2014 of the Company rank / shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

**Notes:**

1. During the year under review, in terms of ESOP 2007 and Special ESOP 2009 – Tranche III (Scheme VI), all vested options had to be exercised on or before May 21, 2015 and July 28, 2015 respectively and accordingly 7,11,000 and 35,000 unexercised options under ESOP 2007 and Special ESOP 2009 – Tranche III (Scheme VI) respectively have lapsed / expired. Further there are no outstanding options under Special ESOP-2009 – Tranche I (Scheme IV), Tranche II (Scheme V), Tranche IV (Scheme VII), Tranche V (Scheme VIII) and Tranche VI (Scheme X) and hence details of these Schemes have not been provided.
2. During the year under review, the terms of Special ESOP 2014 were modified by extending the exercise period of the options granted under Special ESOP 2014 by two years i.e. extending the end date from March 31, 2017 to March 31, 2019 in terms of the recommendation of the Nomination and Remuneration Committee and as approved by the shareholders at the Twentieth Annual General Meeting of the Company held on September 28, 2015.
3. The details of options granted to senior managerial personnel (including the key managerial personnel in term of Companies Act, 2013) of the Company under active ESOPs are given as under:

Name of senior managerial personnel	Designation	No. of Stock options granted Under Special ESOP 2014
Tulsi R.Tanti	Chairman and Managing Director	Nil
J.P.Chalasanani <sup>1</sup>	Group Chief Executive Officer	Nil
Kirti Vagadia	Group Chief Financial Officer	1,201,500
Dr. V. V. Rao	Chief Quality Officer	1,251,000
Ishwar Mangal	Chief Sales Officer, GOMS & International Sales (EM)	1,251,000
Rohit Modi	Chief Executive Officer, Solar Business	1,251,000
Rakesh Sarin	Chief Executive Officer, International Business and Global Services	Nil
Vinod R.Tanti <sup>2</sup>	Non-Executive Director	Nil
Hemal A.Kanuga	Company Secretary and Compliance Officer	308,200

<sup>1</sup> Appointed as Group Chief Executive Officer w.e.f. April 4, 2016

<sup>2</sup> Proposed to be appointed as Wholetime Director & Chief Operating Officer w.e.f. October 1, 2016

For and on behalf of the Board of Directors

Tulsi R. Tanti  
Chairman & Managing Director  
DIN : 00002283

Place : Mumbai  
Date : August 12, 2016

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
SUZLON ENERGY LIMITED  
"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex,  
Navrangpura, Ahmedabad-380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SUZLON ENERGY LIMITED (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, adequately complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities And Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: There are no events occurred during the period which attracts provisions of these guidelines, hence not applicable.
- (vi) As informed to us there are no other laws as applicable specifically to the company;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

During the period under review the Company has adequately complied with the provisions of above mentioned Acts, Rules, Regulations, Guidelines, Standards, etc. subject to the following observations:

- The company has not requisite number of Independent Directors as required under the clause 49 of the listing agreement / the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As required under Section 6(3) of the Foreign Exchange Management Act, 1999 (FEMA) read with Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, notified vide Notification No. FEMA 3/2000-RB dated May 3, 2000, the Company has submitted the Monthly ECB-2 returns for the Month of April, 2015, May, 2015, June, 2015, August, 2015 and September, 2015 and January, 2016 beyond the prescribed statutory period.

- As required under clause 49 (II)(B)(5)(b) of the Listing agreement, the company has not disclosed the criteria for performance evaluation of Independent Directors, as laid down by the Nomination and Remuneration Committee, in its Annual Report for the financial year ended 14-15, however the performance criteria is available on the website of the company.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except that of Independent Directors as stipulated in Clause 49 of the Listing Agreement of the Company with the BSE Limited and National Stock Exchange of India Limited for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> November 2015 and as per the relevant provisions of the Security Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

There is a system for sending the notice to all directors to schedule the Board Meetings, and the agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decision in the board meetings were carried through by majority while there were no dissenting members' views and hence not captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with above referred applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has taken following actions or enter into events having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Implementation of Special Employee Stock Option Plan, 2015.
- Embarking further into the renewable energy sector by venturing into solar energy sector.
- The Company has allotted 100 Crore Equity Shares to the Investor Group being Dilip Shanghvi Family & Associates.

Place : Pune

Date : 25<sup>th</sup> July, 2016

Dinesh Joshi  
Partner,  
Kanj & Associates,  
Company Secretaries  
FCS No: 3752  
C P No.:2246

To,  
The Members,  
SUZLON ENERGY LIMITED  
CIN L40100GJ1995PLC025447  
"Suzlon", 5, Shrimali Society, Near Shri Krishna Complex,  
Navrangpura,  
Ahmedabad-380009

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial record based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, I followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Pune

Date : 25<sup>th</sup> July, 2016

Dinesh Joshi  
Partner,  
Kanj & Associates,  
Company Secretaries  
FCS No: 3752  
C P No.:2246

# MANAGEMENT DISCUSSION AND ANALYSIS

## Global Renewable Energy Market and Outlook

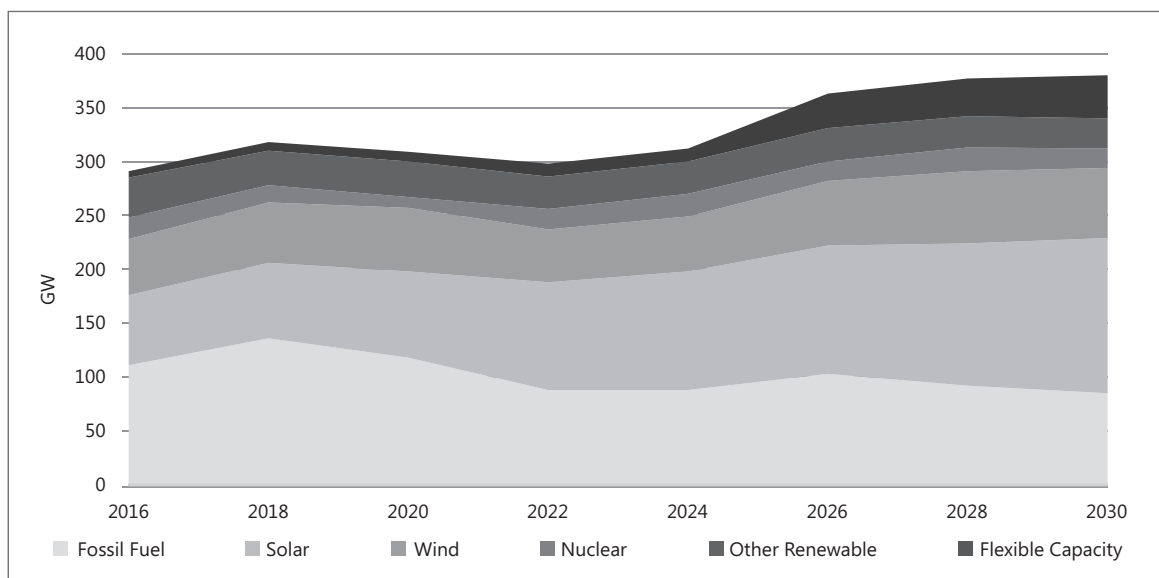
CY 2015 year will be earmarked as an achievement for renewables - excluding large hydro projects - with global investments in renewable energy reaching upto \$329 Billion<sup>1</sup>. Strikingly, the combined capacity addition in Wind and Solar together reached to 121 GW which made up about 50% of the net capacity added in all generation technologies (fossil fuel, nuclear and renewable) globally<sup>2</sup>. Asia Pacific witnessed an investment of \$179 Billion (up 11% on 2014), 54% of global renewable investments, higher than Americas and EMEA regions both put together.

Adding further strength to growing base of renewables, world leaders at COP21 has first time attested an unprecedented agreement among 195 nations to act for zero net emissions in the second half of the century. India has also made voluntary commitment at the United Nations Framework Convention for Climate Change to reduce its carbon emissions intensity by 33-35 percent by 2030 in comparison with the 2005 levels. It envisaged to achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources by 2030 with the help of transfer of technology and low cost international finance including from Green Climate Fund (GCF). India also committed to create an additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030.

In Renewables, Wind and Solar continue to dominate a leading share. Wind power had another record breaking year when it crossed 50 GW mark for the first time in a single year in 2014. It reached another milestone in 2015 as annual installations topped 64 GW<sup>3</sup>, a 22% increase. By the end of last year, there were about 433 GW<sup>4</sup> of wind power plants spinning around the globe, a cumulative 17% increase; and wind power supplied more new power generation than any other technology in 2015, according to the IEA. For solar, of the renewables total 134 GW excluding large hydro were commissioned, solar photovoltaics accounted for 57GW, record figures and sharply up from their 2014 additions of 45GW, a 27% increase.

As per Bloomberg Energy outlook 2015-2040, renewables will grow in market share and are to constitute 62% of the 380 GW of capacity addition worldwide by 2030, of which Solar is expected to double its capacity additions. The following forecast is a testimony of strong Wind and Solar future- in the years to come- for the organizations which are geared up for the opportunity.

## Global Capacity Additions Energy type (In GW)



**Renewables to constitute 62% of the 380 GW of capacity addition worldwide by 2030, of which Solar is expected to double its capacity additions on per annum basis.**

## India Renewables Market

With India having a huge potential of 889 GW<sup>5</sup> of renewable resource, Government of India has further increased focus in Wind and Solar sector through its proactive policy and programs. Government has already charted a strong programme to do a fivefold ramp up in renewable energy of 175 GW by 2022. It includes ramping up the Solar to 100 GW, wind to 60 GW, and biomass/small hydropower to 15 GW. To accelerate the achievement of goal, it has again doubled the clean environment cess to INR 400 per tonne. The Renewable Purchase Obligation for solar power is planned to be increased from the current 3% to 8% by 2022<sup>6</sup>. Furthermore, a new Renewable Generation Obligation has been proposed which requires fossil fuel plants to produce 10% of their capacity through renewable sources. Regulators are also empowered to enforce the compliance and limit cross-subsidy surcharge to 15% of relevant tariff. The government recently announced the Draft Renewable Energy Act which will give boost to the RE industry post legislation. This Act shall in particular contribute to ensuring fulfillment of national and international objectives on increasing the proportion of energy produced through the use of renewable energy sources.

**References:** <sup>1</sup>Source: Clean Energy Investment: Q4 2015 Factpack, BNEF | <sup>2</sup>Source: BNEF | <sup>3</sup>Source: Clean Energy Investment: Q4 2015 Factpack, BNEF  
<sup>4</sup>Global Wind Report: Annual Market Update 2015, GWEC | <sup>5</sup>CAG-Renewable Energy Sector in India | <sup>6</sup>New Tariff Policy 2016

## Suzlon Group Outlook

Suzlon Group successfully did a turnaround in FY 2016 – across all key parameters. On one hand, the Commissioning in India stood at 900 MW, a growth of 104% in a single year compared to 442 MW of 2015, and on other hand, the market share increased from 19% to 26%. Further, on financial stability which had been a concern area - company not only reported positive EBIT of Rs 565 Crore (FY 2016), but also reduced its net debt by ~40% from Rs 17,057 Crore<sup>7</sup> (FY 2015) to Rs 10,290 Crore (FY 2016).

Apart from strengthening its operations in Wind business, the Group made its maiden foray in Solar business and plans to leverage its 20 years of End-to-End renewable management experience. This also aligns with our long term vision to provide further stability to grid with eventual direction towards Wind-Solar-Battery hybrid combination. During first year of Suzlon's foray into Solar, the Group did an order intake of healthy 210 MW approximating to ~Rs 1,550 Crore business along with Wind Hybrid MoU with state governments.

## Product and Technology

In CY 2015, Suzlon Group achieved a significant milestone in technology wherein its product S97- DFIG 2.1MW, mounted on world's tallest All-Steel Hybrid Tower Wind Turbine with a hub-height of 120m, achieved 35% PLF in its first year. The innovative design combines both lattice and tubular structures, designed indigenously to harness the enhanced availability of wind resources at higher altitudes making low wind sites viable. It increases energy output by ~ 12% to 15 % over other turbines of same capacity at 90m height.

During the year, Suzlon successfully completed the type testing and certification of S111 turbine. The S111 delivered approximately 102% of its design power curve, translating to higher than projected power generation, and improved returns for customer.

In order to unlock Wind market at low wind speed, the Group further strengthened its Technology positioning by opening a specialized Blade science centre in Denmark, which will focus on developing best blades and control systems in the industry and integrating our aerodynamic, load and new structures research across country. This will further accelerate our innovation efforts as we develop our next generation of turbines.

## Key Initiatives

Our focus for FY17 remains to consolidate our position in India and explore entering select international markets. The key priority for FY17 remains as follows:

1. Regain market leadership position in India
2. Improve contribution margin by optimizing COGS via maximizing energy yield, and innovative technological/projects improvements
3. Focus on core and select international markets
4. Enhance customer satisfaction through machine availability and better OMS offerings through value added services
5. Foray into Solar and develop Wind-Solar Hybrid Business Model
6. Continue to monitor and optimize the fixed costs
7. Continue to monitor Net Working Capital

With these key focus areas in mind, we believe that we are poised to accelerate in the growth trajectory and unlock various markets to serve our stakeholders in renewables business.

## Business risks and mitigation

Suzlon Group has an active risk management and mitigation strategy, taking a fairly wholesome view of the internal and external environment to proactively address challenges, to the extent possible. Key elements of the program are summarized below:

### Operational risks

**Technology:** Leveraging technology to render turbines saleable and viable at low-wind sites has been a point of continuous exploration and improvement, to expand market reach and share.

Last year, the 120m Hub-Height prototype for S97 turbine has been immensely successful. In the FY 2015-16, the mass production of the 120m Hybrid Tower was stabilized, overcoming several challenges in the cycle time for installation. By employing innovative processes and by imparting structured technical training, the installation time for the 120m Hybrid Tower was optimized to commercially viable levels. Following the technological success of the 120m Hub-Height in the S97 turbine, the hybrid tower has been adopted for the new generation S111 turbine.

In the FY 2014-15, the S111 turbine was put into initial series and various mandatory certifications for market acceptance were progressed. The S111 turbine is now a certified turbine and has gained substantial market acceptance in FY 2015-16; paving the way for increased projections for sale in the next FY.

Critical components like gearbox and converters, for the S111 turbines, have been developed within a record time by employing the lessons learnt and technical experience.

**Supply chain risk:** Critical components like Gearbox, Bearings, Converter and Blades have a long ramp-up duration which would inhibit agility. The Group has worked to create alternative sources through expansion of the vendor base, localisation and standardisation of certain components to keep the costs of procurement under check.

**Project execution risk:** The Group is exposed to various risks associated to the project life cycle, which includes extreme climatic and environmental conditions causing delay in execution, availability of grid, availability of suitable land resources and timely execution of project activities by subcontractors etc. The Group continuously monitors the progress of each project vis-à-vis its target timeline and take necessary course correction to ensure timely completion of the project.

**References:** <sup>7</sup>Excluding Servion

**Solar Business risk:** During the year, the Group has won certain solar bids in few states in India. There are certain key risks associated with these bids viz timely availability of land and other engineering resources, extreme weather events, grid connection, security issues, timely financial closure and timely project execution etc. The adverse impact of these risks might impact financial viability of the solar projects. However, the Group is confident to manage these risks by leveraging its 20 years of End-to-End renewable management experience and by being proactive in the project execution approach.

#### Financial risks

**Foreign exchange risk:** A significant part of the Suzlon Group's revenue, costs, assets and liabilities are denominated in foreign currencies. Un-hedged trade and financial exposure thus creates potential to adversely impact our projected cash flows and overall profitability. Risks are identified at the contractual juncture and are planned to be hedged progressively at various stages of project life cycle, depending upon the nature of the transactions and in accordance with the hedging policy and strategy of the company. During the year, risk management practices continued to focus on minimizing the economic impact on company's profitability arising from fluctuations in exchange rates.

**Interest rate risk:** Post formalisation of Corporate Debt Restructuring proposal, risks associated with interest rate fluctuation has been substantially mitigated with fixing the interest rate regime on the term debts for a longer period. Foreign Currency loans with floating rate are being constantly monitored and the management is considering to de-risk the effects of the LIBOR increase by converting into fixed rate loan. Refinancing of high cost bearing liabilities into low cost is also being negotiated from lenders for interest cost reduction.

**Credit risk:** The Group also consistently monitors the financial health of its Customers 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-fulfillment of its liabilities to various creditors, statutory obligations, or any stakeholders.

**Commodity price risk:** The Group has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility in terms of price and availability. A robust planning and strategy ensures the Group's interests are protected despite volatility in commodity prices. Backward integration strategy, rate negotiation with vendors, alternative sourcing, indigenisation of critical components, and value-engineering driven initiatives also help the Group to mitigate this risk to a greater extent.

#### Internal control systems and their adequacy

Our internal management audit team periodically undertakes independent reviews of risks, controls, operations and procedures, identifying control and process gaps and recommending business solutions for risk mitigation. The Company runs in-house risk and misconduct management unit which supports management to assess, evaluate, strengthen and institutionalise value system from the standpoint of ethical business practices. With regular reporting mechanism, a stage gate system has been established. Complaints received under whistle-blower policy are evaluated on a regular basis.

The Audit Committee of the Board periodically reviews the company's management audit reports, audit plans and recommendations of the auditors and managements' responses to those recommendations. The Audit Committee met four times during the year.

#### Corporate Social Responsibility

Suzlon has always championed the cause of environment protection even in the business choices that it has made. Corporate Social Responsibility (CSR) is an extension of this stewardship. Suzlon's CSR approach is to promote sustainability – within the organization and in the neighbourhoods where its business areas are. Suzlon Foundation, a non-profit company established in 2007, nurtures this stewardship by implementing CSR programs for the entire Suzlon Group.

**Engage and transform:** Suzlon trusts that to foster corporate citizenship, engaging employees and cultivating responsible practices is very important. Suzlon Foundation also gives an opportunity to the employees to volunteer, participate, and donate for such activities. Initiatives such as celebrating birthdays with the inmates of institutions such as mentally challenged homes, old-age homes, blind people, etc. gives them tremendous inner satisfaction. Foundation engages with senior management to incorporate sustainability perspective at policy level too.

**Empower and respond:** Mapping our own business footprint is the beginning of our CSR programs. Projects are designed to offset the impacts and respond to the local needs which are assessed through consultations with the stakeholders including the communities. Suzlon has taken a step forward in taking the concept of sustainability to village development committees which are the vehicles through which CSR programs are implemented and monitored in the villages. It is our dream that these Village Development Committees (VDCs) would be empowered to such an extent that eventually they will be able to collect resources, financial and otherwise, to fulfil their needs.

**Sustain and pro-act:** Sustainability is to transform the VDCs to take over the development projects that we have started in the villages. The VDCs are groomed to take steps towards achieving sustainability. Proactively choosing organic farming may be a small change in response to climate change, but is a huge step for a small farmer. It is an ultimate step towards sustainability of our planet.

#### Suzlon CSR Mission:

"Corporate Social Responsibility at Suzlon means living corporate values, with the goal of:

- Having minimal impact on the natural environment
- Enabling local communities to develop their potential
- Empowering employees to be responsible civil society members
- Committing ourselves to ethical business practices that are fair to all the stakeholders

So that we can collectively contribute towards creating a better world for all"

## 2015-2016 Outreach

In 2015-16, we have implemented CSR programs in **668 villages** across 8 states and Union Territory of Daman.

### Natural Capital – enhancing natural resources:

22.5 ha land conserved through soil and water conservation activities, 211,95 trees planted, and 1.7 million CUM water conserved, 2,750 Kg waste recycled

### Financial Capital – enhancing livelihoods:

171 youths trained in various skills, 225 micro enterprises developed, 96,960 animals vaccinated increasing productivity

### Human Capital – enhancing education and health:

510 schools and 69,918 students reached through school programs, 29,239 patients benefited through health camps, 2716 cataract surgeries performed improving sight and quality of life of as many people, 770,000 litre clean drinking water available to 4,153 families

### Social Capital – empowering communities:

598 VDCs formed in as many villages, 30,145 community members empowered through training, awareness sessions and exposure visits

### Physical Capital – enhancing basic amenities:

1,055 assets improved or newly established, 1,010 families who had no or little access to electricity, benefiting through solar lighting system, 228 water storage tanks supported

### Employee volunteering and employee giving:

3,162 employees participated in CSR activities contributing 17,832 hours; in cause related donation Rs 5.63 lakh were received from 242 employees

We received CISCO CSR Award for ‘**Best Rural Outreach**’, and ABP News CSR Award for ‘**Best Corporate Social Responsibility Practices**’ during the year 2015-16.

### Sustainability in Value Chain

Suzlon’s goal is ‘powering a greener tomorrow’. Suzlon’s entry in renewable energy sector was by a conscious decision. Its wind turbine generators are helping mitigate environment degradation significantly globally. In supply chain however, there is always scope for improvement. It has taken up following focused projects to improve environment, energy efficiency and waste management:

- Preventing oil spillage
- Reducing water consumption by 20%
- Reducing hazard waste generation
- Reducing electricity consumption per ton basis

### Non-Financial Indicators for FY15-16

Indicator	Co2e*	
Indirect Emissions from electricity consumption <sup>1</sup>	19,793	(metric tonnes)
Emissions avoided by renewable energy generation (by Group owned turbines in India) in the year <sup>2</sup>	41,136	(metric tonnes)
Emissions avoided annually by Suzlon Group powered turbines (India and Sri Lanka) <sup>3</sup>	12.90	(million metric tonnes)
Emissions avoided annually by Suzlon Group Globally <sup>4</sup>	1,372,380	(metric tonnes)
Emissions of blade waste disposal by combustion avoided due to co-processing <sup>5</sup>	14,963	(metric tonnes)
Emissions avoided at blade waste co-processor’s facility <sup>6</sup>	4,151	(metric tonnes)

Notes:

\*Carbon dioxide equivalent or CO<sub>2</sub>e, refers to a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

<sup>1</sup> Emissions emitted data is limited to Indirect Emissions Scope 2 (as defined in the Greenhouse Gas Protocol, Corporate Accounting Standard) for SEL, India. (Source: user\_guide\_ver9-co2 calculator for grid india, by Central Electricity Authority, 2014)

<sup>2</sup> Refers to emissions avoided by Suzlon Group owned turbines, as on 31st March 2016 in India.

<sup>3</sup> Refers to emissions avoided by Suzlon Group powered turbines, as on 31st March 2016 in India and Sri Lanka.

<sup>4</sup> Refers to carbon emissions avoided by Suzlon Group powered turbines based on installation summary as on 31st March 2016, calculated on the basis of average capacity factor sourced from BTM Consult – A part of Navigant Consulting, World Market Update 2011, published March 2012

<sup>5</sup> Refers to emissions of disposal of blade waste by combustion that were avoided by sending it for co-processing in India

<sup>6</sup> Refers to emissions avoided at co-processor’s facility by replacing coal with the blade waste for fuel in their cement kilns in FY15-16 (India only)

## Highlights of consolidated results:

The consolidated results for the year ended March 31, 2016 are not comparable with the year ended March 31, 2015. Refer Note 6 of consolidated financial statements.

### A. Sources of funds

#### 1. Share capital

Rs in Crore		
Particulars	March 31, 2016	March 31, 2015
Authorised share capital	1,500	1,500
Issued share capital	1,008	745
Subscribed and fully paid-up share capital	1,004	742

The subscribed and fully paid-up share capital stood at Rs 1,004 Crore as compared to Rs 742 Crore in previous year. The increase of Rs 262 Crore is on account of issuance of equity shares to bondholders on conversion of Foreign Currency Convertible Bonds and preferential allotment to the Investor Group.

#### 2. Reserves and surplus

Rs in Crore		
Particulars	March 31, 2016	March 31, 2015
Capital reserve	23	23
Capital reserve on consolidation	0*	0*
Capital redemption reserve	15	15
Legal and statutory reserve	170	133
Unrealised gain on dilution	160	160
Securities premium account	8,836	6,833
Employees stock options outstanding	11	8
Foreign currency translation reserve	(5)	1,268
Foreign currency monetary item translation difference account	(138)	(697)
General reserve	859	858
Minority share of losses	(0)*	(0)*
Statement of profit and loss	(18,018)	(18,465)
<b>Total</b>	<b>(8,087)</b>	<b>(9,864)</b>

\*Less than Rs 1 Crore

##### a) Securities premium account

The securities premium account stood at Rs 8,836 Crore as compared to Rs 6,833 Crore in previous year. The net increase of Rs 2,003 Crore is on account of issuance of new equity shares during the year.

##### b) Foreign currency translation reserve ('FCTR')

The reduction in FCTR is primarily due to transfer of currency translation gain pertaining to the investment in Senvion SE to statement of profit and loss on divestment of Senvion SE.

##### c) Foreign currency monetary item translation difference account ('FCMITDA')

The reduction in FCMITDA is primarily due to charge off of Rs 267 Crore in statement of profit and loss relating to redeemed bonds (refer Note 27a) and favourable movement in foreign currency rates.

##### d) Statement of profit and loss

Statement of profit and loss improved marginally mainly due to profit earned during the year.

#### 3. Loan funds

##### a. Long-term borrowings

Rs in Crore		
Particulars	March 31, 2016	March 31, 2015
Secured loans	7,519	8,537
Unsecured loans	1,707	2,249
<b>Total – non-current portion</b>	<b>9,226</b>	<b>10,786</b>
Current maturities of long-term borrowings	295	2,449
<b>Total</b>	<b>9,521</b>	<b>13,235</b>

The Group has availed long-term borrowings of Rs 112 Crore and has repaid Rs 3,616 Crore during the year primarily from the sale proceeds of Senvion SE. Long-term borrowings of Rs 295 Crore due for repayment in next financial year are disclosed as 'current maturities of long-term borrowings' in other current liabilities and this figure primarily represents repayment obligation of term loans.



**b. Short-term borrowings**

Rs in Crore

Particulars	March 31, 2016		March 31, 2015	
Secured loans		1,910		4,374
Unsecured loans		-		202
<b>Total</b>		<b>1,910</b>		<b>4,576</b>

Short-term borrowings stood at Rs 1,910 Crore as compared to Rs 4,576 Crore in previous year. The net movement of Rs 2,666 Crore is primarily on account of repayment of working capital loans and facilities from the sale proceeds of Servion SE. Majority of secured borrowings are part of CDR package.

**4. Deferred tax liability, net**

Deferred tax liability stood at Rs 13 Crore as compared to Rs 649 Crore in previous year. Net reduction in deferred tax liability of Rs 636 Crore is primarily on account of divestment of Servion SE.

**B. Application of funds**

**1. Fixed assets**

**a. Movement in gross block and capital work in progress**

Rs in Crore

Particulars	March 31, 2016		March 31, 2015	
Gross block (tangible and intangible assets)		4,677		15,836
Less: Accumulated depreciation / amortisation		2,980		9,992
<b>Net block</b>		<b>1,697</b>		<b>5,844</b>
Capital work-in-progress		228		356
<b>Total</b>		<b>1,925</b>		<b>6,200</b>

Net block stood at Rs 1,697 Crore as compared to Rs 5,844 Crore in previous year. The net reduction of Rs 4,147 Crore is primarily on account of reduction in tangible assets and goodwill on divestment of Servion SE.

**b. Capital commitments**

Capital commitment stood at Rs 56 Crore as compared to Rs 137 Crore in previous year.

**2. Investments**

Rs in Crore

Particulars	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Non-trade investments	45**	2	40**
Investments in Government or trust securities	0*	0*	-	-
Investments in mutual fund	-	-	264	250
Investments in debentures	-	13	12	-
<b>Total</b>	<b>45</b>	<b>15</b>	<b>316</b>	<b>250</b>

\*Less than Rs 1 Crore

\*\* During the year Suzlon entered in Solar sector to leverage its expertise from concept to commissioning. In order to execute the project, various special purpose vehicles ('SPV') were incorporated / acquired. These SPV's are not consolidated. The Company intends to dispose these SPV's to prospective buyers.

**3. Non-current and current assets**

Rs in Crore

Particulars	Non-current		Current		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Inventories	-	-	2,565	3,361	2,565
Trade receivables	-	-	2,697	2,754	2,697	2,754
Cash and bank balance	247	130	629	2,543	876	2,673
Loans and advances	255	368	750	1,392	1,005	1,760
Due from customers	-	-	-	2,091	-	2,091
Other assets	390	333	148	2,294	538	2,627
<b>Total</b>	<b>892</b>	<b>831</b>	<b>6,789</b>	<b>14,435</b>	<b>7,681</b>	<b>15,266</b>

**a. Inventories**

Inventories stood at Rs 2,565 Crore as compared to Rs 3,361 Crore in previous year. There is a net reduction of Rs 796 Crore, of which reduction of Rs 1,665 Crore on account of divestment of Senvion SE and increase of Rs. 869 Crore is build up to cater of volume ramp up .

**b. Trade receivables**

Trade receivables stood at Rs 2,697 Crore as compared to Rs 2,754 Crore in previous year. There is a net reduction of Rs 57 Crore, of which reduction of Rs 1,211 Crore is on account of divestment of Senvion SE and increase of Rs 1,154 Crore is on account of significant increase in sales during the year.

**c. Cash and bank balance**

Cash and bank balance stood at Rs 876 Crore as compared to Rs 2,673 Crore in previous year. There is a reduction of Rs 1,797 Crore, of which reduction of Rs 2,067 Crore is on account of divestment of Senvion SE.

**d. Loans and advances**

Loans and advances stood at Rs 1,005 Crore as compared to Rs 1,760 Crore in previous year. There is a reduction of Rs 755 Crore, of which Rs 723 Crore is on account of divestment of Senvion SE.

**e. Due from customers**

Due from customers stood at Rs Nil as compared to Rs 2,091 Crore in previous year. The reduction is on account of divestment of Senvion SE.

**f. Other assets**

Other assets stood at Rs 538 Crore as compared to Rs 2,627 Crore in previous year. There is a reduction of Rs 2,089 Crore of which Rs 1,800 Crore is towards realisation of share application money receivable for preferential allotment of equity shares.

**4. Liabilities and provisions**

Rs in Crore

Particulars	Non-current		Current		Total	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Trade payables	-	-	2,805	4,556	2,805	4,556
Other payables	158	103	577	1,537	735	1,640
Due to customers	-	-	46	131	46	131
Advance from customers	-	-	1,136	2,093	1,136	2,093
Interest accrued on borrowings	-	-	38	242	38	242
Provisions	265	288	574	1,574	839	1,862
<b>Total</b>	<b>423</b>	<b>391</b>	<b>5,176</b>	<b>10,133</b>	<b>5,599</b>	<b>10,524</b>

Liabilities and provisions stood at Rs 5,599 Crore as compared to Rs 10,524 Crore in previous year. There is a reduction of Rs 4,925 Crore, of which Rs 4,919 Crore is on account of divestment of Senvion SE.

**C. Cash Flow**

Net cash used in operating activities is Rs 805 Crore, primarily due to deployment in working capital on account of increase in the volume. Net cash generated from investment activities of Rs 6,522 Crore is primarily on account of proceeds from sale of Senvion SE. Net cash used in financing activities of Rs 5,563 Crore is primarily on account of net proceeds from issuance of equity shares to an investor group of Rs 1,783 Crore and cash utilised towards net repayment of short-term and long-term borrowings of Rs 6,170 Crore as well as payment of interest of Rs 1,176 Crore.

**D. Results of operations**

Rs in Crore

Particulars	March 31, 2016	March 31, 2015
Revenue from operations	9,508	19,837
Other operating income	54	118
EBIDTA	968	316
Depreciation and amortisation	403	809
EBIT	565	(493)
Finance costs	1,226	2,065
Finance income	66	53
Loss before tax and exceptional items	(595)	(2,505)
Exceptional items (Gain)/loss	(1,064)	6,312
Tax	(11)	317
Share of (profit)/ loss of minority	3	(24)
Profit / (loss) after tax	483	(9,158)

## Principal components of results of operation

### 1. Revenue from operations

Revenue from operations reduced from Rs 19,837 Crore in FY 2014-15 to Rs 9,508 Crore in FY 2015-16; primarily on account of divestment of Senvion SE. However, revenue from operations from sale of WTG without considering Revenue of Senvion SE, is increased from Rs 4,883 Crores in FY 2014-15 to Rs 8,259 Crore in FY 2015-16.

### 2. Cost of goods sold ('COGS')

COGS as a percentage of sales reduced to 58.9% during the year as compared to 68.7% in the previous year. The improved ratio reflects favourable product and market mix and continuous efforts by the Group in development of new products, value engineering and improved sourcing abilities to control the COGS.

### 3. Other expenses

The other expenses (excluding exchange differences) as a percentage to sales increased marginally to 17.1% during the year as compared to 16.7% in the previous year.

### 4. Employee benefit expense

Employee benefit expense as a percentage of sales reduced to 10.0% during the year as compared to 11.2% in previous year. The efforts to achieve optimal manpower costs are paying off.

### 5. Finance cost

Finance cost reduced by Rs 839 Crore in FY 2015-16 as compared to FY 2014-15 primarily on account of repayment of long-term and short-term borrowings.

### 6. Depreciation and amortisation

The Group provided a sum of Rs 403 Crore and Rs 809 Crore towards depreciation and amortisation for the year ended March 31, 2016 and March 31, 2015 respectively.

### 7. Profit / (loss)

The consolidated EBITDA has increased from Rs 316 Crore in FY 2014-15 to Rs 968 Crore in FY 2015-16. The same is primarily on account of higher sales volumes in India and better project execution and operational efficiencies in the business. Similarly consolidated EBIT of Rs 565 Crore for the year shows improvement from negative EBIT of Rs 493 Crore in FY 2014-15.

Loss before tax and exceptional items stands at a comparatively lower figure of Rs 595 Crore as against Rs 2,504 Crore in FY 2014-15.

Net gain on account of exceptional items stood at Rs 1,064 Crore as compared to charge of Rs 6,312 Crore in previous year. Net gain for the year comprised of currency translation gain on disposal of Senvion SE of Rs 1,347 Crore and forex loss and unamortised cost relating to redeemed covered bonds of Rs 283 Crore.

Profit / loss after tax stands at Rs 480 Crore as compared to loss of Rs 9,133 Crore in previous year.

Share of loss of minority is Rs 3 Crore as compared to share of profit of Rs 24 Crore in previous year.

As a result of the foregoing factors, net profit for the year stands at Rs 483 Crore as compared to loss of Rs 9,158 Crore in previous year.

## Cautionary Statement

Suzlon Group has included statements in this discussion, that contain words or phrases such as "will", "aim", "likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements".

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Suzlon Group's expectations include:

- Variation in the demand for electricity;
- Changes in the cost of generating electricity from wind energy and changes in wind patterns;
- Changes in or termination of policies of state governments in India that encourage investment in power projects;
- General economic and business conditions in India and other countries;
- Suzlon's ability to successfully implement its strategy, growth and expansion plans and technological initiatives;
- Changes in the value of the INR and other currencies;
- Potential mergers, acquisitions or restructurings and increased competition;
- Changes in laws and regulations;
- Changes in political conditions;
- Changes in the foreign exchange control regulations; and
- Changes in the laws and regulations that apply to the wind energy industry, including tax laws.

For and on behalf of the Board of Directors

Tulsi R. Tanti  
Chairman & Managing Director  
DIN : 00002283

Place : Mumbai  
Date : August 12, 2016

# CORPORATE GOVERNANCE REPORT

[As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")]

## 1. Company's Philosophy on Corporate Governance

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that confirm fully with laws, regulations and guidelines. The Company's philosophy on corporate governance is to achieve business excellence and maximise shareholder value through ethical business conduct, which also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government.

## 2. Board of Directors (the Board):

The Board is entrusted and empowered to oversee the management, direction and performance of the Company with a view to protect interest of the stakeholders and enhance value for shareholders. The Board monitors the strategic direction of the Company.

**Composition** – As on March 31, 2016, the Board consists of eleven directors, out of whom one is an executive director, two are non-executive directors, three are nominee directors (including two women directors) and five are independent directors. The Company is in compliance with Regulation 17(1)(a) of the Listing Regulations pertaining to optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board comprising of non-executive directors. The Chairman of the Board is an executive director and thus in terms of Regulation 17(1)(b) of the Listing Regulations, at least half of the Board should comprise of independent directors and for which the Company has been making its best endeavour to find appropriate persons as independent director on its Board. Post March 31, 2016 and as on the date of this Report, Mrs. Vijaya Sampath (DIN: 006411110) has been appointed as an Independent Director on the Board of the Company for a term of five years with effect from August 12, 2016. With this, as on the date of this Report, the Company is compliant with Regulation 17(1)(b) of the Listing Regulations. In terms of Section 149(4) of the Companies Act, 2013, the Company is also in compliance of the requirement of the appointment of the independent directors.

**Independent Directors:** The Company has, at its Twentieth Annual General Meeting held on September 28, 2015, appointed Mr. V.Subramanian as an Independent Director for a term of five years with effect from the original date of his appointment, i.e. September 25, 2014 to September 24, 2019. Further, Mr. Per Hornung Pedersen was appointed as an Additional Director of the Company in the capacity as an Independent Director for a term of five years with effect from September 28, 2015 to hold office up to the ensuing Annual General Meeting of the Company and then till September 27, 2020 subject to his appointment being approved by the shareholders of the Company at the ensuing Annual General Meeting of the Company. In terms of Section 149(7) of the Companies Act, 2013, Mr. V.Raghuraman, Mr. Marc Desaedeleer, Mr. Ravi Uppal, Mr. V.Subramanian and Mr. Per Hornung Pedersen, the Independent Directors have given a declaration to the Company that they meet the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. Further, in terms of Regulation 25 of the Listing Regulations, none of the Independent Directors hold directorship as Independent Director in more than seven listed companies and none of the Independent Directors, who is / are serving as a wholetime director, if any, in any listed company, is not serving as independent director in more than three listed companies. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company as required in terms of Regulation 46 of the Listing Regulations.

Further, Mrs. Vijaya Sampath, who has been appointed as an Independent Director with effect from August 12, 2016 has also given a declaration to the Company that she meets the criteria of independence as specified under Section 149(6) of the Companies Act, 2013 and the Listing Regulations. Further, in terms of Regulation 25 of the Listing Regulations, she does not hold directorship as Independent Director in more than seven listed companies and not serving as a wholetime director anywhere.

All the directors have certified that they are not members of more than ten mandatory committees and do not act as chairman of more than five mandatory committees in terms of the Regulation 26 of the Listing Regulations across all the companies in which they are directors.

**Board Procedure** – The Board meets at regular intervals and apart from regular Board business, it discusses policies and strategy matters. All the necessary documents and information pertaining to the matters to be considered at each Board and Committee meetings, is made available to enable the Board and Committee members to discharge their responsibilities effectively.

**Meetings held during the financial year 2015-16** – During the financial year 2015-16, the Board met five times on May 29, 2015, July 31, 2015, September 28, 2015, October 30, 2015 and January 29, 2016. The gap between any two board meetings did not exceed one hundred and twenty days. Apart from the physical meetings, the Board / the Committees also considered and approved certain matters by circular resolutions, which were ratified at the next meeting of the Board as required in terms of the Companies Act, 2013.

**Attendance, Directorships and Committee Positions** – The names and categories of the directors on the Board, their attendance record, the number of directorships and committee positions as on March 31, 2016, are as under:

Name of the director	Category	Attendance at meetings held during the financial year 2015-16		Total no. of directorships as on March 31, 2016	Total no. of membership of the committees of Board as on March 31, 2016		Total no. of chairmanship of the committees of Board as on March 31, 2016	
		Board (out of 5)	Twentieth AGM on September 28, 2015		Membership in audit / stakeholders relationship committees	Membership in other committees	Chairmanship in audit / stakeholders relationship committee	Chairmanship in other committees
Mr. Tulsi R.Tanti, Promoter DIN: 00002283	Chairman & Managing Director	5	Yes	1	1	4	-	4
Mr. Vinod R.Tanti, Promoter <sup>1</sup> DIN: 00002266	Non-Executive Director	5	Yes	7	7	3	3	-
Mr. Girish R.Tanti, Promoter DIN: 00002603	Non-Executive Director	4	Yes	1	-	2	-	-
Mr. V. Raghuraman DIN: 00411489	Independent Director	5	Yes	10	9	3	5	1
Mr. Rajiv Ranjan Jha, a nominee of Power Finance Corporation Limited DIN: 03523954	Non-Executive Director	5	Yes	1	-	-	-	-
Mr. Marc Desaeleer DIN: 00508623	Independent Director	4	Yes	2	-	1	-	-
Mr. Ravi Uppal DIN: 00025970	Independent Director	3	Yes	3	-	-	-	-
Mrs. Medha Joshi, a nominee of IDBI Bank Limited DIN: 00328174	Non-Executive Director	4	No	1	1	1	-	-
Mr. V.Subramanian DIN: 00357727	Independent Director	5	Yes	6	5	1	-	-
Mrs. Pratima Ram, a nominee of State Bank of India DIN: 03518633	Non-Executive Director	5	Yes	6	2	-	-	-
Mr. Per Hornung Pedersen <sup>2</sup> DIN: 07280323	Independent Director	2 (out of 2)	N.A.	1	1	1	-	-
Mrs. Vijaya Sampath <sup>3</sup> DIN: 00641110	Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

<sup>1</sup> proposed to be appointed as a wholtime director & chief operating officer at the ensuing Annual General Meeting of the Company

<sup>2</sup> appointed as an additional director in the capacity as Independent Director w.e.f. September 28, 2015 to hold office up to the ensuing Annual General Meeting and then till September 27, 2020 subject to regularisation of such appointment by the shareholders of the Company at the ensuing Annual General Meeting.

<sup>3</sup> appointed as an additional director in the capacity as Independent Director w.e.f. August 12, 2016 to hold office up to the ensuing Annual General Meeting and then till August 11, 2021 subject to regularisation of such appointment by the shareholders of the Company at the ensuing Annual General Meeting.

#### Notes:

- While considering the total number of directorships, directorships in private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013 have been excluded.
- In terms of Schedule V(c) of the Listing Regulations, it is hereby disclosed that Mr. Tulsi R.Tanti, Chairman & Managing Director, is brother of Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the non-executive directors. Except for the relationship between Mr. Tulsi R.Tanti, Mr. Vinod R.Tanti and Mr. Girish R.Tanti, there is no other inter-se relationship amongst other directors.

**Code of Ethics** – The Company has prescribed a Code of Ethics for its directors and senior management. The Code of Ethics of the Company has been posted on its website [www.suzlon.com](http://www.suzlon.com). The declaration from the Chairman & Managing Director in terms of Regulation 34(3) read with Part D of Schedule V of the Listing Regulations stating that as of March 31, 2016 the Board members and Senior Management Personnel have affirmed the compliance with the Code of Ethics laid down by the Company, has been included in this Report.

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and revised Code of Conduct to regulate, monitor and report trading by Insiders** - The Board of Directors of the Company has approved and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the revised Code of Conduct to regulate, monitor and report trading by Insiders with effect from May 14, 2015 in terms of Regulation 8 and 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 respectively.

**Familiarisation Programme** – In terms of the provisions of Regulation 25 of the Listing Regulations, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company. Accordingly, the Company has put in place a

Familiarisation Programme for all the newly inducted independent directors. The same is available on the website of the Company [www.suzlon.com](http://www.suzlon.com).

**Separate meeting of Independent Directors** – In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of Independent Directors was held on May 29, 2015 without the attendance of Non-Independent Directors and members of the management. The Independent Directors discussed on the various aspects, viz. performance of non-independent directors and the Board as a whole, performance of the Chairperson of the Company, quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

3. **Committees of Board:** The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each committee of the Board, whether mandatorily required to be constituted or otherwise, functions according to its scope that defines its composition, power and role in accordance with the Companies Act, 2013 and the Listing Regulations.

The composition, meetings, attendance and the detailed terms of reference of various committees of the Board are as under:

- i) **Audit Committee** – The Audit Committee of the Board has been constituted as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

**Composition** – As on March 31, 2016 and as on date of this Report, the Audit Committee comprises of four members out of whom three are independent directors and one is a non-executive director. The Chairman of the Audit Committee is an independent director. The composition of the Audit Committee is in compliance with the requirements of Section 177(2) and Regulation 18 of the Listing Regulations as on March 31, 2016 and as on date of this Report.

The Chairman & Managing Director, Chief Financial Officer, representatives of the statutory auditors, internal auditor and senior officials of the Company are invited to attend the meetings of the Audit Committee from time to time. The Company Secretary of the Company acts as the secretary to the Audit Committee. The Chairman of the Audit Committee was present at the Twentieth Annual General Meeting of the Company held on September 28, 2015.

**Meetings and Attendance** – During the financial year 2015-16, the Audit Committee met four times on May 29, 2015, July 31, 2015, October 30, 2015 and January 29, 2016. The gap between any two Audit Committee meetings did not exceed four months. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V. Raghuraman	Chairman	4	4
Mrs. Medha Joshi	Member	4	4
Mr. V.Subramanian	Member	4	4
Mr. Per Hornung Pedersen <sup>1</sup>	Member	2	2

<sup>1</sup> inducted as member w.e.f. September 28, 2015.

**Terms of Reference** - The broad terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements and Auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013,
  - Changes, if any, in accounting policies and practices and reasons for the same,
  - Major accounting entries involving estimates based on the exercise of judgment by management,
  - Significant adjustments made in the financial statements arising out of audit findings,
  - Compliance with listing and other legal requirements relating to financial statements,
  - Disclosure of any related party transactions,
  - Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year under review, the Audit Committee also reviewed and approved the related party transactions from time to time.

- ii) **Stakeholders Relationship Committee (formerly Investors' Grievance Committee)** – The Stakeholders Relationship Committee has been constituted as per the requirements of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

**Composition** – As on March 31, 2016 and as on date of this Report, the Stakeholders Relationship Committee of the Board comprises of three members out of whom two are non-executive directors and one is an executive director. Mr. V.Raghuraman, the Chairman of the Stakeholders Relationship Committee is a non-executive independent director. The composition of the Stakeholders Relationship Committee is in compliance with the requirements of Section 178(5) and Regulation 20 of the Listing Regulations as on March 31, 2016 and as on date of this Report.

**Meetings and Attendance** – During the financial year 2015-16, the Stakeholders Relationship Committee met four times on May 29, 2015, July 31, 2015, October 30, 2015 and January 29, 2016. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V.Raghuraman	Chairman	4	4
Mr. Tulsi R.Tanti	Member	4	4
Mr. Vinod R.Tanti	Member	4	4

The Chairman of the Stakeholders Relationship Committee was present at the Twentieth Annual General Meeting of the Company held on September 28, 2015.

**Terms of Reference** - The broad terms of reference of Stakeholders Relationship Committee includes the following:

- a) Redressal of grievances of shareholders, debenture-holders, deposit-holders and any other security holders including but not limiting to transfer of shares and issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends and any other related grievances;
- b) Monitoring transfers, transmissions, dematerialisation, rematerialisation, splitting and consolidation of shares issued by the Company;
- c) And such other acts, deeds, matters and things as may be stipulated in terms of the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges and / or such other regulatory provisions as also as the Board of Directors may consider think fit for effective and efficient redressal of grievances of the security holders of the Company.

**Name, designation and contact details of the Compliance Officer** - Mr. Hemal A.Kanuga, Company Secretary (M.No.F4126), is the Compliance Officer of the Company. The Compliance Officer can be contacted at the Registered

Office of the Company at: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat, India; Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; Email: investors@suzlon.com; Website: www.suzlon.com.

**Separate email-id for redressal of investors' complaints** - As per Regulation 6 of the Listing Regulations, the Company has designated a separate email id (investors@suzlon.com) exclusively for registering complaints by investors.

**Status of investors' complaints as on March 31, 2016:**

Particulars	Opening balance as on April 1, 2015	Received during financial year 2015-16	Disposed during financial year 2015-16	Pending as on March 31, 2016
Non Receipt of Refund Orders	-	-	-	-
Non Receipt of Electronic Credit of Shares	-	1	1	-
Non Receipt of Dividend Warrants	-	23	23	-
Non Receipt of Remat Share Certificate	-	1	1	-
Non Receipt of Annual Reports	-	35	35	-
Complaints from Stock Exchanges	-	5	5	-
Complaints from SEBI / SCORES	-	3	3	-
Complaints from legal/ consumer forums	-	-	-	-
Total	-	68	68	-

There were no complaints pending for more than seven days. There were no pending requests for transfer of shares of the Company as on March 31, 2016.

iii) **Nomination and Remuneration Committee** - The Nomination and Remuneration Committee of the Board has been constituted as per the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

**Composition** – As on March 31, 2016 and as on date of this Report, the Nomination and Remuneration Committee comprises of five members, out of whom three are independent directors (including the Chairman) and two are non-executive directors. The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations as on March 31, 2016 and as on date of this Report.

**Meetings and Attendance** - During the financial year 2015-16, the Nomination and Remuneration Committee met twice on July 31, 2015 and September 28, 2015. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V. Raghuraman	Chairman	2	2
Mr. Marc Desaeleer	Member	2	2
Mrs. Medha Joshi	Member	2	1
Mr. Per Hornung Pedersen <sup>1</sup>	Member	N.A.	N.A.
Mr. Girish R.Tanti <sup>2</sup>	Member	N.A.	N.A.

<sup>1</sup> inducted as member w.e.f. September 28, 2015.

<sup>2</sup> inducted as member w.e.f. September 28, 2015.

The Chairman of the Nomination and Remuneration Committee was present at the Twentieth Annual General Meeting of the Company held on September 28, 2015.

**Terms of Reference** - The broad terms of reference / role / authority of the Nomination and Remuneration Committee shall, inter alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- to determine the remuneration of the directors of the Company;



- g) for effective implementation and operations of various existing and future employee stock option plans / employee stock purchase schemes of the Company and to do all such acts, deeds, matters and things including but not limiting to:
- determining the number of options / shares to be granted / offered to each employee and in the aggregate and the times at which such grants / offers shall be made,
  - determining the eligible employee(s) to whom options / shares be granted / offered,
  - determining the eligibility criteria(s) for grant of options / shares,
  - determining the performance criteria(s), if any for the eligible employees,
  - laying down the conditions under which options / shares vested in the optionees / grantees may lapse in case of termination of employment for misconduct, etc.,
  - determining the exercise price which the optionee / grantee should pay to exercise the options / shares;
  - determining the vesting period,
  - determining the exercise period within which the optionee / grantee should exercise the options / apply for shares and that options / shares would lapse on failure to exercise the same within the exercise period,
  - specifying the time period within which the optionee / grantee shall exercise the vested options / offered shares in the event of termination or resignation of the optionee / grantee,
  - laying down the procedure for making a fair and reasonable adjustment to the number of options / shares and to the exercise price in case of rights issues, bonus issues, sub-division, consolidation and other corporate actions,
  - providing for the right to an optionee / grantee to exercise all the options / shares vested in him at one time or at various points of time within the exercise period,
  - laying down the method for satisfaction of any tax obligation arising in connection with the options / shares,
  - laying down the procedure for cashless exercise of options / shares, if any,
  - providing for the grant, vesting and exercise of options / shares in case of employees who are on long leave or whose services have been seconded to any other company or who have joined any other subsidiary or other company at the instance of the employer company.

**Remuneration policy and remuneration to directors:**

In accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee of the Board of Directors approved the 'Board Diversity and Remuneration Policy', which is available on the website of the Company [www.suzlon.com](http://www.suzlon.com).

**Executive director –**

Mr. Tulsi R. Tanti, the Chairman and Managing Director of the Company, has been re-appointed as the Managing Director of the Company for a further term of three years with effect from April 1, 2014, pursuant to the resolution passed by the Nomination and Remuneration Committee and the Board respectively at their separate meetings held on February 14, 2014 and resolution passed by the shareholders of the Company through a postal ballot on March 27, 2014.

Except Mr. Tulsi R. Tanti, all the other Directors are non-executive directors. In terms of the approval granted by the Central Government, the remuneration payable to Mr. Tulsi R.Tanti, the Managing Director shall not exceed Rs.1,70,50,000/- per annum. Thus the remuneration paid to Mr. Tulsi R.Tanti during year under review is as under:

Name of the Executive Director	Salary (Rs)	Retirement benefits (Rs)	Gratuity (Rs)	Bonus/ Commission/ Stock options	Total (Rs)	Service Contract	Notice Period
Mr. Tulsi R.Tanti	15,761,020	920,700	368,280	–	17,050,000	Three years up to March 31, 2017	–

**Non-executive directors** - The non-executive directors are not paid any remuneration except sitting fees for attending the meetings of the Board and / or Committees thereof which is within the limits prescribed by the Companies Act, 2013. The details of the sitting fees paid, stock options granted and shares held by the non-executive directors during the financial year 2015-16 are as under:

Name of the non-executive director	Sitting fees (Rs.)	Stock options granted	Shareholding in the Company
Mr. Girish R.Tanti	80,000	-	100,019,000
Mr. Vinod R.Tanti <sup>1</sup>	3,80,000	-	11,367,000
Mr. V. Raghuraman	3,60,000	-	-
Mr. Rajiv Ranjan Jha <sup>2</sup>	1,00,000	-	-
Mr. Marc Deseadeleer <sup>3</sup>	1,40,000	-	-
Mr. Ravi Uppal	80,000	-	1,000
Mrs. Medha Joshi <sup>4</sup>	1,80,000	-	-
Mr. V.Subramanian	2,20,000	-	-
Mrs. Pratima Ram	1,00,000	-	-
Mr. Per Hornung Pedersen <sup>5</sup>	80,000	-	-

<sup>1</sup> Mr. Vinod R. Tanti also holds shares in the capacity as karta of HUF and jointly with others.

<sup>2</sup> sitting fees paid to Power Finance Corporation Limited.

<sup>3</sup> as stated by Mr. Marc Deseadeleer, sitting fees are paid to TRG Management LP, his employer.

<sup>4</sup> sitting fees paid to IDBI Bank Limited.

<sup>5</sup> appointed on Board w.e.f. September 28, 2015.

**Transactions with the non-executive directors** - The Company does not have material pecuniary relationship or transactions with its non-executive directors except following transaction which is covered under related party transactions as per Accounting Standard-18 forming part of notes to financial statements:

- Payment of rent to the HUF of Mr. Girish R.Tanti to the extent of Rs.60,000/- during the financial year 2015-16.

#### Board evaluation -

The process for evaluation of performance of the Board has been established. Accordingly, an annual evaluation has been carried out through a questionnaire having qualitative parameters in terms of the provisions of the Companies Act, 2013, Regulation 17 and 25 of the Listing Regulations and the 'Board Diversity and Remuneration Policy' of the Company. The performance was evaluated on the basis of the criteria such as the composition, attendance, participation, quality and value of contributions, knowledge, skills, experience, staying abreast of governmental / regulatory policy developments, developments in industry and market conditions, etc.

#### iv) Securities Issue Committee -

**Composition** – As on March 31, 2016 and as on date of this Report, the Securities Issue Committee of the Board comprises of three members out of whom, the Chairman is an executive director and other two members are non-executive directors (including one Independent Director).

**Meetings and Attendance** - During the financial year 2015-16, the Securities Issue Committee met ten times on April 18, 2015, May 15, 2015, June 25, 2015, August 21, 2015, September 16, 2015, October 20, 2015, November 18, 2015, December 14, 2015, January 6, 2016, February 8, 2016. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	10	9
Mr. Vinod R.Tanti	Member	10	10
Mr. V. Raghuraman	Member	10	1

**Terms of Reference** - The broad terms of reference of the Securities Issue Committee includes the following:

- to offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets and / or domestic market, representing such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs) and / or Fully Convertible Debentures and / or Non Convertible Debentures with warrants or any Other Financial Instruments (OFIs) convertible into or linked to equity shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors, whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise, Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not through public issue(s) by prospectus, rights issue(s), private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices and on such terms and conditions including security, rate of interest, etc. as may be thought fit in its absolute discretion;
- to take initiatives for liability management including debt reduction initiatives;
- to allot equity shares of the Company as may be required to be allotted on exercise of the conversion rights to such bondholders of various series of bonds issued by the Company and / or as may be issued by the Company from time to time including but not limiting to US\$ 200 million Zero Coupon Foreign Currency Convertible Bonds due 2012, US\$ 20,796,000 7.5% Foreign Currency Convertible Bonds due 2012, US\$ 90 million Zero Coupon Foreign Currency Convertible Bonds due 2014, US\$ 175 million 5% Foreign Currency Convertible Bonds due 2016;

- d) to allot equity shares of the Company as may be required to be allotted to lenders, promoters and others by way of preferential allotment or otherwise as part of the CDR package or otherwise;
- e) to do all such other acts, deeds, matters and things as already delegated and / or as may be delegated by the Board of Directors from time to time;
- f) to do all such other acts, deeds, matters and things as may be incidental and ancillary to one or more of the above and / or to such other acts as already delegated and / or as may be delegated by the Board of Directors from time to time;
- g) to sign deeds, documents, forms, letters and such other papers as may be necessary, desirable and expedient.

**v) ESOP Committee**

**Composition** – As on March 31, 2016 and as on date of this Report, the ESOP Committee of the Board comprises of two members out of whom, the Chairman is an executive director and the other member is a non-executive director.

**Meetings and Attendance** - During the financial year 2015-16, no meeting of the ESOP Committee was held. The composition of members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	-	-
Mr. Vinod R.Tanti	Member	-	-

**Terms of Reference** - The broad terms of reference of the ESOP Committee includes allotment of equity shares of the Company as may be required to be allotted to such employees of the Company and its subsidiaries arising on exercise of options granted to such employees of the Company and its subsidiaries in terms of various plans / schemes of the Company including but not limiting to ESOP 2007, Special ESOP 2007, ESOP-Perpetual-I, Special ESOP 2014, ESOP-2014 and such other future employee stock option plans / stock purchase schemes of the Company as may be declared from time to time.

**vi) Corporate Social Responsibility (CSR) Committee** – The Corporate Social Responsibility (CSR) Committee has been constituted as per the requirements of Section 135 of the Companies Act, 2013.

**Composition** - As on March 31, 2016 and as on date of this Report, the CSR Committee comprises of three members out of whom the Chairman is an executive director and two other members are non-executive directors (including one Independent Director).

**Meetings and Attendance** - During the financial year 2015-16, no meeting of the CSR Committee was held. The composition of members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	-	-
Mr. Girish R.Tanti	Member	-	-
Mr. V.Raghuraman	Member	-	-

**Terms of Reference** - The broad terms of reference of CSR Committee includes the following:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013, as amended, read with Rules framed thereunder;
- b) recommend the amount of expenditure to be incurred on such activities; and
- c) monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board has also approved CSR Policy which has been placed on the website of the Company [www.suzlon.com](http://www.suzlon.com). The Annual Report on CSR Activities as required to be given under Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been provided in an Annexure which forms part of the Directors' Report.

**vii) Risk Management Committee** – The Board of Directors constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of the Listing Regulations which has been placed on the website of the Company [www.suzlon.com](http://www.suzlon.com).

**Composition** - As on March 31, 2016 and as on date of this Report, the Risk Management Committee comprises of three members out of whom one is an executive director, one is non-executive director and the other member is the Chief Financial Officer of the Company.

**Meetings and Attendance** – As on March 31, 2016, no meeting of the Risk Management Committee was held. The composition of members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Tulsi R.Tanti	Chairman	-	-
Mr. Vinod R.Tanti	Member	-	-
Mr. Amit Agarwal <sup>1</sup>	Member	-	-
Mr. Kirti J.Vagadia <sup>2</sup>	Member	-	-

<sup>1</sup> ceased to be a member, since resigned as Chief Financial Officer w.e.f. August 1, 2015.

<sup>2</sup> inducted as a member w.e.f. September 28, 2015 on being appointed as Chief Financial Officer w.e.f. August 1, 2015.

**viii) Takeover Committee** - In terms of the approval of the Board of Directors of the Company at its meeting held on February 13, 2015, the Company and Dilip Shanghvi family & associates (the 'Investor Group') have entered into a share subscription agreement and the Company, the Existing Promoters and the Investor Group have entered into a shareholders' agreement, consequent to which the requirement for an open offer had triggered in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ('SAST Regulations') (the 'Open Offer'). The Public Announcement of the Open Offer was made on February 13, 2015 and the Detailed Public Statement was issued on February 24, 2015 in terms of the SAST Regulations. The draft Letter of Offer dated March 3, 2015 was filed with Securities and Exchange Board of India ("SEBI"). Once public announcement for acquisition of equity shares is made, the target company is required to fulfil certain obligations in terms of Regulation 26 of the SAST Regulations. Accordingly, a 'Takeover Committee' was formed consisting of two members, both of whom being the independent directors. In terms of Regulation 26(7) of the SAST Regulations, such committee is required to provide its written reasoned recommendations on the Open Offer to the shareholders of the Company, which are required to be published in the format specified under the SAST Regulations, at least two working days before the commencement of the tendering period. Accordingly, a meeting of the Takeover Committee was held on December 18, 2015 to provide its written reasoned recommendations on the Open Offer. Since the Open Offer got concluded on January 8, 2016, the said Takeover Committee has been dissolved w.e.f. April 2, 2016.

**Meetings and Attendance** – During the financial year 2015-16, one meeting of Takeover Committee was held on December 18, 2015. The attendance of members is noted below:

Name of the member	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. V. Raghuraman	Chairman	1	1
Mr. V. Subramanian	Member	1	1

#### 4. General Body Meetings:

**I) Details of last three annual general meetings ("AGM")** - The details of the last three AGMs of the Company are noted below:

Year & AGM No.	Venue	Day, Date and Time	Special Resolutions
2012-13 Eighteenth AGM	J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015	Friday, September 20, 2013 at 11.00 a.m.	<ul style="list-style-type: none"> <li>i) Issue of Securities to the extent of Rs.5,000 Crores;</li> <li>ii) Issue of compulsorily convertible debentures of the Company on preferential basis in terms of ICDR Regulations to the Promoters in consideration of conversion of the Promoter Unsecured Loan of Rs.145 Crores;</li> <li>iii) To approve appointment of Mr. Vinod R.Tanti to a place of profit being the office of Chief Operating Officer in Suzlon Wind International Limited, a wholly owned subsidiary of the Company.</li> </ul>
2013-14 Nineteenth AGM	J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015	Thursday, September 25, 2014 at 11.00 a.m.	<ul style="list-style-type: none"> <li>i) Increase in Authorised Share Capital and Alteration of the Capital Clause of the Memorandum of Association of the Company</li> <li>ii) Issue of equity shares on preferential basis in terms of ICDR Regulations for the sacrifice by ICICI Bank Limited in terms of the CDR Package</li> <li>iii) Issue of Securities to the extent of Rs.5,000 Crores</li> </ul>
2014-15 Twentieth AGM	J. B. Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad- 380015	Monday, September 28, 2015 at 11.00 a.m.	<ul style="list-style-type: none"> <li>i) Issue of Securities to the extent of Rs.5,000 Crores</li> <li>ii) To approve the appointment of Mr. Girish R.Tanti to a place of profit being the office of Chief Mentoring Officer of SE Forge Limited, a wholly owned subsidiary of the Company</li> <li>iii) To approve appointment of Mr. Pranav T.Tanti to a place of profit being the office of Chief Executive Officer of Sirocco Renewables Limited, a subsidiary of the Company</li> <li>iv) To approve variation in the terms of Special Employee Stock Option Plan 2014 for employees of the Company</li> <li>v) To approve variation in the terms of Special Employee Stock Option Plan 2014 for employees of the Company's subsidiary company(ies)</li> <li>vi) To issue equity shares to the eligible employees of the Company under Employee Stock Option Plan 2015</li> <li>vii) To issue equity shares to the eligible employees of the Company's subsidiary company(ies) under Employee Stock Option Plan 2015</li> </ul>

- ii) **Details of resolutions passed by way of Postal Ballot** - Nil. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through the postal ballot.

5. **Disclosures:**

- i) **Subsidiary Companies** –The requirements with respect to subsidiaries in terms of Regulation 24 of the Listing Regulations have been complied with. The Audit Committee of the Board of Directors of the Company has approved the 'Policy on Material Subsidiary'. The said Policy has been placed on the website of the Company [www.suzlon.com](http://www.suzlon.com).

- ii) **Disclosure on materially significant related party transactions** – The Audit Committee of the Board of Directors of the Company has approved 'Policy on materiality of related party transactions and dealing with related party transactions'. The said Policy has been placed on the website of the Company [www.suzlon.com](http://www.suzlon.com).

The Company has entered into various transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 in the ordinary course of business and on arm's length basis; in accordance with the provisions of the Companies Act, 2013 read with the Rules made thereunder, Regulation 23 of the Listing Regulations and the 'Policy on materiality of related party transactions and dealing with related party transactions'.

- iii) **Disclosure of accounting treatment** - The Company follows mandatory accounting standards as notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 issued by the Ministry of Corporate Affairs in the preparation of financial statements and in the opinion of the Company, it has not adopted a treatment different from that prescribed in any accounting standard.

- iv) **Risk management** - The risk assessment and minimisation procedures are in place and the Audit Committee of the Board is regularly informed about the business risks and the steps taken to mitigate the same. The Board of Directors, though not mandatorily required, has constituted a Risk Management Committee and also approved Risk Management Policy in accordance with the provisions of Regulation 21 of the Listing Regulations which is available on the Company's website [www.suzlon.com](http://www.suzlon.com). The Company's risk management and mitigation strategy has been discussed in the Management Discussion and Analysis Report forming part of this Annual Report.

- v) **Proceeds from public issues, rights issues, preferential issues, etc.** – During the year and up to the date of this Report, the Company has allotted one hundred crores equity shares to the Investor Group being Dilip Shanghvi Family and Associates under Chapter VII – "Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the proceeds thereof have been / shall be utilised in terms of the objects of the issue.

- vi) **Management Discussion and Analysis Report** - The Management Discussion and Analysis Report on the operations and financial position of the Company has been provided in a separate section which forms part of this Annual Report.

- vii) **Profile of directors seeking appointment / re-appointment** - Profile of the directors seeking appointment / re-appointment as required to be given in terms Regulation 36 of the Listing Regulations forms part of the Notice convening the ensuing Annual General Meeting of the Company.

- viii) **Certification from Managing Director and Chief Financial Officer** - The requisite certification from the Chairman & Managing Director and Chief Financial Officer for the financial year 2015-16 required to be given under Regulation 17(8) read with Part B of the Schedule II of the Listing Regulations was placed before the Board of Directors of the Company at its meeting held on May 30, 2016.

- ix) **Details of non-compliance with regard to capital market** - There were no penalties imposed or strictures passed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter related to the capital markets, during last three years.

- x) **Payment of fees to stock exchanges / depositories** - The Company has paid listing fees to the stock exchanges and the annual custodial fees to the depositories for the financial year 2016-17 in terms of the Listing Regulations. The annual custodial fees for the financial year 2015-16 were also paid within the prescribed time upon the receipt of invoices from National Securities Depository Limited and Central Depositories Services (India) Limited.

- xi) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations with the stock exchanges** - As on March 31, 2016 the Company has complied with all the mandatory requirements as mandated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations except for Regulation 17(1)(b) pertaining to independent directors. A certificate from the statutory auditors of the Company to this effect has been included in this Annual Report. However, as on the date of this Report, the Company is in compliance with Regulation 17(1)(b) of the Listing Regulations as well.

The Company has also complied with the disclosure requirements specified in sub-paras (2) to (10) of Schedule V of the Listing Regulations.

The status of compliance in respect of non-mandatory requirements of Corporate Governance in terms of schedule V(12) read with Part E of schedule II is as under:

- a) Modified opinion(s) in audit report - The Auditors' opinion on quarterly financial results and year to date results of the Company (standalone and consolidated) dated May 30, 2016 is unmodified;
  - b) Separate posts of chairperson and chief executive officer – Mr. Tulsi R.Tanti is the Chairman and Managing Director of the Company. The Company has appointed Mr. J.P.Chalasanani as the Chief Executive Officer w.e.f. April 4, 2016.
- xii) Whistle Blower Policy** – In terms of Regulation 22 of the Listing Regulations and the Companies Act, 2013, the Company has Whistle Blower Policy and Vigil Mechanism in place, which is available on its website www.suzlon.com. The employees, vendors and customers are free to express their concerns through e-mail, telephone, fax or any other method to the persons as mentioned in the policy. No personnel have been denied access to the Audit Committee.

With a view to support its corporate governance philosophy, the Company has established Risk and Misconduct Management Unit which assesses, evaluates, strengthens and institutionalises integrity as a value, supports ethical business practices and formalises good corporate governance processes.

**xiii) Means of Communication -**

- a) **Quarterly / Annual Results** - The quarterly / annual results and notices as required under Regulation 33 of the Listing Regulations are ordinarily published in the 'The Financial Express' (English & Gujarati editions).
  - b) **Posting of information on the website of the Company** - The annual / quarterly results of the Company, shareholding pattern, the official news releases, notifications to the stock exchanges and the presentations made by the Company to analysts and institutional investors are regularly posted on its website www.suzlon.com. The Company is in compliance of Regulation 46 of the Listing Regulations.
- xiv) Disclosure of commodity price risks, commodity hedging activities or foreign exchange risk** - The details have been disclosed in the Management Discussion & Analysis Report forming part of this Annual Report.
- xv) Details of unclaimed shares in terms of Schedule V(F) of the Listing Regulations-** In terms of Schedule V(F) of the Listing Regulations, the details of equity shares allotted pursuant to the Initial Public Offering (IPO), which are unclaimed and are lying in demat suspense account, are given below:

Particulars	No. of Cases	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2015	109	9,600
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2015-16	-	-
Number of shareholders to whom shares were transferred from suspense account during the year 2015-16	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2016	109	9,600

The voting rights on these shares lying in the demat suspense account shall remain frozen till the rightful owners of such shares claim the shares.

**6. General Shareholder Information**

- i) **Annual General Meeting** : Twenty First Annual General Meeting
  - Day and date : Friday, September 30, 2016
  - Time : 11.00 a.m.
  - Venue : Gujarat Chamber of Commerce & Industry, Sheth Shri Amrutlal Hargovandas Memorial Hall, Shri Ambica Mills-Gujarat Chamber Bldg., Ashram Road, Ahmedabad-380009
- ii) **Financial calendar for 2016-17 (tentative schedule)**
  - Financial year : April 1 to March 31
  - Board meetings for approval of quarterly results :
  - 1<sup>st</sup> Quarter ended on June 30, 2016 : within 45 days from the close of quarter or such extended date as may be permitted by the Regulator.
  - 2<sup>nd</sup> Quarter ended on September 30, 2016 : within 45 days from the close of quarter or such extended date as may be permitted by the Regulator.
  - 3<sup>rd</sup> Quarter ended on December 31, 2016 : within 45 days from the close of quarter or such extended date as may be permitted by the Regulator.
  - 4<sup>th</sup> Quarter ended on March 31, 2017 and : Annual results for financial year ended

March 31, 2017 (audited) : Within 60 days from the close of financial year  
 Annual General Meeting for the year 2016-17 : In accordance with Section 96 of Companies Act, 2013

- iii) **Book closure date** : Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive)
- iv) **Dividend payment date** : N.A.
- v) **Listing on stock exchanges and Stock Codes:**

Securities	Name of Stock Exchanges on which listed	Stock Codes
Equity Shares	National Stock Exchange of India Limited (NSE), "Exchange Plaza", Bandra-Kurla Complex, Bandra (East), Mumbai-400051	SUZLON
	BSE Limited (BSE), P.J. Towers, Dalal Street, Mumbai-400001	532667
GDRs*	Luxembourg Stock Exchange, 11, av de la Porte-Neuve. L-2227 Luxembourg	US86960A1043
	London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS	SUEL
FCCBs	Singapore Exchange Securities Trading Limited, 2, Shenton Way, Suite 19-00, SGX Centre 1, Singapore, 068804	As per details given below

\* GDRs are listed on Luxembourg Stock Exchange only, however were traded on both Luxembourg Stock Exchange and London Stock Exchange. However, post March 31, 2016, the trading of GDRs on London Stock Exchange has been voluntarily discontinued.

- vi) **International Securities Identification Number (ISIN):**

Security	ISIN
Equity Shares	INE040H01021
GDRs	US86960A1043
FCCBs:	
USD 175,000,000 5% Convertible Bonds Due 2016 (5% April 2016 Bonds)*	XS0614325156
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured Bonds)	
- For Restricted Global Certificates	XS1081332873
- For Unrestricted Global Certificates	XS1081332527

\* USD 175,000,000 5% Convertible Bonds Due 2016 worth US\$ 28.8 million in principal amount, along with the applicable 8.7% redemption premium were repaid in cash on April 14, 2016.

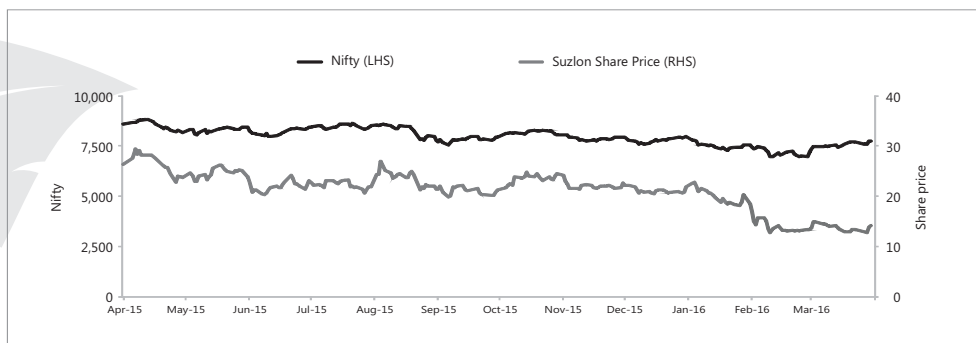
- vii) **Corporate Identification Number** : L40100GJ1995PLC025447

- viii) **Market Price Data:** Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2015-16 at NSE and BSE are noted below:

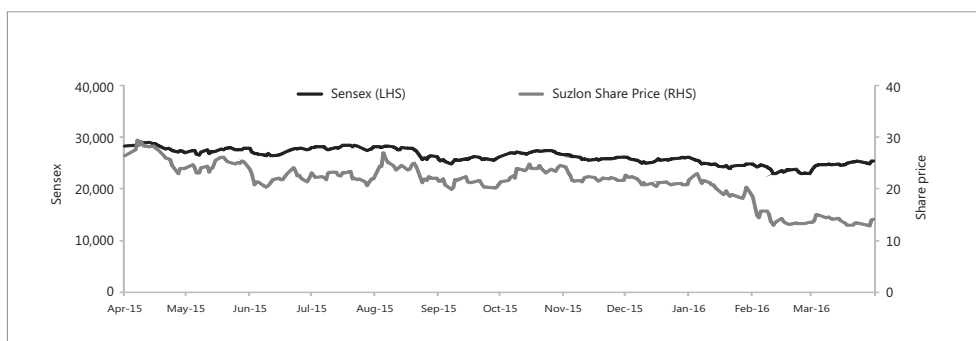
Stock Exchange	NSE			BSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April-15	30.25	22.25	1,08,33,55,811	30.25	22.30	24,99,50,885
May-15	26.85	22.60	58,50,87,406	26.90	22.60	13,38,21,056
June-15	24.60	20.00	66,16,46,564	24.60	20.05	16,15,10,365
July-15	24.00	20.60	52,64,92,792	24.00	20.60	13,45,94,658
August-15	28.00	19.80	1,02,85,84,434	28.00	19.80	22,17,70,805
September-15	22.45	19.10	46,46,26,051	22.45	19.05	9,14,91,536
October-15	25.15	20.95	72,76,49,241	25.20	20.95	16,68,42,312
November-15	25.25	20.40	56,53,11,440	25.25	20.40	13,46,80,251
December-15	23.10	20.40	54,61,54,799	23.10	20.35	12,62,37,365
January-16	23.25	18.00	71,28,46,478	23.25	18.05	16,77,43,101
February-16	20.70	12.80	1,16,00,26,111	20.70	12.80	29,81,80,279
March-16	15.30	12.80	70,48,63,652	15.30	12.81	15,61,96,932

ix) **Performance of share price of the Company in comparison with broad-based indices**

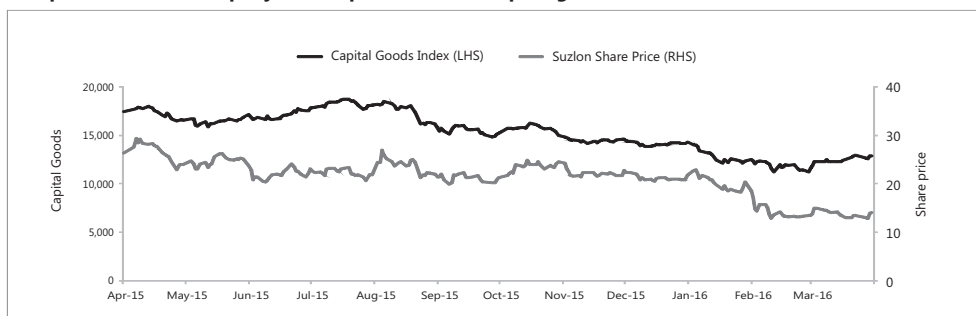
a) **Comparison of the Company's share price with NSE Nifty**



b) **Comparison of the Company's share price with BSE Sensex**



c) **Comparison of the Company's share price with BSE capital goods index**



x) **Registrar and Share Transfer Agents :** Karvy Computershare Private Limited, Unit: Suzlon Energy Limited, Karvy Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032. Toll Free No. 1800-3454-001; Website: [www.karvycomputershare.com](http://www.karvycomputershare.com). Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com). Contact person: Mr. Anandan K, Manager and Mr. K. S. Reddy (Asst. General Manager).

xi) **Share transfer system:** The shares of the Company are compulsorily traded in dematerialised form. Shares received in physical form are transferred within a period of fifteen days from the date of lodgement subject to documents being valid and complete in all respects. In order to expedite the process of share transfer in line with corporate governance requirements, the Company has delegated the power of share transfer to registrar and share transfer agent - Karvy Computershare Private Limited.

All communications regarding change of address, transfer of shares and change of mandate (if the shares are held in physical form) can be addressed to Karvy Computershare Private Limited, Hyderabad, the Company's Registrar & Share Transfer Agent.

xiii) **Distribution of shareholding as on March 31, 2016:**



a) **Distribution of shareholding as per nominal value of shares held as on March 31, 2016:**

Nominal value of shares held	No. of shareholders	% to total shareholders	Total no. of shares held	Nominal amount of shares held	% to total shares
Up to 5000	918056	91.95	358928565	717857130	7.15
5001-10000	40536	4.06	152549847	305099694	3.04
10001-20000	20327	2.03	153794996	307589992	3.06
20001-30000	6370	0.64	80186497	160372994	1.60
30001-40000	3556	0.36	64849430	129698860	1.29
40001-50000	1989	0.20	45978931	91957862	0.92
50001-100000	3995	0.40	145105925	290211850	2.89
100001 & above	3587	0.36	4019109223	8038218446	80.05
<b>Total</b>	<b>998416</b>	<b>100.00</b>	<b>5020503414</b>	<b>10041006828</b>	<b>100.00</b>

b) **Shareholding pattern as on March 31, 2016:**

Category of shareholders	No. of shares of Rs 2 each	% of total shares
Promoters	1,052,784,456	20.97
Foreign Portfolio Investors	642,933,183	12.81
Non-resident Indians/Overseas Corporate Bodies/Foreign Nationals	63,700,783	1.27
Mutual Funds, Financial Institutions, NBFCs and Banks	516,488,106	10.29
Private Corporate Bodies / Trust / Clearing Members	1,134,924,957	22.60
Resident Indians / HUFs	1,598,829,005	31.84
GDRs	10,842,924	0.22
<b>Total</b>	<b>5,020,503,414</b>	<b>100.00</b>

- xiii) **Dematerialisation of shares:** The equity shares of the Company are compulsorily traded in dematerialised form and are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) of the Company under Depository System is INE040H01021. Number of shares held in dematerialised and physical mode as on March 31, 2016 are noted below:

Particulars	No. of shares of Rs 2 each	% of total shares
Shares held in dematerialised form with NSDL	4,342,825,880	86.50
Shares held in dematerialised form with CDSL	677,630,770	13.50
Shares held in physical form	46,764	0.00
<b>Total</b>	<b>5,020,503,414</b>	<b>100.00</b>

xiv) **Outstanding GDRs or any other convertible instruments, conversion date and likely impact on equity:**

- a) **Global Depository Receipts (GDRs):** The outstanding GDRs as on March 31, 2016 are 2,710,731 representing 10,842,924 equity shares of Rs.2/- each. Each GDR represents four underlying equity shares in the Company.
- b) **Foreign Currency Convertible Bonds (FCCBs):** During the year under review, 312,788,219 equity shares of Rs 2/- each have been allotted to the Bondholders pursuant to conversion of 80,294 USD 546,916,000 Step-up Convertible Bonds due 2019. The details of outstanding convertible securities as on March 31, 2016 are as under:

Series	Outstanding Amount (USD) as on March 31, 2016	Exchange Rate	Convertible on or before	Conversion Price
USD 546,916,000 Step-up Convertible Bonds Due 2019 (Restructured Bonds)	248,826,000	60.225	July 9, 2019	15.46
USD 175,000,000 5% Convertible Bonds due 2016 (5% April 2016 Bonds)	28,800,000	44.5875	April 6, 2016	54.01

Post March 31, 2016, and till the date of this Report, the Company has not made any allotments pursuant to conversion of FCCBs. Further the outstanding USD 175,000,000 5% Convertible Bonds due 2016 worth USD 28.8 million in principal amount, along with the applicable 8.7% redemption premium were repaid in cash on April 14, 2016. Accordingly the details of outstanding convertible securities as on date of this Report are as under:

Series	Outstanding Amount (USD) as on date of this Report	Exchange Rate	Convertible on or before	Conversion Price
USD 546,916,000 Step-up Convertible Bonds due 2019 (Restructured bonds)	248,826,000	60.225	July 9, 2019	15.46

Note: As on date of this Report, the Company has received notice(s) for conversion of 1,000 FCCBs to be converted into 38,95,536 equity shares at a conversion price of Rs 15.46 per equity share.

The shares to be allotted on conversion of the FCCBs will aggregate to 16.2% of the post conversion equity base of the Company.

**xv) Factory Locations:**

Plot No.H-24 & H-25, M.G. Udyognagar Indl. Estate, Dabhel, Daman-396210	Plot No.77, 13, Opp.GDDIC, Vanakbara Road, Village Malala, Diu-362520
Plot No.306/1 & 3, Bhimpore, Nani Daman, Daman-396210	Survey No.86/3-4, 87/1-3-4, 88/1-2-3, 89/1-2, Kadaiya Road, Daman-396210
Survey No.42/2 & 3, 54, 1 to 8, Bhenslore Road, Dunetha, Daman-396210	Plot No. A/4, OI DC, M.G.Udhyog Nagar, Dabhel, Nani Daman, Daman-396210
RS.No.9/1A,9/1B,9/3,9/1C,9/2,10/1,10/3,58/1, 9/4A,9/4B,57/1,57/3,58/2,58/3,58/5,58/6,57/4, 59, Thiruvandralkoil, Opp. Whirlpool India Ltd., Pondicherry – 605107	Block No. 93, Opp. Gayatri Petroleum, National Highway No.8, Village Vadsala-Varnama, Vadodara-391242
Survey No.588, Paddar, Bhuj-370105	Survey No.282, Chhadvel (Korde), Sakri, Dhule-424305
<b>Technical Service Centre</b> - Plot No. H-24 & H-25, M.G. Udyognagar Indl. Estate, Dabhel, Daman – 396210	

**xvi) Address for correspondence:** Registered Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009, Gujarat, India; Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; Email: investors@suzlon.com; Website: www.suzlon.com.

For and on behalf of the Board of Directors

Place : Mumbai  
Date : August 12, 2016

Tulsi R.Tanti  
Chairman & Managing Director  
DIN : 00002283

## DECLARATION REGARDING COMPLIANCE WITH THE CODE OF ETHICS

26<sup>th</sup> May 2016.

The Board of Directors of  
Suzlon Energy Limited,  
[CIN: L40100GJ1995PLC025447]  
'Suzlon', 5, Shrimali Society,  
Near Shri Krishna Complex,  
Navrangpura,  
Ahmedabad-380009.

Dear Sirs,

**Sub.: Declaration regarding compliance with the Code of Ethics of the Company.**

**Ref.: Regulation 34(3) read with Part D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

I, Tulsi R.Tanti, Chairman & Managing Director of Suzlon Energy Limited hereby declare that, as of 31<sup>st</sup> March 2016, the Board Members and Senior Management Personnel have affirmed compliance with the Code of Ethics laid down by the Company.

Thanking you,

Yours faithfully,  
**For Suzlon Energy Limited**

-sd-

**Tulsi R.Tanti,**  
**Chairman & Managing Director.**  
**DIN : 00002283**

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### Auditors' certificate

To,

The Members of Suzlon Energy Limited,

We have examined the compliance of conditions of corporate governance by Suzlon Energy Limited, for the year ended on March 31, 2016, as stipulated in Clause 49 of the Listing Agreement (the "Listing Agreement") of the Company with the stock exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (the "Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations, for the period December 1, 2015 to March 31, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, except for compliance of Clause 49(II)(A)(2) of the Listing Agreement and Regulation 17(1)(b) of the Listing Regulations relating to the requirement of minimum number of independent directors in the composition of Board of Directors; we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration No.109176W

per Sanjay Kapadia  
Partner

Membership No. : 38292  
Place : Pune  
Date : August 12, 2016

For S.R. BATLIBOI & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.301003E/E300005

per Paul Alvares  
Partner

Membership No. : 105754  
Place : Pune  
Date : August 12, 2016

# STANDALONE FINANCIAL STATEMENTS

## Independent Auditor's Report

### To the Members of Suzlon Energy Limited

#### Report on the Financial Statements

1. We have audited the accompanying standalone financial statements of Suzlon Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's branches at Netherlands and Germany.

#### Management's Responsibility for the 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility 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 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 standalone 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 financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 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 standalone financial statements.

#### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2016, its profit and its cash flows for the year ended on that date.

#### Emphasis of Matter

6. We draw attention to Note 5 of the accompanying financial statements in respect of contingency related to 'compensation payable in lieu of bank sacrifice', the outcome of which is materially uncertain and cannot be determined currently. 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- (c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditor has been sent to us and have been properly dealt by us in preparing this report;
- (d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (g) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (h) 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 in "Annexure 2" to this report;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 36 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 11 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

#### Other Matter

9. The accompanying financial statements include net total assets of Rs 16.67 Crore as at March 31, 2016 and net total revenues of Rs Nil for the year ended on that date, in respect of two branches, which have been audited by branch auditors, which financial statements, other financial information and auditor's reports have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these branches is based solely on the reports of such branch auditors. Our opinion is not qualified in respect of this matter.

For SNK & Co.  
Chartered Accountants  
ICAI Firm registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : May 30, 2016

For S. R. Batliboi & Co.LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Paul Alvares  
Partner  
Membership No. : 105754

Place : Mumbai  
Date : May 30, 2016

**Annexure 1 referred to in paragraph 7 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"**

**Re: Suzlon Energy Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets 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 fixed assets are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2016 and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered by section 184 of the Companies Act, 2013 and which are required to be entered in the register maintained under section 189 of the Companies Act, 2013. In our opinion, the transactions of granting loans are not covered in the specified list of transactions under section 188 (1) 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, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and 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) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products of the Company, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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 statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) 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 dues	Amount (Rs in Crore)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	71.22	1999-2000 to 2002-2003	CESTAT
Finance Act, 1994	Service Tax	4.03	2007-2008 to 2011-2012	CESTAT
Maharashtra Value Added Tax Act, 2002	Value added tax	0.17	2010-2011	Deputy Commissioner of Sales Tax, Maharashtra
Maharashtra Value Added Tax Act, 2002	Value added tax	0.04	2006-2007	Joint Commissioner (Appeals), Maharashtra
Tamil Nadu Value Added Tax Act 2006	Value added tax	1.07	2011-2012	Assistant Commissioner, Tamil Nadu
Tamil Nadu Value Added Tax Act 2006	Value added tax	0.04	2015-2016	Joint Commissioner, Tamil Nadu
Customs Act 1962	Custom duty	0.24	2008-2009, 2011-2012, 2012-2013 and 2014-2015	CESTAT
Customs Act 1962	Custom duty	0.04	2011-2012	Assistant Commissioner of Customs, Chennai

- (viii) According to information and explanations given by the management, the Company has delayed in repayment of dues to banks and financial institution during the year aggregating to of Rs. 80.22 Crore (the delay in such repayments being for less than 45 days in each individual case) and Rs. Nil of such dues were in arrears as on the balance sheet date. The Company has not defaulted in repayment to bondholders.
- (ix) 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 and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (x) 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.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration 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.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.
- (xiii) 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.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment during the year. The Company has not made private placement of shares or fully or partly convertible debentures during the year.

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 out of the amounts raised of Rs 1,800, Rs 1,395 Crore have been used for the purposes for which the funds were raised. The remaining amount of Rs 405 Crore was available with the company as part of its treasury balances and was pending utilization as on March 31, 2016.

- (xv) 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 Companies Act, 2013.
- (xvi) 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 and hence not commented upon.

For SNK & Co.  
Chartered Accountants  
ICAI Firm registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : May 30, 2016

For S. R. Batliboi & Co.LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Paul Alvares  
Partner  
Membership No. : 105754

Place : Mumbai  
Date : May 30, 2016

## **Annexure 2 – Annexure referred to in paragraph 8(h) of our report of even date under the heading “Report on Other Legal and Regulatory Requirements”**

### **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 Energy Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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, both 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, 2016, 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 SNK & Co.  
Chartered Accountants  
ICAI Firm registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : May 30, 2016

For S. R. Batliboi & Co.LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Paul Alvares  
Partner  
Membership No. : 105754

Place : Mumbai  
Date : May 30, 2016



**Balance sheet as at March 31, 2016**  
All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at	
		March 31, 2016	March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(i) Share capital	8(i)	1,004.10	741.54
(ii) Reserves and surplus	9	(388.92)	(2,404.66)
		<b>615.18</b>	<b>(1,663.12)</b>
<b>Share application money pending allotment</b>	8(ii)	-	<b>1,800.00</b>
<b>Non-current liabilities</b>			
(i) Long-term borrowings	10	4,173.31	5,592.12
(ii) Other long-term liabilities	13	135.01	85.49
(iii) Long-term provisions	11	116.06	121.86
		<b>4,424.38</b>	<b>5,799.47</b>
<b>Current liabilities</b>			
(i) Short-term borrowings	12	1,393.13	3,427.96
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises (refer Note 38)		15.76	3.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,832.12	2,743.92
(iii) Other current liabilities	13	1,442.26	3,200.09
(iv) Due to customers		39.61	7.44
(v) Short-term provisions	11	384.52	434.78
		<b>6,107.40</b>	<b>9,817.85</b>
<b>Total</b>		<b>11,146.96</b>	<b>15,754.20</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(i) Fixed assets			
(a) Tangible assets	14	479.29	503.91
(b) Intangible assets	14	250.23	83.84
(c) Capital work-in-progress		164.07	19.83
(ii) Investments	15	2,572.04	2,501.54
(iii) Loans and advances	16	748.47	1,580.55
(iv) Trade receivables	17.1	97.40	-
(v) Other non-current assets	17.2	571.57	404.97
		<b>4,883.07</b>	<b>5,094.64</b>
<b>Current assets</b>			
(i) Investments	15	154.30	250.00
(ii) Inventories	18	1,124.64	610.92
(iii) Trade receivables	17.1	1,759.57	1,580.35
(iv) Cash and bank balances	19	88.38	67.47
(v) Loans and advances	16	1,805.51	4,082.48
(vi) Other current assets	17.2	1,331.49	4,068.34
		<b>6,263.89</b>	<b>10,659.56</b>
<b>Total</b>		<b>11,146.96</b>	<b>15,754.20</b>
<b>Summary of significant accounting policies</b>	<b>3</b>		

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. : 105754  
Place: Mumbai  
Date: May 30, 2016

Hemal A. Kanuga  
Company Secretary  
Membership No. : F4126 ICAI Membership No. : 042833  
Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer

**Statement of profit and loss for the year ended March 31, 2016**

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	March 31, 2016	March 31, 2015
<b>Income</b>			
Revenue from operations	20	5,930.64	2,261.49
Other operating income		8.72	8.81
<b>Total revenue</b>		<b>5,939.36</b>	<b>2,270.30</b>
<b>Expenses</b>			
Cost of raw material and components consumed	21	3,661.65	1,627.46
Purchases of traded goods	21	30.66	18.39
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	21	37.97	49.38
Employee benefits expense	22	222.14	187.04
Other expenses	23	1,133.05	769.01
<b>Total expenses</b>		<b>5,085.47</b>	<b>2,651.28</b>
<b>Earnings / (loss) before interest, tax, depreciation and exceptional items (EBITDA)</b>		<b>853.89</b>	<b>(380.98)</b>
Depreciation / amortisation	14	165.49	157.81
<b>Earnings / (loss) before interest, tax and exceptional items (EBIT)</b>		<b>688.40</b>	<b>(538.79)</b>
Finance costs	24	686.94	1,219.39
Finance income	25	500.67	333.69
<b>Earnings / (loss) before tax and exceptional items</b>		<b>502.13</b>	<b>(1,424.49)</b>
Less: Exceptional items	26	455.31	4,607.85
<b>Profit / (loss) before tax</b>		<b>46.82</b>	<b>(6,032.34)</b>
<b>Tax expense:</b>			
Current year tax		0.07	-
<b>Profit / (loss) after tax</b>		<b>46.75</b>	<b>(6,032.34)</b>
<b>Earnings / (loss) per equity share:</b>			
- Basic and diluted [Nominal value of share Rs 2 (Rs 2)]	27	<b>0.10</b>	<b>(20.09)</b>
Summary of significant accounting policies	3		

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

As per our report of even date

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

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. : 105754  
Place: Mumbai  
Date: May 30, 2016

Hemal A.Kanuga  
Company Secretary  
Membership No.: F4126  
Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer  
ICAI Membership No. : 042833

**Cash flow statement for the year ended March 31, 2016**

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>		
<b>Profit / (loss) before tax and exceptional items</b>	<b>502.13</b>	<b>(1,424.49)</b>
<b>Adjustments for:</b>		
Depreciation / amortisation	165.49	157.81
(Gain) / Loss on assets sold / discarded, net	0.13	(0.53)
Interest income	(471.20)	(333.69)
Interest expenses	557.85	1,083.26
Provision for diminution of investments	(1.00)	-
Compensation in lieu of bank sacrifice	22.83	52.02
Amortisation of ancillary borrowing costs	22.35	35.13
Operation, maintenance and warranty expenditure	156.51	78.77
Liquidated damages expenditure	76.64	97.45
Performance guarantee expenditure	77.76	17.93
Bad debts written off	10.95	0.23
Provision for doubtful debts and advances	15.48	66.81
Profit on sale of mutual fund	(29.47)	-
Exchange differences, net	77.88	322.97
Employee stock option scheme	3.80	7.76
<b>Operating profit before working capital changes</b>	<b>1,188.13</b>	<b>161.43</b>
<b>Movements in working capital</b>		
(Increase) / decrease in trade receivables	(274.36)	(42.94)
(Increase) / decrease in inventories	(513.72)	130.07
(Increase) / decrease in loans and advances and other current assets	1,380.14	219.35
(Decrease) / increase in trade payables, current liabilities and provisions	(51.55)	(485.14)
<b>Cash (used in) / generated from operating activities</b>	<b>1,728.64</b>	<b>(17.23)</b>
Direct taxes paid (net of refunds)	19.16	2.48
<b>Net cash (used in) / generated from operating activities (A)</b>	<b>1,747.80</b>	<b>(14.75)</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of fixed assets including capital work-in-progress and capital advances	(458.53)	(49.15)
Proceeds from sale of fixed assets	0.98	11.06
Investments in subsidiaries / Solar SPV	(1,763.68)	(150.20)
Purchase of current investments	(4,394.81)	(250.00)
Proceeds from sale / maturity of current investments	4,559.74	-
Proceeds from buyback of shares by subsidiary (refer Note 15)	930.79	-
Proceeds from redemption of shares by subsidiary (refer Note 15)	200.00	-
Loans repaid by / (granted to) subsidiaries, net	2,656.55	(162.58)
Interest received	295.01	34.57
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>2,026.05</b>	<b>(566.30)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital including premium	1,800.00	8.18
Share issue expenses	(17.37)	-
Proceeds from long term borrowings	50.00	-
Repayment of long term borrowings	(2,852.37)	(124.34)
Proceeds / (repayment) from short term borrowings, net	(2,034.83)	1,212.19
Interest paid	(698.27)	(508.02)
Dividend paid	(0.10)	(0.06)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(3,752.94)</b>	<b>587.95</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>20.91</b>	<b>6.90</b>
Cash and cash equivalents at the beginning of year	67.47	60.57
<b>Cash and cash equivalents at the end of the year</b>	<b>88.38</b>	<b>67.47</b>

### Cash flow statement for the year ended March 31, 2016

All amounts in Rupees Crore unless otherwise stated

Components of cash and cash equivalents	As at	As at
	March 31, 2016	March 31, 2015
Cash on hand	0.22	0.19
With scheduled banks in current account	87.85	66.79
With non-scheduled banks in current account*	0.31	0.49
	<b>88.38</b>	<b>67.47</b>

#### Summary of significant accounting policies

3

#### Notes

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

\* Includes a balance of Rs Nil (Rs 0.10 Crore) not available for use by the Company as they represent corresponding unpaid dividend liabilities.

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. : 105754

Place: Mumbai  
Date: May 30, 2016

Hemal A.Kanuga  
Company Secretary  
Membership No. : F4126 ICAI Membership No. : 042833

Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer

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

All amounts in Rupees Crore, unless otherwise stated

### 1. Corporate information

Suzlon Energy Limited ('SEL' or the 'Company') having CIN: L40100GJ1995PLC025447 is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Company is primarily engaged in the business of manufacturing of wind turbine generators ('WTGs') and related components of various capacities.

### 2. Basis of preparation

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

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 3. Summary of significant accounting policies

#### Change in accounting policy

##### Component accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013, from April 01, 2015. Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Until previous year, the Company was not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life / depreciation rate was used to depreciate each item of fixed asset. However, now it identifies and determines cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has also changed its policy on recognition of cost of major inspection / overhaul. Earlier Company used to charge such cost directly to statement of profit and loss. On application of component accounting, the major inspection / overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection / overhaul is depreciated separately over the period till next major inspection / overhaul. Upon next major inspection / overhaul, the costs of new major inspection / overhaul are added to the asset's cost and any amount remaining from the previous inspection / overhaul is derecognised.

The above change in accounting policy does not have any material impact on depreciation, repair and maintenance expense, profit for the current year as well as the valuation of fixed assets as at March 31, 2016.

#### a. Use of estimates

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

#### b. Tangible fixed assets

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

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

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

The Company identifies and determines the cost of each component / part of the asset separately, if the component / part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognised in the statement of profit and loss.

### c. Depreciation on tangible fixed assets

Depreciation on tangible fixed assets 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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

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

Type of asset	Useful lives (years)
Office buildings	58
Electrifications	20
Factory buildings	28
Moulds	15 years or useful life based on usage, whichever is higher
Plant and machinery	15
Wind research and measuring equipment	04
Windfarm plant and machinery	22
Computers	03
Servers and networks	06
Office equipments	05
Furniture and fixtures	10
Vehicles	10

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

### d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

#### Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ii. Its intention to complete the asset
- iii. Its ability to use or sell the asset
- iv. How the asset will generate future economic benefits
- v. The availability of adequate resources to complete the development and to use or sell the asset
- vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Type of asset	Basis
Design and drawings	Straight line basis over a period of five years
SAP and other software	Straight line basis over a period of five years

**e. Leases**

**i. Where the Company is 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.

**ii. Where the Company is 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.

**f. Borrowing costs**

Borrowing cost primarily 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 respective asset. All other borrowing costs are expensed in the period they occur.

**g. Impairment of tangible and intangible 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.

**h. Government grants and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant / subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

**i. Investments**

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

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

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

**j. Inventories**

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

The cost of work-in-progress, project work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads.

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

#### **k. Revenue recognition**

Revenue comprises sale of WTGs and wind power systems; service income; interest; dividend. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured. The Company collects sales taxes, service tax, value added taxes (VAT) as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

##### **Sales**

Revenue from sale of goods is recognised in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Fixed price contracts to deliver wind power systems (turnkey and projects involving installation and / or commissioning apart from supply) are recognised in revenue based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

Due from customers, if any, are measured at the selling price of the work performed based on the stage of completion less interim billing and expected losses. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The value of self-constructed components is recognised in 'Contracts in progress' upon dispatch of the complete set of components which are specifically identified for a customer and are within the scope of supply, as per the terms of the respective sale order for the wind power systems. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the selling price of a contract cannot be estimated reliably, the selling price is measured only on the expenses incurred to the extent that it is probable that these expenses will be recovered. Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

##### **Operation and maintenance income**

Revenues from operation and maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

##### **Project execution income**

Revenue from services relating to project execution is recognised on completion of respective service, as per terms of respective sales order.

##### **Land revenue**

Revenue from land lease activity is recognised upon the transfer of leasehold 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.

##### **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of interest charged to customers, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.

##### **Dividend income**

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

#### **l. Foreign currency transactions**

##### **i. Initial recognition**

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



## ii. Conversion

Foreign currency monetary items are retranslated 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.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year-end rates.

## iii. Exchange differences

The Company accounts for exchange differences arising on translation / settlement of foreign currency monetary items as below:

1. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortised over the remaining life of the concerned monetary item. It is presented as a part of "Reserves and surplus".
2. All other exchange differences are recognised as income or as expense in the period in which they arise.

## iv. Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

## m. Derivatives

As per the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis and the net loss after considering the offsetting effect on the underlying hedge items is charged to the statement of profit and loss. Net gains on marked to market basis are not recognised.

## n. Retirement and other employee benefits

Defined contributions to provident fund and employee state insurance are charged to the statement of profit and loss of the year, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the statement of profit and loss on accrual basis.

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

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The entire leave is presented as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

## o. Taxes on income

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT credit entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period in future.

**p. Employee stock options**

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the "Employee stock options outstanding" account in "Reserves and surplus". 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 expense or credit recognised in the statement of profit and loss 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.

**q. 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.

**r. Provisions**

A provision is recognised when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**s. Contingent liabilities**

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

The Company does not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of an outflow is remote.

**t. Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, cheques on hand and short-term investments with an original maturity of three months or less.

**u. Measurement of EBITDA and EBIT**

The Company has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Company does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Company reduces depreciation and amortisation expense from EBITDA to measure EBIT.

**4. Corporate Debt Restructuring ('CDR')**

During the financial year ended March 31, 2013, Suzlon Energy Limited ('SEL') along with its 8 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had restructured various financial facilities (restructured facilities) from the secured CDR lenders under the Corporate Debt Restructuring Proposal. Pursuant to approval of CDR Package by the CDR Empowered Group ('CDR EG'), the implementation of the CDR package was formalised upon execution of Master Restructuring Agreement (MRA) between the CDR Lenders and Borrowers during the financial year ending March 31, 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited (SGSL) was also included as Borrower under the CDR package during financial year ended March 31, 2015.

The key features of the CDR package are as follows:

- a. 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.
- b. 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.
- c. Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- d. Unpaid interest due on certain existing facilities on cut-off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11.00% per annum with reset option in accordance with MRA.
- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in SEL by promoters, their friends, relatives and business associates as stipulated, conversion of existing promoter's loan of Rs 145.00 Crore into equity shares / CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- a. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- b. SEL to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut-off date at the price determined in compliance with 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.

## 5. Recompense

Suzlon Energy Limited and its certain specified subsidiaries (collectively 'the Group') and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Group is contingent upon the exit by the Borrowers which is inter-alia dependent upon improved financial performance and various factors, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date. In case of CDR lenders who have exercised the right for issuance of equity shares for the first three years and to whom the equity shares have been issued, as a part of recompense, the cost is amortised over the period of sacrifice and the cost amortization is completed by March 31, 2016. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet is not ascertainable.

## 6. Sale of Senvion SE

On January 22, 2015, AE Rotor Holding B.V. a step-down wholly owned subsidiary of the Company and its subsidiaries signed a binding agreement with Centerbridge Partners LP, USA to sell 100% stake in Senvion SE. The closing was subject to customary closing conditions which got concluded on April 29, 2015. Accordingly, the Company has made an impairment provision of Rs 426.69 Crore (Rs 5,920.00 Crore) in the value of investments in an overseas subsidiary and disclosed the same under exceptional items.

## 7. Proposed merger

The Board of Directors of the Company have approved the Composite Scheme of Amalgamation and Arrangement between SE Blades Limited ("SEBL"), Suzlon Wind International Limited ("SWIL"), SE Electricals Limited ("SEEL"), Suzlon Structures Limited ("SSL") with Suzlon Energy Limited ("SEL") and their respective shareholders and creditors ("the Scheme") under Sections 391 to 394 of the Companies Act in its meeting held on April 27, 2016. Pursuant to the proposed Scheme SEBL, SWIL and SEEL shall amalgamate with the Company, and tubular tower manufacturing division of SSL shall be de-merged and merged with the Company. The approval of this Scheme by the Board of Directors was duly reported on the stock exchanges. The Scheme and all the related documents shall be uploaded on the Company website in line with the SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. This Scheme is subject to the approval of the Honourable High Court of Gujarat and is yet to be filed with the SEBI and subsequently with the High Court of Gujarat. The Company shall duly follow the directions of the Honourable High Court of Gujarat.

## 8. (i) Share capital

### Authorised shares

	March 31, 2016	March 31, 2015
7,500,000,000 (7,500,000,000) equity shares of Rs 2/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued shares</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
5,039,435,391 (3,726,647,172) equity shares of Rs 2/- each	1,007.89	745.33
	<b>1,007.89</b>	<b>745.33</b>
<b>Subscribed and fully paid-up shares</b>		
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
5,020,503,414 (3,707,715,195) equity shares of Rs 2/- each	1,004.10	741.54
	<b>1,004.10</b>	<b>741.54</b>

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
At the beginning of the year	370.77	741.54	248.81	497.63
Issued during the year				
- Preferential allotment	100.00	200.00	-	-
- CDR lenders	-	-	21.54	43.08
- Vendors	-	-	6.79	13.57
- Grant of Employee Stock Purchase Scheme (ESPS)	-	-	1.01	2.02
- Promoters entity	-	-	7.78	15.56
- Conversion of bonds	31.28	62.56	84.84	169.68
<b>Outstanding at the end of the year</b>	<b>502.05</b>	<b>1,004.10</b>	<b>370.77</b>	<b>741.54</b>

**b. Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 2 each. Each holder of equity shares is entitled to one vote per share except for the underlying depository shares held against the Global Depository Receipts ('GDRs').

Holders of the GDR have no voting rights with respect to the equity shares represented by the GDRs. Deutsche Bank Trust Company Americas (the 'Depository'), which is the shareholder on record in respect of the equity shares represented by the GDRs, will not exercise any voting rights in respect of the equity shares against which GDRs are issued, unless it is required to do so by law. Equity shares which have been withdrawn from the Depository facility and transferred on the Company's register of members to a person other than the Depository, ICICI Bank Limited (the 'Custodian') or a nominee of either the Depository or the Custodian may be voted by the holders thereof.

As regard the shares which did not have voting rights as on March 31, 2016 are GDRs – 2,710,731 / (equivalent shares – 10,842,924) and as on March 31, 2015 are GDRs – 2,114,631 / (equivalent shares – 8,458,524).

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

The Company on February 13, 2015 signed a Shareholder Agreement as amended by an Amendment Agreement dated December 11, 2015 (collectively the "Agreement") with the Investor Group in terms of which the Investor Group agreed to subscribe to 100 Crore equity shares at the rate of Rs 18 per shares aggregating to Rs 1,800.00 Crore, which were allotted on May 15, 2015. This is in addition to shares acquired under an Open Offer under SEBI Takeover Regulations. The key terms of the Agreement with the Investor Group are as follows;

- Appointment of one nominee director.
- Certain decisions by virtue of the agreement need shareholder approval.
- Investor group and Promoters of the Company shall be considered as Persons Acting in Concert under Regulation 2(1)(q) of the SEBI Takeover Regulations.
- If the Promoters decide to transfer any of their shareholding in the Company, they shall first offer these to the Investor Group. Also, If the Investor Group decide to transfer any of their shareholding in the Company, they shall first offer these to the Promoter Group.
- The Investor Group shares shall be subject to a lock-in period applicable under applicable regulations or one-year whichever is later.
- The Investor Group shall be consulted in accordance with the provisions of the Agreement.

**c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	March 31, 2016	March 31, 2015
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	Nil	3.20

In addition, the Company has issued Nil shares (8,000 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) and issued 10,095,000 shares (10,095,000 shares) to employees under ESOP Scheme, wherein part consideration was received in the form of employee services.

**d. Shares reserved for issue under options**

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 29(b), under heading of "Closing balance".

For details of shares reserved for issue on conversion of FCCBs, refer Note 10(II)(a) for terms of conversion / redemption.

For details of shares reserved for issue on conversion of Funded Interest Term Loan into equity shares or compulsory convertible debentures and issue of equity shares in lieu of sacrifice of the CDR Lenders, refer Note 4(d) for terms of conversion. There are no shares reserved for issue under options as at the balance sheet date.

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

Name of the shareholder	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	% holding	Number of shares (Crore)	% holding
(Equity shares of Rs 2 each fully paid-up)				
IDBI Bank Ltd.	–	–	20.45	5.52
Sugati Holdings Private Limited	26.25	5.24	26.25	7.08

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 ownerships of shares.

- (ii) Pursuant to share subscription agreement ("SSA") for preferential allotment of equity shares to an investor group, the Company has recognised share application money, pending allotment aggregating to Rs 1,800.00 Crore (100 Crore shares at Rs 18 per share) as at March 31, 2015.

**9. Reserves and surplus**

	March 31, 2016	March 31, 2015
<b>a. Capital reserve</b>	<b>23.30</b>	<b>23.30</b>
<b>b. Capital redemption reserve</b>	<b>15.00</b>	<b>15.00</b>
<b>c. Securities premium account</b>		
As per last balance sheet	6,832.62	5,193.11
Add : Additions during the year		
- Preferential allotment	1,600.00	-
- CDR lenders	-	355.61
- Vendors	-	57.55
- Promoters entity	-	76.44
- Conversion of bonds	421.02	1,141.99
Add : Additions on ESOPs exercised	-	6.15
Add : Outstanding ESOP transferred	-	1.77
Less: Share issue expense	(17.37)	-
	<b>8,836.27</b>	<b>6,832.62</b>
<b>d. Employee stock options outstanding</b>		
As per last balance sheet	7.89	9.54
Add : Compensation options granted during the year	4.49	13.37
Less : Transferred to securities premium on exercise of stock option	-	(1.77)
Less : Deferred employee stock compensation outstanding	(0.69)	(5.61)
Less : Transferred to general reserve on cancellation of stock option	(0.22)	(7.64)
	<b>11.47</b>	<b>7.89</b>

	March 31, 2016	March 31, 2015
<b>e. Foreign currency monetary item translation difference account</b>	<b>(114.05)</b>	<b>(75.59)</b>
<b>f. General reserve</b>		
As per last balance sheet	852.77	853.16
Add : Transfer from employee stock options outstanding	0.22	7.64
Less : Reduction during the year (refer Note 14a)	-	(8.03)
	<b>852.99</b>	<b>852.77</b>
<b>g. Statement of profit and loss</b>		
As per last balance sheet	(10,060.65)	(4,028.31)
Add: Profit / (loss) for the year	46.75	(6,032.34)
<b>Net deficit in the statement of profit and loss</b>	<b>(10,013.90)</b>	<b>(10,060.65)</b>
<b>Total</b>	<b>(388.92)</b>	<b>(2,404.66)</b>

#### 10. Long-term borrowings

	March 31, 2016	March 31, 2015
(i) Term loans from banks (secured)	1,269.46	1,773.37
(ii) Term loans from financial institutions (secured)	1,255.19	1,581.75
(iii) Foreign currency convertible bonds (unsecured)	1,648.66	2,237.00
<b>Total</b>	<b>4,173.31</b>	<b>5,592.12</b>

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

- (i) In case of financial facilities from CDR lenders in accordance with MRA and non-CDR lenders, RTL, WCTL, FITL aggregating Rs 2,499.12 Crore (Rs 5,281.11 Crore) of which Rs 2,474.08 Crore (Rs 3,355.12 Crore) classified as long-term borrowings and Rs 25.04 Crore (Rs 1,925.99 Crore) classified as current maturities of long-term borrowings, fund based working capital facilities of Rs 1,342.68 Crore (Rs 2,013.65 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 8 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- In addition to above, the loans outstanding as on March 31, 2015 were secured by pledge of shares of certain overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of Senvion SE and guarantee by an overseas subsidiary. Post April 29, 2015, the pledged shares of Senvion SE and guarantee are ceded from the charge.
- (ii) Rs Nil (Rs 174.78 Crore) secured by way of priority repayment against the specific receivables being financed by certain lenders along with sharing of securities under CDR Package and personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- (iii) Rs Nil (Rs 408.53 Crore) secured by way of priority repayment against the specific receivables being financed by a lender along with sharing of securities under CDR Package and personal guarantee of the managing director of SEL.
- (iv) Rs Nil (Rs 150.00 Crore) secured by way of priority repayment on pari passu basis against the specific receivables being financed by a lender and a pari passu charge on the stock and receivables pertaining to specific projects with the lenders for the facility mentioned in point (v) below.
- (v) Rs Nil (Rs 681.00 Crore) secured by way of priority repayment on pari passu basis against the specific receivables being financed by a lender and a pari passu charge on the stock and receivables pertaining to specific projects with the lender for the facility mentioned in point (iv) above, corporate guarantee of a company and pledge of shares of a company.
- (vi) Rs 50.45 Crore (Rs Nil) secured by first pari passu charge on all current assets (except for land considered as stock in trade) and first pari passu charge on all fixed assets shown in short-term borrowings.
- (vii) Rs 50.00 Crore (Rs Nil) secured by first pari passu charge on all assets of borrowers provided to the CDR lenders shown in long-term borrowings.
- (viii) Vehicle loan of Rs 1.43 Crore (Rs 0.62 Crore), of which Rs 0.86 Crore (Rs 0.62 Crore) classified as current portion of long-term borrowings is secured against vehicle under hire purchase contract.

## II. Foreign currency convertible bonds

### a. Following are the key terms of the bonds post restructuring:

Particulars	April 2016 Bonds	July 2019 Bonds
Issue date	April 12, 2011	July 15, 2014
Outstanding post restructuring (in USD)	28.80 Million	546.92 Million
Face value per bond (in USD)	2,00,000	1,000
Conversion price per share (Rs)	54.01	15.46
Fixed exchange rate (Rs/ USD)	44.59	60.225
Redemption amount as a % of principal amount (%)	108.70	100.00
Coupon rate	5.0%	3.25% for first 18 months 5.75% for balance 42 months
Maturity date	April 13, 2016	July 16, 2019
Current outstanding (in USD)	28.80 Million	248.83 Million

On April 14, 2016, Foreign Currency Convertible Bonds ("FCCBs") worth USD 28.80 Million in principal amount, which was part of the original 5% April 2016 Series have been repaid along with the applicable premium and the said series is now redeemed in full and cease to exist.

Since the date of issuance, bonds equivalent to USD 298.09 Million of July 2019 have been converted into shares by March 31, 2016. The bondholders have exercised their rights to convert bonds of USD 80.29 Million (USD 217.80 Million) of July 2019 bonds during the year.

### b. Redemption premium:

During the year ended March 31, 2016, the Company provided for the proportionate redemption premium of Rs 4.59 Crore (Rs 3.60 Crore on phase IV) and reversed the redemption premium on restructured bonds aggregating to Rs 24.23 Crore. Following are the scheme-wise details of the redemption premium as of the year end date.

Phase	March 31, 2016	March 31, 2015
Phase IV (5% April 2016)	16.60	12.01
Restructured bonds	-	24.23
<b>Total</b>	<b>16.60</b>	<b>36.24</b>

## III. The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2016 is as below:

Particulars	March 31, 2016		March 31, 2015	
	Amount (Rs in Crore)	Period of delay in days	Amount (Rs in Crore)	Period of delay in days
Repayment of term loan	-	-	52.65	Upto 90 days
Repayment of working capital term loan	-	-	30.17	Upto 30 days
Payment of interest	-*	-	183.67	Upto 90 days
Letters of credit / buyers' credit / devolvement	-	-	57.35	Upto 87 days

\*The Company has interest accrued and due as on March 31, 2016, which is debited by bank in subsequent month.

## IV. The details of repayment of long-term borrowings are as follow :

Particulars	Upto 1 Year	2 to 5 Years	Above 5 Years	Total
Secured loans*	25.90 (1,926.61)	1,225.34 (1,543.08)	1,299.31 (1,812.04)	2,550.55 (5,281.73)
Unsecured loans	190.82 (-)	1,648.66 (2,237.00)	- -	1,839.48 (2,237.00)
<b>Total</b>	<b>216.72</b> (1,926.61)	<b>2,874.00</b> (3,780.08)	<b>1,299.31</b> (1,812.04)	<b>4,390.03</b> (7,518.73)

\* For repayment details of term loans from banks and financial institutions which are part of CDR, refer Note 4.



The rate of interest on the long-term borrowings 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, wherever applicable, and the interest rate spread agreed with the banks.

## 11. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	29.51	37.97	17.23	28.82
Performance guarantee, operation, maintenance and warranty and liquidated damages	86.55	47.65	350.62	405.96
Provision for FCCB redemption premium	–	36.24	16.60	–
Provision for taxation	–	–	0.07	–
<b>Total</b>	<b>116.06</b>	<b>121.86</b>	<b>384.52</b>	<b>434.78</b>

The Company has made adequate provisions for all obligations, including long-term contracts and derivative contracts as required under the Accounting Standards.

In pursuance of Accounting Standard-29 (AS-29) 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	Performance guarantee	Operation, maintenance and warranty	Liquidated damages
Opening balance	46.35	185.66	221.60
	(52.18)	(230.10)	(150.04)
Additions during the year	77.76	164.02	76.64
	(17.93)	(78.77)	(97.45)
Utilisation	83.38	80.75*	163.22
	(23.76)	(123.21)*	(25.89)
Reversal	–	7.51	–
	(–)	(–)	(–)
Closing balance	40.73	261.42	135.02
	(46.35)	(185.66)	(221.60)

\* includes expenditure booked under various expenditure heads by their nature.

Performance guarantee ('PG') represents the expected outflow of resources against claims for performance shortfall expected in future over the life of the guarantee assured. The period of performance guarantee varies for each customer according to the terms of contract. The key assumptions in arriving at the performance guarantee provisions are wind velocity, plant load factor, grid availability, load shedding, historical data, wind variation factor etc.

Operation, maintenance and warranty ('O&M') represents the expected liability on account of field failure of parts of WTG and expected expenditure of servicing the WTGs over the period of free operation, maintenance and warranty, which varies according to the terms of each sales order.

Liquidated damages ('LD') represents the expected claims which the Company may need to pay for non-fulfilment of certain commitments as per the terms of the respective sales / purchase contracts. These are determined on a case to case basis considering the dynamics of each contract and the factors relevant to that sale.

The figures shown against 'Utilisation' represent withdrawal from provisions credited to statement of profit and loss to offset the expenditure incurred during the year and debited to statement of profit and loss.

## 12. Short-term borrowings

	March 31, 2016	March 31, 2015
<b>Secured</b>		
(i) Working capital facilities from banks	1,393.13	2,869.43
(ii) Working capital facilities from financial institutions	–	408.53
(iii) Working capital facilities from others	–	150.00
<b>Total</b>	<b>1,393.13</b>	<b>3,427.96</b>

The rate of interest on the working capital facilities from banks, financial institutions and others ranges between 11.00% p.a. to 14.00% p.a. depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks. For details of security given for short-term borrowings, refer Note 10 (I) above.

## 13. Other liabilities

	Non-Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings	–	–	216.72	1,926.61
Interest accrued but not due on borrowings	–	–	29.76	21.38
Interest accrued and due on borrowings	–	–	4.76	178.51
Unclaimed dividend	–	–	–	0.10
Advance from customer	–	–	898.80	731.37
Others*	135.01	85.49	292.22	342.12
<b>Total</b>	<b>135.01</b>	<b>85.49</b>	<b>1,442.26</b>	<b>3,200.09</b>

\* Primarily includes statutory dues, refundable deposits, and accruals.

14. Tangible and Intangible assets

Particulars	Gross block			Accumulated depreciation			Net block			
	As at April 1, 2015	Additions	Deductions	As at March 31, 2016	As at April 1, 2015	For the year	Deductions	Charged to reserve	As at March 31, 2016	As at March 31, 2015
<b>Tangible assets</b>										
Freehold land	102.10	1.15	-	103.25	-	-	-	-	103.25	102.10
Leasehold land	2.15	-	-	2.15	0.29	0.03	-	-	1.83	1.86
Buildings	446.65	0.03	-	446.68	194.53	17.58	-	-	234.57	252.12
Plant and machinery	375.67	30.34	0.15	405.86	287.44	30.32	0.08	-	88.18	88.23
Wind research and measuring equipments	61.63	0.73	10.97	51.39	53.25	4.28	10.13	-	3.99	8.38
Computers and office equipments	171.02	11.35	4.33	178.04	161.83	4.62	4.32	-	15.91	9.19
Furniture and fixtures	151.52	1.42	-	152.94	111.28	12.40	-	-	29.26	40.24
Vehicles	6.93	1.30	0.83	7.40	5.14	0.59	0.63	-	2.30	1.79
<b>Total tangible assets</b>	<b>1,317.67</b>	<b>46.32</b>	<b>16.28</b>	<b>1,347.71</b>	<b>813.76</b>	<b>69.82</b>	<b>15.16</b>	<b>-</b>	<b>479.29</b>	<b>503.91</b>
Previous year	1,306.59	40.88	29.80	1,317.67	711.87	113.13	19.27	8.03	503.91	594.72
<b>Intangible assets</b>										
Designs and drawings	388.62	257.75	-	646.37	306.45	94.44	-	-	245.48	82.17
SAP and other software	23.12	4.31	-	27.43	21.45	1.23	-	-	4.75	1.67
<b>Total intangible assets</b>	<b>411.74</b>	<b>262.06</b>	<b>-</b>	<b>673.80</b>	<b>327.90</b>	<b>95.67</b>	<b>-</b>	<b>-</b>	<b>250.23</b>	<b>83.84</b>
Previous year	407.62	4.12	-	411.74	283.22	44.68	-	-	83.84	124.40

a) As per requirements of Schedule II to the Companies Act 2013 in case of assets, where the useful life has expired on April 01, 2014, carrying amount of asset needs to be charged to opening balance of retained earnings. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of computers, office equipment, furniture and fixtures and plant and machinery which has resulted in charge of Nil (Rs 8.03 Crore) in the general reserve.

b) Buildings include those constructed on leasehold land.

c) Capitalisation of expenditure

During the year, the Company has capitalised the following expenses in connection with the self-manufactured assets. Consequently expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	March 31, 2016	March 31, 2015
Employee remuneration and benefits	0.25	-
Operating and other expenditure	9.41	-

The details of fixed assets held for disposal forming part of and included in tangible assets schedule.

Tangible assets	As at March 31, 2016			Depreciation for the year
	Gross block	Accumulated depreciation	Net block	
Freehold land	13.52	-	13.52	-
Buildings	93.98	60.68	33.30	3.75
Plant and machinery	93.05	84.37	8.68	2.76
Computers and office equipments	6.59	6.36	0.23	0.06
Furniture and fixtures	4.13	3.82	0.31	0.21
Vehicles	0.14	0.14	0.00*	0.00*
<b>Total</b>	<b>211.41</b>	<b>155.37</b>	<b>56.04</b>	<b>6.78</b>
Previous year	216.60	151.56	65.04	11.53

\* Less than Rs 0.01 Crore

There was an intent to sell office premises having gross block of Rs 4.82 Crore (Rs 4.83 Crore) and net block Rs 2.07 Crore (Rs 2.22 Crore) (including plant and machinery, computers and office equipments and furniture and fixtures) until previous year. As there is improved business outlook, it has been decided to retain these assets and therefore excluded the same in disclosure relating to asset held for sale.

## 15. Investments

Particulars	March 31, 2016	March 31, 2015
<b>Non-current investments</b>		
<b>Unquoted</b>		
Non-trade investments (valued at cost unless stated otherwise)		
Government and other securities (non-trade)		
Security deposit with government departments	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>Trade investment in subsidiaries</b>		
<b>Indian</b>		
29,366,800 (14,524,600) equity shares of Rs 10 each of Suzlon Structures Limited	961.50**	17.80
46,882,430 (46,882,430) equity shares of Rs 10 each of Suzlon Generators Limited	46.88	46.88
Nil (45,915,359) equity shares of Rs 10 each of Suzlon Gujarat Windpark Limited	–	45.92
Less: Provision for diminution in value of investment	(–)	(45.92)
194,610,000 (3,010,000) equity shares of Rs 10 each of Suzlon Power Infrastructure Limited	194.61	3.01
10,000,000 (10,000,000) equity shares of Rs 10 each of SE Electrical Limited	10.00	10.00
10,000,000 (10,000,000) equity shares of Rs 10 each of Suzlon Wind International Limited	10.00	10.00
Less: Provision for diminution in value of investment	(10.00)	(10.00)
15,000,000 (15,000,000) equity shares of Rs 10 each of SE Blades Limited	15.00	15.00
Less: Provision for diminution in value of investment	(15.00)	(15.00)
Nil (49,000) equity shares of Rs 10 each of Suzlon Global Services Ltd.	–	0.05
523,699 (996,750) equity shares of Rs 10 each of SE Solar Limited.	15.87	1.00
Less: Provision for diminution in value of investment	–	(1.00)
10,00,000 (7,50,000) 8% cumulative redeemable preference shares of Rs 100 each of Suzlon Structures Limited	11.63**	7.50
19,329,550 (19,329,550) 9% cumulative redeemable preference shares of Rs 100 each of Suzlon Wind International Limited	193.30	193.30
Less: Provision for diminution in value of investment	(193.30)	(193.30)
8,590,000 (8,590,000) 9% cumulative redeemable preference shares of Rs 100 each of SE Electrical Limited	85.90	85.90
52,398,000 (52,398,000) 9% cumulative redeemable preference shares of Rs 100 each of SE Blades Limited	523.98	523.98
Less: Provision for diminution in value of investment (refer Note 26)	(455.00)	(317.98)
10,327,817 (10,327,817) 3% compulsory convertible preference shares of Rs 10 each of Suzlon Generators Limited	10.32	10.32
Nil (20,000,000) 9% cumulative redeemable preference shares of Rs 100 each of Suzlon Gujarat Windpark Limited	–#2	200.00
Less: Provision for diminution in value of investment	(–)	(200.00)
784,920,791 (566,254,125) equity shares of Rs 10 each of SE Forge Limited	1,044.96	716.96
375,014 (Nil) equity shares of Rs 10 each of Vignaharta Wind Energy Limited	37.50	–
14 (Nil) equity shares of Rs 10 each in Varadvinayak Wind Energy Limited	0.00*	–
14 (Nil) equity shares of Rs 10 each in Sirocco Wind Energy Limited	0.00*	–
14 (Nil) equity shares of Rs 10 each in Vakratunda Wind Energy Limited	0.00*	–
14 (Nil) equity shares of Rs 10 each in Heramba Wind Energy Limited	0.00*	–
14 (Nil) equity shares of Rs 10 each in Sirocco Renewables Limited	0.00*	–
66,300 (Nil) equity shares of Rs 10 each in Amun Solarfarms Limited #	0.07	–
66,300 (Nil) equity shares of Rs 10 each in Avighna Solarfarms Limited #	0.07	–

Particulars	March 31, 2016	March 31, 2015
71,400 (Nil) equity shares of Rs 10 each in Prathamesh Solarfarms Limited #	0.07	–
66,300 (Nil) equity shares of Rs 10 each in Rudra Solarfarms Limited #	0.07	–
66,300 (Nil) equity shares of Rs 10 each in Vayudoot Solarfarms Limited #	0.07	–
71,400 (Nil) equity shares of Rs 10 each in Gale Solarfarms Private Limited #	0.07	–
71,400 (Nil) equity shares of Rs 10 each in Tornado Solarfarms Private Limited #	0.07	–
10,000 (Nil) equity shares of Rs 10 each in Abha Solarfarms Private Limited #	0.01	–
10,000 (Nil) equity shares of Rs 10 each in Aalok Solarfarms Private Limited #	0.01	–
10,000 (Nil) Equity shares of Rs 10 each in Shreyas Solarfarms Private Limited #	0.01	–
22,440 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Amun Solarfarms Limited #	2.24	–
22,440 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Avighna Solarfarms Limited #	2.24	–
22,440 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Rudra Solarfarms Limited #	2.24	–
22,440 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Vayudoot Solarfarms Limited #	2.24	–
75,990 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Prathamesh Solarfarms Limited #	7.60	–
23,970 (Nil) compulsory convertible debentures of Rs 1000 each in Tornado Solarfarms Private Limited #	2.40	–
60,690 (Nil) compulsory convertible debentures of Rs 1000 each in Gale Solarfarms Private Limited #	6.07	–
	<b>2,513.70</b>	<b>1,104.42</b>
<b>Overseas</b>		
244,000 (244,000) equity shares of Euro 10 each fully paid up of AE Rotor Holding B.V., The Netherlands	13.15	13.15
Less : Provision for diminution in value of investment (refer Note 6)	(13.15)	–
19,114,865 (19,114,865) equity shares of Euro 1 each fully paid up of Suzlon Energy A/S, Denmark, [Euro 69,769,999 (Euro 69,769,999) invested as additional paid-up-capital]	580.93	580.93
Less : Provision for diminution in value of investment	(580.93)	(580.93)
1,000 (1,000) equity shares of USD 1 each fully paid up of Suzlon Rotor Corporation, USA [USD 27,999,000 (USD 27,999,000) invested as additional paid in capital]	116.47	116.47
Less: Provision for diminution in value of investment	(116.47)	(116.47)
4,358,552,059 (4,890,681,979) equity shares of MUR 10 each of Suzlon Energy Limited, Mauritius	6,314.83 <sup>#1</sup>	7,245.62
Less: Provision for diminution in value of investment (refer Note 6)	(6,314.83)	(5,920.00)
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Limited, China	10.11	10.11
Less: Provision for diminution in value of investment	(10.11)	(10.11)
	<b>0.00</b>	<b>1,338.77</b>
<b>Investment in joint venture (at cost, fully paid)</b>		
Suzlon Energy (Tianjin) Limited, China	58.33	58.33
<b>Other than subsidiaries</b>		
7,550 (7,550) equity shares of Rs 10 each of Saraswat Co-operative Bank Ltd	0.01	0.01
30 (30) equity shares of Rs 10 of Godrej Millennium Condominium	0.00*	0.00*
	<b>0.01</b>	<b>0.01</b>
<b>Total</b>	<b>2,572.04</b>	<b>2,501.54</b>

\* Less than Rs 0.01 Crore

\*\* During the year, the Company has acquired remaining stake of minority shareholders at a consideration of Rs 20.00 Crore.

Particulars	March 31, 2016	March 31, 2015
<b>Current investments</b>		
<b>Unquoted</b>		
503,161 (Nil) equity shares of Rs 10 each of SE Solar Limited#	15.24	–
21,560 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Amun Solarfarms Limited	2.16	–
21,560 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Avighna Solarfarms Limited	2.16	–
21,560 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Rudra Solarfarms Limited	2.16	–
21,560 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Vayudoot Solarfarms Limited	2.16	–
73,010 (Nil) 0.01% compulsory convertible debentures of Rs 1000 each in Prathamesh Solarfarms Limited	7.30	–
23,030 (Nil) compulsory convertible debentures of Rs 1000 each in Tornado Solarfarms Private Limited	2.30	–
58,310 (Nil) compulsory convertible debentures of Rs 1000 each in Gale Solarfarms Private Ltd	5.83	–
63,700 (Nil) equity shares of Rs 10 each in Amun Solarfarms Limited #	0.06	–
63,700 (Nil) equity shares of Rs 10 each in Avighna Solarfarms Limited #	0.06	–
68,600 (Nil) equity shares of Rs 10 each in Prathamesh Solarfarms Limited #	0.07	–
63,700 (Nil) equity shares of Rs 10 each in Rudra Solarfarms Limited #	0.06	–
63,700 (Nil) equity shares of Rs 10 each in Vayudoot Solarfarms Limited #	0.06	–
68,600 (Nil) equity shares of Rs 10 each in Gale Solarfarms Private Limited #	0.07	–
68,600 (Nil) equity shares of Rs 10 each in Tornado Solarfarms Private Limited #	0.07	–
	<b>39.76</b>	<b>–</b>
<b>Quoted</b>		
SBI Premier Liquid Fund 643 (1,139,142) units of Rs 2,314 each (Rs 2,195 each)	0.15	250.00
SBI Ultra Short Term Debt Fund 594,541 (Nil) units of Rs 1,924 each (Nil each)	114.39	–
<b>Total quoted investment</b>	<b>114.54</b>	<b>250.00</b>
<b>Total</b>	<b>154.30</b>	<b>250.00</b>
Aggregate amount of quoted investments [Market value: Rs 115.92 Crore (Rs 250.12 Crore)]	114.54	250.00
Aggregate amount of unquoted investments	2,611.80	2,501.54
Aggregate provision for diminution in value of investment	(7,708.79)	(7,410.71)

# During the year, Suzlon entered in Solar sector to leverage its expertise from concept to commissioning. In order to execute the project, various special purpose vehicles ('SPV') were incorporated / acquired. The Company does not intend to hold the SPV's for long term and hence the investment has been classified as current.

For details of investment given as security refer Note 10(I).

#<sup>1</sup> During the year subsidiary has done buyback of 532,129,920 shares at face value of MUR 10 each.

#<sup>2</sup> During the year subsidiary has fully repaid its redeemable preference share at face value of Rs 100 each.

## 16. Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Capital advances</b>				
Unsecured, considered good	5.98	0.07	–	–
<b>(a)</b>	<b>5.98</b>	<b>0.07</b>	<b>–</b>	<b>–</b>
<b>Security deposits</b>				
Unsecured, considered good	20.12	20.51	8.42	10.71
Unsecured, considered doubtful	3.50	–	–	–
	<b>23.62</b>	<b>20.51</b>	<b>8.42</b>	<b>10.71</b>
Less : Provision for doubtful deposit	(3.50)	(–)	(–)	(–)
<b>(b)</b>	<b>20.12</b>	<b>20.51</b>	<b>8.42</b>	<b>10.71</b>
<b>Loans and advances to related parties*</b>				
Unsecured loans to subsidiaries	657.18	1,472.34	1,560.92	3,386.22
	<b>657.18</b>	<b>1,472.34</b>	<b>1,560.92</b>	<b>3,386.22</b>
Unsecured, security deposits	64.48	64.48	–	–
Unsecured advances for goods and services	–	–	95.21	560.25
Unsecured, considered doubtful	–	87.02	–	–
	<b>721.66</b>	<b>1,623.84</b>	<b>1,656.13</b>	<b>3,946.47</b>
Less: Provision for diminution in loans	(–)	(87.02)	(–)	(–)
<b>(c)</b>	<b>721.66</b>	<b>1,536.82</b>	<b>1,656.13</b>	<b>3,946.47</b>
<b>Advances recoverable in cash or in kind</b>				
Unsecured, considered good	0.71	0.71	74.76	84.08
Unsecured, considered doubtful	98.59	58.65	8.00	–
	<b>99.30</b>	<b>59.36</b>	<b>82.76</b>	<b>84.08</b>
Less : Allowance for bad and doubtful advances	(98.59)	(58.65)	(8.00)	(–)
<b>(d)</b>	<b>0.71</b>	<b>0.71</b>	<b>74.76</b>	<b>84.08</b>
<b>Other loans and advances</b>				
<b>Unsecured, considered good</b>				
Advance income tax (net of provisions)	–	22.44	12.62	7.59
Other assets	–	–	53.58	33.63
<b>(e)</b>	<b>–</b>	<b>22.44</b>	<b>66.20</b>	<b>41.22</b>
<b>Total (a+b+c+d+e)</b>	<b>748.47</b>	<b>1,580.55</b>	<b>1,805.51</b>	<b>4,082.48</b>

\*refer Note 32

## 17. Trade receivables and other assets

### 17.1 Trade receivables

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Unsecured</b>				
Outstanding for a period exceeding six months from due date				
Considered good*	97.40	–	413.42	1,201.48
Considered doubtful	42.91	56.11	–	–
	<b>140.31</b>	<b>56.11</b>	<b>413.42</b>	<b>1,201.48</b>
Other receivable	–	–	1,346.15	378.87
	<b>140.31</b>	<b>56.11</b>	<b>1,759.57</b>	<b>1,580.35</b>
Less: Provision for doubtful receivables	(42.91)	(56.11)	(–)	(–)
<b>Total</b>	<b>97.40</b>	<b>–</b>	<b>1,759.57</b>	<b>1,580.35</b>

\* Current trade receivables include receivables from subsidiaries of Rs 248.20 Crore (Rs 901.79 Crore) and from joint venture Rs 20.50 Crore (Rs 19.14 Crore).

## 17.2 Other assets

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances	217.21	96.95	–	–
Prepaid compensation in lieu of bank sacrifice	–	–	–	22.83
Ancillary cost of arranging the borrowings	13.18	35.33	13.66	9.22
Receivable towards sale of OMS business undertaking	–	–	1,246.57	1,836.50
Receivable towards share application money	–	–	–	1,800.00
Forward contract receivable	–	–	–	249.50
Interest receivable	–	–	7.60	6.10
Other assets*	341.18	272.69	63.66	144.19
<b>Total</b>	<b>571.57</b>	<b>404.97</b>	<b>1,331.49</b>	<b>4,068.34</b>

\*The Company incurs expenditure on development of infrastructure facilities for power evacuation arrangements as per authorization of the State Electricity Boards ('SEB') / Nodal agencies in Maharashtra and Tamil Nadu. The expenditure is reimbursed, on agreed terms, by the SEB / Nodal agencies. In certain cases, the Company recovers the cost from customers in the ordinary course of business. The cost incurred towards development of infrastructure facility inventory is reduced by the reimbursements received from SEB / Nodal agencies and the net amount is shown as 'Infrastructure Development Asset' under other current assets. The excess of cost incurred towards the infrastructure facilities net of reimbursement received from SEB / Nodal agencies / customers is charged to statement of profit and loss as infrastructure development expenses. Other assets include Rs 372.33 Crore (Rs 385.13 Crore) towards infrastructure development which is similar in nature of power evacuation inventory.

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

	March 31, 2016	March 31, 2015
Raw materials [including goods-in-transit of Rs 259.55 Crore (Rs 54.98 Crore)] (refer Note 40e)	757.25	234.87
Semi-finished goods and work-in-progress [(including goods-in-transit of Rs 0.75 Crore (Rs 10.90 Crore)]	283.84	311.42
Land and land lease rights	18.40	28.79
Stores and spares	65.15	35.84
<b>Total</b>	<b>1,124.64</b>	<b>610.92</b>

## 19. Cash and bank balances

	March 31, 2016	March 31, 2015
<b>Cash and Cash equivalents</b>		
Balances with banks:		
In current accounts	87.85	66.79
Unpaid dividend	–	0.10
Other bank balances	0.31	0.39
Cash on hand	0.22	0.19
<b>Total</b>	<b>88.38</b>	<b>67.47</b>



**20. Revenue from operations**

	March 31, 2016	March 31, 2015
Sale of wind turbines and other components	5,812.07	2,184.39
Excisable sales	2.71	0.01
Less : Excise duty	(0.00)*	(0.00)*
	5,814.78	2,184.40
Sale of services	106.61	69.79
Scrap sales	9.25	7.30
<b>Total</b>	<b>5,930.64</b>	<b>2,261.49</b>

\*Less than Rs 0.01 Crore

**Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'**

	March 31, 2016	March 31, 2015
Contract revenue recognised during the period	463.29	296.28
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	1,257.74	864.40
Amount of customer advances outstanding for contracts in progress up to the reporting date	–	–
Retention amount due from customers for contracts in progress up to the reporting date	–	–
Due from customers	–	–
Due to customers	39.61	7.44

**21. Cost of raw material and components consumed**

	March 31, 2016	March 31, 2015
<b>Consumption of raw materials (including project business)</b> (refer Note 40d for details)		
Opening inventory	234.87	314.67
Add : Purchases including bought out components	4,184.03	1,547.66
	4,418.90	1,862.33
Less : Closing inventory	757.25	234.87
	3,661.65	1,627.46
<b>Purchase of traded goods</b>	<b>30.66</b>	<b>18.39</b>
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade (Increase) / decrease in stocks:</b>		
Opening inventory		
Finished, semi-finished goods and work- in- progress	311.42	364.35
Land and land lease rights	28.79	25.24
<b>(A)</b>	<b>340.21</b>	<b>389.59</b>
Closing inventory		
Finished, semi-finished goods and work- in- progress	283.84	311.42
Land and land lease rights	18.40	28.79
<b>(B)</b>	<b>302.24</b>	<b>340.21</b>
<b>(Increase) / decrease in stocks</b>	<b>(C) = (A) - (B)</b>	<b>49.38</b>

**22. Employee benefits expense**

	March 31, 2016	March 31, 2015
Salaries, wages, allowances and bonus	194.88	160.79
Contribution to provident fund and other funds	14.02	14.81
Employee stock option scheme (refer Note 29)	3.80	7.76
Staff welfare expenses	9.44	3.68
<b>Total</b>	<b>222.14</b>	<b>187.04</b>

### 23. Other expenses

	March 31, 2016	March 31, 2015
Stores and spares consumed	35.61	17.50
Power and fuel	5.46	4.40
Factory expenses	4.32	2.46
Repairs and maintenance:		
Plant and machinery	1.06	0.75
Building	4.57	1.81
Others	15.25	12.93
Operation and maintenance charges	66.13	58.21
Design change and technical upgradation charges	2.90	1.12
Rent	9.94	6.74
Rates and taxes	3.43	2.15
Performance guarantee expenditure (refer Note 11)		
Expenses incurred during the year	83.38	23.76
Provision made during the year	77.76	17.93
Less: Amount withdrawn from provision	(83.38)	(23.76)
Liquidated damages expenditure (refer Note 11)		
Expenses incurred during the year	155.72	25.89
Provision made during the year	76.64	97.45
Less: Amount withdrawn from provision	(155.72)	(25.89)
Operation, maintenance and warranty expenditure (refer Note 11)	156.51	78.77
Quality assurance expenses	27.18	13.98
R & D certification and product development	46.57	35.26
Insurance	11.36	7.76
Advertisement and sales promotion	9.94	4.61
Infrastructure development expenses	0.77	–
Freight outward and packing expenses	242.48	133.96
Sales commission	6.96	3.47
Travelling, conveyance and vehicle expenses	29.57	23.80
Communication expenses	5.05	4.96
Auditors' remuneration and expenses (refer details below)	1.13	1.42
Consultancy charges	44.46	41.27
Charity and donations	1.66	0.54
Security expenses	4.51	6.25
Miscellaneous expenses	65.51	35.55
Exchange differences, net	150.76	87.45
Bad debts written off	10.95	0.23
Provision for doubtful debts and advances	15.48	66.81
Provision for diminution in investments	(1.00)	–
Loss on assets sold / discarded, net	0.13	(0.53)
<b>Total</b>	<b>1,133.05</b>	<b>769.01</b>
<b>Payment to auditor:</b>		
	March 31, 2016	March 31, 2015
<b>As auditor:</b>		
Statutory audit fees	0.86	0.91
Tax audit fees	0.09	0.10
<b>In other capacities:</b>		
Certification and other advisory services	0.08	0.27
Reimbursement of out of pocket expenses	0.10	0.14
<b>Total</b>	<b>1.13</b>	<b>1.42</b>

**24. Finance costs**

	March 31, 2016	March 31, 2015
Interest		
Fixed loans	345.33	614.56
Others	212.52	468.70
Bank charges	74.99	44.72
Compensation in lieu of bank sacrifice	22.83	52.02
Amortisation of ancillary borrowing costs	22.35	35.13
Exchange difference to the extent considered as an adjustment to borrowing costs	8.92	4.26
<b>Total</b>	<b>686.94</b>	<b>1,219.39</b>

**25. Finance income**

	March 31, 2016	March 31, 2015
Interest income		
From banks on fixed deposits	17.67	12.43
From others	453.53	321.26
Profit on sale of mutual funds	29.47	–
<b>Total</b>	<b>500.67</b>	<b>333.69</b>

**26. Exceptional items**

	March 31, 2016	March 31, 2015
Provision / (reversal) towards diminution in loans / investments in subsidiaries and recognition of interest income (refer Note 6 and Note 26 b)	476.69	4,504.42
Net gain on sale of investment in subsidiaries, net (refer Note 26 a)	(21.38)	–
Exchange difference on restructured FCCBs	–	103.43
<b>Total</b>	<b>455.31</b>	<b>4,607.85</b>

- a. During the year, the Company as a part of restructuring exercise, has transferred its investments in SGSL to SSL which resulted in a gain Rs 829.78 Crore and in SGWPL to SPIL which resulted in a net loss of Rs 808.40 Crore after utilization of diminution provision of Rs 245.92 Crore. These transfers have been undertaken for considerations which are determined based on valuation reports of independent valuation firms.
- b. During financial year ended 2015, the Company based on the revised business plans and valuation reports obtained from independent valuation firm, has reversed the impairment provision made on investments / loans given to its domestic subsidiaries in earlier years. The Company has also recognised interest income on the loans given to these subsidiaries pertaining to previous years and current year. Interest incomes on these loans were not recognised in previous year owing to uncertainty of collection in past years. The reversal of provisions and recognition of interest income has been disclosed under exceptional item.

**27. Earnings per share (EPS)**

	March 31, 2016	March 31, 2015
<b>Basic</b>		
Net profit / (loss) after tax	46.75	(6,032.34)
Weighted average number of equity shares	4,787,544,853	3,003,081,220
Basic earnings/(loss) per share of Rs 2 each	0.10	(20.09)
<b>Diluted</b>		
Net profit / (loss) after tax	46.75	(6,032.34)
Add: Interest on foreign currency convertible bonds (net of tax)	59.73	68.93
Employee stock purchase scheme / Employee stock option plan	2.54	5.18
Adjusted net profit / (loss) after tax	109.02	(5,958.23)
Weighted average number of equity shares	4,787,544,853	3,003,081,220
Add: Potential weighted average equity shares that could arise on		
conversion of foreign currency convertible bonds	969,310,857	933,539,064
conversion of employee stock purchase scheme	4,040,815	3,452,308
Weighted average number of equity shares for diluted EPS	5,760,896,525	3,940,072,592
Diluted earnings/(loss) per share (Rs) of face value of Rs 2 each [see note below]*	0.10	(20.09)

\*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.

## 28. Post employment benefits

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

### Net employee benefits expense recognised in the statement of profit and loss:

	March 31, 2016	March 31, 2015
Current service cost	3.03	2.81
Interest cost on benefit obligation	1.81	1.65
Expected return on plan assets	(0.78)	(0.80)
Net actuarial loss recognised in the year	0.95	3.38
Net benefit expense	5.01	7.04

### Details of defined benefit obligation:

	March 31, 2016	March 31, 2015
Defined benefit obligation	27.49	23.99
Fair value of plan assets	9.51	8.13
Present value of unfunded obligations	17.98	15.86
Plan liability	17.98	15.86

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	23.99	18.76
Interest cost	1.81	1.65
Current service cost	3.03	2.81
Benefits paid	(1.66)	(1.79)
Actuarial (gains) / losses on obligation	1.28	2.89
Acquisition adjustment / settlement cost	(0.96)	(0.33)
Closing defined benefit obligation	27.49	23.99

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	8.13	9.55
Expected return	0.78	0.80
Contributions by employer*	2.89	0.39
Benefits paid	(1.66)	(1.79)
Actuarial gains / (losses)	0.33	(0.49)
Acquisition adjustment / settlement cost	(0.96)	(0.33)
Closing fair value of plan assets	9.51	8.13

\* The contribution made by the employer during the year was Rs 2.89 Crore (Rs 0.39 Crore) of which Rs 2.89 Crore (Rs 0.39 Crore) was paid towards approved fund. The actual return on plan assets during the year Rs 1.11 Crore (Rs 0.31 Crore).

Major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2016	March 31, 2015
Investments in approved fund	100%	100%

### Amounts for the current and previous periods are as follows:

	March 31,				
	2016	2015	2014	2013	2012
Defined benefit obligation	27.49	23.99	18.76	25.90	24.29
Plan assets	9.51	8.13	9.55	19.20	13.11
Surplus / (deficit)	(17.98)	(15.86)	(9.21)	(6.70)	(11.18)
Experience adjustments on plan liabilities	1.59	0.61	0.73	4.29	(2.36)
Experience adjustments on plan assets	(0.33)	(0.49)	0.28	-	0.43

### The principal assumptions used in determining defined benefit obligation are shown below:

	March 31, 2016	March 31, 2015
Discount rate	7.90%	7.80%
Expected rate of return on plan assets	8.50%	8.50%
Salary escalation rate	8.00%	8.00%
Attrition rate	10% at younger ages and reducing to 1% at older age according to graduated scale	10% at younger ages and reducing to 1% at older age according to graduated scale

The estimated future salary increase considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The overall expected rate of return on plan assets is determined based on the market prices prevailing as on balance sheet date, applicable to the period over which the obligation is to be settled.

## 29. Employee stock option plans

a) The Company has provided various Employee Stock Option and Purchase Schemes to its employees. During the year ended March 31, 2016 the following schemes were in operation:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme X	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
Grant date	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	27-Apr-11	31-Jul-11	25-May-12	31-Mar-14	23-Jun-14
Board approval date	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	14-Feb-14	14-Feb-14
Shareholder approval	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	27-Mar-14	27-Mar-14
Options granted (Nos)	1,878,000	10,916,787	135,000	175,000	50,000	75,000	50,000	65,000	25,000	12,301,100	45,000,000
Exercise Price (Rs)	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	54.35	54.15	20.85	8.10	26.95
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period										15-Apr-14	
Tranche 1	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	27-Apr-12	1-Aug-12	26-May-13		23-Jun-15
Tranche 2	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	27-Apr-13	1-Aug-13	26-May-14		23-Jun-16
Tranche 3	-	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	27-Apr-14	1-Aug-14	26-May-15		
Vesting %										100%	
Tranche 1	75%	50%	50%	50%	50%	50%	50%	50%	50%		50%
Tranche 2	25%	25%	25%	25%	25%	25%	25%	25%	25%		50%
Tranche 3	-	25%	25%	25%	25%	25%	25%	25%	25%		
Exercise period (end date)	Till 21-May-2015	Till 5-Oct-2014	Till 30-Jan-2015	Till 28-Jul-2015	Till 30-Oct-2015	Till 21-Feb-2016	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017	Till 15-Apr-2014	Till 31-Mar-2019*

\*The Company has extended the exercise period of options granted under special ESOP 2014 by 2 years.

b) The movement in the stock options during the year ended March 31, 2016 was as per the table below:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	Special ESOP 2014
	Scheme III	Scheme VI	Scheme XI	Scheme XII	Scheme XIV
Opening balance	815,000	35,000	10,000	12,500	44,265,600
Granted during the year	-	-	-	-	-
Forfeited / cancelled during the year	104,000	-	10,000	12,500	3,924,800
Exercised during the year	-	-	-	-	-
Expired during the year	711,000	35,000	-	-	-
Closing balance	-	-	-	-	40,340,800
Exercisable at the end of the year (Included in closing balance of option outstanding)	-	-	-	-	40,340,800

c) The movement in the stock options during the year ended March 31, 2015 was as per the table below:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
Opening balance	865,000	3,787,081	35,000	35,000	10,000	12,500	12,301,100	-
Granted during the year	-	-	-	-	-	-	-	45,000,000
Forfeited / cancelled during the year	50,000	70,004	-	-	-	-	-	734,400
Exercised during the year	-	-	-	-	-	-	10,095,000	-
Expired during the year	-	3,717,077	35,000	-	-	-	2,206,100	-
Closing balance	815,000	-	-	35,000	10,000	12,500	-	44,265,600
Exercisable at the end of the year (Included in closing balance of option outstanding)	815,000	-	-	35,000	10,000	9,375	-	22,132,800

#### d) Fair value of the options

The Company applies intrinsic value based method of accounting for determining compensation cost for Scheme II to Scheme XIV. Following are the details of the amounts that would have been charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)		ESOP Perpetual-I (Tranche II)		ESOP Perpetual-I (Tranche III)		ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme X	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
		Non-US	US	Non-US	US	Non-US	US							
Charge to statement of profit and loss	Nil	Nil		Nil		Nil		Nil	Nil	Nil	Nil	Nil	Nil	3.80
	(Nil)	(Nil)		(0.09)		(Nil)		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(7.67)
Rate per option (Rs)	2.20	22.25	4.75	15.45	Nil	12.29	0.60	11.09	Nil	0.05	Nil	Nil	1.75	3.00
Black Scholes' Model - Cost per option (Rs)	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	24.50	22.67	9.25	1.77	13.18

If the cost per option was calculated based on the 'Black-Scholes' model, the profit after tax would have been lower by Rs 38.70 Crore (Rs 26.00 Crore).

Consequently the basic and diluted earnings / (loss) per share after factoring the above impact would be as follows:

Earnings per share	March 31, 2016	March 31, 2015
- Basic	0.02	(20.17)
- Diluted	0.02	(20.17)

### 30. Operating leases

#### a. Premises

The Company has taken certain premises under cancellable operating leases. However there is no escalation clause. Each renewal is at the option of lessee. There are no restrictions placed upon the company by entering into these leases. The total rental expense under cancellable operating leases during the period was Rs 9.50 Crore (Rs 6.30 Crore). The Company has also taken certain other premises under non-cancellable operating lease agreement. The lease rental charge during the year is Rs 0.44 Crore (Rs 0.44 Crore) and maximum obligations on long-term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows:

Obligation on non-cancellable operating leases	March 31, 2016	March 31, 2015
Not later than one year	0.45	0.44
Later than one year and not later than five years	1.88	1.84
Later than five years	0.81	1.30

#### b. Premises given on lease:

During the year, the Company has entered into commercial lease of certain premises. These leases are of cancellable nature and there are no restrictions placed upon the Company by entering into these leases. Lease rental income recognised in statement of profit and loss for the period is Rs 6.73 Crore (Rs 4.35 Crore).

### 31. Segment information

As permitted by paragraph 4 of Accounting Standard-17 (AS - 17), 'Segment Reporting', if a single financial report contains both consolidated financial statements and the separate financial statements of the parent, segment information need be presented only on the basis of the consolidated financial statements. Thus, disclosures required by AS 17 are given in consolidated financial statements.

## 32. Related party disclosures

### a. List of related parties and nature of relationships where control exists

Name of the party	Nature of relationship
AE-Rotor Holding B.V.	Subsidiary company
PowerBlades GmbH*	Subsidiary company
PowerBlades Industries Inc.*	Subsidiary company
PowerBlades SA*	Subsidiary company
Senvion Holdings Pty Ltd.*	Subsidiary company
Senvion Betriebs- und Beteiligungs GmbH *	Subsidiary company
Senvion Investitions- und Projektierungs GmbH & Co. KG*	Subsidiary company
REpower North China Ltd.*	Subsidiary company
Senvion India Limited*	Subsidiary company
Senvion (Beijing) Trading Co. Ltd. *	Subsidiary company
Senvion Windpark Betriebs GmbH *	Subsidiary company
RETC Renewable Energy Technology Centre *	Subsidiary company
RiaBlades S.A.*	Subsidiary company
RPW Investments, SGPS, S.A.**	Subsidiary company
SE Blades Limited	Subsidiary company
SE Blades Technology B.V.	Subsidiary company
SE Drive Technik GmbH	Subsidiary company
SE Electricals Limited	Subsidiary company
SE Forge Limited	Subsidiary company
Senvion Australia Pty Ltd.*	Subsidiary company
Senvion Austria GmbH*	Subsidiary company
Senvion Benelux b.v.b.a.*	Subsidiary company
Senvion Canada Inc.*	Subsidiary company
Senvion Deutschland GmbH*	Subsidiary company
Suzlon Energy PLC	Subsidiary company
Senvion France S.A.S.*	Subsidiary company
Senvion Italia s.r.l.*	Subsidiary company
Senvion Netherlands B.V.*	Subsidiary company
Senvion Portugal S.A.*	Subsidiary company
Senvion Romania SRL*	Subsidiary company
Senvion SE *	Subsidiary company
Senvion Systems Polska Sp.z o.o.*	Subsidiary company
Senvion Systems Scandinavia AB*	Subsidiary company
Senvion Turkey Rüzgar Türbinleri Limited Şirketi*	Subsidiary company
Senvion UK Ltd. *	Subsidiary company
Senvion USA Corp.*	Subsidiary company
Sure Power LLC	Subsidiary company
Suzlon Energia Eloica do Brasil Ltda	Subsidiary company
Suzlon Energy (Tianjin) Limited	Joint Venture
Suzlon Energy A/S	Subsidiary company
Suzlon Energy Australia CYMWFDPty Ltd.***	Subsidiary company
Suzlon Energy Australia Pty. Ltd.	Subsidiary company
Suzlon Energy Australia RWFD Pty. Ltd.****	Subsidiary company
Suzlon Energy B.V.	Subsidiary company
Suzlon Energy GmbH	Subsidiary company
Suzlon Energy Korea Co., Ltd.	Subsidiary company
Suzlon Energy Limited	Subsidiary company
Suzlon Generators Limited	Subsidiary company
Suzlon Global Services Limited	Subsidiary company
Suzlon Gujarat Wind Park Limited	Subsidiary company
Suzlon Power Infrastructure Limited	Subsidiary company
Suzlon Project VIII LLC	Subsidiary company
Suzlon Rotor Corporation	Subsidiary company
Suzlon Structures Limited	Subsidiary company
Suzlon Wind Energy (Lanka) Pvt Limited	Subsidiary company

Suzlon Wind Energy bH	Subsidiary company
Suzlon Wind Energy Bulgaria EOOD	Subsidiary company
Suzlon Wind Energy Corporation	Subsidiary company
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd.	Subsidiary company
Suzlon Wind Energy Espana, S.L	Subsidiary company
Suzlon Wind Energy Italy s.r.l.	Subsidiary company
Suzlon Wind Energy Limited	Subsidiary company
Suzlon Wind Energy Nicaragua Sociedad Anonima	Subsidiary company
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	Subsidiary company
Suzlon Wind Energy Romania SRL	Subsidiary company
Suzlon Wind Energy South Africa (PTY) Ltd	Subsidiary company
Suzlon Wind Energy Uruguay SA	Subsidiary company
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Subsidiary company
Suzlon Wind International Limited	Subsidiary company
Suzlon Windenergie GmbH	Subsidiary company
Tarilo Holding B.V.	Subsidiary company
Valum Holding B.V.	Subsidiary company
Ventipower S.A*	Subsidiary company
Ventinveste Indústria, SGPS, S.A.*	Subsidiary company
WEL Windenergie Logistik GmbH *	Subsidiary company
Windpark Blockland GmbH & Co KG*	Subsidiary company
Yorke Peninsula Wind Farm Project Pty Ltd *	Subsidiary company
Sirocco Wind Energy Limited	Subsidiary company
Sirocco Renewables Limited	Subsidiary company
Heramba Wind Energy Limited	Subsidiary company
Vakratunda Wind Energy Limited	Subsidiary company
Varadvinayak Wind Energy Limited	Subsidiary company
Vignaharta Wind Energy Limited	Subsidiary company
Amun Solarfarms Limited	Subsidiary company
Avighna Solarfarms Limited	Subsidiary company
Rudra Solarfarms Limited	Subsidiary company
Vayudoot Solarfarms Limited	Subsidiary company
Prathamesh Solarfarms Limited	Subsidiary company
SE Solar Limited	Subsidiary company
Gale Solarfarms Private Limited	Subsidiary company
Tornado Solarfarms Private Limited	Subsidiary company
Shreyas Solarfarms Private Limited	Subsidiary company
Aalok Solarfarms Private Limited	Subsidiary company
Abha Solarfarms Private Limited	Subsidiary company
Avind Desenvolvimento De Projectos De Energia Ltda	Subsidiary company
Consortium Suzlon Padgreen Co Ltd.	Joint Venture
Parque Eolico El Almendro S.L.	Subsidiary company

\* Sold during the year

\*\* Merged during the year

\*\*\* Liquidated during the year

\*\*\*\* Under liquidation

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

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

Aspen Infrastructures Limited, ITP Senergy Limited, PT Wind Energy, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited, Samiran Realities Limited, Sandla Wind Project Private Limited, Sarjan Realities Limited, SE Freight & Logistics India Private Limited, Shubh Realities (South) Private Limited, Sugati Beach Resort Private Limited, Sugati Holdings Private Limited, Suruchi Holdings Private Limited, Windforce Management Services Private Limited, Suzlon Foundation, Suzlon Green Power Limited, Synefra Infrastructures Limited, Windforce Management, Tanti Holdings Private Limited and Girish R. Tanti (HUF)

**ii. Key Management Personnel:**

Tulsi R. Tanti, Kirti J Vagadia, Amit Agarwal and Hemal Kanuga.

**iii. Relatives of Key Management Personnel:**

Rambhoben Ukabhai, Jitendra R. Tanti, Sanyogita P. Tanti, Nidhi T. Tanti, Vinod R. Tanti and Girish R. Tanti.

**iv. Employee funds:**

Suzlon Energy Limited – Superannuation Fund.  
Suzlon Energy Limited – Employees Group Gratuity Scheme.



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

Particulars	Subsidiaries	Entities where KMP/RKMP has significant influence	Joint Venture	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	232.94 (0.27)	9.23 (-)	- (0.17)	- (-)	- (-)	- (-)
Sale of fixed assets	0.10 (0.74)	- (8.48)	- (-)	- (-)	- (-)	- (-)
Subscription to / purchase of equity shares / CCD	2,863.01 (227.40)	- (-)	- (-)	- (-)	- (-)	- (-)
Sale of Investments	2,250.22 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Loans taken	- (36.00)	- (-)	- (-)	- (-)	- (-)	- (-)
Loans given	5,652.99 (2,367.81)	- (-)	- (-)	- (-)	- (-)	- (-)
Purchase of goods and services	1,327.16 (682.13)	290.82 (169.75)	- (-)	- (-)	- (-)	- (-)
Sale of goods (net of returns)	249.68 (367.28)	256.31 (-)	0.04 (0.01)	- (-)	- (-)	- (-)
Reimbursement of other expenses receivable	71.06 (95.13)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses payable	10.23 (7.17)	2.55 (-)	- (-)	- (-)	- (-)	- (-)
Interest expense	0.21 (0.45)	- (0.98)	- (-)	- (-)	- (-)	- (-)
Interest income	452.80 (534.70)	- (-)	- (-)	- (-)	- (-)	- (-)
Lease rent income	0.60 (0.60)	1.15 (1.01)	- (-)	- (-)	- (-)	- (-)
Rent expense	- (-)	0.01 (0.01)	- (-)	- (-)	- (-)	- (-)
Miscellaneous income	0.07 (1.42)	- (-)	- (-)	- (-)	- (-)	- (-)
Guarantee given	- (119.83)	- (-)	- (-)	- (-)	- (-)	- (-)
Managerial remuneration	- (-)	- (-)	- (-)	14.81 (7.14)	- (-)	- (-)
Remuneration paid	- (-)	- (-)	- (-)	- (-)	0.49 (0.24)	- (-)
Contribution to various funds	- (-)	- (-)	- (-)	- (-)	- (-)	5.94 (0.77)
CCD's / shares issued	- (-)	- (92.00)	- (-)	- (-)	- (-)	- (-)
CSR	- (-)	0.14 (-)	- (-)	- (-)	- (-)	- (-)

**Outstanding balances:**

Particulars	Subsidiaries	Entities where KMP / RKMP has significant influence	Joint venture	KMP	RKMP	Employee funds
Investments	10,262.25	-	58.33	-	-	-
	(9,853.89)	(-)	(58.33)	(-)	(-)	(-)
Advance from customers	135.75	0.34	-	-	-	-
	(0.01)	(22.65)	(-)	(-)	(-)	(-)
Trade receivables	252.08	211.32	20.50	-	-	-
	(901.79)	(9.65)	(19.14)	(-)	(-)	(-)
Loans outstanding (including interest)	2,218.28	-	-	-	-	-
	(4,945.88)	(-)	(-)	(-)	(-)	(-)
Deposits outstanding (including interest)	-	68.01	-	-	-	-
	(-)	(68.01)	(-)	(-)	(-)	(-)
Other current asset receivable	1,246.57	-	-	-	-	-
	(1,836.48)	(-)	(-)	(-)	(-)	(-)
Advance to supplier and other receivables	-	2.00	-	-	-	-
	(-)	(16.50)	(-)	(-)	(-)	(-)
Trade payables	1,060.50	18.59	131.50	-	-	-
	(1,446.24)	(2.49)	(124.10)	(-)	(-)	(-)
Interest payable	0.21	-	-	-	-	-
	(-)	(0.88)	(-)	(-)	(-)	(-)
Corporate guarantees	62.00	-	-	-	-	-
	(251.14)	(-)	(-)	(-)	(-)	(-)
Advances towards charges / expenses	95.21	-	-	-	-	-
	(560.32)	(-)	(-)	(-)	(-)	(-)

Loans given to related parties are repayable on demand. The rate of interest on these loans ranges between 4.50% p.a. to 11.00% p.a. These loans have been utilised by these related parties for funding their business operations.

Note: Certain subsidiaries and group companies have been allowed to make free of charge use of SAP software and office premises owned by the Company.

**d. Disclosure of significant transactions with related parties:**

Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2016	2015
Purchase of fixed assets (including intangibles)	Subsidiary	SE Blades Technology B.V.	52.09	-
	Subsidiary	Suzlon Energy GmbH	176.37	-
	Subsidiary	SE Blades Limited	0.46	0.24
	Joint Venture	Suzlon Energy (Tianjin) Ltd.	-	0.17
Sale of fixed assets	Subsidiary	SE Electricals Limited	-	0.04
	Subsidiary	SE Blades Limited	0.08	-
	Subsidiary	Suzlon Wind International Limited	-	0.52
	Subsidiary	Suzlon Global Services Limited	0.01	-
	Entities where KMP/ RKMP has significant influence	PT Wind Energy	-	8.48

Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2016	2015
Purchase of equity shares	Subsidiary	SE Forge Limited	328.00	150.00
	Subsidiary	Suzlon Structures Limited	927.83	–
	Subsidiary	Suzlon Gujarat Windpark Limited	1200.00	–
	Subsidiary	Suzlon Energy A/S	–	77.21
Purchase of compulsory convertible debentures	Subsidiary	Prathamesh Solarfarm Ltd.	14.90	–
	Subsidiary	Gale Solarfarms Pvt. Ltd.	11.90	–
Redemption of preference shares	Subsidiary	Suzlon Gujarat Windpark Limited	200.00	–
Sale of investments	Subsidiary	Suzlon Global Services Limited	927.83	–
	Subsidiary	Suzlon Gujarat Windpark Limited	191.60	–
Buyback of shares	Subsidiary	Suzlon Energy Limited Mauritius	930.79	–
Loans taken	Subsidiary	Suzlon Global Services Limited	–	36.00
Loans given	Subsidiary	SE Blades Limited	682.30	400.99
	Subsidiary	Suzlon Wind International Limited	1,407.46	886.51
	Subsidiary	Suzlon Power Infrastructure Limited	369.81	284.93
	Subsidiary	Suzlon Gujarat Windpark Limited	1,116.01	571.48
	Subsidiary	SE Electricals Limited	627.01	167.83
Purchase of goods and services	Subsidiary	SE Electricals Limited	303.64	104.98
	Subsidiary	Suzlon Gujarat Windpark Limited	24.38	62.71
	Subsidiary	SE Forge Limited	143.05	53.03
	Subsidiary	Suzlon Wind International Limited	1.01	41.76
	Subsidiary	SE Blades Limited	280.32	46.01
	Subsidiary	Suzlon Global Services Limited	136.92	126.39
	Subsidiary	Suzlon Structures Limited	236.96	146.05
	Entities where KMP / RKMP has significant influence	SE Freight & Logistics India Pvt. Ltd.	283.43	168.66
Sale of goods and services	Subsidiary	Suzlon Wind International Limited	7.03	10.62
	Subsidiary	Suzlon Global Services Limited	40.46	103.36
	Subsidiary	Suzlon Structures Limited	139.99	110.64
	Subsidiary	Suzlon Energia Eloica do Brasil Ltda	–	1.67
	Subsidiary	SE Blades Limited	5.56	6.29
	Subsidiary	Suzlon Energy B.V.	–	97.91
	Subsidiary	Suzlon Wind Energy South-Africa (PTY) Limited	–	10.73
	Entities where KMP / RKMP has significant influence	Sandla Wind Project Private Ltd.	256.31	–
Reimbursement of expenses receivable	Subsidiary	Suzlon Energy Australia Pty. Ltd.	5.30	1.94
	Subsidiary	Suzlon Energy A/S	0.82	20.32
	Subsidiary	AE Rotor Holding B.V.	57.48	69.71

Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2016	2015
Reimbursement of expenses payable	Subsidiary	Suzlon Wind Energy Corporation	2.38	-
	Subsidiary	Suzlon Energy A/S	0.79	1.26
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	6.43	5.91
	Entities where KMP / RKMP has significant influence	PT Wind Energy	2.55	-
Interest income	Subsidiary	AE Rotor Holding B.V.	15.72	145.33
	Subsidiary	SE Blades Limited	16.84	67.65
	Subsidiary	Suzlon Gujarat Windpark Limited	136.50	78.84
	Subsidiary	Suzlon Global Services Limited	187.24	148.64
	Subsidiary	Suzlon Wind International Limited	13.49	37.81
Interest expense	Subsidiary	Suzlon Structures Limited	0.21	0.98
Lease rent income	Subsidiary	SE Electricals Limited	0.60	0.60
	Entities where KMP/ RKMP has significant influence	Suzlon Green Power Limited	0.51	0.45
		Synefra Infrastructures Limited	0.65	0.57
Rent expense	Entities where KMP/ RKMP has significant influence	Girish R. Tanti (HUF)	0.01	0.01
Miscellaneous income	Subsidiary	Suzlon Global Services Limited	-	0.75
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	0.07	-
	Subsidiary	REpower Systems India Limited	-	0.67
Guarantee given	Subsidiary	Suzlon Energy B.V.	-	119.83
Managerial	KMP	Tulsi R. Tanti	1.58	1.71
Remuneration paid	KMP	Kirti J. Vagadia	11.07	1.95
	KMP	Amit Agarwal	1.41	3.05
Remuneration paid	RKMP	Nidhi Tanti	0.25	0.12
	RKMP	Sanyogita Tanti	0.25	0.12
Contribution to various funds	Employee funds	Suzlon Energy Limited - Superannuation Fund	3.46	0.20
	Employee funds	Suzlon Energy Limited - Employees Group Gratuity Scheme	2.48	0.57
CCD's / shares issued	Entities where KMP/ RKMP has significant influence	Sugati Holdings Private Limited	-	92.00
Donation given	Subsidiary	Suzlon Foundation	0.14	-

Note:- The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

**Disclosures as required by Regulation 53(f) read with para A of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Type of relationship	Name	Amount outstanding as at March 31, 2016	Maximum amount outstanding during the year
Subsidiaries	Suzlon Power Infrastructure Limited	519.48	519.48
	Suzlon Gujarat Windpark Limited	676.35	1,638.56
	SE Blades Limited	120.78	818.36
	Suzlon Wind International Limited	74.55	750.86
	SE Electricals Limited	144.31	327.99
	Suzlon Rotor Corporation	0.10	0.10
	AE Rotor Holding B.V.	139.84	139.84
	Suzlon Energy A/S	0.28	0.28
	SE Forge Limited	12.77	329.53
	Suzlon Global Services Limited	480.36	480.36
	Sirocco Renewables Limited	0.81	0.81
	Suzlon Generator Limited	48.06	63.93
	Suzlon Structures Limited	0.46	50.00
	Vakratunda Wind Energy Limited	0.00*	0.00*
	Varadvinayak Wind Energy Limited	0.00*	0.00*
	Vignaharta Wind Energy Limited	0.00*	0.00*
	Sirocco Wind Energy Limited	0.00*	0.00*
Heramba Wind Energy Limited	0.00*	0.00*	

\*Less than Rs 0.01 Crore

Note :

- a. No loans have been granted by the Company to any person for the purpose of investing in the shares of Suzlon Energy Limited or any of its subsidiaries.

33. The table below provides the summary of transaction and outstanding balances between the Company and the Investor Group as referred to in Note 8(i)(b) to the financial statements. The Company based on legal opinion believes that the Investor Group, severally or jointly, does not exercise significant influence on the Company and hence the members of the Investor Group are not a related party in accordance with AS-18 'Related Party Disclosure'. However, as a matter of abundant caution following disclosure is being made:

Type of transaction	Name of the person	Year ended March 31, 2016	Year ended March 31, 2015
<b>Transactions</b>			
Subscription of equity shares	Investor Group	1,800.00	–
Loans taken	Aditya Medisales Limited	–	150.00
Interest expense	Aditya Medisales Limited	19.91	1.09
<b>Outstanding balances</b>			
Loans taken		–	150.00
Interest payable		–	0.98

The loan taken from Aditya Medisales Limited is pursuant to the working capital agreements executed with the Investor Group. The Company and its subsidiaries has also obtained support from Lakshdeep Investments & Finance Private Limited in relation to fund based and non-fund based facilities availed of, pursuant to the said working capital agreements.

The Company had executed a term sheet for setting up of a joint venture entity with the investor group with an objective to develop wind power projects as an independent power producer.

34. The employee benefits expense and other expenses includes expenses of Rs 11.48 Crore (Rs 7.24 Crore) pertaining to research and development and quality assurance expenses.

**35. Capital and other commitments**

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances	53.07	123.51
Commitment for investment in subsidiaries and joint venture	723.85	–
Commitments relating to lease arrangements	refer Note 30	refer Note 30

Note: The Company has given various letter of supports, which otherwise is not a guarantee, towards financing operations of its domestic and overseas subsidiaries and maintaining their financial creditworthiness, as and when required during the last fiscal year; the amount of which are not determinable as at Balance Sheet date.

### 36. Contingent liabilities

	March 31, 2016	March 31, 2015
Guarantees given on behalf of subsidiaries in respect of loans / guarantee granted to them by banks / financial institutions	62.00	251.14
Customs duty, service tax and VAT related matters pending in appeal	76.85	104.82
Compensation payable in lieu of bank sacrifice	refer Note 5	refer Note 5
Amounts in respect of MSMED	18.93	14.18

\* includes demand from tax authorities for various matters. The Company / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management.

A few law suits have been filed on the Company and few subsidiaries of the Company by some of their suppliers for disputes in fulfilment of obligations as per supply agreements. Further, few customers of the Company has disputed certain amount as receivable which the Company believes is contractually not payable. These matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided for an amount as a matter of prudence which it believes shall be the probable outflow of resources.

The Company along with other borrowers has provided securities to secure Stand-by Letter of Credit ("SBLC") facilities of USD 655.41 Million issued for securing covered bonds and foreign currency loan issued / availed by AE Rotor Holding B.V. a fellow subsidiary. The borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.

The Company has stood as co-borrower for loans granted to the Company and its fellow subsidiaries for which certain securities are provided, the amount of which is not ascertainable.

### 37. Derivative instruments and unhedged foreign currency exposure

#### a. Derivative instruments

##### Forward contract outstanding as at balance sheet date :

EUR Nil USD Nil (Sell EUR 398,385,213) (Buy USD 455,433,364)	Hedge for forex loans and receivables
EUR Nil USD Nil (Sell EUR 386,614,787) (Buy USD 425,824,935)	Hedge for forex investments
USD Nil (Sell USD 455,433,364)	Hedge for forex loans and receivables
USD Nil (Sell USD 412,566,635)	Hedge for forex investments
Sell USD 55,000,000 (USD Nil)	Hedge of forex USD payables
Sell USD 29,520,000 (USD Nil)	Hedge of forex USD borrowings

#### b. Unhedged foreign currency exposure

	March 31, 2016	March 31, 2015
Current liabilities, net	1,352.99	1,990.39
Trade receivables	186.59	611.31
Loans receivable	140.22	54.68
Loans payable	411.30	183.24
Bank balance in current and term deposit accounts	0.50	0.39
Investment in overseas subsidiaries	7,093.81	6,220.87
Provision for warranty	15.17	72.86
Foreign currency convertible bonds and redemption premium	1,660.49	2,273.24

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

Particulars	March 31, 2016	March 31, 2015
Principal amount remaining unpaid to any supplier as at the end of the year	15.76	3.66
Interest due on the above amount	0.10	0.55
Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006	–	–
Amounts of payment made to the suppliers beyond the appointed day during the year	29.72	19.49
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	1.35	2.55
Amount of interest accrued and remaining unpaid at the end of the year*	–	–
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	18.93	14.18

\*Interest payable as per section 16 of the Micro, Small and medium Enterprises Development, 2006, for the year is Rs 18.93 Crore (Rs 14.18 Crore). The same has not been accrued in the books of the Company as amount is not contractually payable.

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

For details of loans and guarantees given to related parties refer Note 32 and Note 36.

For details of securities provided on behalf of borrowers under the CDR package refer Note 4 and Note 10(I).

For details of investments made refer Note 15.

**40. Additional information pursuant to the provisions of Schedule III of the Companies Act, 2013**

**a. Value of imports calculated on CIF basis**

	March 31, 2016	March 31, 2015
Raw materials and components	2,292.55	573.36
Stores and spares	4.35	0.31
Capital goods	378.41	11.60
<b>Total</b>	<b>2,675.31</b>	<b>585.27</b>

**b. Expenditure in foreign currency (accrual basis)**

	March 31, 2016	March 31, 2015
Consultancy	7.52	11.39
Interest and bank charges	84.87	207.03
R & D certification and product development and quality assurance	76.65	105.26
Generation guarantee expenses	–	20.88
Freight outward	13.62	100.41
Other expenses	9.39	12.16
<b>Total</b>	<b>192.05</b>	<b>457.13</b>

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

	Raw materials and components				Stores and spares			
	March 31, 2016		March 31, 2015		March 31, 2016		March 31, 2015	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	1,895.73	51.77	761.71	46.81	10.24	28.75	3.83	21.87
Indigenous	1,765.92	48.23	865.75	53.19	25.37	71.25	13.67	78.13
<b>Total</b>	<b>3,661.65</b>	<b>100.00</b>	<b>1,627.46</b>	<b>100.00</b>	<b>35.61</b>	<b>100.00</b>	<b>17.50</b>	<b>100.00</b>

**d. Details of raw material consumed**

	March 31, 2016	March 31, 2015
Gear box	596.47	225.30
Others	3,065.18	1,402.16
<b>Total</b>	<b>3,661.65</b>	<b>1,627.46</b>

**e. Details of raw material inventory**

	March 31, 2016	March 31, 2015
Gear box	103.08	39.17
Others	654.17	195.70
<b>Total</b>	<b>757.25</b>	<b>234.87</b>

**f. Earnings in foreign currency (accrual basis)**

	March 31, 2016	March 31, 2015
FOB value of exports	43.36	75.41
Interest on loans	16.08	151.18
<b>Total</b>	<b>59.44</b>	<b>226.59</b>

#### 41. Deferral of exchange differences

The Company has, consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011 giving an option to the companies to amortise the exchange differences pertaining to long term foreign currency monetary items up to March 31, 2020 (from March 31, 2012 earlier), adopted the said option given under paragraph 46A of Accounting Standard 11. Accordingly, the Company has revised the amortisation period for such items to the maturity of the long term foreign currency monetary items (all before March 31, 2020).

Net foreign exchange loss aggregating Rs 112.66 Crore (Rs 271.32 Crore) on long term foreign currency monetary items has been adjusted in the foreign currency monetary item translation difference account during the year. Further, foreign exchange loss aggregating Rs 74.20 Crore (Rs 95.19 Crore) have been amortised during the year.

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292

per Paul Alvares  
Partner  
Membership No. : 105754

Hemal A.Kanuga  
Company Secretary  
Membership No.: F4126 ICAI Membership No. : 042833

Kirti J. Vagadia  
Chief Financial Officer

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016

Place: Mumbai  
Date: May 30, 2016



## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### PART A - Subsidiaries

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / JOINT VENTURES AS PER COMPANIES ACT, 2013

Sl. No.	Name of subsidiary	Country of incorporation	Reporting currency	Exchange rate (INR)	Share capital	Reserve surplus	Total assets	Total liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
1	Aalok Solarfarms Private Limited	India	INR	1.0000	0.01	(0.01)	0.04	0.04	-	-	(0.01)	-	(0.01)	-	100.00%
2	Abha Solarfarms Private Limited	India	INR	1.0000	0.01	(0.01)	0.04	0.04	-	-	(0.01)	-	(0.01)	-	100.00%
3	AE-Rotor Holding B.V.	The Netherlands	EURO	75.3977	4,798.61	(7,638.66)	1,735.48	1,735.48	0.29	-	(2,440.99)	(0.14)	(2,440.85)	-	100.00%
4	Amun Solarfarms Limited	India	INR	1.0000	0.13	(0.02)	4.71	4.71	-	-	(0.02)	-	(0.02)	-	100.00%
5	Avighna Solarfarms Limited	India	INR	1.0000	0.13	(0.02)	4.71	4.71	-	-	(0.02)	-	(0.02)	-	100.00%
6	Avind Desenvolvimento De Projetos De Energia Ltda	Brazil	BRL	18.3875	-*	(0.01)	-*	-*	-	-	-	-	-	-	100.00%
7	Gale Solarfarms Private Limited	India	INR	1.0000	0.14	(0.03)	13.23	13.23	-	-	(0.03)	-	(0.03)	-	100.00%
8	Heramba Wind Energy Limited	India	INR	1.0000	-*	(0.04)	0.07	0.07	-	-	(0.04)	-	(0.04)	-	70.00%
9	Parque Eolico El Almendro S.L.	Spain	EURO	75.3977	0.02	(2.88)	5.96	5.96	-	-	(0.35)	-	(0.35)	-	100.00%
10	Prathamesh Solarfarms Limited	India	INR	1.0000	0.14	(0.04)	24.12	24.12	-	-	(0.04)	-	(0.04)	-	100.00%
11	Rudra Solarfarms Limited	India	INR	1.0000	0.13	(0.02)	7.72	7.72	-	-	(0.02)	-	(0.02)	-	100.00%
12	SE Blades Limited	India	INR	1.0000	538.98	(554.21)	447.43	447.43	-	284.20	(17.87)	-	(17.87)	-	100.00%
13	SE Blades Technology B.V.	The Netherlands	EURO	75.3977	0.14	14.40	159.68	159.68	-	87.49	2.98	-	2.98	-	100.00%
14	SE Drive Technik GmbH	Germany	EURO	75.3977	0.19	(1,204.73)	940.08	940.08	920.99	-	(2,316.07)	0.26	(2,316.33)	-	100.00%
15	SE Electricals Limited	India	INR	1.0000	95.90	(18.72)	427.15	427.15	-	345.23	14.97	1.47	13.50	-	100.00%
16	SE Forge Limited	India	INR	1.0000	784.92	(508.94)	792.04	792.04	-	393.58	(57.71)	-	(57.71)	-	100.00%
17	SE Solar Limited	India	INR	1.0000	1.03	29.00	57.68	57.68	-*	-	(0.02)	-	(0.02)	-	100.00%
18	Shreyas Solarfarms Private Limited	India	INR	1.0000	0.01	(0.01)	0.07	0.07	-	-	(0.01)	-	(0.01)	-	100.00%
19	Sirocco Renewables Limited	India	INR	1.0000	-*	(0.98)	0.01	0.01	-	-	(0.98)	-	(0.98)	-	70.00%
20	Sirocco Wind Energy Limited	India	INR	1.0000	-*	(0.12)	-*	-*	-	-	(0.12)	-	(0.12)	-	70.00%
21	Sure Power LLC	USA	USD	66.2575	-*	(1.08)	1.08	1.08	-	-	(0.07)	-	(0.07)	-	100.00%
22	Suzlon Energia Elocia do Brasil Ltda	Brazil	BRL	18.3875	575.51	(1,020.75)	124.26	124.26	11.14	89.19	(42.84)	-	(42.84)	-	100.00%
23	Suzlon Energy A/S	Denmark	EURO	75.3977	576.57	(241.72)	622.22	622.22	243.93	143.56	(1,097.51)	-	(1,097.51)	-	100.00%
24	Suzlon Energy Australia Pty. Ltd.	Australia	AUD	50.9487	549.11	(341.53)	436.86	436.86	-	120.38	(37.40)	-	(37.40)	-	100.00%
25	Suzlon Energy Australia RWFD Pty Ltd	Australia	AUD	50.9487	-	(13.91)	-	-	-	-	(2.86)	-	(2.86)	-	100.00%
26	Suzlon Energy B.V.	The Netherlands	USD	66.2575	692.97	(413.29)	335.57	335.57	-	-	(168.28)	-	(168.28)	-	100.00%
27	Suzlon Energy GmbH	Germany	EURO	75.3977	0.19	210.23	313.89	313.89	-	226.94	18.67	(0.17)	18.84	-	100.00%
28	Suzlon Energy Korea Co., Ltd.	Republic of South Korea	KRW	0.0579	0.56	(0.56)	-*	-*	-	-	-	-	-	-	100.00%
29	Suzlon Energy Limited, Mauritius	Mauritius	EURO	75.3977	8.44	(0.19)	10.51	10.51	-	-	(0.48)	-	(0.48)	-	100.00%
30	Suzlon Energy PLC	United Kingdom	EURO	75.3977	-	-	-	-	-	-	-	-	-	-	100.00%
31	Suzlon Generators Limited	India	INR	1.0000	76.28	(50.03)	135.04	135.04	-	136.14	(13.99)	-	(13.99)	-	75.00%
32	Suzlon Global Services Ltd.	India	INR	1.0000	100.05	(599.42)	1,737.25	1,737.25	-	904.24	(329.96)	-	(329.96)	-	100.00%
33	Suzlon Gujarat Wind Park Limited	India	INR	1.0000	1,245.92	(1,233.88)	1,222.44	1,222.44	0.02	814.33	(206.30)	-	(206.30)	-	100.00%
34	Suzlon Power Infrastructure Limited	India	INR	1.0000	194.61	(175.97)	691.37	691.37	191.60	211.53	(6.20)	-	(6.20)	-	100.00%
35	Suzlon Project VIII LLC	USA	USD	66.2575	-	(36.07)	24.06	24.06	-	-	(6.14)	-	(6.14)	-	100.00%
36	Suzlon Rotor Corporation	USA	USD	66.2575	0.01	(183.18)	25.91	25.91	-	4.70	1.22	0.03	1.19	-	100.00%
37	Suzlon Structures Limited	India	INR	1.0000	39.37	937.54	1,118.52	1,118.52	946.77	243.59	0.81	(0.01)	0.82	-	100.00%
38	Suzlon Wind Energy (Lanka) Pvt Limited	Sri Lanka	LKR	0.4554	0.01	4.79	5.93	5.93	-	3.39	1.70	0.21	1.49	-	100.00%
39	Suzlon Wind Energy BH	Bosnia and Herzegovina	BAM	38.5397	0.01	(0.79)	-	-	-	-	(0.10)	-	(0.10)	-	100.00%
40	Suzlon Wind Energy Bulgaria EOOD	Bulgaria	BGN	38.5498	-*	0.61	11.17	11.17	-	1.32	(0.80)	0.06	(0.86)	-	100.00%
41	Suzlon Wind Energy Corporation	USA	USD	66.2575	0.01	52.65	498.49	498.49	-	432.12	(91.52)	(0.61)	(90.91)	-	100.00%
42	Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.	China	RMB	10.2591	15.28	(14.01)	10.07	10.07	-	7.14	0.27	-	0.27	-	100.00%
43	Suzlon Wind Energy Espana, S.L.	Spain	EURO	75.3977	0.02	47.61	98.19	98.19	-	36.28	4.76	1.35	3.41	-	100.00%

Sl. No.	Name of subsidiary	Country of incorporation	Reporting currency	Exchange rate (INR)	Share capital	Reserve surplus	Total assets	Total liabilities	Investment	Turnover	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
44	Suzlon Wind Energy Italy s.r.l.	Italy	EURO	75.3977	0.08	(6.91)	10.70	10.70	-	0.14	(0.44)	-	(0.44)	-	100.00%
45	Suzlon Wind Energy Limited	United Kingdom	EURO	75.3977	6,132.12	(6,133.01)	0.03	0.03	-	-	(105.90)	-	(105.90)	-	100.00%
46	Suzlon Wind Energy Nicaragua Sociedad Anonima	Nicaragua	EURO	75.3977	-*	(22.47)	8.81	8.81	-	13.16	(12.04)	0.69	(12.73)	-	100.00%
47	Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	Portugal	EURO	75.3977	16.96	(30.30)	28.61	28.61	-	19.28	2.99	0.61	2.38	-	100.00%
48	Suzlon Wind Energy Romania SRL	Romania	RON	16.8566	-*	4.52	18.36	18.36	-	4.53	0.69	0.17	0.52	-	100.00%
49	Suzlon Wind Energy South Africa (PTY) Ltd	South Africa	ZAR	4.4998	-*	(222.94)	86.50	86.50	-	11.05	(45.33)	-	(45.33)	-	80.00%
50	Suzlon Wind Energy Uruguay SA	Uruguay	USD	66.2575	-*	(58.76)	115.49	115.49	-	-	(19.85)	(0.53)	(19.32)	-	100.00%
51	Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Turkey	TRY	23.4827	0.02	12.71	18.69	18.69	-	21.16	2.80	0.56	2.24	-	100.00%
52	Suzlon Wind International Limited	India	INR	1.0000	203.30	(523.13)	356.93	356.93	149.32	62.01	(42.72)	-	(42.72)	-	100.00%
53	Suzlon Windenergie GmbH	Germany	EURO	75.3977	0.19	697.97	698.22	698.22	-	-	0.30	-	0.30	-	100.00%
54	Tarilo Holding B.V.	The Netherlands	EURO	75.3977	0.14	105.26	112.46	112.46	-	-	(0.19)	-	(0.19)	-	100.00%
55	Tornado Solarfarms Limited	India	INR	1.0000	0.14	(0.03)	5.32	5.32	-	-	(0.03)	-	(0.03)	-	100.00%
56	Vakratunda Wind Energy Limited	India	INR	1.0000	-*	(0.05)	-*	-*	-	-	(0.05)	-	(0.05)	-	70.00%
57	Valum Holding B.V.	The Netherlands	EURO	75.3977	0.14	5.63	5.95	5.95	2.99	-	0.14	-	0.14	-	100.00%
58	Varadvinayak Wind Energy Limited	India	INR	1.0000	-*	(0.04)	-*	-*	-	-	(0.04)	-	(0.04)	-	70.00%
59	Vayudoot Solarfarms Limited	India	INR	1.0000	0.13	(0.02)	4.71	4.71	-	-	(0.02)	-	(0.02)	-	100.00%
60	Vignaharta Wind Energy Limited	India	INR	1.0000	0.38	37.12	37.53	37.53	-	-	(0.01)	-	(0.01)	-	100.00%

## PART B - Joint Ventures

### STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT, 2013 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES

Sl. No.	Name of joint venture	Suzlon Energy (Tianjin) Limited	Consortium Suzlon Padgreen Co Ltd
1	Latest audited Balance Sheet date	December 31, 2015	June 30, 2015
2	Shares of Associate/Joint Ventures held by the Company on the year end		
a	Number	N.A.	26
b	Amount of investment (At face value)	58.33	1.50
c	% of holding	25%	26%
3	Description of how there is significant influence	25% stake in equity	26% stake in equity
4	Reason why the associate / joint venture is not consolidated	N.A.	Based on materiality
5	Networth attributable to shareholding as per latest audited Balance sheet	57.66	1.36
6	Profit/ (Loss) for the year considered in consolidation		
a	Considered in consolidation	(3.18)	-
b	Not considered in consolidation	(9.54)	1.36

#### Note:

\*Less than Rs 0.01 Crore.

#### For and on behalf of the Board of Directors of Suzlon Energy Limited

**Tulsi R. Tanti**  
Chairman & Managing Director  
DIN : 00002283

**Vinod R. Tanti**  
Director  
DIN : 00002266

**Hemal A. Kanuga**  
Company Secretary  
Membership No.: F4126

**Kirti J. Vagadia**  
Chief Financial Officer  
ICAI Membership No.: 042833

Place : Mumbai

Date : May 30, 2016

# CONSOLIDATED FINANCIAL STATEMENTS

## Independent Auditor's Report

### To the Members of Suzlon Energy Limited

#### Report on the Consolidated Financial Statements

1. We, SNK & Co. and S.R. Batliboi & Co. LLP have audited the accompanying consolidated financial statements of Suzlon Energy Limited (hereinafter referred to as "the Holding Company"), its subsidiaries as described in Note 2 (the Holding Company, its subsidiaries together referred to as "the Group") and its joint venture, comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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 consolidated state of affairs of the Group and its joint venture as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matter

6. We draw attention to Note 5 of the accompanying consolidated financial statements in respect of contingency related to 'compensation payable in lieu of bank sacrifice', the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

7. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We / the other auditors whose reports we have relied upon 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 of the aforesaid consolidated financial statements;
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The matter described under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 11 to the consolidated financial statements in respect of such items as it relates to the Group;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

#### Other Matter

8. The accompanying consolidated financial statements include total assets of Rs 546.49 Crore as at March 31, 2016, and total revenues and net cash inflows of Rs 66.50 Crore and Rs 242.22 Crore for the year ended on that date, in respect of 2 subsidiaries, and 2 branches, which have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and branches is based solely on the reports of such other auditors.
9. The accompanying consolidated financial statements include total assets of Rs 483.29 Crore as at March 31, 2016, and total revenues and net cash outflows of Rs 337.15 Crore and Rs 125.16 Crore for the year ended on that date, in respect of 32 subsidiaries and 1 joint venture, which have not been audited, whose unaudited financial statements and other unaudited financial information have been furnished to us. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.
10. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and branch auditors and the financial statements and other financial information certified by the Management.

For SNK & Co.  
Chartered Accountants  
ICAI Firm registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : May 30, 2016

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Paul Alvares  
Partner  
Membership No. : 105754

Place : Mumbai  
Date : May 30, 2016

## **Annexure 1 – Annexure referred to in paragraph 7 (g) of our report of even date under the heading “Report on Other Legal and Regulatory Requirements”**

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

1. In conjunction with our audit of the consolidated financial statements of Suzlon Energy Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Suzlon Energy Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 respective 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 Act.

#### **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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained 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, 2016, based on the internal control over financial reporting criteria established by the Holding 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 SNK & Co.  
Chartered Accountants  
ICAI Firm registration number: 109176W

per Sanjay Kapadia  
Partner  
Membership No. : 38292

Place : Mumbai  
Date : May 30, 2016

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Paul Alvares  
Partner  
Membership No. : 105754

Place : Mumbai  
Date : May 30, 2016

## Consolidated balance sheet as at March 31, 2016

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at	
		March 31, 2016	March 31, 2015
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(i) Share capital	8(i)	1,004.10	741.54
(ii) Reserves and surplus	9	(8,086.87)	(9,863.84)
		<b>(7,082.77)</b>	<b>(9,122.30)</b>
<b>Share application money, pending allotment</b>	8(ii)	-	<b>1,800.00</b>
<b>Preference shares issued by subsidiary company</b>		<b>3.44</b>	<b>5.94</b>
<b>Minority interest</b>		<b>3.19</b>	<b>63.61</b>
<b>Non-current liabilities</b>			
(i) Long-term borrowings	10	9,226.28	10,786.58
(ii) Deferred tax liabilities (net)	17	12.64	648.89
(iii) Other long-term liabilities	13	157.86	102.74
(iv) Long-term provisions	11	264.70	288.35
		<b>9,661.48</b>	<b>11,826.56</b>
<b>Current liabilities</b>			
(i) Short-term borrowings	12	1,909.67	4,575.76
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		50.19	16.22
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,755.14	4,540.00
(iii) Other current liabilities	13	2,045.84	6,320.68
(iv) Due to customers		46.14	131.06
(v) Short-term provisions	11	574.20	1,573.92
		<b>7,381.18</b>	<b>17,157.64</b>
		<b>9,966.52</b>	<b>21,731.45</b>
<b>Assets</b>			
<b>Non-current assets</b>			
(i) Fixed assets			
(a) Tangible assets	14	1,359.08	2,706.28
(b) Intangible assets	14	338.55	3,137.15
(c) Capital work-in-progress		227.79	356.11
(ii) Investments	15	44.80	15.22
(iii) Loans and advances	16	255.39	368.07
(iv) Trade receivables	18.1	97.40	0.15
(v) Other non-current assets	18.2	636.58	463.59
		<b>2,959.59</b>	<b>7,046.57</b>
<b>Current assets</b>			
(i) Investments	15	316.19	250.44
(ii) Inventories	19	2,564.61	3,360.78
(iii) Trade receivables	18.1	2,599.71	2,754.32
(iv) Cash and bank balances	20	629.29	2,542.88
(v) Loans and advances	16	749.56	1,391.89
(vi) Due from customers		-	2,090.71
(vii) Other current assets	18.2	147.57	2,293.86
		<b>7,006.93</b>	<b>14,684.88</b>
		<b>9,966.52</b>	<b>21,731.45</b>
<b>Summary of significant accounting policies</b>	3		

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No.: 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No.: 105754  
Place: Mumbai  
Date: May 30, 2016

Hemal A. Kanuga  
Company Secretary  
Membership No.: F4126 ICAI Membership No.: 042833  
Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer

## Statement of consolidated profit and loss for the year ended March 31, 2016

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	March 31, 2016	March 31, 2015
<b>Income</b>			
Revenue from operations	21	9,508.45	19,836.68
Other operating income		54.11	117.76
		<b>9,562.56</b>	<b>19,954.44</b>
<b>Expenses</b>			
Cost of raw materials and components consumed	22	5,188.44	13,625.86
(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	22	416.16	(7.19)
Employee benefits expense	23	954.22	2,227.46
Other expenses	24	2,035.16	3,792.57
		<b>8,593.98</b>	<b>19,638.70</b>
<b>Earnings / (loss) before interest, tax, depreciation and exceptional items (EBITDA)</b>		<b>968.58</b>	<b>315.74</b>
Depreciation / amortisation	14	403.26	808.77
<b>Earnings / (loss) before interest, tax and exceptional items (EBIT)</b>		<b>565.32</b>	<b>(493.03)</b>
Finance costs	25	1,226.12	2,064.69
Finance income	26	65.54	53.30
<b>Earnings / (loss) before tax and exceptional items</b>		<b>(595.26)</b>	<b>(2,504.42)</b>
Exceptional items	27	(1,064.13)	6,311.66
<b>Profit / (loss) before tax</b>		<b>468.87</b>	<b>(8,816.08)</b>
Tax expense	28	(10.97)	317.28
<b>Profit / (loss) after tax</b>		<b>479.84</b>	<b>(9,133.36)</b>
Share of loss of minority		2.75	(24.33)
<b>Net profit / (loss) for the year</b>		<b>482.59</b>	<b>(9,157.69)</b>
<b>Earnings / (loss) per equity share:</b>			
	29		
- Basic [Nominal value of share Rs 2 (Rs 2)]		<b>1.01</b>	<b>(30.49)</b>
- Diluted [Nominal value of share Rs 2 (Rs 2)]		<b>0.95</b>	<b>(30.49)</b>
<b>Summary of significant accounting policies</b>		3	

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. : 105754  
Place: Mumbai  
Date: May 30, 2016

Hemal A.Kanuga  
Company Secretary  
Membership No.: F4126 ICAI Membership No. : 042833  
Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer



## Consolidated cash flow statement for the year ended March 31, 2016

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>		
<b>Loss before tax and exceptional items</b>	<b>(595.26)</b>	<b>(2,504.42)</b>
<b>Adjustments for:</b>		
Depreciation / amortisation	403.26	808.77
Loss on assets sold / discarded, net	1.64	7.51
Loss on sale of investments, net	-	0.44
Interest income	(29.09)	(39.82)
Interest expenses	996.59	1,746.25
Profit on sale of Mutual funds	(36.45)	-
Dividend income	-	(13.48)
Compensation in lieu of bank sacrifice	22.83	52.02
Amortisation of ancillary borrowing costs	96.36	114.36
Operation, maintenance and warranty expenditure	73.11	159.09
Liquidated damages expenditure	76.64	172.51
Performance guarantee expenditure	158.05	146.38
Bad debts written off	25.10	1.40
Provision for doubtful debts and advances	7.46	163.79
Provision for diminution of investment	0.95	-
Adjustments for consolidation*	(36.24)	(655.46)
Exchange differences, net	214.03	124.40
Employee stock option scheme	3.80	7.76
<b>/Operating profit before working capital changes</b>	<b>1,382.78</b>	<b>291.50</b>
<b>Movements in working capital</b>		
(Increase) / decrease in trade receivables and unbilled revenue	(1,248.35)	1,575.02
Decrease / (increase) in inventories	(868.80)	672.13
Decrease / (increase) in loans and advances and other assets	(82.46)	192.07
Decrease in trade payables, current liabilities and provisions	(12.01)	(1,402.20)
<b>Cash (used in) / generated from operating activities</b>	<b>(828.84)</b>	<b>1,328.52</b>
Direct taxes paid (net of refunds)	23.82	(209.32)
<b>Net cash (used in) / generated from operating activities</b> <b>A</b>	<b>(805.02)</b>	<b>1,119.20</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of fixed assets including capital work-in-progress and capital advances	(396.96)	(736.33)
Investment in subsidiaries / Solar SPV	(100.18)	-
Proceeds from sale of fixed assets	31.54	46.52
Proceeds from sale of stake in subsidiary (refer Note 6)	6,939.80	-
Purchase of current investments	(4,774.22)	(250.00)
Proceeds from sale/ maturity of current investments	4,796.81	38.47
Inter-corporate deposits repaid / (granted)	(0.16)	72.08
Interest received	24.93	39.76
Dividend received	-	2.10
<b>Net cash (used in) / generated from investing activities</b> <b>B</b>	<b>6,521.56</b>	<b>(787.40)</b>

## Consolidated cash flow statement for the year ended March 31, 2016

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2016	March 31, 2015
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share capital including premium	1,800.00	8.18
Share issue expenses	(17.37)	-
Proceeds from long-term borrowings	111.61	6.62
Repayment of long-term borrowings	(3,615.61)	(308.26)
Proceeds / (repayment) from short-term borrowings, net	(2,666.09)	1,105.17
Dividend paid	(0.10)	(0.06)
Interest paid	(1,175.67)	(1,010.49)
<b>Net cash used in financing activities</b>	<b>(5,563.23)</b>	<b>(198.84)</b>
	<b>C</b>	
<b>Net increase in cash and cash equivalents</b>	<b>153.31</b>	<b>132.96</b>
	<b>A+B+C</b>	
Less: Cash and bank balances adjusted on stake sale of subsidiary	(2,066.90)	-
Add / (less): Effect of exchange difference on cash and cash equivalents	-	(38.09)
<b>Total</b>	<b>(1,913.59)</b>	<b>94.87</b>
Cash and cash equivalents at the beginning of year	2,542.88	2,448.01
<b>Cash and cash equivalents at the end of year</b>	<b>629.29</b>	<b>2,542.88</b>
<b>Components of cash and cash equivalents</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cash and cheques on hand	1.89	1.10
With scheduled and non scheduled banks		
In current accounts**	233.03	1,146.20
In term deposits	394.37	1,395.58
	<b>629.29</b>	<b>2,542.88</b>

### Summary of significant accounting policies

3

Notes :

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

\* Primarily includes impact of foreign currency translation in non-integral operations.

\*\* Includes a balance of Rs Nil (Rs 0.10 Crore) not available for use by the Group as they represent corresponding unpaid dividend liabilities.

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

As per our report of even date

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

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

per Sanjay Kapadia  
Partner  
Membership No. : 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. : 105754  
Place: Mumbai  
Date: May 30, 2016

Hemal A.Kanuga  
Company Secretary  
Membership No.: F4126 ICAI Membership No. : 042833  
Place: Mumbai  
Date: May 30, 2016

Kirti J. Vagadia  
Chief Financial Officer

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

All amounts in Rupees Crore unless otherwise stated

### 1. Corporate information

Suzlon Energy Limited ('SEL' or 'the Company') is a public company domiciled in India. Its shares are listed on two stock exchanges in India. The Company is primarily engaged in the business of manufacturing of wind turbine generators ('WTGs') and related components of various capacities.

### 2. Basis of preparation

The consolidated financial statements comprise the financial statements of Suzlon Energy Limited ('SEL' or 'the Company') and its subsidiaries (together referred to as 'Suzlon' or 'the Group') and its joint ventures and associates. The consolidated financial statements are prepared under the historical cost convention, on accrual basis of accounting except in case of assets for which provision for impairment is made and derivative instruments which have been measured at fair value to comply in all material respects, with the mandatory accounting standards as notified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 ('Rules'). The accounting policies have been consistently applied by the Group; and the accounting policies not referred to otherwise, are in conformity with Indian Generally Accepted Accounting Principles ('Indian GAAP').

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for change in accounting policy explained below.

### 3. Summary of significant accounting policies

#### Change in accounting policy

##### Component accounting

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013 from April 01, 2015. Due to application of Schedule II to the Companies Act, 2013, the Group has changed the manner of depreciation for its fixed asset. Until previous year, the Group was not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset, However, now it identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has also changed its policy on recognition of cost of major inspection/ overhaul. Earlier Group used to charge such cost directly to statement of profit and loss. On application of component accounting, the major inspection/ overhaul is identified as a separate component of the asset at the time of purchase of new asset and subsequently. The cost of such major inspection/ overhaul is depreciated separately over the period till next major inspection/ overhaul. Upon next major inspection/ overhaul, the costs of new major inspection/ overhaul are added to the asset's cost and any amount remaining from the previous inspection/ overhaul is derecognised.

The above change in accounting policy does not have any material impact on depreciation, repair and maintenance expense, profit for the current period as well as the valuation of fixed assets as at March 31, 2016.

#### a. Principles of consolidation

The consolidated financial statements of the Group are prepared in accordance with Accounting Standard 21 – 'Consolidated Financial Statements', Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 – 'Financial Reporting of Interests in Joint Ventures' as notified by the Rules.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Company for its standalone financial statements.

##### Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions. The unrealised profits or losses resulting from the intra group transactions and intra group balances have been eliminated.

The excess of the cost to the Company of its investment in the subsidiaries over the Company's portion of equity on the acquisition date is recognised in the financial statements as goodwill and is tested for impairment annually. The excess of Company's portion of equity of the subsidiary over the cost of investment therein is treated as capital reserve.

The Company's portion of the equity in the subsidiaries at the date of acquisition is determined after realigning the material accounting policies of the subsidiaries to that of the parent and the charge/(reversal) on account of realignment is adjusted to the accumulated reserves and surplus of the subsidiaries at the date of acquisition.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the consolidated financial statements and are presented in the same manner as the Company's standalone financial statements.

Share of minority interest in the net profit is adjusted against the income to arrive at the net income attributable to shareholders of the parent Company. Minority interest's share of net assets is presented separately in the balance sheet.

If the losses attributable to the minority in a consolidated subsidiary exceed the minority's share in equity of the subsidiary, then the excess, and any further losses applicable to the minority, are adjusted against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses. If the subsidiary subsequently reports profits, all such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been adjusted.

A change in the ownership interest of a subsidiary, without a loss of control is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- a) derecognises the assets (including goodwill) and liabilities of the subsidiary;
- b) derecognises the carrying amount of any minority interest;
- c) derecognises the cumulative translation differences, recorded in foreign currency translation reserve;
- d) recognises the value of the consideration received;
- e) recognises the value of any investment retained;
- f) recognises any surplus or deficit in profit or loss;

### **Associates**

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. The statement of profit and loss reflects the share of the results of operations of the associate. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

After application of the equity method, the Group determines whether it is necessary to recognise decline, other than temporary, in the value of the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of provision for diminution as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of profit and loss.

### **Joint venture**

The Group recognises its interest in the joint venture using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures as notified by the Rules. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements.

## **b. Use of estimates**

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

## **c. Tangible fixed assets**

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

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

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.

The Group adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Gains or losses arising from derecognition 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 Group identifies and determines the cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Fixed assets held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

**d. Depreciation on tangible fixed assets**

Depreciation on tangible fixed assets 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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Leasehold land is amortised on a straight line basis over the period of lease.

Some of the subsidiaries of the Group provide depreciation on straight line method ('SLM').

**e. Intangible fixed assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognition of an intangible asset 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.

**Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

- i) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- ii) Its intention to complete the asset.
- iii) Its ability to use or sell the asset.
- iv) How the asset will generate future economic benefits.
- v) The availability of adequate resources to complete the development and to use or sell the asset.
- vi) The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Intangible assets are amortised on a straight line basis over the estimated useful economic life which generally does not exceed five years.

**f. Leases**

**I. Where the Group is 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.

**II. Where the Group is a lessor**

Leases in which the Group 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.

**g. Borrowing costs**

Borrowing cost primarily 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 respective asset. All other borrowing costs are expensed in the period they occur.

#### **h. Impairment of tangible and intangible assets**

The Group 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 Group 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. Government grant and subsidies**

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

#### **j. Investments**

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued.

Current investments are carried in the financial statements at the lower of cost and fair value, determined on an individual investment basis.

Long-term investments are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of the investments. Investments in associates are accounted for using the equity method.

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

#### **k. Inventories**

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

The cost of work-in-progress, project work-in-progress, semi-finished goods and finished goods includes the cost of material, labour and a proportion of manufacturing overheads.

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

#### **l. Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured. Revenue comprises of sale of goods and services and is disclosed, net of trade discounts, excise duty, sales tax, service tax, VAT or other taxes, as applicable.

##### **Sales**

Revenue from sale of goods is recognised in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order and the income can be measured reliably and is expected to be received.

Fixed price contracts to deliver wind power systems (turnkey and projects involving installation and/or commissioning apart from supply) are recognised in revenue based on the stage of completion of the individual contract using the percentage completion method, provided the order outcome as well as expected total costs can be reliably estimated. Where the profit from a contract cannot be estimated reliably, revenue is only recognised equalling the expenses incurred to the extent that it is probable that the expenses will be recovered.

Due from customers, if any, are measured at the selling price of the work performed based on the stage of completion less interim billing and expected losses. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. The value of components is recognised in 'Contracts in progress' upon dispatch of the complete set of components which are specifically identified for a customer and are within the scope of contract, or on completion of relevant milestones, depending on the type of contracts. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Where the selling price of a contract cannot be estimated reliably, the selling price is measured only on the expenses incurred to the extent that it is probable that these expenses will be recovered. Prepayments from customers are recognised as liabilities. A contract in progress for which the selling price of the work performed exceeds interim billings and expected losses is recognised as an asset. Contracts in progress for which interim billings and expected losses exceed the selling price are recognised as a liability. Expenses relating to sales work and the winning of contracts are recognised in the statement of profit and loss as incurred.

#### **Operation and maintenance income**

Revenues from operation and maintenance contracts are recognised pro-rata over the period of the contract and when services are rendered.

#### **Project execution income**

Revenue from services relating to project execution is recognised on completion of respective service, as per terms of the respective sales order.

#### **Power evacuation infrastructure facilities**

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

#### **Land revenue**

Revenue from land lease activity is recognised upon the transfer of leasehold 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.

#### **Interest income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. In case of interest charged to customers, interest is accounted for on availability of documentary evidence that the customer has accepted the liability.

#### **Dividend income**

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

#### **Royalty and license income**

Royalty and license income is recognised on accrual basis in accordance with the terms of the relevant agreements.

### **m. Foreign currency transactions**

#### **(i) Initial recognition**

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

#### **(ii) Conversion**

Foreign currency monetary items are retranslated 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.

Foreign currency transactions entered into by branches, which are integral foreign operations are accounted in the same manner as foreign currency transactions described above. Branch monetary assets and liabilities are restated at the year-end rates.

#### **(iii) Exchange differences**

The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

1. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset. The Group treats a foreign currency monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination.

2. Exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item. It is presented as a part of "Reserves and surplus".
  3. All other exchange differences are recognised as income or as expense in the period in which they arise.  
In case of exchange differences adjusted to the cost of fixed assets or arising on long-term foreign currency monetary items, the Group does not consider exchange differences as an adjustment to the interest cost.
- (iv) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability  
The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.
- (v) Foreign operations  
The financial statements of integral foreign operations are translated as if the transactions of the foreign operations have been those of the Group itself.  
In translating the financial statements of a non-integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing rate; income and expense items are translated at average exchange rates (Average rates approximates the rate on the date of transaction) prevailing during the year and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the non-integral foreign operation.  
On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.  
When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in classification.

**n. Derivatives**

As per the Institute of Chartered Accountants of India ('ICAI') announcement, derivative contracts, other than those covered under AS-11, are marked to market on a portfolio basis and the net loss after considering the offsetting effect on the underlying hedge items is charged to the statement of profit and loss. Net gains on marked to market basis are not recognised.

**o. Retirement and other employee benefits**

Employee benefits in the nature of defined contributions are charged to the statement of profit and loss of the year, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective statutory authorities.

Defined contributions to superannuation fund are charged to the statement of profit and loss on accrual basis.

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

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The entire leave is presented as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

**p. Taxes on income**

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

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to



the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period in future.

**q. Employee stock options**

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the "Employee stock options outstanding" account in "Reserves and surplus". 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 expense or credit recognised in the statement of profit and loss 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.

**r. 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.

**s. Provisions**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made of the amount of obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**t. Contingent liabilities**

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

**u. Cash and cash equivalents**

Cash and cash equivalents in the cash flow statement comprise cash at bank and on hand, cheques on hand and short-term investments with an original maturity of three months or less.

## v. Measurement of EBITDA and EBIT

The Group has elected to present earnings before interest, tax, depreciation and amortisation ('EBITDA') and earnings before interest and tax ('EBIT') as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Group does not include depreciation and amortisation expense, finance cost, finance income, exceptional and extraordinary items and tax expense. The Group reduces depreciation and amortisation expense from EBITDA to measure EBIT.

### 3.1 List of subsidiaries which are included in the consolidation and the Company's effective holdings therein are as under:

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2016	2015
AE-Rotor Holding B.V.	The Netherlands	100.00%	100.00%
Heramba Wind Energy Limited	India	70.00%	-
PowerBlades GmbH <sup>(3)</sup>	Germany	-	100.00%
PowerBlades Industries Inc. <sup>(3)</sup>	Canada	-	100.00%
PowerBlades SA <sup>(3)</sup>	Portugal	-	100.00%
Senvion Holdings Pty Ltd. <sup>(3)</sup>	Australia	-	100.00%
Senvion Betriebs- und Beteiligungs GmbH <sup>(3)</sup>	Germany	-	100.00%
Senvion Investitions- und Projektierungs GmbH & Co. KG <sup>(3)</sup>	Germany	-	100.00%
REpower North China Ltd. <sup>(3)</sup>	China	-	53.87%
Senvion India Limited <sup>(3)</sup>	India	-	100.00%
Senvion (Beijing) Trading Co. Ltd. <sup>(3)</sup>	China	-	100.00%
Senvion Windpark Betriebs GmbH <sup>(3)</sup>	Germany	-	100.00%
RETC Renewable Energy Technology Centre <sup>(3)</sup>	Germany	-	100.00%
RiaBlades S.A. <sup>(3)</sup>	Portugal	-	100.00%
RPW Investments, SGPS, S.A. <sup>(4)</sup>	Portugal	-	100.00%
SE Blades Limited	India	100.00%	100.00%
SE Blades Technology B.V.	The Netherlands	100.00%	100.00%
SE Drive Technik GmbH	Germany	100.00%	100.00%
SE Electricals Limited	India	100.00%	100.00%
SE Forge Limited	India	100.00%	100.00%
Senvion Australia Pty Ltd. <sup>(3)</sup>	Australia	-	100.00%
Senvion Austria GmbH <sup>(3)</sup>	Austria	-	100.00%
Senvion Benelux b.v.b.a. <sup>(3)</sup>	Belgium	-	100.00%
Senvion Canada Inc. <sup>(3)</sup>	Canada	-	100.00%
Senvion Deutschland GmbH <sup>(3)</sup>	Germany	-	100.00%
Suzlon Energy PLC	United Kingdom	100.00%	100.00%
Senvion France S.A.S. <sup>(3)</sup>	France	-	100.00%
Senvion Italia s.r.l. <sup>(3)</sup>	Italy	-	100.00%
Senvion Netherlands B.V. <sup>(3)</sup>	The Netherlands	-	100.00%
Senvion Portugal S.A. <sup>(3)</sup>	Portugal	-	100.00%
Senvion Romania SRL <sup>(3)</sup>	Romania	-	100.00%
Senvion SE <sup>(3)</sup>	Germany	-	100.00%
Senvion Polska Sp.z o.o. <sup>(3)</sup>	Poland	-	100.00%
Senvion Scandinavia AB <sup>(3)</sup>	Sweden	-	100.00%
Senvion Turkey Rüzgar Türbinleri Limited Şirketi <sup>(3)</sup>	Turkey	-	100.00%
Senvion UK Ltd. <sup>(3)</sup>	United Kingdom	-	100.00%
Senvion USA Corp <sup>(3)</sup>	USA	-	100.00%
Sirocco Renewables Limited	India	70.00%	-
Sirocco Wind Energy Limited	India	70.00%	-
Sure Power LLC	USA	100.00%	100.00%
Suzlon Energia Eloica do Brasil Ltda	Brazil	100.00%	100.00%
Suzlon Energy (Tianjin) Limited	China	25.00%	25.00%
Suzlon Energy A/S	Denmark	100.00%	100.00%
Suzlon Energy Australia CYMWFDP Pty Ltd. <sup>(1)</sup>	Australia	-	100.00%

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2016	2015
Suzlon Energy Australia Pty. Ltd.	Australia	100.00%	100.00%
Suzlon Energy Australia RWFd Pty. Ltd. <sup>(1)</sup>	Australia	100.00%	100.00%
Suzlon Energy B.V.	The Netherlands	100.00%	100.00%
Suzlon Energy GmbH	Germany	100.00%	100.00%
Suzlon Energy Korea Co., Ltd.	Republic of South Korea	100.00%	100.00%
Suzlon Energy Limited	Mauritius	100.00%	100.00%
Suzlon Generators Limited	India	75.00%	75.00%
Suzlon Global Services Limited	India	100.00%	100.00%
Suzlon Gujarat Wind Park Limited	India	100.00%	100.00%
Suzlon Power Infrastructure Limited	India	100.00%	100.00%
Suzlon Project VIII LLC	USA	100.00%	100.00%
Suzlon Rotor Corporation	USA	100.00%	100.00%
Suzlon Structures Limited <sup>(2)</sup>	India	100.00%	75.00%
Suzlon Wind Energy (Lanka) Pvt Limited	Sri Lanka	100.00%	100.00%
Suzlon Wind Energy bH	Bosnia and Herzegovina	100.00%	100.00%
Suzlon Wind Energy Bulgaria EOOD	Bulgaria	100.00%	100.00%
Suzlon Wind Energy Corporation	USA	100.00%	100.00%
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd.	China	100.00%	100.00%
Suzlon Wind Energy Espana, S.L	Spain	100.00%	100.00%
Suzlon Wind Energy Italy s.r.l.	Italy	100.00%	100.00%
Suzlon Wind Energy Limited	United Kingdom	100.00%	100.00%
Suzlon Wind Energy Nicaragua Sociedad Anonima	Nicaragua	100.00%	100.00%
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	Portugal	100.00%	100.00%
Suzlon Wind Energy Romania SRL	Romania	100.00%	100.00%
Suzlon Wind Energy South Africa (PTY) Ltd	South Africa	80.00%	80.00%
Suzlon Wind Energy Uruguay SA	Uruguay	100.00%	100.00%
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	Turkey	100.00%	100.00%
Suzlon Wind International Limited	India	100.00%	100.00%
Suzlon Windenergie GmbH	Germany	100.00%	100.00%
Tarilo Holding B.V.	The Netherlands	100.00%	100.00%
Valum Holding B.V.	The Netherlands	100.00%	100.00%
Vakratunda Wind Energy Limited	India	70.00%	-
Varadvinayak Wind Energy Limited	India	70.00%	-
Ventipower S.A. <sup>(3)</sup>	Portugal	-	100.00%
Ventinveste Indústria, SGPS, S.A. <sup>(3)</sup>	Portugal	-	100.00%
Vignaharta Wind Energy Limited	India	100.00%	-
WEL Windenergie Logistik GmbH <sup>(3)</sup>	Germany	-	100.00%
Windpark Blockland GmbH & Co KG <sup>(3)</sup>	Germany	-	100.00%
Yorke Peninsula Wind Farm Project Pty Ltd <sup>(3)</sup>	Australia	80.00%	80.00%

- (1) Liquidated/ under liquidation during the year.
- (2) During the year, the Company has acquired remaining stake of minority shareholders at a consideration of Rs 20.00 Crore.
- (3) Ceased to be subsidiary w.e.f April 29, 2015.
- (4) Merged during the year.

**3.2 List of subsidiaries and a joint venture which are not included in the consolidation based on materiality or where control is intended to be temporary:**

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2016	2015
Avind Desenvolvimento De Projetos De Energia Ltda	Brazil	100.00%	100.00%
Consortium Suzlon Padgreen Co Ltd	Mauritius	26.00%	26.00%
Parque Eolico El Almendro S.L.	Spain	100.00%	100.00%
Aalok Solarfarms Private Limited #	India	100.00%	-
Abha Solarfarms Private Limited #	India	100.00%	-
Amun Solarfarms Limited #	India	100.00%	-
Avighna Solarfarms Limited #	India	100.00%	-
Gale Solarfarms Private Limited #	India	100.00%	-
Prathamesh Solarfarms Limited #	India	100.00%	-
Rudra Solarfarms Limited #	India	100.00%	-
SE Solar Limited* #	India	100.00%	100.00%
Shreyas Solarfarms Private Limited #	India	100.00%	-
Tornado Solarfarms Private Limited #	India	100.00%	-
Vayudoot Solarfarms Limited #	India	100.00%	-

\* This subsidiary was consolidated during the year ended March 31, 2015. However the same has not been consolidated during the year ended March 31, 2016.

# The Company intends to dispose these SPV's to prospective buyers hence these are not consolidated under AS 21.

**3.3 Additional information, as required under Schedule III to the Companies Act, 2013, of entities consolidated as subsidiary / joint ventures :**

Name of the subsidiary	Net assets (total assets - total liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>				
Suzlon Energy Limited	(0.09)	615.18	0.10	46.75
<b>Indian subsidiaries</b>				
SE Blades Limited	0.00	(15.23)	(0.04)	(17.90)
SE Electricals Limited	(0.01)	77.18	0.03	13.50
SE Forge Limited	(0.04)	275.98	(0.12)	(57.71)
Suzlon Generators Limited	(0.00)	26.25	(0.03)	(13.99)
Suzlon Global Services Limited	0.07	(499.36)	(0.68)	(329.96)
Suzlon Gujarat Wind Park Limited	(0.00)	12.05	(0.43)	(206.29)
Suzlon Power Infrastructure Limited	(0.00)	18.64	(0.01)	(6.20)
Suzlon Structures Limited	(0.14)	976.91	0.00	0.81
Suzlon Wind International Limited	0.05	(318.98)	(0.09)	(41.87)
Sirocco Renewables Limited	0.00	(0.93)	(0.00)	(0.93)
Heramba Wind Energy Limited	0.00	(0.01)	(0.00)	(0.01)
Sirocco Wind Energy Limited	0.00	(0.01)	(0.00)	(0.01)
Vakratunda Wind Energy Limited	0.00	(0.01)	(0.00)	(0.01)
Varadvinayak Wind Energy Limited	0.00	(0.01)	(0.00)	(0.01)
Vignahara Wind Energy Limited	(0.01)	37.52	0.00	0.02

Name of the subsidiary	Net assets (total assets - total liabilities)		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>Overseas subsidiaries</b>				
AE-Rotor Holding B.V.	(0.85)	6,036.78	(3.18)	(1,533.72)
SE Blades Technology B.V.	(0.00)	14.04	0.01	2.75
SE Drive Technik GmbH	0.17	(1,204.55)	(4.61)	(2,222.75)
Senvion SE and its subsidiaries	-	-	(0.05)	(25.12)
Sure Power LLC	0.00	(1.08)	(0.00)	(0.07)
Suzlon Energia Elocia do Brasil Ltda	0.06	(444.92)	(0.09)	(42.92)
Suzlon Energy A/S	(0.28)	1,955.05	0.01	5.45
Suzlon Energy Australia Pty. Ltd.	(0.03)	199.48	(0.07)	(34.07)
Suzlon Energy B.V.	(0.04)	279.67	(0.35)	(167.16)
Suzlon Energy GmbH	(0.03)	205.97	0.01	5.60
Suzlon Energy Limited, Mauritius	(0.00)	8.31	(15.76)	(7,607.02)
Suzlon Rotor Corporation	0.03	(192.27)	0.00	1.40
Suzlon Wind Energy (Lanka) Pvt Limited	(0.00)	4.83	0.00	1.93
Suzlon Wind Energy BH	(0.00)	4.14	-	-
Suzlon Wind Energy Bulgaria EOOD	(0.00)	0.61	(0.00)	(0.83)
Suzlon Wind Energy Corporation	(0.01)	51.94	(0.23)	(111.38)
Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.	(0.00)	1.31	0.00	0.26
Suzlon Wind Energy Espana, S.L	(0.01)	45.64	0.01	3.09
Suzlon Wind Energy Italy s.r.l.	0.00	(6.83)	(0.00)	(0.43)
Suzlon Wind Energy Limited	(1.12)	7,914.49	(0.00)	(0.30)
Suzlon Wind Energy Nicaragua Sociedad Anonima	0.00	(22.48)	0.07	33.43
Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	0.00	(10.35)	0.00	1.74
Suzlon Wind Energy Romania SRL	(0.00)	4.51	0.00	0.50
Suzlon Wind Energy South Africa (PTY) Ltd	0.03	(223.04)	(0.10)	(48.48)
Suzlon Wind Energy Uruguay SA	0.01	(48.78)	(0.04)	(19.67)
Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	(0.00)	12.75	0.00	2.20
Suzlon Windenergie GmbH	(0.10)	718.89	(1.43)	(689.28)
Tarilo Holding B.V.	(0.01)	104.64	(0.00)	(0.18)
Valum Holding B.V.	(0.00)	2.66	0.00	0.13
<b>Minority interest in all subsidiaries</b>	(0.00)	3.19	0.01	2.75
<b>Joint ventures – overseas</b>				
Suzlon Energy (Tianjin) Limited	(0.01)	81.45	(0.03)	(12.74)
<b>Eliminations</b>	3.36	(23,780.80)	28.08	13,551.29
<b>Total</b>	<b>1.00</b>	<b>(7,079.58)</b>	<b>1.00</b>	<b>482.59</b>

**3.4 In respect of the following components of consolidated financial statements, it is not practicable to align the accounting policies followed by the subsidiary companies:**

Components of consolidated financial statements	Particulars	Amount as at March 31, 2016	Proportion of the total component
Depreciation	Some of the subsidiaries have provided depreciation on straight line method as against the written down value method followed by the Company.	131.07 (476.54)	32.50% (58.92%)
Accumulated depreciation	Some of the subsidiaries have provided depreciation on straight line method as against the written down value method followed by the Company.	1,039.09 (2,527.19)	34.87% (56.10%)

#### 4. Corporate debt restructuring ('CDR')

4.1 During the financial year ended March 31, 2013, Suzlon Energy Limited along with its 8 identified domestic subsidiaries collectively referred to as the 'Borrowers' and individually as the 'Borrower', had restructured various financial facilities (restructured facilities) from the secured CDR lenders under the Corporate Debt Restructuring Proposal. Pursuant to approval of CDR Package by the CDR Empowered Group ('CDR EG'), the implementation of the CDR package was formalised upon execution of Master Restructuring Agreement (MRA) between the CDR Lenders and Borrowers during the financial year ending March 31, 2013. The MRA inter-alia covers the provisions to govern the terms and conditions of restructured facilities. Suzlon Global Services Limited ('SGSL') was included as Borrower under the CDR package during financial year ended March 31, 2015.

The key features of the CDR package are as follows:

- a. 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.
- b. 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.
- c. Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- d. Unpaid Interest due on certain existing facilities on cut-off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- e. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11% per annum with reset option in accordance with MRA.
- f. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- g. Contribution of Rs 250.00 Crore in SEL by promoters, their friends, relatives and business associates as stipulated, conversion of existing promoter's loan of Rs 145.00 Crore into equity shares/CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

- a. Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA and;
- b. SEL to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut-off date at the price determined in compliance with 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.

4.2 During the financial year ended, March 31, 2013, at the request of the SE Forge Limited ('SEFL') a wholly-owned subsidiary of the Company, the corporate debt restructuring proposal ('CDR Proposal') of SEFL was referred to Corporate Debt Restructuring Cell ('CDR Cell') by the consortium of all lenders led by the Punjab National Bank. The CDR Proposal as recommended by Punjab National Bank, the lead lender and approved by lenders who are member of CDR Cell who are herein after referred to as the "CDR Lender" was approved by CDR Empowered Group ('CDR EG') on May 23, 2013 and communicated vide Letter of Approval dated June 5th, 2013. During the year, SEFL got the consent of the lead lender Punjab National Bank, with members of CDR cell to the exit of SEFL from CDR scheme. Consequently, CDR Empowered Group ('CDR EG') has given consent to the SEFL for exit from CDR scheme in its meeting held on December 28, 2015. The SEFL has repaid Working Capital Term Loan ('WCTL') and Funded Interest Term Loan ('FITL') under the prepayment option of the CDR scheme. Repayment of Restructured Term Loan ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022 did not undergo any change and continues as it is.

#### 5. Recompense

The Borrowers and the CDR lenders executed a Master Restructuring Agreement ('MRA') during the financial year ending March 31, 2013. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, gives a right to the CDR lenders to get a recompense of their waivers and sacrifice made as part of the CDR Proposal. The recompense amount payable by the Borrowers is contingent upon the exit by the Borrowers which is inter-alia dependent upon improved financial performance and various factors, the outcome of which currently is materially uncertain. Further, as mentioned in Note 4 to the financial statements, the Borrowers have an obligation to issue equity shares in lieu of the sacrifice for the first three years from cut-off date. In case of CDR lenders who have exercised the right for issuance of equity shares for the first three years and to whom the equity shares have been issued, as a part of recompense, the cost is amortised over the period of sacrifice and the cost amortisation is completed by March 31, 2016. In case of CDR lenders who have not exercised this right, the recompense amount due to the date of this balance sheet is not ascertainable.

## 6. Sale of Servion SE

On January 22, 2015, AE Rotor Holding B.V. a step-down wholly owned subsidiary of the Company and its subsidiaries signed a binding agreement with Centerbridge Partners LP, USA to sell 100% stake in Servion SE. The closing was subject to customary closing conditions which got concluded on April 29, 2015 and therefore, consolidated financial results of Servion SE and its subsidiaries for the month of April 2015 has been considered for consolidation and accordingly, the consolidated financial statements for the year ended March 31, 2016 are to that extent not comparable with the prior year. The Group had made an impairment provision of Rs 6,072.22 Crore in the value of goodwill in financial year ended March 31, 2015. During the year, the net impact of changes in provision towards impairment of goodwill and currency translation gain pertaining to the investment in Servion SE on sale of stake amounting to Rs 1,346.98 Crore is transferred to statement of profit and loss and disclosed under exceptional items.

The financial details (without elimination) of subsidiary disposed off are as follows:

Particulars	For the year ended March 31, 2016 / as at March 31, 2016	For the year ended March 31, 2015 / as at March 31, 2015
Income from operations	1,014.76	14,951.93
Earnings/ (loss) before interest, tax, depreciation and exceptional items (EBITDA)	55.59	1,166.13
Net profit / (loss)	(25.13)	378.65
Total assets	Nil	10,742.76

## 7. Proposed merger / demerger

The Board of Directors of the Company have approved the Composite Scheme of Amalgamation and Arrangement between SE Blades Limited ("SEBL"), Suzlon Wind International Limited ("SWIL"), SE Electricals Limited ("SEEL"), Suzlon Structures Limited ("SSL") with Suzlon Energy Limited ("SEL") and their respective Shareholders and Creditors ("the Scheme") under Sections 391 to 394 of the Companies Act, 1956 in its meeting held on April 27, 2016. Pursuant to the proposed Scheme SEBL, SWIL and SEEL shall amalgamate with SEL, and tubular tower manufacturing division of SSL shall be de-merged and merged with SEL. The approval of this Scheme by the Board of Directors was duly reported on the stock exchanges. The Scheme and all the related documents shall be uploaded on the Company website in line with the SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015. This Scheme is subject to the approval of the Honourable High Court of Gujarat and is yet to be filed with the SEBI and subsequently with the High Court of Gujarat. The company shall duly follow the directions of the Honourable High Court of Gujarat.

## 8. i) Share capital

### Authorised shares

	March 31, 2016	March 31, 2015
7,500,000,000 (7,500,000,000) equity shares of Rs 2/- each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>

### Issued shares

	March 31, 2016	March 31, 2015
5,039,435,391 (3,726,647,172) equity shares of Rs 2/- each	1,007.89	745.33
	<b>1,007.89</b>	<b>745.33</b>

### Subscribed and fully paid-up shares

	March 31, 2016	March 31, 2015
5,020,503,414 (3,707,715,195) equity shares of Rs 2/- each	1,004.10	741.54
	<b>1,004.10</b>	<b>741.54</b>

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

	March 31, 2016		March 31, 2015	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
At the beginning of the year	370.77	741.54	248.81	497.63
Issued during the year				
- Preferential allotment	100.00	200.00	-	-
- CDR lenders	-	-	21.54	43.08
- Vendors	-	-	6.79	13.57
- Grant of Employee Stock Purchase Scheme (ESPS)	-	-	1.01	2.02
- Promoters entity	-	-	7.78	15.56
- Conversion of bonds	31.28	62.56	84.84	169.68
<b>Outstanding at the end of the year</b>	<b>502.05</b>	<b>1,004.10</b>	<b>370.77</b>	<b>741.54</b>

## b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 2 each. Each holder of equity shares is entitled to one vote per share except for the underlying depository shares held against the Global Depository Receipts ('GDRs').

Holders of the GDR have no voting rights with respect to the equity shares represented by the GDRs. Deutsche Bank Trust Company Americas (the 'Depository'), which is the shareholder on record in respect of the equity shares represented by the GDRs, will not exercise any voting rights in respect of the equity shares against which GDRs are issued, unless it is required to do so by law. Equity shares which have been withdrawn from the Depository facility and transferred on the Company's register of members to a person other than the Depository, ICICI Bank Limited (the 'Custodian') or a nominee of either the Depository or the Custodian may be voted by the holders thereof.

As regard the shares which did not have voting rights as on March 31, 2016 are GDRs – 2,710,731 / (equivalent shares – 10,842,924) and as on March 31, 2015 are GDRs – 2,114,631 / (equivalent shares – 8,458,524).

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

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

The Company on February 13, 2015 signed a Shareholder Agreement as amended by an Amendment Agreement dated December 11, 2015 (collectively the "Agreement") with the Investor Group in terms of which the Investor Group agreed to subscribe to 100 Crore equity shares at the rate of Rs 18 per shares aggregating to Rs 1,800.00 Crore, which were allotted on May 15, 2015. This is in addition to shares acquired under an Open Offer under SEBI Takeover Regulations. The key terms of the Agreement with the Investor Group are as follows;

- Appointment of one nominee director.
- Certain decisions by virtue of the agreement need shareholder approval.
- Investor group and Promoters of the Company shall be considered as Persons Acting in Concert under Regulation 2(1)(q) of the SEBI Takeover Regulations.
- If the Promoters decide to transfer any of their shareholding in the Company, they shall first offer these to the Investor Group. Also, If the Investor Group decide to transfer any of their shareholding in the Company, they shall first offer these to the Promoter Group.
- The Investor Group shares shall be subject to a lock-in period applicable under applicable regulations or one-year whichever is later.
- The Investor Group shall be consulted in accordance with the provisions of the Agreement.

## c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2016	March 31, 2015
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	Nil	3.20

In addition, the Company has issued Nil shares (8,000 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) and issued 10,095,000 shares (10,095,000 shares) to employees under ESPS Scheme, wherein part consideration was received in the form of employee services.

## d. Shares reserved for issue under options

For details of shares reserved for issue under the employee stock option (ESOP) plan of the Company, refer Note 31(b), under heading of "Closing balance".

For details of shares reserved for issue on conversion of FCCBs, refer Note 10(II)(a) for terms of conversion / redemption.

For details of shares reserved for issue on conversion of Funded Interest Term Loan into equity shares or compulsory convertible debentures and issue of equity shares in lieu of sacrifice of the CDR Lenders, refer Note 4(d) for terms of conversion. There are no shares reserved for issue under options as at the balance sheet date.



e. **Details of shareholders holding more than 5% equity shares in the Company**

Name of shareholder	March 31, 2016	
	Number of shares (Crore)	% holding
Equity shares of Rs 2/- each fully paid-up		
IDBI Bank Limited	-	-
Sugati Holdings Private Limited	26.25	5.24

Name of shareholder	March 31, 2015	
	Number of shares (Crore)	% holding
Equity shares of Rs 2/- each fully paid-up		
IDBI Bank Limited	20.45	5.52
Sugati Holdings Private Limited	26.25	7.08

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.

- ii) Pursuant to share subscription agreement ("SSA") for preferential allotment of equity shares to an investor group, the Company has recognised share application money, pending allotment aggregating to Rs 1,800.00 Crore (100 Crore shares at Rs 18 per share) as at March 31, 2015.

9. **Reserves and surplus**

	March 31, 2016	March 31, 2015
<b>a. Capital reserve</b>	<b>23.30</b>	<b>23.30</b>
<b>b. Capital reserve on consolidation</b>	<b>0.03</b>	<b>0.03</b>
<b>c. Capital redemption reserve</b>	<b>15.00</b>	<b>15.00</b>
<b>d. Legal and statutory reserve</b>		
As per last balance sheet	133.41	132.72
Add: Additions during the year, net	36.66	0.69
	<b>170.07</b>	<b>133.41</b>
<b>e. Unrealised gain on dilution</b>	<b>160.09</b>	<b>160.09</b>
<b>f. Securities premium account</b>		
As per last balance sheet	6,832.62	5,193.11
Add: Additions during the year		
- Preferential allotment (refer Note 8(i)(b))	1,600.00	-
- CDR lenders	-	355.61
- Vendors	-	57.55
- Promoters entity	-	76.44
- Conversion of bonds	421.02	1,141.99
Add: Additions on ESOPs exercised	-	6.15
Add: Outstanding ESOP transferred	-	1.77
Less: Share issue expenses	(17.37)	-
	<b>8,836.27</b>	<b>6,832.62</b>
<b>g. Employee stock options outstanding</b>		
As per last balance sheet	7.89	9.54
Add: Compensation options granted during the year	4.49	13.37
Less: Transferred to securities premium on exercise of stock option	-	(1.77)
Less: Deferred employee stock compensation outstanding	(0.69)	(5.61)
Less: Transferred to general reserve on cancellations of stock option	(0.22)	(7.64)
	<b>11.47</b>	<b>7.89</b>
<b>h. Foreign currency translation reserve</b>		
As per last balance sheet	1,268.12	1,577.22
Add: Movement during the year	(1,273.58)	(309.10)
	<b>(5.46)</b>	<b>1,268.12</b>
<b>i. Foreign currency monetary item translation difference account</b>	<b>(137.80)</b>	<b>(697.14)</b>

	March 31, 2016	March 31, 2015
<b>j. General reserve</b>		
As per last balance sheet	857.88	858.27
Add : On account of purchase of minority interest (refer Note 3.1 (2))	0.44	-
Add : Transferred from employee stock options outstanding	0.22	7.64
Less: Reduction during the year (refer Note 14(ii))	-	(8.03)
	<b>858.54</b>	<b>857.88</b>
<b>k. Minority share of losses</b>	<b>(0.42)</b>	<b>(0.42)</b>
<b>l. Statement of profit and loss</b>		
As per last balance sheet	(18,464.62)	(9,306.93)
Add : Profit / (loss) for the year	482.59	(9,157.69)
Less : Transferred to legal and statutory reserve	(35.91)	(-)
Less : Appropriations*	(0.02)	(-)
	<b>(18,017.96)</b>	<b>(18,464.62)</b>
<b>Total</b>	<b>(8,086.87)</b>	<b>(9,863.84)</b>

\* It is related to dividend distribution tax paid by the step down wholly owned subsidiary on account of distribution of dividend to its holding company.

#### 10. Long-term borrowings

	March 31, 2016	March 31, 2015
<b>a. Secured</b>		
(i) Term loans from banks and financial institutions	3,232.37	4,493.70
(ii) Covered bonds	4,286.99	4,043.80
	<b>7,519.36</b>	<b>8,537.50</b>
<b>b. Unsecured</b>		
(i) Foreign currency convertible bonds	1,648.66	2,237.00
(ii) Foreign currency loan from banks	58.26	12.08
	<b>1,706.92</b>	<b>2,249.08</b>
<b>Total</b>	<b>9,226.28</b>	<b>10,786.58</b>

#### I. The details of security for the 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 2,746.35 Crore (Rs 5,966.46 Crore) of which Rs 2,712.65 Crore (Rs 3,687.77 Crore) classified as long term borrowings and Rs 33.70 Crore (Rs 2,278.69 Crore) classified as current maturities of long-term borrowings, fund based working capital facilities of Rs 1,827.33 Crore (Rs 2,782.34 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 8 Indian subsidiaries which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, negative lien over the equity shares of certain overseas subsidiaries of SEL held by its step down overseas subsidiaries, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.

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

- i) Rs Nil (Rs 174.78 Crore) secured by way of priority repayment against the specific receivables being financed by certain lenders along with sharing of securities under CDR Package and personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- ii) Rs Nil (Rs 408.53 Crore) secured by way of priority repayment against the specific receivables being financed by a lender along with sharing of securities under CDR Package and personal guarantee of the managing director of SEL.
- iii) Rs Nil (Rs 150.00 Crore) secured by way of priority repayment on pari passu basis against the specific receivables being financed by a lender and a pari passu charge on the stock and receivables pertaining to specific projects with the lenders for the facility mentioned in point (v) below.
- iv) Rs Nil (Rs 681.00 Crore) secured by way of priority repayment on pari passu basis against the specific receivables being financed by a lender and a pari passu charge on the stock and receivables pertaining to specific projects with the lender for the facility mentioned in point (iv) above, corporate guarantee of a company and pledge of shares of a company.
- v) Rs 50.45 Crore (Rs Nil) secured by first pari passu charge on all current assets (except for land considered as stock in trade) and first pari passu charge on all fixed assets shown in short-term borrowings.

- vi) Rs 50.00 Crore (Rs. Nil) secured by first pari passu charge on all the assets of the borrowers provided to the CDR lenders shown in long-term borrowings.
- vii) Rs 296.32 Crore (Rs 515.32 Crore) and working capital loans of Rs 27.99 Crore (Rs 61.49 Crore) secured by pari passu charge on all movable assets (both fixed and current assets) and immovable assets of one of the subsidiaries. It is also secured by personal guarantee of one of the directors of the said subsidiary and personal guarantee of managing director of the Company.
- viii) Rs Nil (Rs 147.24 Crore) secured by way of charge on land and assignments of electricity proceeds.
- ix) Rs Nil (Rs 9.46 Crore) secured by way of first charge on specific plant and machinery and land, second charge on windmills and corporate guarantee of the Company.
- x) Rs 238.53 Crore (Rs 344.57 Crore) secured by way of specific receivables of few subsidiaries and corporate guarantee of wholly owned subsidiary of the Company and personal guarantee of managing director of the Company.
- xi) Rs Nil (Rs 27.77 Crore) secured by way of specific receivables of the subsidiary and corporate guarantee of the Company.
- xii) Vehicle loan of Rs 1.43 Crore (Rs 0.62 Crore) of which Rs 0.86 Crore (Rs 0.62 Crore) classified as current portion of long term borrowings is secured against vehicle under hire purchase contract.
- xiii) A.E. Rotor Holding B.V. (AERH), a wholly owned subsidiary of the Company, issued covered bonds of USD 647 Million on March 26, 2013. The Bonds are secured by an unconditional and irrevocable Stand-by Letters of Credit ("SBI SBLC") issued by State Bank of India. The SBI SBLC is backed by Stand-by Letters of Credit issued by certain Indian lenders (Indian Lenders SBLCs) and Stand-by Letters of Credit issued by certain overseas branches of domestic lenders (Offshore SBLCs) (Indian Lenders SBLCs and Offshore SBLCs collectively referred to as "Participating SBLCs") and such Participating SBLCs are secured by first ranking pari passu charge, in terms of the respective agreements, 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 carve out properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its 8 Indian subsidiaries which are forming part of the Borrowers, 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, pledge of certain equity shares of SEL held by its promoters on exclusive basis to SBI, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL. The Offshore SBLCs is guaranteed by the Borrowers. On April 29, 2016, these bonds were partially redeemed by availing a credit facility of USD 590.40 Million. Refer Note 27(a).

## II. Foreign currency convertible bonds

### a) Following are the key terms of the bonds post restructuring:

Particulars	April 2016 Bonds	July 2019 Bonds
Issue date	April 12, 2011	July 15, 2014
Outstanding post restructuring (in USD)	28.80 Million	546.92 Million
Face value per bond (in USD)	2,00,000	1,000
Conversion price per share (Rs)	54.01	15.46
Fixed exchange rate (Rs/ USD)	44.59	60.225
Redemption amount as a % of principal amount (%)	108.70	100.00
Coupon rate	5.0%	3.25% for first 18 months 5.75% for balance 42 months
Maturity date	April 13, 2016	July 16, 2019
Current outstanding (in USD)	28.80 Million	248.83 Million

On April 14, 2016, Foreign Currency Convertible Bonds ("FCCBs") worth USD 28.80 Million in principal amount, which was part of the original 5% April 2016 Series have been repaid along with the applicable premium and the said Series is now redeemed in full and cease to exist.

Since the date of issuance, bonds equivalent to USD 298.09 Million of July 2019 have been converted into shares by March 31, 2016. The bondholders have exercised their rights to convert bonds of USD 80.29 million (USD 217.80 Million) of July 2019 bonds during the year.

### b) Redemption premium:

During the year ended March 31, 2016, the Company provided for the proportionate redemption premium of Rs 4.59 Crore (Rs 3.60 Crore on phase IV) and reversed the redemption premium on restructured bonds aggregating to Rs 24.23 Crore. Following are the scheme-wise details of the redemption premium as of the year end date:

Phase	March 31, 2016	March 31, 2015
Phase IV (5% April 2016)	16.60	12.01
Restructured bonds	-	24.23
<b>Total</b>	<b>16.60</b>	<b>36.24</b>

- III. The Group has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2016 is as below:

Particulars	March 31, 2016		March 31, 2015	
	Amount	Period of delay	Amount	Period of delay
	Rs in Crore	in days	Rs in Crore	in days
Repayment of term loan	-	-	64.51	Upto 90 days
Repayment of Working capital term loan	-	-	37.05	Upto 30 days
Payment of interest	-*	1 day	218.57	Upto 211 days
Letter of credit/ buyers credit/ devolvement	-	-	72.80	Upto 90 days

\* The Group has interest accrued and due as on March 31, 2016 which has been debited by bank in subsequent month.

IV. 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*	100.26 (2,402.03)	6,008.58 (6,341.89)	1,510.78 (2,195.61)	7,619.62 (10,939.53)
Unsecured loans	194.55 (46.59)	1,684.44 (2,249.08)	22.48 (-)	1,901.47 (2,295.67)
<b>Total</b>	<b>294.81</b> <b>(2,448.62)</b>	<b>7,693.02</b> <b>(8,590.97)</b>	<b>1,533.26</b> <b>(2,195.61)</b>	<b>9,521.09</b> <b>(13,235.20)</b>

\* For repayment details of term loans from banks and financial institutions which are part of CDR, refer Note 4.

The effective rate of interest on the long-term borrowings ranges between 3.25% p.a. to 15.00% p.a., during the year, depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks.

11. Provisions

	Long-term		Short-term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Employee benefits	59.04	68.69	45.99	56.37
Performance guarantee, operation, maintenance and warranty and liquidated damages	205.66	183.42	510.78	1,515.80
Provision for FCCB redemption premium	-	36.24	16.60	-
Provision for taxation	-	-	0.83	1.75
<b>Total</b>	<b>264.70</b>	<b>288.35</b>	<b>574.20</b>	<b>1,573.92</b>

In pursuance of Accounting Standard-29 (AS-29) 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	Performance guarantee	Operation, maintenance and warranty	Liquidated damages
Opening balance	<b>128.20</b> (88.62)	<b>1,217.40</b> (1,640.87)	<b>353.62</b> (424.42)
Additions during the year	<b>161.21</b> (155.99)	<b>187.18**</b> (661.01)**	<b>77.21*</b> (255.70)
Utilisation	<b>173.99</b> (106.80)	<b>91.24*</b> (1,073.97)*	<b>259.35</b> (243.31)
Deduction due to stake sale	<b>1.95</b> (-)	<b>834.59</b> (-)	- (-)
Reversal	<b>3.16</b> (9.61)	<b>44.10</b> (10.50)	- (83.19)
Closing balance	<b>110.31</b> (128.20)	<b>434.65</b> (1,217.40)	<b>171.48</b> (353.62)

\* Includes foreign exchange impact on restatement.

\*\* Includes expenditure booked under various expenditure heads by their nature.

Performance guarantee ('PG') represents the expected outflow of resources against claims for performance shortfall expected in future over the life of the guarantee assured. The period of performance guarantee varies for each customer according to the terms of contract. The key assumptions in arriving at the performance guarantee provisions are wind velocity, plant load factor, grid availability, load shedding, historical data, wind variation factor etc.

Operation, maintenance and warranty ('O&M') represents the expected liability on account of field failure of parts of WTG and expected expenditure of servicing the WTGs over the period of free operation, maintenance and warranty, which varies according to the terms of each sales order.

Liquidated damages ('LD') represents the expected claims which the Group may need to pay for non fulfilment of certain commitments as per the terms of the sales order. These are determined on a case to case basis considering the dynamics of each sales order and the factors relevant to that sale.

The figures shown against 'Utilisation' represent withdrawal from provisions credited to statement of profit and loss to offset the expenditure incurred during the year and debited to statement of profit and loss.

## 12. Short-term borrowings

	March 31, 2016	March 31, 2015
(i) Working capital facilities from banks and financial institutions (secured)	1,909.67	4,373.85
(ii) Working capital facilities from others (unsecured)	–	201.91
<b>Total</b>	<b>1,909.67</b>	<b>4,575.76</b>

The effective rate of interest on the working capital facilities from bank, financial institutions and others ranges between 4.90% p.a. to 14.00% p.a. depending upon the prime lending rate of the banks and financial institutions, wherever applicable, and the interest rate spread agreed with the banks. For details of security given for short-term borrowings, refer Note 10(I) above.

## 13. Other liabilities

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings	–	–	294.81	2,448.62
Interest accrued but not due on borrowings	–	–	31.99	22.94
Interest accrued and due on borrowings	–	–	5.75	218.82
Unclaimed dividend	–	–	–	0.10
Advance from customer	–	–	1,136.26	2,093.11
Statutory dues	–	–	115.10	401.14
Others*	157.86	102.74	461.93	1,135.95
<b>Total</b>	<b>157.86</b>	<b>102.74</b>	<b>2,045.84</b>	<b>6,320.68</b>

\* Primarily includes refundable deposits and accruals.

#### 14. Tangible and Intangible assets

Fixed Assets	Gross block					Depreciation / amortisation					Net block			
	As at April 1, 2015	Additions	Translation adjustment	Deductions/ adjustments	Sale of subsidiary*	As at March 31, 2016	As at April 1, 2015	For the year	Impairment for the year	Translation adjustment	Deductions/ adjustments	Sale of subsidiary*	As at March 31, 2016	As at March 31, 2015
<b>a. Tangible assets</b>														
Land	186.14	4.30	0.18	-	18.19	172.43	24.27	1.27	-	0.03	-	-	25.57	146.86
Buildings	1,959.86	7.85	7.69	0.26	877.84	1,097.30	741.46	45.69	-	6.81	0.17	160.15	633.64	463.66
Site development	105.25	-	-	-	-	105.25	30.86	2.61	-	-	-	-	33.47	71.78
Plant and machinery	2,770.14	100.73	13.76	67.37	946.73	1,870.53	1,766.36	141.81	-	12.65	55.40	602.87	1,262.55	607.98
Wind research and measuring equipments	76.04	0.85	1.58	15.75	-	62.72	66.75	4.65	-	1.44	14.01	-	58.83	3.89
Computer and office equipments	306.51	20.91	8.08	23.14	-	312.36	283.50	11.96	-	7.29	15.44	-	287.31	25.05
Furniture and fixtures	693.32	3.81	1.50	2.36	493.94	202.33	482.49	20.86	-	1.49	1.62	336.24	166.98	35.35
Vehicles	19.74	2.56	0.07	1.15	-	21.22	15.03	2.64	-	(0.05)	0.91	-	16.71	4.51
<b>Total tangible assets</b>	<b>6,117.00</b>	<b>141.01</b>	<b>32.86</b>	<b>110.03</b>	<b>2,336.70</b>	<b>3,844.14</b>	<b>3,410.72</b>	<b>231.49</b>	-	<b>29.65</b>	<b>87.55</b>	<b>1,099.26</b>	<b>2,485.06</b>	<b>1,359.08</b>
Previous year	6,442.18	297.04	(499.34)	122.88	-	6,117.00	3,163.54	529.38	24.28	(210.50)	95.97	-	3,410.72	2,706.28
<b>b. Intangible assets</b>														
Goodwill on consolidation*	7,509.36	7.58	-	7,389.27	120.09	7.58	5,430.60	-	-	-	5,408.85	21.75	-	7.58
Design and drawings	1,746.89	264.40	57.59	345.35	933.28	790.25	877.96	162.00	-	36.43	334.59	276.09	465.71	324.54
Software	424.51	5.07	0.02	-	394.17	35.43	235.05	9.77	-	0.02	-	215.84	29.00	6.43
<b>Total intangible assets</b>	<b>9,680.76</b>	<b>277.05</b>	<b>57.61</b>	<b>7,734.62</b>	<b>1,447.54</b>	<b>833.26</b>	<b>6,543.61</b>	<b>171.77</b>	-	<b>29.66</b>	<b>5,743.44</b>	<b>513.68</b>	<b>494.71</b>	<b>338.55</b>
Previous year	11,179.85	460.79	(1,958.77)	1.11	-	9,680.76	943.97	262.83	6,072.22	(761.44)	(26.03)	-	6,543.61	3,137.15

\* refer Note 6 for sale of subsidiary.

- The depreciation / amortisation (including impairment losses) charged in the statement of profit and loss account amounting to Rs 403.26 Crore (Rs 808.77 Crore) includes Rs Nil (Rs 0.31 Crore) for depreciation charged on capital work-in-progress.
- As per requirements of Schedule II to the Companies Act 2013 in case of assets, where the useful life has expired on April 01, 2014, carrying amount of asset needs to be charged to opening balance of retained earnings. Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of computers, office equipment, furniture and fixtures and plant and machinery which has resulted in charge of Rs Nil (Rs 8.03 Crore) in the general reserve.
- Buildings include those constructed on leasehold land.

- iv) During the year, the Company has capitalised the following expenses in connection with the self-manufactured assets. Consequently expenses disclosed under the respective notes are net of amounts capitalised by the Company:

	March 31, 2016	March 31, 2015
Employee remuneration and benefits	0.25	-
Operating and other expenditure	9.41	-

- v) The details of fixed assets held for disposal forming part of and included in tangible assets schedule.

Fixed assets	As at March 31, 2016			Depreciation for the year
	Gross block	Accumulated depreciation	Net block	
Freehold land	13.52	-	13.52	-
Buildings	93.98	60.68	33.30	3.75
Plant and machinery	93.05	84.37	8.68	2.76
Computers and office equipments	6.59	6.36	0.23	0.06
Furniture and fixtures	4.13	3.82	0.31	0.21
Vehicles	0.14	0.14	0.00*	0.00*
<b>Total</b>	<b>211.41</b>	<b>155.37</b>	<b>56.04</b>	<b>6.78</b>
Previous year	216.60	151.56	65.04	11.53

\* Less than Rs 0.01 Crore

There was an intent to sell office premise having gross block of Rs 4.82 Crore (Rs 4.83 Crore) and net block Rs 2.07 Crore (Rs 2.22 Crore) (including plant and machinery, computer and office equipment and furniture and fixture) until previous year. As there is improved business outlook, it has been decided to retain these assets and therefore excluded the same in disclosure relating to asset held for sale.

## 15. Investments

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Non-trade investments (valued at cost unless stated otherwise)</b>				
Non-trade investments in shares (unquoted)	44.77	2.53	39.76*	0.44
Investments in Government or trust securities (unquoted)	0.03	0.03	-	-
Investments in debentures (unquoted)	-	12.66	12.57	-
SBI Ultra short term debt fund [1,370,603 (Nil) units of Rs 1,924 (Nil) each] (quoted)	-	-	263.71	-
SBI premier liquid fund [643 (1,139,142) units of Rs 2,314 (Rs 2,195) each] (quoted)	-	-	0.15	250.00
<b>Total</b>	<b>44.80</b>	<b>15.22</b>	<b>316.19</b>	<b>250.44</b>

\* During the year, Suzlon entered in Solar sector to leverage its expertise from concept to commissioning. In order to execute the project, various special purpose vehicles ('SPV') were incorporated / acquired. The Company does not intend to hold the SPV's for long term and hence the investment has been classified as current.

## 16. Loans and advances

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Capital advances</b>				
Unsecured, considered good (a)	6.82	21.68	0.02	0.17
<b>Security deposits</b>				
Unsecured, considered good	172.98	186.30	9.81	11.35
Unsecured, considered doubtful	3.50	-	-	-
	169.48	186.30	9.81	11.35
Less : Allowance for bad and doubtful advances	(3.50)	(-)	(-)	(-)
(b)	<b>169.48</b>	<b>186.30</b>	<b>9.81</b>	<b>11.35</b>
<b>Advances recoverable in cash or in kind</b>				
Unsecured, considered good	5.73	43.03	455.50	737.16
Unsecured, considered doubtful	152.30	67.57	-	0.16
	<b>158.03</b>	<b>110.60</b>	<b>455.50</b>	<b>737.32</b>
Less : Allowance for bad and doubtful advances	(152.30)	(67.57)	(-)	(0.16)
(c)	<b>5.73</b>	<b>43.03</b>	<b>455.50</b>	<b>737.16</b>
<b>Other loans and advances</b>				
Unsecured, considered good				
Advance income tax (net of provisions)	25.73	33.56	31.82	47.89
Inter-corporate deposits	0.98	43.09	46.50	47.25
Other assets	43.15	40.41	205.91	548.07
(d)	<b>69.86</b>	<b>117.06</b>	<b>284.23</b>	<b>643.21</b>
<b>Total (a+b+c+d)</b>	<b>255.39</b>	<b>368.07</b>	<b>749.56</b>	<b>1,391.89</b>

**17. Deferred tax liabilities (net)**

	March 31, 2016	March 31, 2015
<b>Deferred tax assets</b>		
Employee benefits	0.83	0.67
	<b>0.83</b>	<b>0.67</b>
<b>Deferred tax liabilities</b>		
Impact of difference between tax depreciation and depreciation charged in financial statement	13.47	242.52
Accounts receivable / liabilities from contract orders	–	407.04
	<b>13.47</b>	<b>649.56</b>
<b>Deferred tax liabilities (net)</b>	<b>12.64</b>	<b>648.89</b>

**18. Trade receivables and other assets****18.1 Trade receivables**

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Unsecured</b>				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	–	–	531.77	974.00
Considered doubtful	83.62	76.50	–	141.37
	<b>83.62</b>	<b>76.50</b>	<b>531.77</b>	<b>1,115.37</b>
Other receivables	97.40	0.15	2,067.94	1,780.32
	<b>181.02</b>	<b>76.65</b>	<b>2,599.71</b>	<b>2,895.69</b>
Less : Provision for doubtful receivables	(83.62)	(76.50)	(–)	(141.37)
<b>Total</b>	<b>97.40</b>	<b>0.15</b>	<b>2,599.71</b>	<b>2,754.32</b>

**18.2 Other assets**

	Non-current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Unsecured, considered good unless stated otherwise</b>				
Non-current bank balances	247.23	130.23	–	–
Prepaid compensation in lieu of bank sacrifice	–	–	–	22.83
Ancillary cost of arranging the borrowings	48.11	60.64	13.66	9.22
Interest receivable	–	0.01	9.92	7.50
Receivable towards share application money (refer Note 8 (ii))	–	–	–	1,800.00
Forward contract receivable	–	–	–	249.50
Infrastructure development asset*	341.18	272.69	31.15	112.45
Others	0.06	0.02	92.84	92.36
<b>Total</b>	<b>636.58</b>	<b>463.59</b>	<b>147.57</b>	<b>2,293.86</b>

\* The Company incurs expenditure on development of infrastructure facilities for power evacuation arrangements as per authorisation of the State Electricity Boards ('SEB')/ Nodal agencies in Maharashtra and Tamil Nadu. The expenditure is reimbursed, on agreed terms, by the SEB/ Nodal agencies. In certain cases, the Company recovers the cost from customers in the ordinary course of business. The cost incurred towards development of infrastructure facility inventory is reduced by the reimbursements received from SEB/Nodal agencies and the net amount is shown as 'Infrastructure Development Asset' under other assets. The excess of cost incurred towards the infrastructure facilities net of reimbursement received from SEB/Nodal agencies/customers is charged to statement of profit and loss as infrastructure development expenses.



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

	March 31, 2016	March 31, 2015
Raw materials (including goods-in-transit)	1,316.53	1,739.44
Finished goods, semi finished goods and work-in-progress (including goods in transit)	836.99	1,336.08
Land and lease rights	192.01	109.08
Stores and spares	219.08	176.18
<b>Total</b>	<b>2,564.61</b>	<b>3,360.78</b>

**20. Cash and bank balances**

	March 31, 2016	March 31, 2015
Balances with banks:		
In current accounts	233.03	1,146.10
In term deposits	394.37	1,395.58
Unpaid dividend	–	0.10
Cash on hand	1.89	1.10
<b>Total</b>	<b>629.29</b>	<b>2,542.88</b>

**21. Revenue from operations**

	March 31, 2016	March 31, 2015
Revenue from sale, installation and commissioning of WTG	8,034.97	16,961.39
Income from operation and maintenance service	1,473.48	2,875.29
<b>Total</b>	<b>9,508.45</b>	<b>19,836.68</b>

**Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'**

	March 31, 2016	March 31, 2015
Contract revenue recognised during the year	1,478.05	12,117.31
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	1,257.74	10,061.46
Amount of customer advances outstanding for contracts in progress up to the reporting date	–	1,016.01
Retention amount due from customers for contract in progress up to the reporting date	–	–
Due from customers	–	2,090.71
Due to customers	46.14	131.06

**22. Cost of raw material and components consumed**

	March 31, 2016	March 31, 2015
<b>Consumption of raw materials (including project business)</b>		
Opening inventory	1,739.44	2,424.04
Add : Purchases including bought out components	4,765.53	12,941.26
	<b>6,504.97</b>	<b>15,365.30</b>
Less : Closing inventory	1,316.53	1,739.44
	<b>5,188.44</b>	<b>13,625.86</b>
<b>Change in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>(Increase) / decrease in stocks:</b>		
Opening inventory		
Finished, semi finished goods and work-in-progress	1,336.08	1,340.20
Land and land lease rights	109.08	97.77
	<b>1,445.16</b>	<b>1,437.97</b>
Closing inventory		
Finished, semi finished goods and work-in-progress	836.99	1,336.08
Land and land lease rights	192.01	109.08
	<b>1,029.00</b>	<b>1,445.16</b>
<b>(Increase) / decrease in stocks</b>	<b>416.16</b>	<b>(7.19)</b>

**23. Employee benefits expense**

	March 31, 2016	March 31, 2015
Salaries, wages, allowances and bonus	829.87	1,800.05
Contribution to provident fund and other funds	85.41	348.54
Employee stock option scheme (refer Note 31)	3.80	7.76
Staff welfare expenses	35.14	71.11
<b>Total</b>	<b>954.22</b>	<b>2,227.46</b>

**24. Other expenses**

	March 31, 2016	March 31, 2015
Stores and spares consumed	102.99	50.97
Power and fuel	62.20	70.04
Factory and site expenses	66.92	44.28
Repairs and maintenance	38.83	62.59
Operation and maintenance charges	9.74	57.65
Design change and technical upgradation charges	3.42	2.43
Rent, rates and taxes	66.26	171.03
Performance guarantee expenditure (refer Note 11)	158.05	146.38
Liquidated damages expenditure (refer Note 11)	76.64	172.51
Operation, maintenance and warranty expenditure (refer Note 11)	73.11	159.09
R & D, certification and product development and quality assurance expenses	78.87	154.76
Insurance	24.88	30.57
Advertisement and sales promotion	16.85	52.92
Infrastructure development expenses	0.77	–
Freight outward and packing expenses	309.98	915.14
Sales commission	9.82	4.29
Travelling, conveyance and vehicle expenses	121.19	246.38
Communication expenses	24.16	125.61
Auditors' remuneration and expenses	5.18	12.56
Consultancy charges	137.60	396.25
CSR, charity and donations	21.05	13.59
Exchange differences, net	410.05	485.40
Bad debts written off	25.10	1.40
Provision for doubtful debts and advances	7.46	163.79
Provision for diminution of investment	0.95	0.44
Loss on assets sold / discarded, net	1.64	7.51
Miscellaneous expenses	181.45	244.99
<b>Total</b>	<b>2,035.16</b>	<b>3,792.57</b>

**25. Finance costs**

	March 31, 2016	March 31, 2015
Interest		
Fixed loans	500.80	885.25
Others	495.79	861.00
Bank charges	100.71	145.89
Amortisation of ancillary borrowing costs	96.36	114.36
Compensation in lieu of bank sacrifice	22.83	52.02
Exchange difference to the extent considered as an adjustment to borrowing costs	9.63	6.17
<b>Total</b>	<b>1,226.12</b>	<b>2,064.69</b>

**26. Finance income**

	March 31, 2016	March 31, 2015
Interest income		
From banks on fixed deposits	24.85	27.95
From others	4.24	11.87
Profit from sale of mutual funds	36.45	–
Dividend income	–	13.48
<b>Total</b>	<b>65.54</b>	<b>53.30</b>

## 27. Exceptional items

	March 31, 2016	March 31, 2015
Currency translation gain on disposal of subsidiary (refer Note 6)	(1,346.98)	–
Forex loss and unamortised cost related to redeemed covered bonds (refer Note 27a)	282.85	–
Foreign exchange loss on restructured FCCBs (refer Note 27b)	–	103.43
Provision towards impairment of goodwill (refer Note 6)	–	6,072.22
Infrastructure development charges (refer Note 27c)	–	55.00
Provision for tax litigation (refer Note 27d)	–	81.01
<b>Total</b>	<b>(1,064.13)</b>	<b>6,311.66</b>

- a) On March 28, 2013, AE-Rotor Holding B.V. ("AERH"), a step-down wholly owned subsidiary of the Company had issued 4.969% coupon rate USD 647 million Bonds due 2018. The bonds were secured against an unconditional and irrevocable Stand-by Letter of Credit ("SBLC") issued by State Bank of India. On account of occurrence of a prepayment event under the Bond documents, pursuant to the approvals received from RBI, on April 29, 2016, bonds were partially redeemed and Bonds worth USD 590.40 million were thus redeemed by availing a credit facility of USD 590.40 million from State Bank of India, London Branch and Export-Import Bank of India, London Branch, at coupon rate of 3.30%. As a part of the transaction, the SBLC issued by SBI in relation to the Bonds has been amended to secure both the credit facility and the balance portion of the Bonds such that post amendment the value of the SBLC remained the same. In view of this, the foreign currency monetary item translation difference account ('FCMITDA') and unamortised cost as on March 31, 2016 relating to redeemed bonds amounting to Rs 282.85 Crore has been charged off in the statement of profit and loss.
- b) Pursuant to restructuring of USD 175 Million 5% April 2016 Series foreign currency convertible bonds, USD 146.20 Million of the principal amount have been substituted by the new restructured bonds and USD 28.80 Million of the principal amount remain outstanding during financial year 2015. In view of this the foreign currency monetary item translation difference account ('FCMITDA') relating to restructured bonds of 5% April 2016 Series amounting to Rs 103.43 Crore had been charged off in the statement of profit and loss during financial year ended March 31, 2015.
- c) The Indian Wind Energy Association ("InWEA") of which the Group is a member had filed a civil appeal in the Supreme Court against an order of the Appellate Tribunal for Electricity in regard to levy of Infrastructure Development Charges ("IDC") by Tamil Nadu State Electricity Board, and the matter is pending the hearing of the Supreme Court. The Group continues to expect a favourable outcome. However, in view of delay in hearing, as a prudent measure, the Company during financial year 2015, had made a provision of Rs 55.00 Crore and disclosed the same under exceptional items. Accordingly, the matter of emphasis reported by the auditors in the previous years towards uncertainty on contingencies has been resolved during financial year ended March 31, 2015.
- d) During financial year ended March 31, 2015, the Group had made a provision of Rs 81.01 Crore on account of certain tax litigations for projects executed in past in overseas subsidiaries.

## 28. Tax expense

	March 31, 2016	March 31, 2015
Current tax	(12.43)	111.23
Deferred tax charge	1.47	27.47
MAT credit entitlement	(0.01)	–
Earlier years tax	–	178.58
<b>Total</b>	<b>(10.97)</b>	<b>317.28</b>

## 29. Earnings per share (EPS)

	March 31, 2016	March 31, 2015
<b>Basic</b>		
Net profit / (loss) after share of profit of minority interest	482.59	(9,157.69)
Less: Preference dividend and tax thereon	(0.29)	(0.35)
Profit / (loss) attributable to equity shareholders	482.30	(9,158.04)
Weighted average number of equity shares	4,787,544,853	3,003,081,220
Basic earnings /(loss) per share of Rs 2 each	1.01	(30.49)

	March 31, 2016	March 31, 2015
<b>Diluted</b>		
Profit / (loss) attributable to equity shareholders	482.30	(9,158.04)
Add: Interest on foreign currency convertible bonds (net of tax)	59.73	68.93
Employee stock purchase scheme / Employee stock option plan	2.54	5.18
Adjusted net profit / (loss) after tax	544.57	(9,083.93)
Weighted average number of equity shares	4,787,544,853	3,003,081,220
Add: Potential weighted average equity shares that could arise on conversion of foreign currency convertible bonds	969,310,857	933,539,064
conversion of employee stock purchase scheme	4,040,815	3,452,308
Weighted average number of equity shares for diluted EPS	5,760,896,525	3,940,072,592
Diluted earnings / (loss) per share (Rs) of face value of Rs 2 each	0.95	(30.49)*

\* 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.

### 30. Post employment benefits

The Group 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 the statement of profit and loss:

	March 31, 2016	March 31, 2015
Current service cost	6.01	5.69
Interest cost on benefit obligation	3.21	3.12
Expected return on plan assets	(2.00)	(2.81)
Net actuarial loss recognised in the year	2.53	5.20
Net benefit expense	9.75	11.20

#### Details of defined benefit obligation

	March 31, 2016	March 31, 2015
Defined benefit obligation	50.90	43.19
Fair value of plan assets	26.09	22.18
Present value of unfunded obligations	24.81	21.01
Plan liability	24.81	21.01

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

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	43.19	33.12
Interest cost	3.21	3.12
Current service cost	6.01	5.69
Benefits paid	(4.39)	(3.72)
Actuarial (gains) / losses on obligation	2.88	4.98
Closing defined benefit obligation	50.90	43.19

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

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	22.18	21.59
Expected return	2.00	2.81
Contributions by employer	5.89	1.35
Benefits paid	(4.39)	(3.72)
Actuarial gains / (losses)	0.41	0.15
Closing fair value of plan assets	26.09	22.18

Major category of plan assets pertains to investment in approved funds.

Amounts for the current and previous periods are as follows:

	March 31,				
	2016	2015	2014	2013	2012
Defined benefit obligation	50.90	43.19	33.12	34.12	31.99
Plan assets	26.09	22.18	21.59	25.52	17.46
Deficit	24.81	21.01	11.53	8.60	14.53
Experience adjustments on plan liabilities	3.38	8.94	1.42	5.41	(3.95)
Experience adjustments on plan assets	(0.21)	(6.37)	0.57	0.01	0.43

The principal assumptions with respect to discount rate, expected return on plan assets, salary escalation rate and attrition 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.

### 31. Employee stock option plans

The Company has provided various employee stock option and purchase schemes to its employees.

a) During the year ended March 31, 2016, the following schemes were in operation:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme X	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
Grant date	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	27-Apr-11	31-Jul-11	25-May-12	31-Mar-14	23-Jun-14
Board approval date	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	14-Feb-14	14-Feb-14
Shareholder approval	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	27-Mar-14	27-Mar-14
Options granted (Nos)	1,878,000	10,916,787	135,000	175,000	50,000	75,000	50,000	65,000	25,000	12,301,100	45,000,000
Exercise Price (Rs)	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	54.35	54.15	20.85	8.10	26.95
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period										15-Apr-14	
Tranche 1	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	27-Apr-12	1-Aug-12	26-May-13		23-Jun-15
Tranche 2	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	27-Apr-13	1-Aug-13	26-May-14		23-Jun-16
Tranche 3	-	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	27-Apr-14	1-Aug-14	26-May-15		
Vesting %										100%	
Tranche 1	75%	50%	50%	50%	50%	50%	50%	50%	50%		50%
Tranche 2	25%	25%	25%	25%	25%	25%	25%	25%	25%		50%
Tranche 3	-	25%	25%	25%	25%	25%	25%	25%	25%		
Exercise period (end date)	Till 21-May-2015	Till 5-Oct-2014	Till 30-Jan-2015	Till 28-Jul-2015	Till 30-Oct-2015	Till 21-Feb-2016	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017	Till 15-Apr-2014	Till 31-Mar-2019*

\* The Company has extended the exercise period of options granted under special ESOP 2014 by 2 years.

b) The movement in the stock options during the year ended March 31, 2016 was as below:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	Special ESOP 2014
	Scheme III	Scheme VI	Scheme XI	Scheme XII	Scheme XIV
Opening balance	815,000	35,000	10,000	12,500	44,265,600
Granted during the year	-	-	-	-	-
Forfeited/cancelled during the year	104,000	-	10,000	12,500	3,924,800
Exercised during the year	-	-	-	-	-
Expired during the year	711,000	35,000	-	-	-
Closing balance	-	-	-	-	40,340,800
Exercisable at the end of the year (Included in closing balance of option outstanding)	-	-	-	-	40,340,800

c) The movement in the stock options during the year ended March 31, 2015 was as per the table below:

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)	ESOP Perpetual-I (Tranche II)	ESOP Perpetual-I (Tranche III)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
Opening balance	865,000	3,787,081	35,000	35,000	10,000	12,500	12,301,100	-
Granted during the year	-	-	-	-	-	-	-	45,000,000
Forfeited / cancelled during the year	50,000	70,004	-	-	-	-	-	734,400
Exercised during the year	-	-	-	-	-	-	10,095,000	-
Expired during the year	-	3,717,077	35,000	-	-	-	2,206,100	-
Closing balance	815,000	-	-	35,000	10,000	12,500	-	44,265,600
Exercisable at the end of the year (Included in closing balance of option outstanding)	815,000	-	-	35,000	10,000	9,375	-	22,132,800

d) Fair value of the options

The Company applies intrinsic value based method of accounting for determining compensation cost for Scheme II to Scheme XIV. Following are the details of the amounts that would have been charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2007	ESOP Perpetual-I (Tranche I)		ESOP Perpetual-I (Tranche II)		ESOP Perpetual-I (Tranche III)		ESOP Perpetual-I (Tranche IV)	ESOP Perpetual-I (Tranche V)	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)	ESPS 2014	Special ESOP 2014
	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme X	Scheme XI	Scheme XII	Scheme XIII	Scheme XIV
		Non-US	US	Non-US	US	Non-US	US							
Charge to statement of profit and loss	Nil	Nil		Nil		Nil		Nil	Nil	Nil	Nil	Nil	Nil	3.80
	(Nil)	(Nil)		(0.09)		(Nil)		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(Nil)	(7.67)
Rate per option (Rs)	2.20	22.25	4.75	15.45	Nil	12.29	0.60	11.09	Nil	0.05	Nil	Nil	1.75	3.00
Black Scholes' Model - Cost per option (Rs)	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	24.50	22.67	9.25	1.77	13.18

If the cost per option was calculated based on the 'Black-Scholes' model, the profit after tax would have been lower by Rs 38.70 Crore (Rs 26.00 Crore).

Consequently the basic and diluted earnings/(loss) per share after factoring the above impact would be as follows:

Earnings per share	March 31, 2016	March 31, 2015
Basic	0.93	(30.58)
Diluted	0.88	(30.58)

### 32. Operating leases

The Group has taken certain premises under operating leases.

Expenses under cancellable operating lease and rental contracts during the year is Rs 14.52 Crore (Rs 123.78 Crore).

Expenses under non-cancellable operating lease and rental contracts during the year is Rs 11.66 Crore (Rs 17.28 Crore).

Future minimum rentals payable under non-cancellable operating lease and rental contracts as per the respective agreements are as follows:

Obligation on non-cancellable operating lease	March 31, 2016	March 31, 2015
Not later than one year	8.98	101.15
Later than one year and not later than five years	25.84	196.82
Later than five years	23.72	229.44

### Premises given on lease:

During the year, the Company has entered into commercial lease of certain premises. These leases are of cancellable nature and there are no restrictions placed upon the Company by entering into these leases. Lease rental income recognised in statement of profit and loss for the period is Rs 6.60 Crore (Rs 4.35 Crore).

### 33. Details of the Company's share in joint venture included in the consolidated financial statements are as follows (before inter-company eliminations) :

Balance Sheet	As at March 31, 2016	Statement of profit and loss	April 01, 2015 to March 31, 2016
Share capital	104.72 (102.91)	Revenue from operations	6.66 (2.63)
Reserve and surplus	(23.27) (-11.82)	Other operating income	~ (-)
<b>Total sources of funds</b>	<b>81.45</b> <b>(91.09)</b>	<b>Total income</b>	<b>6.66</b> <b>(2.63)</b>
Fixed assets	39.20 (41.79)	Cost of goods sold	2.98 (0.70)
Inventories	10.61 (10.90)	Employee benefits expense	5.55 (5.33)
Trade receivables	83.37 (100.10)	Other expenses	4.61 (4.64)
Cash and bank balance	2.57 (2.26)	Depreciation / amortisation	5.05 (5.46)
Loans and advances	6.08 (5.09)	Finance costs	1.22 (0.06)
Total current assets	102.63 (118.35)	Finance income	(0.01) (0.03)
Current liabilities and provisions	60.38 (69.05)	<b>Total expenses</b>	<b>19.40</b> <b>(16.16)</b>
Net current assets	42.25 (49.30)	<b>Loss before tax</b>	<b>(12.74)</b> <b>(-13.53)</b>
		Tax	- (-)
<b>Total application of funds</b>	<b>81.45</b> <b>(91.09)</b>	<b>Loss after tax</b>	<b>(12.74)</b> <b>(-13.53)</b>

### 34. Segment information

The Group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system.

The Group's operations predominantly relate to sale of WTGs and allied activities including sale/sub-lease of land, project execution; and sale of foundry and forging components. Others primarily include power generation operations.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments allocated on a reasonable basis. Inter segment transfers have been carried out at mutually agreed prices.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting policies.

## A. Primary business segment

Particulars	March 31, 2016						March 31, 2015					
	Continuing operations				Elimination	Grand total	Continuing operations				Elimination	Grand total
	Sale of WTG	Foundry & Forging	Others	Total			Sale of WTG	Foundry & Forging	Others	Total		
Total external sales	9,263.80	234.28	10.37	9,508.45	-	9,508.45	19,707.94	118.42	10.32	19,836.68	-	19,836.68
Add: Inter segment sales	1.33	159.30	-	160.83	(160.63)	-	1.33	57.42	-	58.75	(58.75)	-
Segment revenue	9,265.13	393.58	10.37	9,669.08	(160.63)	9,508.45	19,709.27	175.84	10.32	19,895.43	(58.75)	19,836.68
Segment results before exceptional items	537.49	32.97	(6.08)	564.38	0.94	565.32	(400.58)	(79.70)	(12.78)	(493.06)	0.03	(493.03)
Add/(less) items to reconcile with profit as per statement of profit and loss												
Add : Other income						65.54						53.30
Less : Financial charges						(1,226.12)						(2,064.69)
Loss before tax and exceptional items						(595.26)						(2,504.42)
Less/ (add) : Exceptional items						(1,064.13)						6,311.66
Loss before tax						468.87						(8,816.08)
Provision for current tax						(12.43)						111.23
MAT credit entitlement						(0.01)						-
Deferred tax						1.47						27.47
Earlier year tax						-						178.58
Total tax						(10.97)						317.28
Loss after tax						479.84						(9,133.36)
Less: Share of loss/(profit) of minority						2.75						(24.33)
Net loss for the year						482.59						(9,157.69)
Segment assets	7,755.91	746.19	85.29	8,587.39	-	8,587.39	15,853.84	728.99	73.24	16,656.07	-	16,656.07
Common assets						1,516.96						5,075.38
Enterprise assets						10,104.35						21,731.45
Segment liabilities	5,431.46	112.70	-	5,544.16	-	5,544.16	10,136.35	108.24	-	10,244.60	-	10,244.60
Common liabilities						11,505.13						20,609.15
Enterprise liabilities						17,049.29						30,853.75
Capital expenditure during the year	382.32	17.43	16.69	416.44	-	416.44	735.20	2.15	18.72	756.07	-	756.07
Segment depreciation	331.28	59.08	12.89	403.25	-	403.25	725.17	62.39	21.21	808.77	-	808.77

## B. Geographical business segment

Particulars	Year ended March 31, 2016							Year ended March 31, 2015						
	India	Europe	USA & Canada	China	Australia	Others	Total	India	Europe	USA & Canada	China	Australia	Others	Total
Segment revenue	7,561.13	1,019.42	510.10	22.49	177.15	218.16	9,508.45	3,015.37	11,827.66	2,367.66	57.63	1,248.94	1,319.42	19,836.68
Segment assets	7,622.95	296.36	228.26	171.56	58.65	209.61	8,587.39	5,361.39	9,691.87	918.02	190.90	140.03	353.86	16,656.07
Capital expenditure incurred	377.79	31.25	3.37	0.31	2.20	1.52	416.44	61.64	645.15	38.82	0.09	9.38	0.99	756.07

## 35. Related party disclosures

### A. Related parties with whom transactions have taken place during the year

#### a. Entities where Key Management Personnel ('KMP') / Relatives of Key Management Personnel ('RKMP') have significant influence

Aspen Infrastructures Limited, ITP Senergy Limited, PT Wind Energy, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited, Samiran Realities Limited, Sandla Wind Project Private Limited, Sarjan Realities Limited, SE Freight & Logistics India Private Limited, Shubh Realities (South) Private Limited, Sugati Beach Resort Private Limited, Sugati Holdings Private Limited, Suruchi Holdings Private Limited, Windforce Management Services Private Limited, Suzlon Foundation, Suzlon Green Power Limited, Synefra Infrastructures Limited, Tanti Holdings Private Limited and Girish R. Tanti (HUF)

#### b. Joint Venture

Suzlon Energy (Tianjin) Limited

#### c. Subsidiaries (refer Note 3.2)

Aalok Solarfarms Private Limited, Abha Solarfarms Private Limited, Amun Solarfarms Limited, Avighna Solarfarms Limited, Gale Solarfarms Private Limited, Prathamesh Solarfarms Limited, Rudra Solarfarms Limited, SE Solar Limited, Shreyas Solarfarms Private Limited, Tornado Solarfarms Private Limited, Vayudoot Solarfarms Limited

#### d. Key Management Personnel of Suzlon Energy Limited

Tulsi R. Tanti, Vinod R. Tanti, Kirti J. Vagadia, Amit Agarwal\* and Hemal Kanuga

#### e. Relatives of Key Management Personnel of Suzlon Energy Limited

Rambhoben Ukabhai, Jitendra R. Tanti, Pranav T. Tanti, Sanyogita P. Tanti, Nidhi T. Tanti and Girish R. Tanti

\* resigned w.e.f. August 01, 2015



**f. Employee funds**

SE Blades Limited	Superannuation Fund
SE Blades Limited	Employees Group Gratuity Scheme
SE Electricals Limited	Superannuation Fund
SE Electricals Limited	Employees Group Gratuity Scheme
Suzlon Energy Limited	Superannuation Fund
Suzlon Energy Limited	Employees Group Gratuity Scheme
Suzlon Generators Limited	Superannuation Fund
Suzlon Generators Limited	Employees Group Gratuity Scheme
Suzlon Gujarat Wind Park Limited	Superannuation Fund
Suzlon Gujarat Wind Park Limited	Employees Group Gratuity Scheme
Suzlon Power Infrastructure Limited	Superannuation Fund
Suzlon Power Infrastructure Limited	Employees Group Gratuity Scheme
Suzlon Structures Limited	Employees Group Gratuity Scheme
Suzlon Wind International Limited	Superannuation Fund
Suzlon Wind International Limited	Employees Group Gratuity Scheme
Suzlon Global Services Limited	Employees Group Gratuity Scheme

**B. Transactions between the Group and related parties during the year and the status of outstanding balances as at March 31, 2016:**

Particulars	Entities where KMP / RKMP has significant influence	Joint Venture	Subsidiaries	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	12.27	-	-	-	-	-
	(0.01)	(0.12)	(-)	(-)	(-)	(-)
Sale of fixed assets	-	-	-	-	-	-
	(8.48)	(-)	(-)	(-)	(-)	(-)
Purchase of goods and services	437.76	-	-	-	-	-
	(238.78)	(-)	(-)	(-)	(-)	(-)
Sale of goods and services	274.25	0.46	36.64	0.40	0.61	-
	(0.53)	(0.11)	(-)	(0.18)	(0.68)	(-)
Shares issued	-	-	-	-	-	-
	(92.00)	(-)	(-)	(-)	(-)	(-)
Purchase of equity shares/CCD's	-	-	80.08	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Deposit given	-	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(-)	(-)
Interest expense	-	-	-	-	-	-
	(0.98)	(-)	(-)	(-)	(-)	(-)
Interest income	-	-	0.01	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Lease rent income	1.16	-	-	-	-	-
	(1.02)	(-)	(-)	(-)	(-)	(-)
Lease rent expense	24.56	-	-	-	-	-
	(18.77)	(-)	(-)	(-)	(-)	(-)
Donation given	7.95	-	-	-	-	-
	(2.70)	(-)	(-)	(-)	(-)	(-)
Royalty income	(-)	-	-	-	-	-
	-	(2.89)	(-)	(-)	(-)	(-)
Managerial remuneration	(-)	-	-	18.43	-	-
	-	(-)	(-)	(7.53)	(-)	(-)
Remuneration paid	(-)	-	-	-	2.11	-
	-	(-)	(-)	(-)	(2.56)	(-)
Contribution to various funds	(-)	-	-	-	-	6.60
	-	(-)	(-)	(-)	(-)	(1.12)
Reimbursement of expenses receivable	(-)	-	3.80	-	-	-
	-	(-)	(-)	(-)	(-)	(-)
Reimbursement of expenses payable	2.55	-	-	-	-	-
	(0.34)	(-)	(-)	(-)	(-)	(-)

## Outstanding balances

Particulars	Entities where KMP / RKMP has significant influence	Joint Venture	Subsidiaries	KMP	RKMP	Employee funds
Advance from customers	3.49	-	79.28	-	-	-
	(30.53)	(-)	(-)	(-)	(-)	(-)
Investments	-	-	81.18	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Trade receivables	216.97	69.74	42.83	0.25	0.59	-
	(13.80)	(67.23)	(-)	(0.57)	(2.69)	(-)
Loans outstanding	-	-	0.07	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Deposits outstanding	132.72	-	-	-	-	-
	(132.72)	(-)	(-)	(-)	(-)	(-)
Advance to supplier and other assets	132.11	-	-	-	-	-
	(82.54)	(-)	(-)	(-)	(-)	(-)
Trade payables	38.01	101.20	-	-	-	-
	(41.65)	(95.58)	(-)	(-)	(-)	(-)
Remuneration payable	-	-	-	1.33	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Unsecured loan outstanding (including interest)	-	-	-	-	-	-
	(0.88)	(-)	(-)	(-)	(-)	(-)

## C. Disclosure of significant transactions with related parties

Type of transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2016	2015
Purchase of fixed assets (including intangibles)	Joint venture Entities where KMP / RKMP has significant influence	Suzlon Energy (Tianjin) Ltd.	-	0.12
		Aspen Infrastructures Limited	5.16	-
		Sarjan Realities Ltd.	2.28	-
		Synefra Infrastructures Limited	3.73	-
Sale of fixed assets	Entities where KMP / RKMP has significant influence	PT Wind Energy	-	8.48
Purchase of equity shares	Subsidiaries	SE Solar Limited	30.11	-
Purchase of CCDs	Subsidiaries	Prathamesh Solarfarms Limited	14.90	-
		Gale Solarfarms Private Limited	11.90	-
Purchase of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructures Limited	60.72	43.90
		SE Freight & Logistics India Private Limited	295.77	191.49
Sale of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructures Limited	0.05	0.10
		Sarjan Realities Limited	0.06	0.11
		Sandla Wind Projects Private Limited	274.11	-
		PT Wind Energy	-	0.27
	Joint venture	Suzlon Energy (Tianjin) Ltd.	0.46	0.11
	KMP	Tulsi R. Tanti	0.20	0.18
		Vinod R. Tanti	0.20	0.17
RKMP	Rambhoben Ukabhai	0.21	0.15	
	Girish R. Tanti	0.20	0.17	
	Jitendra R. Tanti	0.20	0.19	
Shares issued	Entities where KMP / RKMP has significant influence	Sugati Holdings Private Limited	-	92.00

Type of transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2016	2015
Deposit given	Entities where KMP / RKMP has significant influence	Aspen Infrastructures Limited	-	0.09
Interest expenses	Entities where KMP / RKMP has significant influence	Sugati Holdings Private Limited	-	0.98
Interest income	Subsidiaries	SE Solar Limited	0.01	-
Lease rent income	Entities where KMP / RKMP has significant influence	Suzlon Green Power Limited	0.51	0.45
		Synefra Infrastructures Limited	0.65	0.57
Lease rent expenses	Entities where KMP / RKMP has significant influence	Aspen Infrastructures Limited	20.48	17.96
		Sarjan Realities Ltd.	3.17	-
Donation given	Entities where KMP / RKMP has significant influence	Suzlon Foundation	7.95	2.70
Royalty income	Joint venture	Suzlon Energy (Tianjin) Ltd.	-	2.89
Managerial Remuneration	KMP	Tulsi R. Tanti	2.89	1.71
		Kirti J. Vagadia	11.07	1.95
		Amit Agarwal	1.41	3.06
		Vinod R. Tanti	2.31	2.32
Remuneration	RKMP	Pranav T. Tanti	0.87	-
		Girish R. Tanti	0.74	-
		Nidhi T. Tanti	0.25	0.12
		Sanyogita Tanti	0.25	0.12
Contribution to various funds	Employee Funds	Suzlon Energy Limited Superannuation Fund	3.46	0.20
		Suzlon Energy Limited Employees Group Gratuity Scheme	2.48	0.57
		Suzlon Structures Limited Employees Group Gratuity Scheme	0.13	0.18
		Suzlon Wind International Limited Employees Group Gratuity Scheme	-	0.01
Reimbursement of expenses receivable	Subsidiaries	Prathamesh Solarfarms Limited	0.42	-
		Gale Solarfarms Private Limited	1.19	-
		Tornado Solarfarms Private Limited	0.48	-
		SE Solar Limited	0.83	-
Reimbursement of expenses payable	Entities where KMP / RKMP has significant influence	Aspen Infrastructures Limited	-	0.25
		Tanti Holdings Private Limited	-	0.09
		PT Wind Energy	2.55	-

Note: - The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

36. The table below provides the summary of transaction and outstanding balances between the Company and the Investor Group as referred to in note 8(i)(b) to the financial statements. The Company based on legal opinion believes that the Investor Group, severally or jointly, does not exercise significant influence on the Company and hence the members of the Investor Group are not a related party in accordance with AS-18 'Related Party Disclosure'. However, as a matter of abundant caution following disclosure is being made:

Type of transaction	Name of the person	Year ended March 31, 2016	Year ended March 31, 2015
<b>Transactions</b>			
Subscription of equity shares	Investor Group	1,800.00	-
Loans taken	Aditya Medisales Limited	-	150.00
Interest expense	Aditya Medisales Limited	19.91	1.09
<b>Outstanding balances</b>			
Loans taken		-	150.00
Interest payable		-	0.98

The loan taken from Aditya Medisales Limited is pursuant to the working capital agreements executed with the Investor Group. The Company and its subsidiaries has also obtained support from Lakshdeep Investments & Finance Private Limited in relation to fund based and non-fund based facilities availed of, pursuant to the said working capital agreements.

The Company had executed a term sheet for setting up of a joint venture entity with the investor group with an objective to develop wind power projects as an independent power producer.

37. The employee benefits expense and other expenses includes expenses of Rs 11.48 Crore (Rs 7.24 Crore) pertaining to research and development and quality assurance expenses.

38. **Capital and other commitments**

	March 31, 2016	March 31, 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances	59.08	137.46
Commitment for purchase of goods	–	3,661.15
Commitment for investment in subsidiaries and joint venture	723.85	–
Commitment relating to lease arrangements	refer Note 32	refer Note 32

39. **Contingent liabilities**

	March 31, 2016	March 31, 2015
Claims against the Group not acknowledged as debts-		
Excise duty, customs duty, service tax and VAT	80.60	78.70
Income-tax*	21.54	49.84
State levies	12.08	11.97
Labour related	0.20	0.22
Cumulative preference share dividend of subsidiary payable to minority	2.23	8.27
Compensation payable in lieu of bank sacrifice	refer Note 5	refer Note 5
Others	62.00	45.91

\* includes demand from tax authorities for various matters. The Group / tax department has preferred appeals on these matters and the same are pending with various appellate authorities. Considering the facts of the matters, no provision is considered necessary by management

A few law suits have been filed on the Company and few subsidiaries of the Company by some of their suppliers for disputes in fulfilment of obligations as per supply agreements. Further, few customers of the Company and its few subsidiaries has disputed certain amount as receivable which the Company believes is contractually not payable. These matters are pending for hearing before respective courts, the outcome of which is uncertain. The management has provided for an amount as a matter of prudence which it believes shall be the probable outflow of resources.

During the financial year ended March 31, 2014, one of the subsidiaries received tax infraction notices from tax authorities which have been contested by the subsidiary. The defence to such infraction notices has been duly filed at the administrative court, which ruled in first instance partially favourable to the subsidiary. The case has been object of appeal to the second instance, which already maintained the result of the first instance ruling for some of the infractions. Some infractions will be ruled during the course of the financial year 2016 and a third instance still exists before the phase before the judicial court. Though the Group believes that it has a good chance of getting a favourable outcome, the ultimate outcome of the cases, the timing by when the cases would be concluded and the amount that may be payable remain uncertain at this point in time.

40. **Derivative instruments and unhedged foreign currency exposure**

a. **Derivative instruments**

1. **Forward contract outstanding as at balance sheet date:**

Particulars	Purpose
EUR Nil USD Nil (Sell EUR 562,385,213) (Buy USD 631,727,064)	Hedge for forex loans and receivables
EUR Nil USD Nil (Sell EUR 386,614,787) (Buy USD 425,824,935)	Hedge for forex investments
Sell USD Nil (USD 575,433,365)	Hedge for forex loans and receivables
Sell USD Nil (USD 412,566,635)	Hedge for forex investments
Sell USD 55,000,000 (USD Nil)	Hedge of forex USD payables
Sell USD 38,660,000 (USD Nil)	Hedge of forex USD borrowings
Sell PLN Nil ( Sell PLN 85,000,000)	Hedge of forex PLN receivables
Sell SEK Nil (Sell SEK 50,000,000)	Hedge of forex SEK receivables
Sell CAD Nil (Sell CAD 12,000,000)	Hedge of forex CAD receivables
Sell GBP Nil (Sell GBP 5,000,000)	Hedge of forex GBP receivables
Sell AUD Nil (Sell AUD 32,000,000)	Hedge of forex AUD receivables

## 2. Options as at balance sheet date:

CAD Nil (CAD 8,000,000) call option outstanding as at balance sheet date.

### b. Unhedged foreign currency exposure

	March 31, 2016	March 31, 2015
Net current liabilities	1,888.53	2,553.52
Net trade receivables	434.23	2,326.26
Loans given	210.09	261.37
Loans received	599.29	410.68
Covered bonds	4,286.99	4,043.80
Bank balance in current and term deposit accounts	6.07	170.21
Deposit paid	–	0.14
Foreign currency convertible bonds and redemption premium	1,660.49	2,273.24

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

For details of securities provided on behalf of Borrowers under CDR package refer Note 4 and Note 10(I).

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

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

### 42. Deferral of exchange differences

The Group has, consequent to the notification issued by the Ministry of Corporate Affairs on December 29, 2011 giving an option to the companies to amortise the exchange differences pertaining to long term foreign currency monetary items up to March 31, 2020 (from March 31, 2012 earlier), adopted the said option given under paragraph 46A of Accounting Standard 11. Accordingly, the Group has revised the amortisation period for such items to the maturity of the long term foreign currency monetary items (all before March 31, 2020).

Net foreign exchange gain aggregating Rs 81.58 Crore (loss of Rs 1,215.65 Crore) on long term foreign currency monetary items have been adjusted in the foreign currency monetary item translation difference account during the year. Further, foreign exchange loss aggregating Rs 210.34 Crore (Rs 184.08 Crore) have been amortised during the year. FCMITDA relating to redeemed bonds (refer note 27a) amounting to Rs 267.41 Crore charged off in the consolidated statement of profit and loss and disclosed under exceptional items.

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

As per our report of even date

For SNK & Co.  
Chartered Accountants  
ICAI Firm Registration number: 109176W

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration number: 301003E/  
E300005

per Sanjay Kapadia  
Partner  
Membership No. : 38292  
Place: Mumbai  
Date: May 30, 2016

per Paul Alvares  
Partner  
Membership No. :105754  
Place: Mumbai  
Date: May 30, 2016

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

Tulsi R. Tanti  
Chairman and Managing Director  
DIN : 00002283

Vinod R. Tanti  
Director  
DIN : 00002266

Hemal A. Kanuga  
Company Secretary  
Membership No. : F4126  
Place: Mumbai  
Date: May 30, 2016

Kirti Vagadia  
Chief Financial Officer  
ICAI Membership No. : 042833

## Notice

NOTICE is hereby given that the Twenty First Annual General Meeting of the shareholders of Suzlon Energy Limited will be held on Friday, September 30, 2016 at 11.00 a.m. at Gujarat Chamber of Commerce & Industry, Sheth Shri Amrutlal Hargovandas Memorial Hall, Shri Ambica Mills-Gujarat Chamber Bldg., Ashram Road, Ahmedabad-380009 to transact the following businesses:

### ORDINARY BUSINESS:

**1. To adopt Financial Statements, etc. for the financial year 2015-16**

To receive, consider and adopt the Financial Statements of the Company for the year ended on March 31, 2016 including the audited Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss for the year ended on that date on standalone and consolidated basis and the reports of the Board of Directors and Auditors thereon.

**2. To re-appoint Mr. Girish R.Tanti as Director**

To appoint a director in place of Mr. Girish R.Tanti (DIN: 00002603), who retires by rotation and being eligible offers himself for re-appointment.

**3. To re-appoint Mr. Tulsi R.Tanti as Director**

To appoint a director in place of Mr. Tulsi R.Tanti (DIN: 00002283), who retires by rotation and being eligible offers himself for re-appointment.

**4. To ratify the appointment of M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliloi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for financial year 2016-17**

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and recommendation of the Audit Committee and the Board of Directors of the Company, the appointment of M/s. SNK & Co., Chartered Accountants (Firm Registration No.109176W) and M/s. S.R.Batliloi & Co. LLP, Chartered Accountants (Firm Registration No.301003E/E300005) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company be and is hereby ratified and they be paid such remuneration in addition to the reimbursement of the service tax, out-of-pocket expenses, etc., as may be mutually determined by the Chairman and M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliloi & Co. LLP, Chartered Accountants."

### SPECIAL BUSINESS:

**5. To appoint Mr. Per Hornung Pedersen as an Independent Director**

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Per Hornung Pedersen (DIN: 07280323), who was appointed as an Additional Director in the capacity of an Independent Director with effect from September 28, 2015 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from September 28, 2015 to September 27, 2020, whose period of Office shall not be liable to determination by retirement of directors by rotation."

**6. To appoint Mrs. Vijaya Sampath as an Independent Director**

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Vijaya Sampath (DIN: 00641110), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 12, 2016 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from August 12, 2016 to August 11, 2021, whose period of Office shall not be liable to determination by retirement of directors by rotation."

**7. To approve remuneration of the Cost Auditors**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. D.C.Dave & Co., Cost Accountants (Firm Registration No.000611), the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost accounting records of the Company for the financial year ending March 31, 2017, be paid a remuneration of Rs.5,00,000/- (Rupees Five Lacs Only) per annum in addition to the reimbursement of service tax, out-of-pocket expenses."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

**8. To issue Securities to the extent of Rs.2,000 Crores**

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board / Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, Securities and Exchange Board of India (SEBI) and / or any other competent authorities, and such other approvals, permissions, consents and sanctions as may be necessary in terms of the provisions of the Foreign Exchange Management Act, 1999 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the enabling provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall include any Committee thereof) consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets and / or domestic market, for a value of up to Rs.2,000 Crores (Rupees Two Thousand Crores Only), representing such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and / or equity shares through Depository Receipt Mechanism and / or Fully Convertible Debentures (FCDs) and / or Non Convertible Debentures (NCDs) with warrants or any Other Financial Instruments, by whatever name called (OFIs), convertible into or linked to equity shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the equity shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise), Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, Employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through public issue(s) by prospectus, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations") and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Board may at its absolute discretion, issue, offer and allot equity shares or securities convertible into equity shares or NCDs with warrants for a value up to the amount of Rs.2,000 Crores (Rupees Two Thousand Crores Only) inclusive of such premium, as specified above, to Qualified Institutional Buyers (as defined by the SEBI ICDR Regulations) pursuant to a qualified institutional placement, as provided under Chapter VIII of the SEBI ICDR Regulations."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional equity shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT:

- (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- (b) the underlying equity shares shall rank pari passu with the existing equity shares of the Company."

"RESOLVED FURTHER THAT the issue of equity shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

- (a) in the event of the Company making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the equity shares, the number of shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- (b) in the event of the Company making a rights offer by issue of equity shares prior to the allotment of the equity shares, the entitlement to the equity shares shall stand increased in the same proportion as that of the rights offer and such additional equity shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; and
- (c) in the event of any merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid shall be suitably adjusted."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offering, all such equity shares ranking pari passu with the existing equity shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the Issue(s), including the class of the Investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of

Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s)."

"RESOLVED FURTHER THAT all the aforesaid powers and authorities be and are hereby further sub-delegated to the Securities Issue Committee of the Board and that the said Securities Issue Committee be and is hereby authorised to sign and execute such letters, deeds, documents, writings, etc. and to do all such acts, deeds, matters and things as might be required in connection with the issue of the Securities which in the opinion of the said Securities Issue Committee ought to have been done, executed and performed in relation to issue of the Securities as aforesaid and the matters incidental and ancillary thereto as duly and effectually as the Board could have done without further reference to the Board."

#### 9. To adopt a new set of regulations of the Articles of Association

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT in terms of proviso to Section 149(1) of the Companies Act, 2013 and Rules made thereunder and other applicable provisions, if any of the Companies Act, 2013, the consent of the Company be and is hereby accorded for increasing the maximum number of directors the Company can appoint from 12 (Twelve) to 16 (Sixteen)."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 5, 14(1), 15 read with Companies (Incorporation) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 and subject to such other approvals and permissions, if any and to the extent required, the existing set of regulations of the Articles of Association of the Company be and are hereby amended by substituting the same with the new set of regulations of the Articles of Association except for Article 134 which be retained as it is and be renumbered as Article 90, and that the said new set of regulations of the Articles of Association be and are hereby approved and adopted as the new set of regulations of the Articles of Association of the Company."

#### 10. To appoint Mr. Vinod R.Tanti as the Wholetime Director & Chief Operating Officer of the Company and pay remuneration

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and such other provisions to the extent applicable, and as recommended and approved by the Nomination and Remuneration Committee of the Board of Directors and the Board of Directors of the Company at their respective meetings held on August 12, 2016, the consent of the Company be and is hereby accorded to the appointment of Mr. Vinod R.Tanti as the Wholetime Director & Chief Operating Officer of the Company with effect from October 1, 2016 for a period of 3 (Three) years, i.e. up to September 30, 2019 on the following terms and conditions:

- 1) Base salary: A salary of Rs.3,20,00,000/- (Rupees Three Crores Twenty Lacs Only) per annum plus incentives and perquisites as mentioned below.
- 2) Incentives:
  - Annual incentive – Performance based pay-out with maximum eligibility up to 50% of the base salary;
  - Long term incentive – Linked with achievement of long-term strategic targets (3 year period) with maximum eligibility up to 50% of the base salary (subject to cap on maximum pay-out in first 2 years would be 40% of base salary subject to final adjustment in 3<sup>rd</sup> year).

for an aggregate amount not exceeding Rs.6,40,00,000/- (Rupees Six Crores Forty Lacs Only) per annum.

- 3) Perquisites:
  - a) Medical benefits for self and family: All medical expenses incurred by the Wholetime Director & Chief Operating Officer and his family shall be reimbursed in accordance with the Suzlon Group Mediciam Policy,
  - b) Insurance: As per Suzlon Group Accident Policy,
  - c) Reimbursement of expenses: The Company shall reimburse to the Wholetime Director & Chief Operating Officer all the actual expenses incurred wholly, necessarily and exclusively for and on behalf of the Company and / or incurred in performance of the duties of the Company.

Explanation: "family" shall mean the spouse, the dependent children and the dependent parents of the Wholetime Director & Chief Operating Officer."

"RESOLVED FURTHER THAT in case of loss or inadequacy of profits, Mr. Vinod R.Tanti, the Wholetime Director & Chief Operating Officer, shall be paid remuneration in terms of the limits prescribed under Part II Section II of Schedule V to the Companies Act, 2013, as amended, and in excess of the said limits subject to the approval of the Central Government, if required and as the case may be."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to vary the remuneration of Mr. Vinod R.Tanti, Wholetime Director & Chief Operating Officer, from time to time within the limits prescribed and permitted under the Companies Act, 2013, as amended, during his term of office without being required to seek any fresh approval of the shareholders of the Company and the decision of the Nomination and Remuneration Committee shall be final and conclusive in that regard."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to finalise other terms of appointment and scope of work as may be in the overall interest of the Company."

"RESOLVED FURTHER THAT the Nomination and Remuneration Committee / Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and sign agreements, forms, declarations, returns, letters and papers as may be necessary, desirable and expedient to give effect to this resolution."

By order of the Board of Directors of Suzlon Energy Limited

Place : Mumbai  
Date : August 12, 2016

Hemal A.Kanuga,  
Company Secretary,  
M.No.: F4126

Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009.



**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding 50 (Fifty) and holding in aggregate not more than 10 (Ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (Ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument appointing proxy in order to be effective must be deposited at the Company's Registered Office not less than 48 (Forty Eight) hours before commencement of the ensuing Annual General Meeting of the Company.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the aforesaid items of Ordinary / Special Business is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 24, 2016 to Friday, September 30, 2016 (both days inclusive) for the purpose of the ensuing Annual General Meeting of the Company.
5. Profile of directors seeking appointment / re-appointment as stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed herewith.
6. Corporate members intending to send their authorised representatives to attend the ensuing Annual General Meeting are requested to send a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the meeting.
7. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company's Registered Office at least 7 (Seven) days before the date of the ensuing Annual General Meeting so that the same can be suitably replied to.
8. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
9. Keeping in view the "Green Initiative in Corporate Governance" of Ministry of Corporate Affairs and in continuation to the practice adopted in previous years, the Company proposes to continue to send notices / documents including annual reports, etc. to the members in electronic form. Members who have still not registered their email addresses are requested to register their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agents, Karvy Computershare Private Limited, Karvy Selenium, Tower B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, India, Toll Free No. 1800-3454-001; Website: www.karvycomputershare.com; Email: einward.ris@karvy.com. Those members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants to enable servicing of notices / documents / Annual Reports electronically to their email address. Please note that as a valued Member of the Company, you are always entitled to request and receive all such communication in physical form free of cost. Further, the documents served through email are available on the Company's website www.suzlon.com and are also available for inspection at the Company's Registered Office and Corporate Office during specified office hours.
10. In terms of provisions of Section 124 of the Companies Act, 2013 (corresponding to Section 205A read with Section 205C of the Companies Act, 1956), the amount of dividend remaining unpaid or unclaimed for a period of 7 (Seven) years is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. During the year under review, the Company has transferred the unpaid or unclaimed final dividend for the financial year 2007-08 aggregating to Rs 0.10 Crore to the IEPF set up by the Government of India.
11. All documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of the ensuing Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.
12. **Remote e-voting**

Pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of Companies Act, 2013 and Rules made thereunder, the Company is providing facility for voting by electronic means ("remote e-voting") to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the Notice. The facility for voting by ballot or polling paper shall also be made available at the Annual General Meeting and the shareholders attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have already cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Ravi Kapoor, Practising Company Secretary (Membership No.F2587 and Certificate of Practice No.2407) as the Scrutinizer for conducting the remote e-voting process in a fair and transparent manner. E-voting is optional. **The e-voting rights of the shareholders / beneficiary owners shall be reckoned on the equity shares held by them as on September 23, 2016, being the Cut-off date for the purpose.** The shareholders of the Company holding shares either in dematerialised or in physical form, as on the Cut-off date, may cast their vote electronically. A person who is not a shareholder as on the Cut-off date should treat this Notice for information purposes only.

The process and manner for remote e-voting are as under:

1. The Company has entered into an arrangement with Karvy Computershare Private Limited ("Karvy") for facilitating remote e-voting for the ensuing Annual General Meeting. The instructions for remote e-voting are as under:
  - (i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'.
  - (ii) Enter the login credentials, i.e. user-id & password, mentioned on the Attendance Slip / Email forwarded through the electronic notice:

User-ID	For shareholder(s)/ Beneficial Owner(s) holding Shares in Demat Form:- a) For NSDL:- 8 Characters DP ID Followed By 8 Digits Client ID b) For CDSL:- 16 Digits Beneficiary ID c) For Members holding shares in Physical Form:- Folio Number registered with the Company
Password	Your Unique password is printed on the AGM Attendance Slip / sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code for security reasons, i.e., please enter the alphabets and numbers in the exact way as they are displayed.

- (iii) After entering these details appropriately, click on "LOGIN".

- (iv) Members holding shares in Demat / Physical form will now reach password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like \*, #, @, etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that such company opts for e-voting through Karvy's e-Voting platform. System will prompt you to change your password and update any contact details like mobile, email ID, etc on first login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly ensure that you note down your password for future reference. In case you forget it, you will need to go through 'Forgot Password' option available on the Karvy's e-voting website to reset the same.
  - (v) You need to login again with the new credentials.
  - (vi) On successful login, system will prompt to select the 'Event', i.e. 'SUZLON ENERGY LIMITED'.
  - (vii) If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
  - (viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If you do not want to cast a vote, you may select 'ABSTAIN'.
  - (ix) After selecting the resolution if you have decided to cast vote on the same, click on "SUBMIT" and a confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - (xi) Corporate / Institutional Members (corporate / FIs / FIIs / Trust / Mutual Funds / Banks, etc.) are required to send scanned copy (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [ravi@ravics.com](mailto:ravi@ravics.com) with a copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image / pdf file of the Board Resolution should be in the naming format "Corporate Name".
2. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently. Kindly note that once you have cast your vote you cannot modify or vote on poll at the Annual General Meeting. However, you can attend the meeting and participate in the discussions, if any.
  3. **The Portal will remain open for voting from: 9.00 a.m. on September 27, 2016 to 5.00 p.m. on September 29, 2016 (both days inclusive).** The e-voting portal shall be disabled by Karvy thereafter.
  4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com>. In case of any grievances, you may contact Mr. K.S.Reddy of Karvy Computershare Private Limited at 040-67162222 or at 1800-3454-001 (toll free); email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com).
  5. The Scrutinizer shall within a period not later than 3 (Three) days from the conclusion of the voting at the annual general meeting, first count the votes cast at the annual general meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 (Three) days after the conclusion of the Annual General Meeting to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.
  6. The resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the resolutions.
  7. The results declared along with the Scrutinizer's Report(s) will be placed on the website of the Company ([www.suzlon.com](http://www.suzlon.com)) and on Karvy's website (<https://evoting.karvy.com>) immediately after it is declared by the Chairman, or any other person authorised by the Chairman, and the same shall be communicated to National Stock Exchange of India Limited and BSE Limited.

#### EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

#### **Agenda Item No.4: To ratify the appointment of M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for financial year 2016-17**

M/s. SNK & Co., Chartered Accountants (Firm Registration No.109176W) and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants (Firm Registration No.301003E/E300005) were appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of the Nineteenth Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company, i.e. for a period of 3 (Three) years (subject to ratification of their appointment at every annual general meeting).

The Board of Directors recommend ratification of appointment of M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Second Annual General Meeting of the Company.

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.4 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.5: To appoint Mr. Per Hornung Pedersen as an Independent Director**

Mr. Per Hornung Pedersen (DIN: 07280323) has been appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company for a term of 5 (Five) years with effect from September 28, 2015 to hold office up to the ensuing Annual General Meeting of the Company and then till September 27, 2020 subject to regularisation of such appointment by the shareholders of the Company. The Nomination and Remuneration Committee and the Board has recommended appointment of Mr. Per Hornung Pedersen as an Independent Director of the Company to hold office for a term of 5 (Five) years with effect from September 28, 2015 till September 27, 2020, in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder who shall not be liable to retire by rotation. Mr. Per Hornung Pedersen has given a declaration to the Board that he meets the criteria for independence as

provided under Section 149(6) of the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mr. Per Hornung Pedersen is independent of the management of the Company and fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as an Independent Director. Further it is felt that the Company would be benefitted by the rich experience of Mr. Per Hornung Pedersen, the Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. Per Hornung Pedersen as an Independent Director is now being placed before the shareholders for their approval. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Per Hornung Pedersen for the office of the Independent Director of the Company.

A copy of the draft letter of appointment of the Independent Director setting out the terms and conditions for appointment shall be open for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays). Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mr. Per Hornung Pedersen as required to be given in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.5 of the accompanying Notice.

Except for Mr. Per Hornung Pedersen, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.6: To appoint Mrs. Vijaya Sampath as an Independent Director**

In terms of the recommendation and approval of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Vijaya Sampath (DIN: 00641110) has been appointed as an Additional Director in the capacity of an Independent Director on the Board of the Company in terms of Section 149 of the Companies Act, 2013 read with the Rules made thereunder for a term of 5 (Five) years with effect from August 12, 2016 to hold office up to the ensuing Annual General Meeting of the Company and then till August 11, 2021 subject to regularisation of such appointment by the shareholders of the Company, and whose term of office shall not be liable to retire by rotation. Mrs. Vijaya Sampath has given a declaration to the Board that she meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, Mrs. Vijaya Sampath is independent of the management of the Company and fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for appointment as an Independent Director. Further it is felt that the Company would be benefitted by the rich experience of Mrs. Vijaya Sampath, the Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mrs. Vijaya Sampath as an Independent Director is now being placed before the shareholders for their approval. The Company is in receipt of a notice in writing pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Vijaya Sampath for the office of the Independent Director of the Company.

A copy of the draft letter of appointment of the Independent Director setting out the terms and conditions for appointment shall be open for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays). Such document(s) shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mrs. Vijaya Sampath as required to be given in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.6 of the accompanying Notice.

Except for Mrs. Vijaya Sampath, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.7: To approve remuneration of the Cost Auditors**

The Board has, at the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. D.C.Dave & Co., Cost Accountants (Firm Registration No.000611), to conduct the audit of the Cost Records of the Company for the financial year ending March 31, 2017. In terms of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to the Cost Auditors has to be approved / ratified by the shareholders of the Company.

In light of above, you are requested to accord your approval to the Ordinary Resolution as set out at Agenda Item No.7 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.8: To issue Securities to the extent of Rs.2,000 Crores**

The resolution contained in the agenda of the Notice is an enabling resolution to enable the Company to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, FCDs, NCDs with warrants, OFIs, and / or such other securities convertible into or linked to equity shares and / or any other instruments and / or combination of instruments as stated in the resolution (the "Securities") to an extent of Rs.2,000 Crores.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI ICDR Regulations. The Board of Directors may at its discretion adopt this mechanism as prescribed under Chapter VIII of the SEBI ICDR Regulations for raising the funds, without the need for fresh approval from the shareholders.

With a view to meet the financial requirements of the Company, it is proposed to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs, FCDs, NCDs with warrants, OFIs, and / or such other securities convertible into or linked to equity shares and / or any other instruments and / or combination of instruments to the extent of Rs.2,000 Crores in one or another manner and in one or more tranches. Such further issue of such securities would provide a platform to the Company to meet to its fund requirements and improve the financial leveraging strength of the Company.

Similar enabling resolution was passed by the shareholders at the Twentieth Annual General Meeting held on September 28, 2015. Since the market conditions have changed since the last approval as also to meet to various regulatory requirements and as a matter of prudent practice, a fresh resolution is proposed to be passed to create, offer, issue and allot Securities to the extent of Rs.2,000 Crores in one or another manner and in one or more tranches.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The pricing of the international issue(s), if any, will be free market pricing and may be at a premium or discount to the market price in accordance with international practices, subject to applicable Indian laws and guidelines. The same would be the case if the Board of Directors decides to undertake a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations. As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Securities or shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the Indian stock exchanges and / or international stock exchange(s) and may be represented by Securities or other Financial Instruments outside India.

The Special Resolution seeks to give the Board the powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit.

The consent of the shareholders is being sought pursuant to the provisions of Section 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder; Chapter VIII of the SEBI/CDR Regulations and in terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board believes that the issue of Securities is in the interest of the Company and therefore recommends passing of the Special Resolution for issue of Securities. In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.8 of the accompanying Notice.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.9: To adopt a new set of regulations of the Articles of Association**

In terms of the shareholders' agreement dated February 13, 2015 entered into between the Company, the Promoters of the Company and Investor Group being Dilip Shanghvi Family & Associates, it would be necessary to amend the existing set of regulations of the Articles of Association of the Company to bring them in conformity with the shareholders' agreement.

Further, in terms of proviso to Section 149(1) of the Companies Act, 2013, a company may appoint more than 15 (Fifteen) directors after passing a special resolution. It is also proposed to increase the maximum number of directors a company can appoint from 12 (Twelve) to 16 (Sixteen).

In terms of the provisions of Section 14 of the Companies Act, 2013 read with Rules made thereunder, a company may, by special resolution, alter its Articles of Association or adopt a new set of regulations of the Articles of Association after obtaining the approval of the shareholders.

In light of the above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.9 of the accompanying Notice.

A copy of the proposed revised Articles of Association of the Company is available for inspection at the Company's Registered Office and Corporate Office up to the date of the ensuing Annual General Meeting. Such document(s) shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

Mr. Tulsi R.Tanti, Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the Directors of the Company may be deemed to be concerned or interested in this resolution to the extent of their rights and obligations under the aforementioned shareholders' agreement, if any. Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

#### **Agenda Item No.10: To appoint Mr. Vinod R.Tanti as the Wholetime Director & Chief Operating Officer of the Company and pay remuneration**

It is proposed to appoint Mr. Vinod R.Tanti as the Wholetime Director & Chief Operating Officer of the Company with effect from October 1, 2016 for a period of 3 (Three) years, i.e. up to September 30, 2019.

As a matter of good governance and prudent practice, the following additional information as required under Part II Section II of Schedule V to the Companies Act, 2013 is being furnished hereunder:

#### **I. General Information:**

##### **(1) Nature of Industry:**

The Company is engaged in the business of design, development, manufacturing and supply of Wind Turbine Generators of various rated capacities and providing turnkey solution for setting-up of and operating and maintaining of windfarm projects. The Company has also embarked further into the renewable energy sector by venturing into solar space.

##### **(2) Date or expected date of commencement of commercial production:**

The Company was incorporated on April 10, 1995 and the certificate for commencement of business was issued on April 25, 1995. The Company has been operational since last 21 years.

##### **(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable**

##### **(4) Financial performance based on given indicators:**

The following are the results of the Company for the last three years, at glance:

(Rupees in Crores)

Financial Parameters	Financial Year		
	2015-16	2014-15	2013-14
Turnover	5,930.64	2,261.49	3,036.36
Net Profit / (Loss) (as per Statement of P & L)	46.75	(6,032.34)	(924.47)
Amount of Equity Dividend	-	-	-
Rate of Equity Dividend	-	-	-

##### **(5) Foreign investments or collaborators, if any:**

As on March 31, 2016, the Company had Nil investments (after providing for diminution in value of investment) in its direct overseas subsidiaries.

The Company had no foreign collaborations as on March 31, 2016.

As on March 31, 2016, there were following types of foreign investors in the Company:

Type of Foreign Investor	Shareholding as on March 31, 2016	% to paid-up capital as on March 31, 2016
Foreign Portfolio Investors	64,29,33,183	12.81
Non-Resident Indians	5,72,11,707	1.14
Foreign Corporate Bodies	64,15,076	0.13
Foreign Nationals	74,000	0.00
<b>Total</b>	<b>70,66,33,966</b>	<b>14.07</b>

## II. Information about the appointee:

### (1) Background details, recognition / awards:

Mr. Vinod R.Tanti, aged 54 years, holds a Degree in Civil Engineering and has been associated with Suzlon right from its inception. In his 28 years of industry experience, he has handled diverse portfolios, largely on a Conceive - Design - Build - Operate and Transfer model. He contributes to the Company his experience of the entire wind value chain segments as well as process centricity and innovation. His focus areas are creating alignment and deriving synergy within and between value chain components. Mr. Vinod R.Tanti was a Director / Executive Director of the Company since April 10, 1995 till July 1, 2005. He was appointed as an executive director w.e.f. November 1, 2010 till June 1, 2012 and thereafter continues as a non-executive director of the Company.

### (2) Past remuneration:

Mr. Vinod R.Tanti has not been drawing any remuneration from the Company except sitting fees for attending the meetings of the Board and / or committee thereof. Mr. Vinod R.Tanti has been drawing remuneration of Rs.2,50,00,000/- (Rupees Two Crores Fifty Lacs Only) per annum from Suzlon Wind International Limited, a wholly owned subsidiary of the Company, with effect from April 1, 2014 in his capacity as Chief Operating officer of the said Suzlon Wind International Limited.

### (3) Job profile and his suitability:

Mr. Vinod R.Tanti in his capacity as Director of the Company contributes his experience to the entire wind value chain segments as well as process centricity and innovation. With the educational background and rich experience held by Mr. Vinod R.Tanti, the Company would be tremendously benefited if he is appointed as a Wholetime Director & Chief Operating Officer of the Company.

### (4) Remuneration proposed:

The remuneration proposed to be paid to Mr. Vinod R.Tanti as approved by the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on August 12, 2016, is as under:

- i) Base salary: A salary of Rs.3,20,00,000/- (Rupees Three Crores Twenty Lacs Only) per annum plus incentives as mentioned below.
- ii) Incentives:

- Annual incentive – Performance based pay-out with maximum eligibility up to 50% of the base salary;
- Long term incentive – Linked with achievement of long-term strategic targets (3 year period) with maximum eligibility up to 50% of the base salary (subject to cap on maximum pay-out in first 2 years would be 40% of base salary subject to final adjustment in 3<sup>rd</sup> year).

for an aggregate amount not exceeding Rs.6,40,00,000/- (Rupees Six Crores Forty Lacs Only) per annum.

It is hereby clarified that except for the salary and incentives, as above, Mr. Vinod R.Tanti, would not be entitled to any other incentives except those as are available to all the employees of the Company.

### (5) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The prevalent levels of remuneration in power industry are higher. Taking into account the proposed roles and responsibilities of Mr. Vinod R.Tanti in the affairs of the Company, his academic background, rich experience, the key role he played in overcoming the financial crisis, the proposed remuneration is reasonable and in lines with the remuneration levels in the industry across the Country.

Apart from the remuneration being in lines with industry standards, the said remuneration is also in lines with the remuneration being paid to other senior employees of the Company.

### (6) Pecuniary relationship, directly or indirectly, with the Company, or relationship with the managerial personnel, if any:

Mr. Vinod R.Tanti is a Promoter Director and holds 1,13,67,000 Equity Shares of the Company in his individual capacity as on the date of this Notice. He also holds Equity Shares of the Company in the capacity as karta of HUF and jointly with Mr. Tulsi R.Tanti and Mr. Jitendra R.Tanti.

Mr. Vinod R.Tanti does not have any pecuniary relationship, directly or indirectly with the Company. Mr. Vinod R.Tanti is related to Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Girish R.Tanti, the Non- Executive Director of the Company and except for that Mr. Vinod R.Tanti does not have any other relationship with any Key Managerial Personnel of the Company.

## III. Other Information:

### (1) Reasons for loss / inadequate profits, if any:

The Company has since inception shown a gradual and consistent increase in revenue and profits till financial year 2007-08. The profitability declined in the financial year 2008-09 and thereafter since the financial year 2009-10 till financial year 2014-15, the Company incurred losses mainly due to decrease in sales volume due to prevailing uncertain economic environment and liquidity shortage due to delay in timely realisation of certain receivables from the customers, increase in cost due to change in market mix and adverse business conditions, foreign exchange loss, lower absorption of fixed overheads, higher finance charges and provision for diminution in investments in subsidiaries. The global wind industry was facing challenges due to ensuing credit crisis resulting in lack of availability of finances for new projects. There was a slowdown resulting in reduced order execution, increase in working capital, liquidity constraints and overcapacity across the sector. This challenging environment resulted in a significant reduction in new orders for the Company thereby impacting its profitability for past few years.

However, during the financial year 2015-16, the Company focused on profitability by ramping up volumes and exercising better control over fixed cost. The Company has significantly reduced its net working capital, optimized the debt maturity profile and maintained strong liquidity position throughout the year which resulted in turnaround of the Company.

### (2) Steps taken / proposed to be taken for improvement:

Over the past few years especially during the years of losses, the Company has taken various initiatives as under to de-lever its balance sheet and solidify a long-term sustainable capital structure which resulted in turnaround of the Company:

- The Company has been taking various steps to reduce costs and improve efficiencies to make its operations more profitable.
- In December 2012, the Company along with its selected subsidiaries had made a reference to the Corporate Debt Restructuring ("CDR") Cell for restructuring the Company's debts through CDR Mechanism. After considering the proposal, the final restructuring package was approved by CDR Empowered Group ("CDR EG") on December 31, 2012 and communicated to the Company vide Letter of Approval dated January 23, 2013. The CDR Proposal included a two years' moratorium on principal and term-debt interest payments; an approximately three per cent reduction in interest rates; six

months' moratorium on working capital interest; conversion of approximately Rs.1,500 Crores (two years' interest payment during moratorium) into equity / equity linked instruments to bring stronger financial stability and a ten-year door-to-door back-ended repayment plan. The CDR Proposal also included an enhancement of working capital facilities, allowing the Company to accelerate the execution of its strong order book.

- In July 2014, the Company had restructured its FCCBs in such manner that 100% of the USD 200,000,000 zero coupon convertible bonds due October 2012, USD 20,796,000 7.5% convertible bonds due October 2012 and USD 90,000,000 zero coupon convertible bonds due July 2014 and approximately 83% of the USD 175,000,000 5% convertible bonds due April 2016 were substituted with USD 546,916,000 step up convertible bonds due 2019; while approximately USD 28.8 million of the USD 175,000,000 5% convertible bonds due April 2016 were remaining outstanding which were subsequently repaid in full in April 2016.
- In January 2015, a binding agreement was signed with Centerbridge Partners LP, USA for sale of 100% stake of Senvion SE, a step down wholly owned subsidiary of the Company. The sale transaction got concluded in April 2015 which enabled the Company to raise approximately Rs.7,000 Crores in cash, a substantial portion of which was used for debt reduction.
- In May 2015, Dilip Shanghvi Family & Associates came in as financial investors and invested in equity worth Rs.1,800 Crore;
- The Company decided to embark further in the renewable sector by venturing into the solar space and has won bids for 515 MW solar power projects across four states, namely, Telangana, Maharashtra, Rajasthan and Jharkhand, out of which power purchase agreements for 340 MW have been signed.

**(3) Expected increase in productivity and profits in measurable terms:**

CY15 witnessed the highest investment in renewables globally at US\$ 329 Bn, registering a growth of 4% Y-o-Y with Asia Pacific region leading the pack. During the year, wind and solar added 64 GW and 57 GW respectively. Various international agencies highlight climate change, energy security, better accessibility to energy and increasing cost competitiveness of renewables to be the key growth drivers for the global wind industry. The recent extension of PTC for a period of five years, is likely to translate into a 4% CAGR over 2015-2020 (as per MAKE) for the USA wind market. In addition to this, India's wind market is expected to grow at over 14% CAGR over FY15-22. This growth will be driven by Government of India's target to achieve an installed capacity of 175 GW for renewables over the next six years – 60 GW wind and 100 GW solar.

Suzlon's concept to commissioning business model coupled with its presence across the value chain and Pan-India, positions it well to capitalise on this huge growth opportunity. Suzlon has been the market leader in India with ~36% of the cumulative installations being run on Suzlon turbines today. The Company has managed to maintain its lead over its peers due to its ability to continuously innovate and roll out technologically improved turbines. The latest offering of 120 hybrid tower and 111m rotor dia enables the company to unlock growth potential in newer markets. With focus on technology and a clear road map for launching newer products insulates the Company from both competitive pressure and changing policy landscape. Suzlon is well equipped, both in terms of manufacturing capacity and on-the-ground team to cater to demand in India and overseas. Incrementally the Company's recent diversification into solar will add to the bottomline without any major capex and opex. This entry into solar, has truly transformed Suzlon into a Renewable Energy Player from a Wind Turbine manufacturer.

A copy of the draft agreement to be entered into between the Company and Mr. Vinod R.Tanti, the Wholetime Director & Chief Operating Officer is available for inspection at the Company's Registered Office and Corporate Office between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of the ensuing Annual General Meeting. Such documents shall also be available for inspection at the venue till the conclusion of the ensuing Annual General Meeting.

The details of Mr. Vinod R.Tanti as required to be given in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided separately under Profile of Directors seeking appointment / re-appointment.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.10 of the accompanying Notice.

Mr. Vinod R.Tanti himself, Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Girish R.Tanti, the Non-Executive Director and their relatives may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors or Key Managerial Personnel of the Company or their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

By order of the Board of Directors of Suzlon Energy Limited

Place : Mumbai  
Date : August 12, 2016

Hemal A.Kanuga,  
Company Secretary.  
M.No.: F4126

Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009.

#### ANNEXURE I TO THE NOTICE

**Profile of Directors seeking appointment / re-appointment at the Twenty First Annual General Meeting as stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:**

**Mr. Girish R.Tanti (DIN: 00002603)**

**Brief resume** - Mr. Girish R.Tanti is one of the founding members of Suzlon Energy Limited. An electronics engineer with a management graduation from the Business School at The Cardiff University UK, he brings to Suzlon a unique blend of understanding the dynamics of technology and strong business acumen. He has played many roles in helping create the global corporation that Suzlon is today. Over the years he has led International Business Development, Human Resources, Information Technology, Communications and CSR – all critical functions in making Suzlon the only wind energy player from a developing nation to rank among the top five worldwide. In his current role, as Director-on-board, he provides strategic direction and oversight towards the long-term objectives of the group. Through the years, Mr. Girish R.Tanti has not only believed in, but completely devoted himself to champion the vision of harnessing the power of wind to power a greener, more sustainable tomorrow for generations to come.

The details of Mr. Girish R.Tanti are given below:

S. N.	Particulars	Details of Director
1.	Name of Director	Mr. Girish R.Tanti (DIN: 00002603)
2.	Age	46 years
3.	Qualifications	Electronics engineer with a degree in management from the Cardiff University UK
4.	Experience	Over 20 years experience in International Business Development, Human Resources, Information Technology, Corporate Communications and CSR
5.	Details of remuneration to be paid, if any	No remuneration is proposed to be paid except sitting fees for attending the meetings of the Board and / or committees, if any within the limits prescribed by the Companies Act, 2013. The details of sitting fees paid during the year have been provided in the Corporate Governance Report
6.	Date of first appointment to the Board	December 4, 1995
7.	Shareholding in the Company	100,019,000 equity shares aggregating to 1.99% of the paid-up capital of the Company as on date of this Notice
8.	Relationship with other Directors / KMPs	Mr. Girish R.Tanti is brother of Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Vinod R.Tanti, the non-executive director
9.	No. of meetings attended during the year	The details have been provided in the Corporate Governance Report
10.	In case of Independent Directors, justification for choosing the appointee	Not Applicable
11.	Directorships, Memberships / Chairmanship of Committees	
	Name of Domestic Companies in which Director	Name of committees in which Member / Chairman
	1) Suzlon Energy Limited	Nomination and Remuneration Committee – Member CSR Committee – Member
	2) Tanti Holdings Private Limited	None
	3) Sugati Holdings Private Limited	CSR Committee – Chairman
	4) Samanvaya Holdings Private Limited	None

#### Mr. Tulsi R.Tanti (DIN: 00002283)

**Brief resume** – Mr. Tulsi R.Tanti is the Founder, Chairman and Managing Director of Suzlon Group, an Indian MNC and global leader in wind energy. A visionary and a world renowned expert on renewable energy, he is passionate about championing the cause of affordable and sustainable energy to tackle the paradigm of economic growth and climate change. He is credited with the establishment of the renewable market in India and has been conferred with numerous awards including 'Champion of the Earth' by the UN and 'Hero of the Environment' by TIME magazine. Mr. Tulsi R.Tanti holds a Bachelor degree in Commerce and a Diploma in Mechanical Engineering.

The details of Mr. Tulsi R.Tanti are given below:

S. N.	Particulars	Details of Director
1.	Name of Director	Mr. Tulsi R.Tanti (DIN: 00002283)
2.	Age	58 years
3.	Qualifications	Bachelor degree in Commerce & Diploma in Mechanical Engineering
4.	Experience	More than 25 years experience in the field of renewable energy sector
5.	Details of remuneration to be paid, if any	The details of remuneration drawn have been provided in the Corporate Governance Report
6.	Date of first appointment to the Board	April 10, 1995
7.	Shareholding in the Company	39,05,000 equity shares aggregating to 0.08% of the paid-up capital of the Company as on date of this Notice. He also holds shares in the capacity as karta of HUF and jointly with others.
8.	Relationship with other Directors / KMPs	Mr. Tulsi R.Tanti is brother of Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the non-executive directors
9.	No. of meetings attended during the year	The details have been provided in the Corporate Governance Report
10.	In case of Independent Directors, justification for choosing the appointee	Not Applicable
11.	Other Directorships, Memberships / Chairmanship of Committees	
	Name of Domestic Companies in which Director	Name of committees in which Member / Chairman
	1) Suzlon Energy Limited	Stakeholders Relationship Committee – Member CSR Committee – Chairman Securities Issue Committee – Chairman ESOP Committee – Chairman Risk Management Committee – Chairman
	2) Sugati Holdings Private Limited	CSR Committee – Member

**Mr. Per Hornung Pedersen (DIN: 07280323)**

**Brief resume** - Mr. Per Hornung Pedersen, aged 62 years, holds a degree in B.Sc. (Finance and Accounting), Diploma in Audit and Tax as well as an MBA. After starting his career at Arthur Andersen, Mr. Pedersen spent 25 years in various Managerial and Executive positions, primarily in listed companies in the construction, packaging and telecom Industry. In 2000, he joined the wind industry as CFO in NEG Micon / Vestas, moved to the Indian wind power company Suzlon in 2004, responsible for international operation. During the 4 years spent at Suzlon, he took the company from a strong player in India to number 6 globally in the industry. After Suzlon took over REpower in 2007, he was appointed CEO of REpower and in his role doubled turnover to 1.2 billion Euro and qua doubled EBIT to around 100 million Euro. Mr. Pedersen left REpower in the spring of 2011 and since then he is, and has been active in a number of Supervisory Boards as well as acting as Industry Advisor to a number of private equity funds, benefitting from his 12 years of executive experience in the global wind business. Through this work with large as well as smaller transactions, he has gained substantial experience and insight into M&A and Private Equity. Mr. Pedersen also served as interim CEO at Pelamis Wave Power from October 2011 to June 2013 and continued as advisor to the Board until December 2014. Since June 2012, Mr. Pedersen is a member of the Supervisory Board of SeaTower AS, Oslo, since October 2015 member of the Supervisory Board of PNE Wind AG, Cuxhaven where he also served as interim CEO until June 2016 and since July 2016 Chairman of the Board of SE Blue Renweables, Copenhagen. In addition to being a Senior Advisor to MCF Corporate Finance, Hamburg, he is Senior Advisor to Atrium Partners, Copenhagen and Senior Advisor to Apricum CleanTech Advisory, Berlin. In addition to his long experience in Business Strategy and Business Development within the wind industry and renewable sector, Mr. Pedersen has many years of international experience, managing diversity of cultures, growth and change.

The details of Mr. Per Hornung Pedersen are given below:

S. N.	Particulars	Details of Director
1.	Name of Director	Mr. Per Hornung Pedersen (DIN: 07280323)
2.	Age	62 years
3.	Qualifications	Degree in B.Sc. (Finance and Accounting), Diploma in Audit and Tax and MBA
4.	Experience	More than 40 years' experience in various managerial and executive positions primarily in listed companies in construction, packaging, wind and telecom Industry
5.	Details of remuneration to be paid, if any	No remuneration is proposed to be paid except sitting fees for attending the meetings of the Board and / or committees, if any within the limits prescribed by the Companies Act, 2013. The details of sitting fees paid during the year have been provided in the Corporate Governance Report
6.	Date of first appointment to the Board	September 28, 2015 (additional director)
7.	Shareholding in the Company	Nil
8.	Relationship with other Directors / KMPs	None
9.	No. of meetings attended during the year	The details have been provided in the Corporate Governance Report
10.	In case of Independent Directors, justification for choosing the appointee	Considering the experience of Mr. Per Hornung Pedersen especially in the wind industry and renewable sector, it is felt that the Company would be benefitted by his rich experience
11.	Other Directorships, Memberships / Chairmanship of Committees	
	Name of Domestic Companies in which Director	Name of committees in which Member / Chairman
	1) Suzlon Energy Limited	Audit Committee – Member Nomination and Remuneration Committee – Member

**Mrs. Vijaya Sampath (DIN: 00641110)**

**Brief resume** – Mrs. Vijaya Sampath, currently a Senior Partner in the corporate practice of Lakshmikumaran and Sridharan, Attorneys with over 35 years of experience advises clients on M&A, joint ventures, FDI, private equity, financing and commercial agreements. She is an independent director on the Board of six companies, two publicly listed and four unlisted subsidiaries of a large and diverse conglomerate. In addition, she is also the Ombudsperson for the Bharti group with responsibility for implementing the code of conduct and associated with Nyaya Bharti, a CSR initiative for providing legal aid to the economically and socially disadvantaged under trials. Earlier, she was the global Group General Counsel and Company Secretary for the telecom conglomerate Bharti Airtel group and a corporate law partner in J Sagar Associates, Delhi. She has successfully led a large in-house legal team in complex joint ventures, cross border acquisitions, private equity funding involving foreign direct investments. Her experience includes large outsourcing and commercial contracts, transfer of technology and service agreements, intellectual property arrangements, governance and compliance programs as well as investigations of bribery and fraud under US and Indian laws. She has also dealt with Indian and overseas regulators in telecom, capital markets and anti-trust. She is the chairperson of the corporate law committee in FICCI and is an invited speaker at workshops and conferences on various aspects of corporate law and practice.



The details of Mrs. Vijaya Sampath are given below:

S. N.	Particulars	Details of Director
1.	Name of Director	Mrs. Vijaya Sampath (DIN: 00641110)
2.	Age	63 years
3.	Qualifications	<ul style="list-style-type: none"> <li>· Bachelor's degree in English Literature from Madras University</li> <li>· Law Degree (Rank Holder) from Mysore University</li> <li>· Fellow of Institute of Company Secretaries of India</li> <li>· Attended Advanced Management Programme at Harvard Business School and the Strategic Alliances Programme at Wharton, USA.</li> </ul>
4.	Experience	Over 35 years of experience in the areas of M&A, joint ventures, FDI, private equity, financing and commercial agreements.
5.	Details of remuneration to be paid, if any	No remuneration is proposed to be paid except sitting fees for attending the meetings of the Board and / or committees, if any within the limits prescribed by the Companies Act, 2013.
6.	Date of first appointment to the Board	August 12, 2016 (additional director)
7.	Shareholding in the Company	10,000 equity shares jointly with spouse aggregating to 0.00% of the paid-up capital of the Company as on date of this Notice.
8.	Relationship with other Directors / KMPs	None
9.	No. of meetings attended during the year	Not Applicable
10.	In case of Independent Directors, justification for choosing the appointee	Considering the experience of Mrs. Vijaya Sampath especially in the legal field, it is felt that the Company would be benefitted by her rich experience
11.	Other Directorships, Memberships / Chairmanship of Committees	
	Name of Domestic Companies in which Director	Name of committees in which Member / Chairman
	1) Suzlon Energy Limited	None
	2) GVS Envicon Technologies Private Limited	None
	3) Dewan Housing Finance Corporation Limited	Nomination & Remuneration Committee – Member
	4) Safari Industries (India) Limited	None
	5) L&T Power Development Limited	Audit Committee – Member Nomination & Remuneration Committee – Member CSR Committee – Member
	6) Nabha Power Limited	Audit Committee – Member Nomination & Remuneration Committee – Member CSR Committee – Member
	7) L&T-MHPS Boilers Private Limited	Audit Committee – Member Nomination & Remuneration Committee – Member
	8) L&T-MHPS Turbine Generators Private Limited	Audit Committee – Member Nomination & Remuneration Committee – Member

**Mr. Vinod R.Tanti (DIN: 00002266)**

**Brief resume** – Mr. Vinod R.Tanti holds a Degree in Civil Engineering and has been associated with Suzlon right from its inception. In his 28 years of industry experience, he has handled diverse portfolios, largely on a Conceive - Design - Build - Operate and Transfer model. He contributes to the Company his experience of the entire wind value chain segments as well as process centricity and innovation. His focus areas are creating alignment and deriving synergy within and between value chain components.

The details of Mr. Vinod R.Tanti are given below:

S. N.	Particulars	Details of Director
1.	Name of Director	Mr. Vinod R.Tanti (DIN: 00002266)
2.	Age	54 years
3.	Qualifications	B.E. (Civil)
4.	Experience	28 years' experience in various fields including manufacturing and supply chain
5.	Details of remuneration to be paid, if any	Refer Agenda Item No. 10 of this Notice
6.	Date of first appointment to the Board	Mr. Vinod R.Tanti was a Director / Executive Director of the Company since April 10, 1995 till July 1, 2005. He was appointed as an executive director w.e.f. November 1, 2010 till June 1, 2012 and thereafter continues as a non-executive director of the Company.
7.	Shareholding in the Company	1,13,67,000 equity shares aggregating to 0.23% of the paid-up capital of the Company as on date of this Notice. He also holds shares in the capacity as karta of HUF and jointly with others.
8.	Relationship with other Directors / KMPs	Mr. Vinod R.Tanti is brother of Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Girish R.Tanti, the non-executive director
9.	No. of meetings attended during the year	The details have been provided in the Corporate Governance Report
10.	In case of Independent Directors, justification for choosing the appointee	Not Applicable
11.	Directorships, Memberships / Chairmanship of Committees	
	Name of Domestic Companies in which Director	Name of committees in which Member / Chairman
	1) Suzlon Energy Limited	Stakeholders Relationship Committee - Member Securities Issue Committee - Member ESOP Committee - Member Risk Management Committee - Member
	2) SE Blades Limited	Audit Committee - Chairman
	3) SE Electricals Limited	Audit Committee – Member
	4) Suzlon Power Infrastructure Limited	Audit Committee – Chairman
	5) Suzlon Structures Limited	Audit Committee – Member
	6) Suzlon Generators Limited	Audit Committee – Chairman
	7) SE Forge Limited	Audit Committee – Member
	8) Synew Steel Private Limited (formerly Synew Steel Limited)	Nil
	9) Tanti Holdings Private Limited	Nil
	10) Sugati Holdings private Limited	CSR Committee – Member





# SUZLON ENERGY LIMITED

[CIN: L40100GJ1995PLC025447]

Regd. Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad-380009;  
Tel.: +91.79.6604 5000; Fax: +91.79.2656 5540; website: www.suzlon.com; email id: investors@suzlon.com

## PROXY FORM (Form MGT.11)

[Pursuant to section 105(6) of Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) : \_\_\_\_\_  
Registered Address : \_\_\_\_\_  
\_\_\_\_\_  
Email ID : \_\_\_\_\_  
Folio No. / Client ID : \_\_\_\_\_  
DP ID : \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ shares of the above named Company hereby appoint:

- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_  
Signature : \_\_\_\_\_  
or failing him
- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_  
Signature : \_\_\_\_\_  
or failing him
- Name : \_\_\_\_\_ E-mail Id : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_  
Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Twenty First Annual General Meeting of the Company, to be held on Friday, September 30, 2016 at 11.00 a.m. at Gujarat Chamber of Commerce & Industry, Sheth Shri Amrutlal Hargovandas Memorial Hall, Shri Ambica Mills-Gujarat Chamber Bldg., Ashram Road, Ahmedabad-380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Ordinary / Special Resolution
1.	To adopt Financial Statements, etc. for the financial year 2015-16	Ordinary Resolution
2.	To re-appoint Mr. Girish R.Tanti as Director	Ordinary Resolution
3.	To re-appoint Mr. Tulsi R.Tanti as Director	Ordinary Resolution
4.	To ratify the appointment of M/s. SNK & Co., Chartered Accountants and M/s. S.R.Batliboi & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for financial year 2016-17	Ordinary Resolution
5.	To appoint Mr. Per Hornung Pedersen as an Independent Director	Ordinary Resolution
6.	To appoint Mrs. Vijaya Sampath as an Independent Director	Ordinary Resolution
7.	To approve remuneration of the Cost Auditors	Ordinary Resolution
8.	To issue Securities to the extent of Rs.2,000 Crores	Special Resolution
9.	To adopt a new set of regulations of the Articles of Association	Special Resolution
10.	To appoint Mr. Vinod R.Tanti as the Wholetime Director & Chief Operating Officer of the Company and pay remuneration	Special Resolution

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder: \_\_\_\_\_

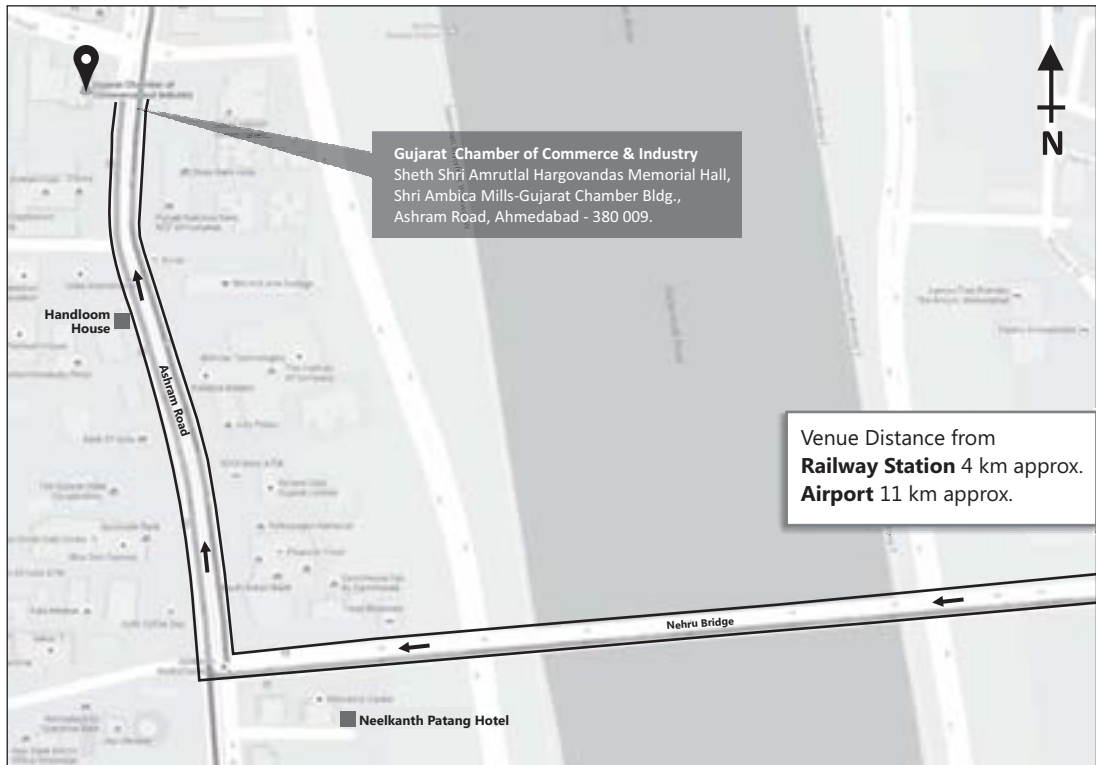
Signature of proxy holder(s): \_\_\_\_\_

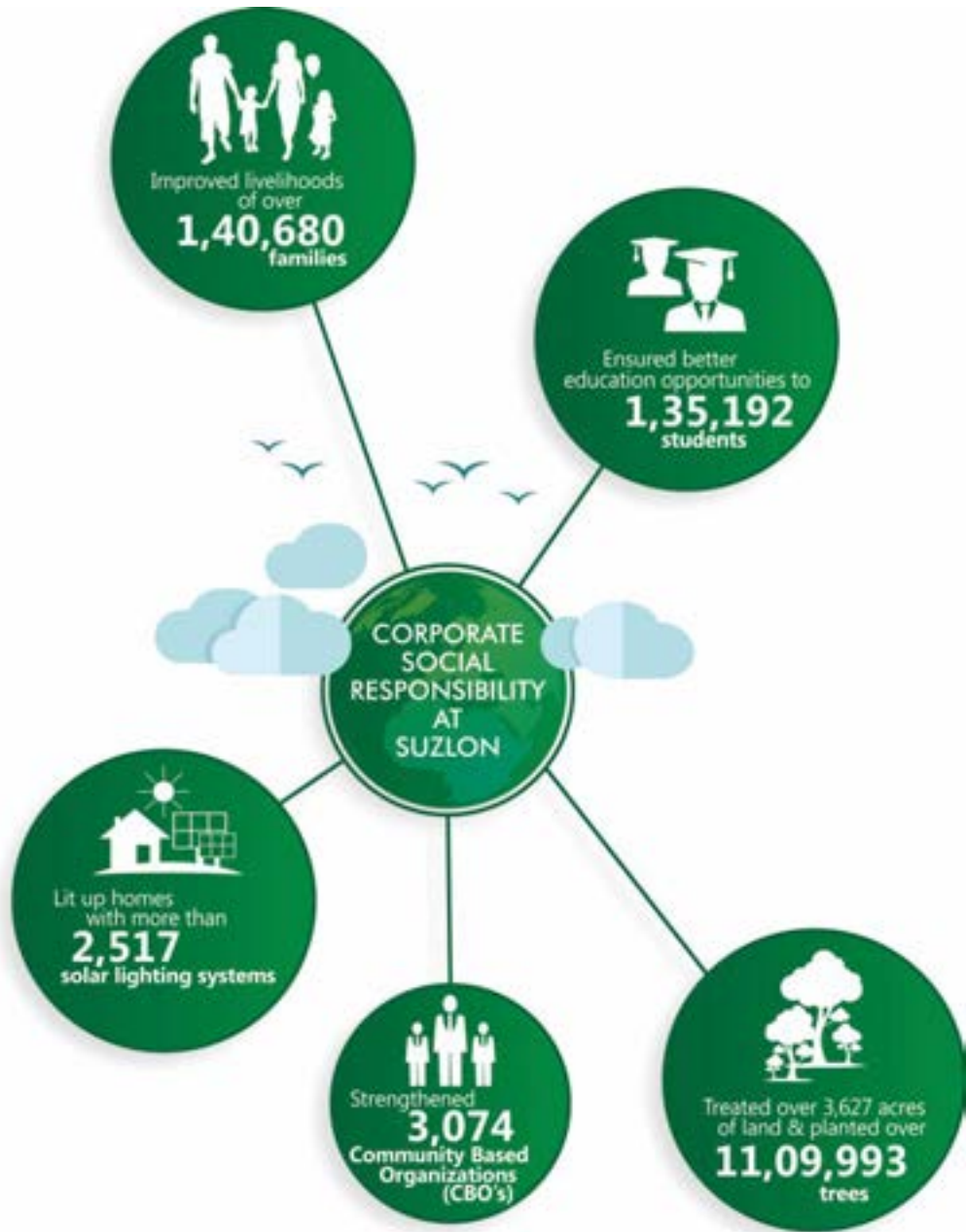
Affix Revenue  
Stamp not less  
than Rs. 0.15

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office, not less than 48 (Forty Eight) hours before the commencement of the Twenty First Annual General Meeting of the Company.**

## MAP OF VENUE OF THE TWENTY FIRST ANNUAL GENERAL MEETING OF SUZLON ENERGY LIMITED [CIN:L40100GJ1995PLC025447]

Gujarat Chamber of Commerce & Industry, Sheth Shri Amrutlal Hargovandas Memorial Hall,  
Shri Ambica Mills-Gujarat Chamber Bldg., Ashram Road, Ahmedabad - 380 009.







**REGISTERED OFFICE:** "Suzlon" 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009, India. Tel: +91-79-6604 5000 / 2640 7141 Fax: +91-79-2656 5540 / 2644 2844

**GROUP HEADQUARTERS:** One Earth, Hadapsar, Pune - 411 028, India.  
Tel: +91-20-6702 2000 / 6135 6135 Fax: +91-20-6702 2100 / 6702 2200

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