

ANNUAL REPORT 2012 - 13

more than 22GW

of wind energy installations worldwide
mean more than just business to us.



The Suzlon Impact



~ **45,000GWh power generated** per year from 22GW installations.



Benefits comparable to planting ~ **3 billion trees** every year.



Lighting up ~ **75 million lives**[#].



Saving more than **21 million tonnes of coal** per annum.



~ **36 million tonnes** of carbon emissions avoided annually.



Carbon emissions avoided equivalent to ~ **6.1 million cars** taken off the street annually.

Source: [#]In the Indian context

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Tulsi R.Tanti	Chairman & Managing Director
Mr. Vinod R.Tanti	Non-Executive Director
Mr. Girish R.Tanti	Non-Executive Director
Mr. V.Raghuraman	Non-Executive Independent Director
Mr. Rajiv Ranjan Jha, (a nominee of Power Finance Corporation Limited)	Non-Executive Independent Director
Mr. Marc Desaedeleer	Non-Executive Independent Director
Mrs. Bharati Rao, a nominee of State Bank of India (appointed as additional director w.e.f. August 13, 2012)	Non-Executive Independent Director
Mr. Ravi Uppal (appointed as additional director w.e.f. September 28, 2012)	Non-Executive Independent Director
Mr. Ravi Kumar, a nominee of IDBI Bank Limited (appointed as additional director w.e.f. July 20, 2013)	Non-Executive Independent Director
Mrs. Mythili Balasubramanian, a nominee of IDBI Bank Limited (ceased to be a director w.e.f. July 20, 2013)	Non-Executive Independent Director

CHIEF FINANCIAL OFFICER

Mr. Amit Agarwal

COMPANY SECRETARY

Mr. Hemal A.Kanuga

AUDITORS

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

S.R.Batliboi & Co., LLP
Chartered Accountants
Firm Registration No. 301003E
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
Citibank, N.A.
Corporation Bank
Dena Bank
Export Import Bank of India
ICICI Bank Limited
IDBI Bank 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 Limited

REGISTERED OFFICE

"Suzlon", 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad - 380009, India
Tel.: +91.79.6604 5000 / +91.79.2640 7141
Fax: +91.79.2656 5540 / +91.79.2644 2844
Email: investors@suzlon.com; Website: www.suzlon.com

CORPORATE OFFICE

One Earth, Hadapsar,
Pune - 411 028, India
Tel.: +91.20.6702 2000 / +91.20.6135 6135
Fax.: +91.20.6702 2100 / +91.20.6702 2200

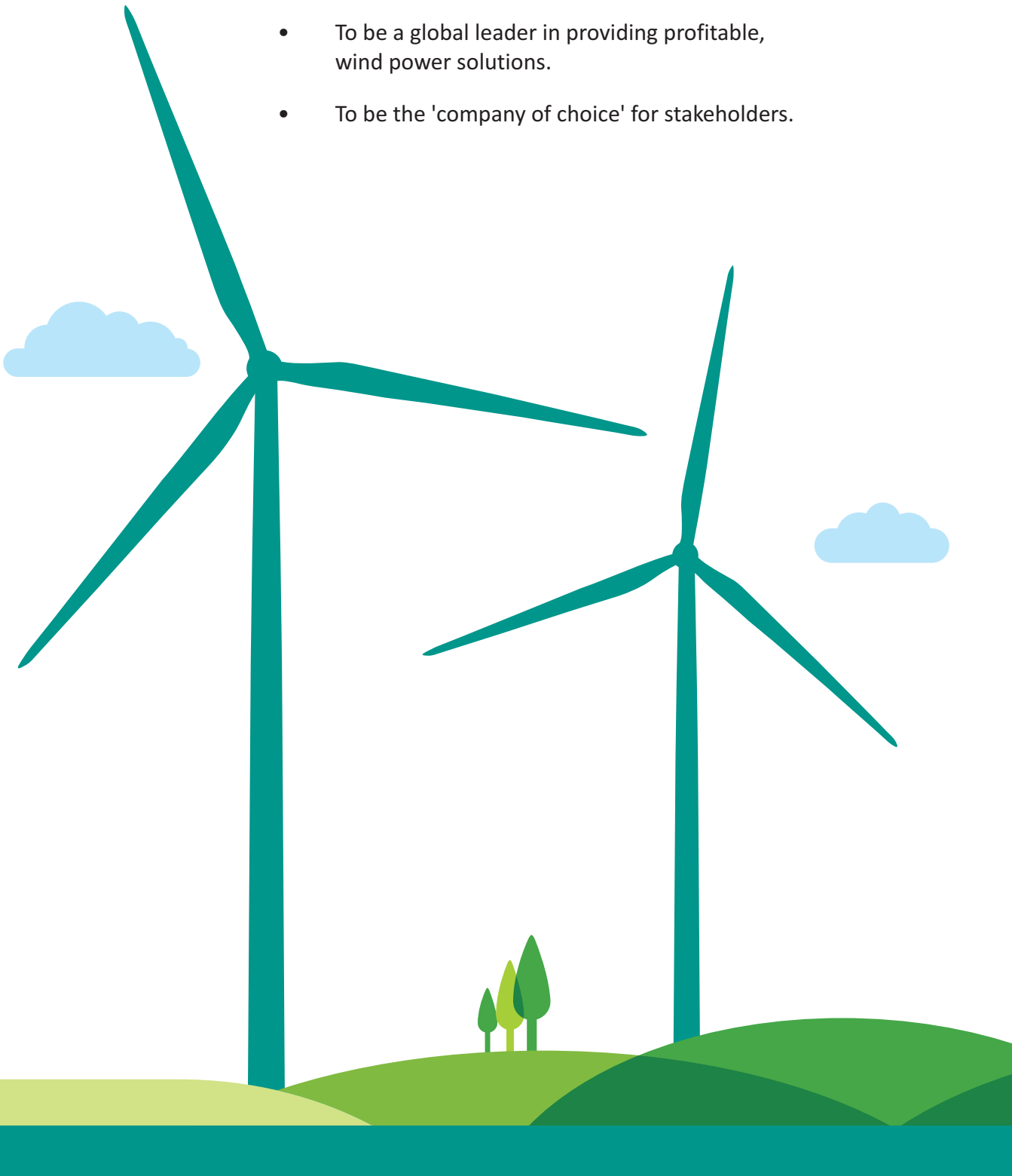
REGISTRAR AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081, India
Tel: +91.40.4465 5000; Fax: +91.40.2342 0814; Toll Free No. 1800-3454-001
Email: einward.ris@karvy.com; Website: www.karvycomputershare.com



VISION

- To be a technology leader in the wind sector.
- To be in the top three wind companies in the key markets of the world.
- To be a global leader in providing profitable, wind power solutions.
- To be the 'company of choice' for stakeholders.



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LETTER FROM THE CHAIRMAN



Dear Shareholder,

I write to you today in the midst of what continues to be a challenging period for both the wind sector generally and our Group specifically. As the world deals with the cascading impacts of the financial crisis, which continue to this day, the global economy has had to find a course through uncharted waters. The wind industry has been no exception to this, indeed, over the past three years, the entire sector has been challenged to adapt to this 'new normal'.

Dealing with a radically altered business landscape, and dramatically increased risk, the Management Team faced a difficult choice in changing course. As we focused on liability management, our business performance was severely impacted – effectively a shortage of liquidity leading to an underutilization of capacity and thereby significantly lower volumes. While this led to a very disappointing business performance for the fiscal, we did achieve significant progress in addressing our liabilities. We know the road ahead will not be easy. However with the progress we have made – and the work that remains underway – we remain confident of achieving long-term sustainability.

The road so far

Over the past year we faced a challenging external landscape – the roll-back of Accelerated Depreciation (AD) and Generation Based Incentives (GBI) in India, an uncertainty over Production Tax Credits (PTC) in the US, and partial roll-back of key supports in parts of Europe. Internally, our unbalanced capital structure and pressures from turbulence in our key markets – including the India market shrinking by nearly 50 per cent – meant a textbook conflict between liabilities and business priorities.

Therefore, it became critical that we re-balance this equation, and we made liability management our foremost priority for the year. However, even though the business required what was a harsh

medicine the side effect of this was a significant shortage of working capital which negatively impacted our business execution.

It is important to point out that we made steady progress in other areas – we have continued to book orders, reporting a robust backlog of US\$ 7.5bn at the end of May; we delivered uptime (availability) levels consistently meeting and even exceeding industry standards; our OMS business has continued to grow, with an order book of US\$ 3.4bn over a five-plus year horizon; our technology program has forged forward with new and upgraded wind turbines that will deliver greater yield at lower cost to our customers; we maintained our outstanding Quality, Health, Safety and Environment (QHSE) record; and, our German-subsiary – REpower Systems SE – continued to outperform the market and achieved over 35 per cent CAGR over a three-year horizon.

That said, the challenges we faced were real and immediate – and we completed, with strong support from our domestic lenders, a Corporate Debt Restructuring exercise, including successfully closing a US\$ 647mn bond issue backed by an State Bank of India - SBLC (Stand-by Letter of Credit); we constructively engaged with our Foreign Currency Convertible Bond-holders with the goal of finding a comprehensive solution across the series; launched a program to monetize non-critical assets; and, we launched an aggressive initiative – 'Project Transformation' – to significantly reduce fixed costs, including manpower.

I believe these are steady, important steps on the road to recovery. While our business performance took an enormous hit, we – by achieving our liability management goals – are now better prepared to manage today's challenges and prepare the company to exploit tomorrow's opportunities and restore the business to a position of strength over the medium term.



Focusing on critical priorities

As we enter the new financial year, we are a leaner, more agile and outcome-oriented organization. However, there is more that needs to be done – we have committed ourselves to continuing Project Transformation, reducing net debt, optimally managing liquidity, improving contribution margins, and focusing 100 per cent – each single day – on driving business execution.

Building on our edge

However, even as we make progress as an organization, the world around us continues to change. I believe even in this changing energy landscape, there is one constant – delivering the lowest cost-of-energy (CoE) per-unit of electricity.

Wind today is already competitive against conventional fuels, like coal, when compared on a level playing field. As we go forward, we are focusing our research and development efforts on creating the next generation of wind turbines – with larger rotors translating to greater yield, and a significantly lower cost of energy.

This is an essential step as the wind sector approaches what we see as an industrialization phase. The industry is set for major change not only in terms of the business landscape, but also in terms of how we do business. We believe the changing landscape will give us considerable benefits, allowing us to make ‘Make vs. Buy’ choices, and bringing down costs even further, helping us to create even more cost effective solutions for our customers.

The bigger picture

As much of our focus during the year was on internal change, we observed that the external environment for wind energy showed significant signs of improvement: India has brought back the GBI mechanism and announced a new fund to drive renewable investments. The US has extended the PTC, and President Obama has made clean energy and climate change action a key priority for his second term. The UK has announced substantial commitments to offshore wind, and the overall outlook in Europe continues to improve. While independent analysts project a challenging 2013, they are united in their forecast of a strong global outlook for wind in the medium to long term. In addition, new markets continue to open up for the wind sector every year, offering attractive policies and a strong commitment to a sustainable energy future.

And it is in this outlook that I am reminded of our promise not only as a business, but also as a cause. Over the past year we have seen an unprecedented number of extreme weather events and natural disasters on a truly staggering scale. Climate change has gone from theory, to accepted science, to a daily reality. And it is here, I believe, that we must remember the larger contribution we can make to the world.

With over 22,500MW of wind capacity installed by the Company around the world, we work every day to provide clean, affordable electricity for all; help power the low carbon economy of the future; and, as we do this, create decent, sustainable jobs. Alongside this, we also drive a comprehensive Corporate Social Responsibility (CSR) program, with a motto of ‘sustainable development for sustainable economy’. Through the Suzlon Foundation we have active programs in eight states and two Union Territories in India, working with all stakeholders – business units and employees, communities and gram panchayats, government departments and other agencies.



Looking ahead

There is no doubt that we continue to face significant challenges, but I am confident in equal measure that we are better prepared than ever before – and that we have a strong, sustainable long-term outlook as a Group. This journey has demanded extraordinary patience and understanding from all our stakeholders – our employees, customers, vendors, our shareholder family and, most important, our domestic lenders.

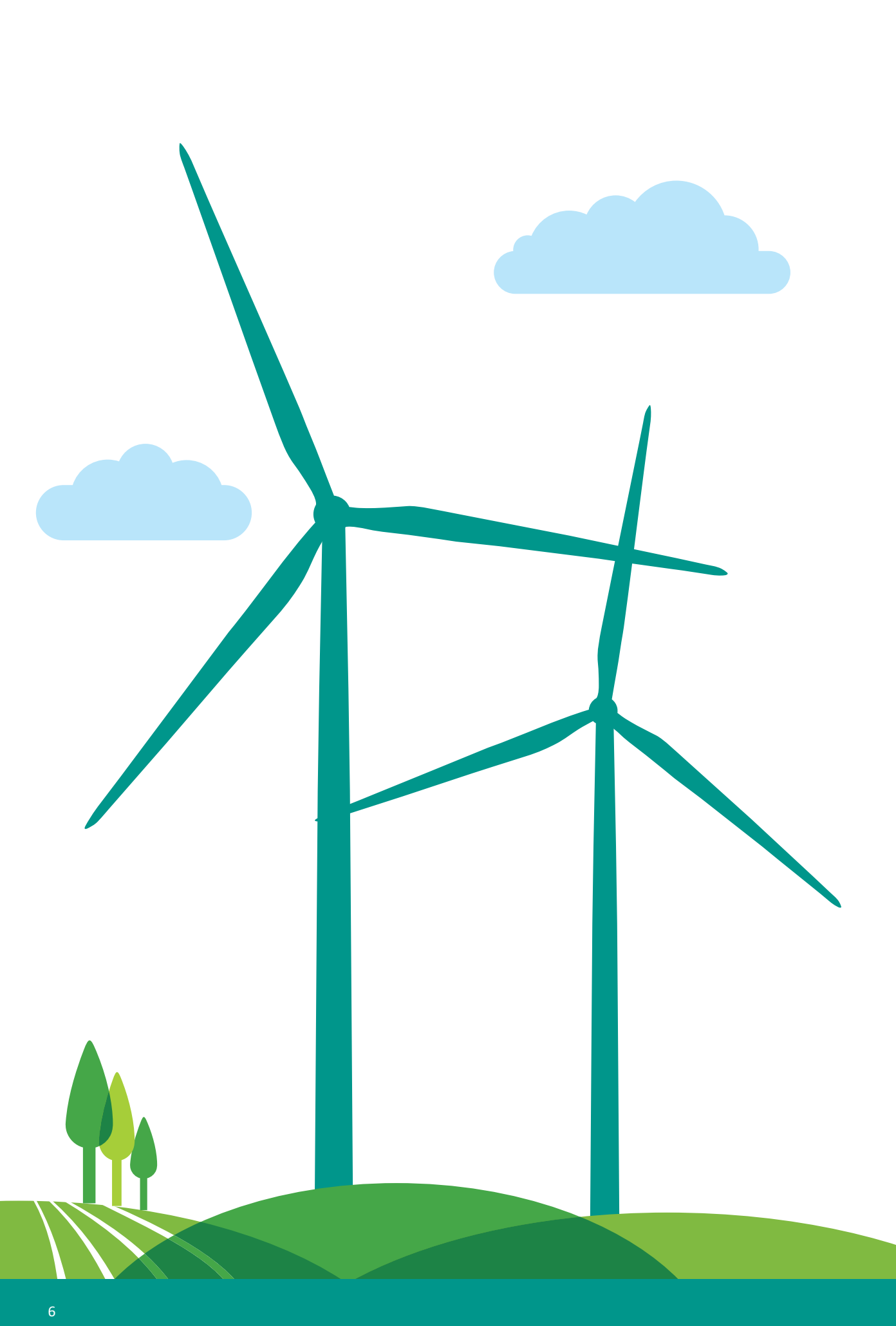
I, the Management Team of the Company, and every member of the Suzlon family remains grateful for your support – and, with it, we are confident of powering a better, greener tomorrow.

Warm regards,

Tulsi Tanti
Chairman

Pune, 30th May, 2013





FINANCIAL HIGHLIGHTS

Suzlon Energy Limited and its subsidiaries

Rs in Crore

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Revenue from operations	18,743	21,082	17,879	20,620	26,082
EBIDTA	(1,296)	1,821	1,047	943	2,816
Interest	1,518	1,379	1,136	1,195	901
Depreciation	740	661	657	663	573
Net profit / (loss)	(4,724)	(479)	(1,324)	(983)	236
Equity share capital	355	355	355	311	300
Net worth	320	4,978	6,526	6,601	8,532
Gross fixed assets	15,809	15,161	13,265	11,951	17,086
Net fixed assets	12,382	12,602	11,332	10,574	15,265
Total assets	29,007	32,427	29,220	29,205	37,806
Book value per share*	1.8	28.0	36.7	42.4	56.9
Turnover per share*	105.5	118.6	100.6	132.5	174.1
Earning per share*	(27)	(2.7)	(7.8)	(6.4)	1.6
EBIDTA/Gross turnover (%)	(6.9)	8.6	5.9	4.6	10.8

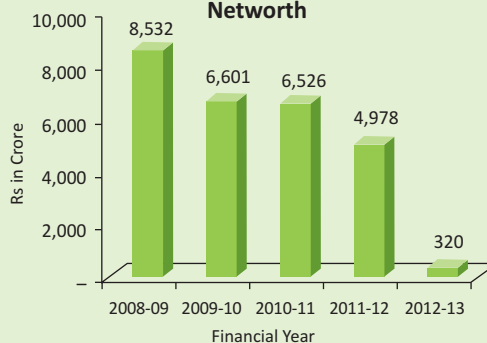
Prior year amounts have been reclassified wherever necessary to confirm with current year presentation.

* Figures have been adjusted for the issue of bonus shares allotted in June 2005 and stock split in January 2008 wherever applicable.

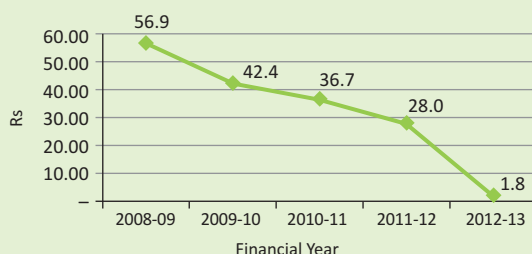
Revenue from operations



Network



Book Value per share*



LEADING GLOBAL PLAYER IN WIND ENERGY

Over 22GW of installed base and
over 1,800 customers with presence
in 33 countries across six continents



Manufacturing facilities



Key windfarms



Key offices



R&D centres



Global headquarters



(Suzlon Energy Ltd., REpower & SE Forge combined figures)





REpower offshore wind farm in
Thornton Bank, Belgium



DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Eighteenth Annual Report of your Company together with the audited financial statements for the financial year ended March 31, 2013.

1. Financial performance:

The standalone and consolidated audited financial results for the year ended March 31, 2013 are as under:

Particulars	Standalone				Consolidated			
	Rs in Crore		USD in Million*		Rs in Crore		USD in Million*	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Revenue from operations	1,748.11	6,853.52	321.98	1,347.13	18,743.14	21,082.37	3,452.25	4,143.95
Other operating income	5.56	17.69	1.02	3.48	170.39	276.84	31.38	54.42
Earnings before interest, tax, depreciation and amortization (EBITDA)	(1,272.21)	569.79	(234.33)	112.00	(1,296.49)	1,821.20	(238.80)	357.98
Less: Depreciation and amortization expense	214.54	182.68	39.52	35.91	740.47	661.23	136.39	129.97
Earnings before interest and tax (EBIT)	(1,486.75)	387.11	(273.85)	76.09	(2,036.96)	1,159.97	(375.19)	228.01
Add: Finance income	301.90	347.06	55.61	68.22	152.16	125.74	28.03	24.72
Less: Finance costs	1,086.41	884.02	200.10	173.76	1,854.85	1,654.74	341.64	325.26
Loss before tax before exceptional items	(2,271.26)	(149.85)	(418.34)	(29.45)	(3,739.65)	(369.03)	(688.80)	(72.53)
Less: Exceptional items	571.71	348.92	105.30	68.58	642.98	(227.24)	118.43	(44.67)
Loss before tax	(2,842.97)	(498.77)	(523.64)	(98.03)	(4,382.63)	(141.79)	(807.23)	(27.86)
Less: Current tax (Net of earlier years tax and MAT credit entitlement)	146.83	6.61	27.04	1.30	190.71	95.43	35.13	18.76
Less: Deferred tax	-	-	-	-	158.61	235.37	29.21	46.26
Loss after tax	(2,989.80)	(505.38)	(550.68)	(99.33)	(4,731.95)	(472.59)	(871.57)	(92.88)
Add : Share in associate's profit/(loss) after tax	N.A.	N.A.	N.A.	N.A.	-	(33.29)	-	(6.54)
Less: Share of loss / (profit) of minority	N.A.	N.A.	N.A.	N.A.	7.99	27.30	1.47	5.37
Net loss for the year	(2,989.80)	(505.38)	(550.68)	(99.33)	(4,723.96)	(478.58)	(870.10)	(94.05)
Add: Balance brought forward	(114.04)	200.34	21.00	39.38	(1,063.00)	(553.16)	(195.79)	(108.73)
Add: Additions due to merger	-	191.00	-	37.54	-	(31.26)	-	(6.14)
Surplus / (deficit) carried to balance sheet	(3,103.84)	(114.04)	(571.68)	(22.41)	(5,786.96)	(1,063.00)	(1065.89)	(208.92)

*1 US\$ = Rs 54.2925 as on March 31, 2013 (1 US\$ = Rs 50.875 as on March 31, 2012)

2. Operations review:

On a standalone basis, the Company achieved revenue from operations of Rs 1,748.11 Crores and EBIT of Rs (1,486.75) Crores as against Rs 6,853.52 Crores and Rs 387.11 Crores respectively in the previous year. Net loss after tax is Rs 2,989.80 Crores as compared to net loss after tax of Rs 505.38 Crores in the previous year. The increase in loss during the year compared to previous year is primarily due to decrease in sales volume.

On consolidated basis, the Group achieved revenue from operations of Rs 18,743.14 Crores and EBIT of Rs (2,036.96) Crores as against Rs 21,082.37 Crores and Rs 1,159.97 Crores respectively in the previous year. Net loss for the year is Rs 4,723.96 Crores as compared to loss of Rs 478.58 Crores in the previous year. During the year, there is increase in loss compared to previous year primarily due to decrease in sales volume, increase in cost due to change in market mix and adverse business conditions, foreign exchange loss and exceptional items.

3. DIVIDEND:

In view of losses incurred during the year 2012-13, the Board of Directors does not recommend any dividend for the year under review.

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

During the year under review, in terms of provisions of Section 205A read with Section 205C of the Companies Act, 1956, as amended, the Company has transferred following amounts to the Investor Education and Protection Fund set up by the Government of India:

- (i) The share application moneys received at the time of Initial Public Offering (IPO) of the Company in the year 2005 and remaining unclaimed or unpaid aggregating to Rs 2,499,544/- (Rupees Twenty Four Lacs Ninety Nine Thousand Five Hundred Forty Four Only); and
- (ii) The unpaid or unclaimed interim dividend for the financial year 2005-06 aggregating to Rs 126,578/- (Rupees One Lac Twenty Six Thousand Five Hundred Seventy Eight Only).

5. UPDATES ON CORPORATE DEBT RESTRUCTURING (CDR):

During the year under review, the Company along with its subsidiaries namely Suzlon Structures Limited, Suzlon Power Infrastructure Limited, Suzlon Generators Limited, Suzlon Gujarat Wind Park Limited, SE Electricals Limited, Suzlon Wind International Limited and SE Blades Limited (collectively referred to as the "Borrowers") had taken a decision to undertake a debt restructuring exercise under the CDR mechanism that is governed by the Corporate Debt Restructuring Scheme issued by Reserve Bank of India dated August 27, 2008 and the Corporate Debt Restructuring Guidelines formulated thereunder in consultation with its senior secured lenders. The Corporate Debt Restructuring Proposal ("CDR Proposal") as recommended by State Bank of India, the lead lender and approved by lenders who are members of CDR Cell (hereinafter referred to as the "CDR Lenders") 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, as amended / modified from time to time. The Master Restructuring Agreement ("MRA") between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of October 1, 2012.

The CDR Proposal includes a two year moratorium on principal and term-debt interest payments; an approximately three per cent reduction in interest rates; six month moratorium on working capital interest; conversion of approximately Rs 1,500 Crores (two year's interest payment during moratorium) into equity / equity linked instrument over the next two years to bring stronger financial stability and a ten year door-to-door back-ended repayment plan.

The CDR Proposal also includes an enhancement of working capital facilities, by approximately Rs 1,800 Crores, allowing the Company to accelerate the execution of its strong order book.

In terms of CDR Scheme, the Promoters (on their own or together with their relatives, friends and associates) are required to bring in equity to the extent of Rs 250 Crores into the Company in stipulated time frame, of which Rs 125 Crores has already been infused.

The key features of the CDR Proposal are given in detail under Notes to Financial Statements forming part of this Annual Report.

6. PREFERENTIAL ISSUE:

The Company had sought approval of shareholders by way of postal ballot vide notice dated March 8, 2013, the results of which have been declared on April 12, 2013, inter alia for following preferential allotments:

- issue of equity shares and / or compulsorily convertible debentures on preferential basis on conversion of the funded interest term loan to the CDR Lenders;
- issue of equity shares and / or compulsorily convertible debentures on preferential basis on conversion of the funded interest term loan to the non-CDR Lenders as on the date of the postal ballot notice;
- issue of equity shares on preferential basis for the sacrifice by IDBI Bank Limited,
- issue of equity shares and / or compulsorily convertible debentures, on preferential basis, to the Promoters;
- issue of equity shares and / or compulsorily convertible debentures, on preferential basis, to Samimeru Windfarms Private Limited; and
- issue of equity shares on preferential basis to Kalthia Investment Private Limited, Mr. Kalpesh R. Kalthia, Mrs. Anu Kalthia and Mrs. Ritu Kalthia.



Post March 31, 2013, the Company has allotted 314,246,974 (Thirty One Crores Forty Two Lacs Forty Six Thousand Nine Hundred Seventy Four) Equity Shares of Rs 2/- (Rupees Two Only) each at an issue price of Rs 18.51/- (Rupees Eighteen and Fifty One Paise Only) per share on April 23, 2013 to the allottees on preferential basis under Chapter VII – “Preferential Issue” of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in accordance with the CDR Proposal as under:

- Allotment of 302,361,507 (Thirty Crores Twenty Three Lacs Sixty One Thousand Five Hundred Seven) Equity Shares of Rs 2/- (Rupees Two Only) each at an issue price of Rs 18.51/- (Rupees Eighteen and Fifty One Paise Only) on preferential basis to CDR Lenders as per CDR Proposal in consideration of Funded Interest Term Loans and first three years’ of IDBI’s Sacrifice;
- Allotment of 11,885,467 (One Crore Eighteen Lacs Eighty Five Thousand Four Hundred Sixty Seven) Equity Shares on preferential basis to Samimeru Windfarms Private Limited (“Samimeru”) as per CDR Proposal in consideration of an amount of Rs 220,000,000/- (Rupees Twenty Two Crores Only) contributed by Samimeru as a part of the promoter contribution under the CDR Proposal and the MRA.

The Company has not been in a position to make preferential allotments for the balance resolutions due to reasons mentioned below:

- Issue of equity shares and / or compulsorily convertible debentures on preferential basis on conversion of the funded interest term loan to the non-CDR Lenders - The allotment could not be made since the Company is yet working on mutually acceptable restructuring package with non-CDR Lenders. Once the debt of non-CDR Lenders is restructured either in lines with the CDR Lenders or otherwise, issue and allotment would be made based on the terms of such restructured package.
- Issue of equity shares and / or compulsorily convertible debentures, on preferential basis, to the Promoters - The allotment would be made in terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”), once Promoters are eligible under ICDR Regulations.
- Issue of equity shares on preferential basis to Kalthia Investment Private Limited, Mr. Kalpesh R. Kalthia, Mrs. Anu Kalthia and Mrs. Ritu Kalthia - Allotment could not be made since the Company could not obtain necessary approval from the Lead Bank for allotting shares.

7. CAPITAL:

Increase in Authorised Share Capital - Post March 31, 2013, the Authorised Share Capital of the Company has been increased from Rs 7,000,000,000/- (Rupees Seven Hundred Crores Only) divided into 3,500,000,000 (Three Hundred Fifty Crores) equity shares of Rs 2/- (Rupees Two Only) each to Rs 11,000,000,000/- (Rupees One Thousand One Hundred Crores Only) divided into 5,500,000,000 (Five Hundred Fifty Crores) equity shares of Rs 2/- (Rupees Two Only) each by creation of 2,000,000,000 (Two Hundred Crores) Equity shares of Rs 2/- (Rupees Two Only) each in the Authorised Share Capital of the Company.

Increase in Paid-up Share Capital - Post March 31, 2013, the Company has allotted 314,246,974 (Thirty One Crores Forty Two Lacs Forty Six Thousand Nine Hundred Seventy Four) Equity Shares of Rs 2/- (Rupees Two Only) each at an issue price of Rs 18.51/- (Rupees Eighteen and Fifty One Paise Only) per share on April 23, 2013 to the allottees on preferential basis as detailed above and accordingly the paid-up share capital stands increased to Rs.4,183,225,242/- (Rupees Four Hundred Eighteen Crores Thirty Two Lacs Twenty Five Thousand Two Hundred Forty Two Only) divided into 2,091,612,621 (Two Hundred Nine Crores Sixteen Lacs Twelve Thousand Six Hundred Twenty One) equity shares of Rs 2/- (Rupees Two Only) each.

Global Depository Receipts (GDRs) - The outstanding GDRs as on March 31, 2013 are 1,023,173 (Ten Lacs Twenty Three Thousand One Hundred Seventy Three) representing 4,092,692 (Forty Lacs Ninety Two Thousand Six Hundred Ninety Two) equity shares of Rs 2/- (Rupees Two Only) each. Each GDR represents 4 (Four) underlying equity shares in the Company.

Foreign Currency Convertible Bonds (“FCCBs”) - During the year under review, the Company had issued separate notices, each dated May 18, 2012, to convene meetings of the holders of the US\$ 300,000,000 Zero Coupon Convertible Bonds due 2012 and the US\$ 35,592,000 7.5% Convertible Bonds due 2012 for extension of the maturity date (i.e. June 12, 2012) of the Bonds by 45 days i.e. until July 27, 2012. The meetings of the holders of the respective series were held on June 11, 2012 and the maturity got successfully extended till July 27, 2012. On July 27, 2012 the Company successfully redeemed amount outstanding under both the series, along with redemption premiums, in full.

Subsequently, the Company had issued (i) separate notices dated September 18, 2012 convening separate meetings of the holders of the US\$ 200,000,000 Zero Coupon Convertible Bonds due 2012 and the US\$ 20,796,000 7.5% Convertible Bonds due 2012 on October 10, 2012 for the extension of maturity dates of each of the series of Bonds from October 11, 2012 to February 11, 2013; and (ii) a subsequent notice dated October 2, 2012 to the holders of the Bonds, providing further information in relation to the incentive fee payable to the consenting bondholders.

The meetings of the holders of the respective series of Bonds were held on October 10, 2012. The meeting of the holders of the Zero Coupon Bonds did not achieve the requisite quorum to consider the extraordinary resolution. Further, the holders of the Interest Bearing Bonds did not vote in favour of the extraordinary resolution. Accordingly, the extraordinary resolutions in respect of both series of Bonds were not passed. In light of the above, the maturity dates of both series of Bonds remained October 11, 2012. The Company was not able to redeem the Zero Coupon Bonds on October 11, 2012 and the Interest Bearing Bonds on October 18, 2012 (such date being the end of the grace period for payment, as provided in the terms and conditions of the Interest Bearing Bonds). The Company continues to actively engage with its bondholders and is endeavouring to find a consensual solution acceptable to all its stakeholders.

8. PARTICULARS OF CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 has been provided in an Annexure which forms part of the Directors' Report.

9. SUBSIDIARIES:

As on March 31, 2013, the Company has 78 subsidiaries, a list of which is given in the notes to the financial statements.

Companies which became subsidiaries during the year under review -

Sr. No.	Name of the entity	Country
1.	Avind Desenvolvimento De Projetos De Energia Ltda	Brazil
2.	PowerBlades Industries Inc.	Canada
3.	REpower Systems DTE Romania SRL	Romania

Companies which ceased to be subsidiaries during the year under review -

Sr. No.	Name of the entity	Remarks
1.	Cannon Ball Wind Energy Park-1, LLC	Liquidated
2.	Eólica Faísa S.A.	Sold
3.	Eólica Faísa I – Geração E Comercialização De Energia S.A.	Sold
4.	Eólica Faísa II – Geração E Comercialização De Energia S.A.	Sold
5.	Eólica Faísa III – Geração E Comercialização De Energia S.A.	Sold
6.	Eólica Faísa IV – Geração E Comercialização De Energia S.A.	Sold
7.	Eólica Faísa V – Geração E Comercialização De Energia S.A.	Sold
8.	REpower Diekat S.A.	Liquidated
9.	REpower Geothermie GmbH	Liquidated
10.	Suzlon Engitech Limited	Sold
11.	Suzlon Wind Energy A/S	Merged with Suzlon Energy A/S

Change of name of subsidiaries during the year under review -

Sr. No.	Previous name	New name
1.	Renewable Energy Contractors Australia Pty. Ltd.	REpower Australia Pty. Ltd.
2.	REpower Australia Pty. Ltd.	RECA Holdings Pty. Ltd.
3.	REpower Systems India Private Limited	REpower Systems India Limited

10. CONSOLIDATED FINANCIAL STATEMENTS:

In terms of Section 212(8) of the Companies Act, 1956 read with the General Circular No.2/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs, Government of India, general exemption has been provided to companies from compliance of the provisions of Section 212(1) of the Companies Act, 1956 subject to compliance with conditions as referred to in the said General Circular No.2/2011 dated February 8, 2011. The Board of Directors of the Company, accordingly, has given its consent for not attaching the balance-sheet of the subsidiaries and accordingly, the balance-sheet, statement of profit and loss and other documents of the subsidiary companies are not being attached with the balance-sheet of the Company. However, some key information of the subsidiary companies as required to be provided in terms of the said circular, is disclosed under "Section 212 Report" forming part of this Annual Report.

The annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company / its subsidiaries who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept for inspection by any member at the Company's Registered Office and Corporate Office and that of the respective subsidiary companies.

The Annual Report of the Company contains the consolidated audited financial statements prepared pursuant to Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

11. PARTICULARS OF EMPLOYEES:

In terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Directors' Report. However, as per the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.



12. DIRECTORS:

Re-appointment of directors retiring by rotation – Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Appointment of new directors – During the year under review, Mrs. Bharati Rao, the nominee of State Bank of India has been appointed as an Additional Director of the Company with effect from August 13, 2012 and Mr. Ravi Uppal has been appointed as an Additional Director of the Company with effect from September 28, 2012. Post March 31, 2013, IDBI Bank Limited has substituted its Nominee Director on the Board of the Company by withdrawing nomination of Mrs. Mythili Balasubramanian and instead nominating Mr. Ravi Kumar as the Nominee Director of IDBI Bank Limited on the Board of the Company. Accordingly, Mr. Ravi Kumar has been appointed as an Additional Director of the Company, with effect from July 20, 2013. In terms of Section 260 of the Companies Act, 1956, Mrs. Bharati Rao, Mr. Ravi Uppal and Mr. Ravi Kumar hold office up to the ensuing Annual General Meeting of the Company and being eligible offer themselves for appointment as the Directors of the Company. Mrs. Bharati Rao being a nominee of State Bank of India and Mr. Ravi Kumar being a nominee of IDBI Bank Limited are not liable to retire by rotation.

Cessation of directors – Post March 31, 2013 as stated above, Mrs. Mythili Balasubramanian ceased to be the Nominee Director of the Company with effect from July 20, 2013. The Board expresses its appreciation for the valuable services rendered and matured advice provided by Mrs. Mythili Balasubramanian during her association with the Company.

Profile of Directors seeking appointment / re-appointment – Profile of the directors seeking appointment / re-appointment as required to be given in terms of Clause 49(IV)(G)(i) of the Listing Agreement forms part of the Notice convening the ensuing Annual General Meeting of the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956, the 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 and that there are no 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 as at March 31, 2013 and of the loss of the Company for the year ended on that date;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the directors had prepared the annual accounts on a going concern basis.

14. PUBLIC DEPOSITS:

During the year under review, the Company did not accept any deposits within the meaning of the provisions of Section 58A of the Companies Act, 1956.

15. 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.

16. CORPORATE GOVERNANCE:

As required under Clause 49 (VI) of the Listing Agreement entered into by the Company with the stock exchanges, 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. The auditors' certificate on compliance with corporate governance requirements by the Company is attached to the Corporate Governance Report.

17. EMPLOYEES STOCK OPTION PLANS (ESOPs):

As required under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the information pertaining to various Employee Stock Option Plans (ESOPs) of the Company has been provided in an Annexure which forms part of the Directors' Report.

18. AUDITORS AND AUDITORS' OBSERVATIONS:

Statutory Auditors - M/s. SNK & Co., Chartered Accountants, Pune (Firm Registration No.109176W) and M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, Pune (Firm Registration No.301003E) (formerly known as S.R. Batliboi & Co.), the joint statutory auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting of the Company. Both the statutory auditors have confirmed their eligibility and willingness to accept office, if re-appointed.

Auditors' observations and Management's response to Auditors' observations – The Directors refer to the auditors' observation in the Auditors' Report and as required under Section 217(3) of the Companies Act, 1956, provide their explanation as under:

- i) In respect of Note 5 of the standalone financial statements and Note 4 of the consolidated financial statements regarding use of going concern assumption for the preparation of financial statements due to existence of certain liabilities on account of FCCBs which are due for redemption during October 2012 and overdue amounts payable to creditors and certain lenders:

The Company defaulted in repayment of its unsecured FCCBs which were due in October 2012 ("October 2012 FCCBs") aggregating approximately USD 209 Million (Rs 1,133.10 Crores). The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2013. The Company is in negotiations with the FCCB holders, creditors and certain lenders and is working on various solutions with them to ensure settlement of their dues. The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable and accordingly the financial statements have been prepared on the basis that the Company is a going concern.

- ii) In respect of Note 4 and 36 of the standalone financial statements and Note 5 of the consolidated financial statements regarding amount payable towards recompense:

The recompense payable is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain. Accordingly, the Company has shown the proportionate amount payable towards recompense as contingent liability.

- iii) In respect of Note 6 of the consolidated financial statements regarding non-provision of Infrastructure Development Charges ("IDC") aggregating to Rs 64.80 Crores:

The Indian Wind Energy Association ("InWEA") of which the Group is a member has 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 has obtained a legal opinion which states that InWEA / Group has a strong case and accordingly the Group has shown it as contingent liability.

- iv) In respect of Note 7 of the consolidated financial statements regarding achievement of positive Net Foreign Exchange ("NFE") by one of its subsidiaries:

One of the subsidiaries of the Company is required to comply with the provisions of Rule 53 of Special Economic Zones Rules, 2006 ("SEZ Rules") which requires the Company to achieve positive NFE during the year ending March 31, 2014. The subsidiary has filed applications for extension of due date and awaiting decision on the same and accordingly considered it as contingent liability.

- v) In respect of auditors' observation in standalone financial statements regarding certain default in payment of interest and repayment of dues to financial institutions, banks and bondholders and delay in depositing statutory dues:

It is clarified that the delay arose on account of liquidity shortage due to delay in timely realisation of certain receivables from the customers and prevailing uncertain economic environment that adversely impacted the sales volumes which almost stalled business operations.

- vi) In respect of auditor's observation in standalone financial statements regarding cash losses incurred by the Company during the previous year and accumulated losses at the end of financial year are more than fifty percent of its net worth:

It is clarified that the losses were primarily attributable to lower volumes due to prevailing uncertain economic environment and liquidity shortage, lower absorption of fixed overheads, higher finance charges and provision for diminution in investments in subsidiaries.

Cost Auditors - In terms of Notification F.No.52/26/CAB-2010 dated January 24, 2012 issued by the Ministry of Corporate Affairs, Government of India, the Company has appointed Mr. Dushyant C.Dave, Cost Accountant, Mumbai (Membership No.M-7759) as a Cost Auditor for conducting audit of Cost Accounting Records of the Company for the financial year 2012-13. The due date of filing the report by Cost Auditor is September 30, 2013.

19. 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 and financial institutions 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 : Pune
Date : July 20, 2013

Tulsi R.Tanti
Chairman & Managing Director



Particulars of conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo –

Information as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out hereunder.

A. Conservation of energy

- Energy conservation measures taken - 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. The energy conservation measures taken are given as under:

Sr. no.	Measures taken
1.	Use of on-site wind-solar hybrid installation for renewable energy at Corporate Headquarter
2.	100% renewable energy powered communication server at Corporate Headquarter
3.	Use of off-site renewable energy for Corporate Headquarter
4.	Reducing one hour AC operation timing and raising curtain to allow sunlight instead of using light in day time at Corporate Headquarter
5.	Management of elevator operating timing depending on traffic hours at Corporate Headquarter
6.	Installation of electrical panel timer in RBU Bhuj
7.	Reduction of height of roof light and providing individual switch in certain plants

As the Company along with its subsidiaries is in the business of selling and installing wind turbine generators, it is very active in promoting renewable sources of energy and supporting conservation.

- Additional investments and proposals being implemented for reduction of consumption of energy – Concentration on reengineering of process to facilitate optimum utilisation of energy.
- Impact of the above measures for reduction of energy consumption and consequent impact on the cost of production of goods - The impact of above measures undertaken by the Company result in optimisation of energy consumption, savings in energy cost and environment protection.
- Total energy consumption and energy consumption per unit of production is given as under:

Sr. no.	Particulars	2012-13	2011-12
A.	Power and fuel consumption		
1.	Electricity		
a.	Purchased units	4,379,846	13,800,242
	Total amount (Rs)	29,188,670	70,332,277
	Rate / unit (Rs)	6.66	5.10
b.	Own generation		
i)	through diesel generator		
	Units	153,364	1,080,232
	Units per litre of diesel oil	2.72	3.23
	Cost / unit (Rs)	18.11	16.85
	ii) through steam turbine / generator	N.A.	N.A.
2.	Coal (specify quality and where used)	N.A.	N.A.
3.	Furnace Oil	N.A.	N.A.
4.	Others / internal generation	N.A.	N.A.

B. Consumption per unit of production				
Products (with details) unit		Standards, if any	2012-13	2011-12
1.	Electricity	N.A.	26,196	10,896
2.	Furnace Oil	N.A.	N.A.	N.A.
3.	Coal (specify quantity)	N.A.	N.A.	N.A.
4.	Others (specify)	N.A.	N.A.	N.A.

B. Technology absorption

Research & Development (R & D) -

- Specific areas in which R & D is carried out by the Company - The Company and its subsidiaries operate world class research and testing centres in India and overseas locations relating to wind turbine technology. Its Blade testing centre at Baroda, India, R&D centres at Germany, Netherlands and Denmark continue to drive its R&D programme.
- Benefits derived as a result of the above R & D - In the year 2012-13, the Company has conceptualised and developing new product, viz., S111. This product is estimated to give 20% better energy yield compared to S97 design in a 90 meter configuration. This product will be developed for IEC Wind Class III. This will help the Company to enhance its market share for low wind regime markets.

In parallel, for existing S97 model, the 120 meter tower development progressed in the year 2012-13. This will enhance energy output by 10% compared to present model at 90 meter configuration.

- Future plan of action - The Company and its subsidiaries continue to drive its R&D programme towards developing future cost efficient and reliable wind turbine technology by harnessing latest technologies.
- Expenditure on R & D -

Sr. no.	Particulars	2012-13 (Rs in Crores)	2011-12 (Rs in Crores)
a.	Capital	156.78	36.59
b.	Recurring	60.41	65.71
c.	Total	217.19	102.30
d.	Total R&D expenditure as a % of total turnover	12.42*	1.49

*The percentage seems higher in view of very low level of business activity in the Company during the year 2012-13.

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

- In the year 2012-13, SB47 blade developed in-house which gives 2% better energy yield compared to present supplier's blade performance.
- Initiatives like Continuous Quality improvement, O&M studies have improved productivity, reduced quality problems and have also helped in harnessing the creative capabilities of the employees.
- Structured Design Change Management process has resulted in continuous control on cost and Cycle time reduction of design change. This has also facilitated in reducing the inventory.
- Continuous research is undertaken in the areas of new material, new technology and alternate sourcing to be applied in development of new products. Cost Management Drive is running in the Company and has resulted in substantial cost savings.

C. Foreign exchange earnings and outgo

- Total foreign exchange used and earned is given as under:

Sr. no.	Particulars	2012-13 (Rs in Crores)	2011-12 (Rs in Crores)
1.	Total Foreign Exchange Earned	492.59	230.95
2.	Total Foreign Exchange Used	1,606.68	2,884.47



Employee Stock Option Plans (ESOPs)

The Company has in past introduced various Employees Stock Option Plans for its employees and employees of its Subsidiaries. The details of options granted under various ESOPs of the Company as required to be provided in terms of Securities and Exchange Board of India (Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI ESOP Guidelines) are given as under:

Sr. No.	Particulars	ESOP-2005	ESOP-2006	ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I						Special ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I		
					(Tranche-I)	(Tranche-II)	(Tranche-III)	(Tranche-IV)	(Tranche-V)	(Tranche-VI)		(Tranche-VII)	(Tranche-VIII)	
1	Options granted under the Plan as at March 31, 2013 (Nos.)	Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII	
		4,605,000	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000	
2	Pricing formula	50% of final issue price determined in the IPO of the Company	The average of daily weighted average price of Company's shares listed on BSE for the period from October 19, 2005 to March 31, 2006	The closing price of the Equity Shares of the Company on BSE as on date of grant	For all Employees (except US) - 20% Discount to the closing price of the Equity Shares of the Company on BSE as on date of grant	20% Discount to the closing price of the Equity Shares of the Company on BSE as on date of grant		20% Discount to the closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on date of grant	The closing price of the Equity Shares of the Company on BSE as on August 1, 2011	The closing price of the Equity Shares of the Company on BSE as on date of grant	
3	Options outstanding as at April 1, 2012 (Nos.)	Nil	316,500	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000	Nil	
4	Options granted during the year ended March 31, 2013 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	25,000	
5	Options Vested during the year ended March 31, 2013 (Nos.)	Nil	Nil	Nil	1,316,975	33,750	25,000	12,500	Nil	2,888,000	25,000	32,500	Nil	
6	Options exercised during the year ended March 31, 2013 (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
7	Total number of shares arising as a result of exercise of options (Nos.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
8	Options forfeited / lapsed / cancelled / expired during the year ended March 31, 2013 (Nos.)	Nil	91,000	261,000	2,309,664	Nil	Nil	Nil	75,000	1,564,500	Nil	25,000	Nil	
9	Options in force as at March 31, 2013 (Nos.)	Nil	225,500	996,000	4,793,654	135,000	100,000	50,000	Nil	7,099,500	50,000	40,000	25,000	
10	Variation of terms of options during the year ended March 31, 2013	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
11	Money realised by exercise of options (Rs.)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Sr. No.	Particulars	ESOP-2005	ESOP-2006	ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I					Special ESOP-2007	Special ESOP-2009 forming part of ESOP Perpetual-I			
		Scheme I	Scheme II	Scheme III	(Tranche-I)	(Tranche-II)	(Tranche-III)	(Tranche-IV)	(Tranche-V)	Scheme IX	(Tranche-VI)	(Tranche-VII)	(Tranche-VIII)	
12	Employee wise details of options granted to:													
i)	Senior Managerial Personnel												Refer Note 2	Refer Note 3
ii)	Employees receiving 5% or more of the total number of options granted during the year ended March 31, 2013	Nil	Nil	Nil	Nil	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	Nil	Nil	Nil	Nil		Nil
13	Diluted EPS on issue of shares on exercise calculated in accordance with AS 20 (Rs)													
14	Difference between the employee compensation cost calculated using the intrinsic value of stock options and the 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												(16.82)	
		The Company has provided Rs (0.16) Crore [Rs (0.28) Crore] at the rate of Rs 182.60 per option under Scheme II, Rs 4.04 Crore (Rs 5.15 Crore) at the rate of Rs 2.20 per option under Scheme III, Rs 8.00 Crore (Rs 17.64 Crore) at the rate of Rs 22.25 per option and Rs 4.75 per option under Scheme IV – Tranche I, Rs 0.15 Crore (Rs 0.15 Crore) at the rate of Rs 15.45 per option and Rs Nil per option under Scheme V – Tranche II, Rs 0.20 Crore (Rs 0.16 Crore) at the rate of Rs 12.29 per option and Rs 0.60 per option, under Scheme VI – Tranche III, Rs 0.09 Crore (Rs 0.10 Crore) at the rate of Rs 11.09 per option under scheme VII – Tranche IV, Rs 0.14 Crore (Rs Nil) at the rate of Rs Nil per option under scheme VIII - Tranche V, Rs Nil (Rs 0.07 Crore) at the rate of Rs Nil per option under scheme IX, Rs 0.10 Crore (Rs 0.08 Crore) at the rate of Rs 0.50 per option under Scheme X – Tranche VI, Rs Nil (Rs Nil) at the rate of Rs Nil per option under scheme XI - Tranche VII, Rs 0.01 Crore (Rs Nil) at the rate of Rs Nil per option under scheme XII – Tranche VIII for the year ended March 31, 2013. 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 Nil (Rs Nil) per option for Scheme I, Rs 249.11 (Rs 249.11) per option for Scheme II, Rs 43.32 (Rs 43.32) per option for Scheme III, Rs 49.28 (Rs 49.28) per option and Rs 42.54 (Rs 42.54) per option for Scheme IV-Tranche-I, Rs 39.95 (Rs 39.95) per option, Rs 34.27 (Rs 34.27) per option for Scheme V – Tranche II, Rs 30.73 (Rs 30.73) per option, Rs 26.39 (Rs 26.39) per option for Scheme VI–Tranche-III, Rs 28.68 (Rs 28.68) per option for Scheme VII – Tranche IV and Rs 21.16 (Rs 21.16) per option for Scheme VIII – Tranche V, Rs 29.12 (Rs 29.12) per option for Scheme IX, Rs 24.50 (Rs 24.50) per option for Scheme X – Tranche VI, Rs 22.67 (Rs 22.67) per option for Scheme XI – Tranche VII, Rs 9.25 (Rs Nil) per option for Scheme XII – Tranche VIII and accordingly the loss after tax would have been higher by Rs 17.60 Crore (Rs 22.66 Crore).												
15	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:													
i)	Weighted average exercise price (Rs)	51.00	192.20	90.50	70.00 / 87.50	61.80 / 77.25	46.76 / 58.45	44.36	47.70	72.70	54.35	54.15	20.85	
ii)	Weighted average fair value (Rs)	Nil	249.11	43.32	42.54 / 49.28	34.27 / 39.95	26.39 / 30.73	28.68	21.16	29.12	24.50	22.67	9.25	
16	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%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	
ii)	Expected life (years)	6	6	6	5	5	5	5	5	4	5	5	5	
iii)	Expected volatility	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	48.90%	
iv)	Dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
v)	The price of the underlying share in market at the time of option grant (Rs)	N.A.	374.80	92.70	92.25	77.25	59.05	55.45	47.70	71.85	54.85	52.40	20.85	



The Securities and Exchange Board of India (SEBI) has issued Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999. This is effective for all stock option schemes established after June 19, 1999. In accordance with these guidelines, 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, is to be recognised and amortised on a straight line basis over the vesting period.

The equity shares issued / to be issued under ESOP-2006, ESOP-2007, Special ESOP-2009 and Special ESOP-2007 of the Company rank / shall rank pari passu in all respects including dividend with the existing equity shares of the Company.

Notes:

- In terms of ESOP-2005, all vested options had to be exercised on or before June 16, 2011 i.e. within five years from the date of first vesting. Accordingly 340,000 unexercised options as on June 16, 2011 have lapsed in previous year.
- The details of options granted to senior managerial personnel of the Company under various ESOPs are given as under:

Name of senior managerial personnel	Designation	No. of stock options granted			
		*Under ESOP-2006	Under ESOP-2007	Under Special ESOP-2007	Under Special ESOP-2009
Kirti Vagadia	Group Head - Finance	43,000	50,000	Nil	500,000
Dr. V. V. Rao	Chief Quality Officer	23,500	Nil	Nil	85,572
Frans Visscher	Chief Executive Officer – Europe and Chief Human Resource	Nil	Nil	Nil	500,000
Duncan Koerbel	President Global Services	Nil	Nil	Nil	139,402
Silas Zimu	Chief Executive Officer	Nil	Nil	Nil	50,000
Bhagwat Yagnik	President, Global HR	Nil	Nil	Nil	25,000
Ishwar Mangal	President, Sales & Marketing - India & Emerging Markets	43,000	50,000	Nil	196,000
Nilesh Vaishnav	President, OMS - India & Emerging Markets	22,000	12,000	Nil	57,504
Sandeep Lonkar	President, Nacelle & Electrical Business	Nil	Nil	Nil	33,837
Soren Knudsen	Chief Executive Officer- SE Blades	Nil	Nil	Nil	50,000
Manoj Bakshi	Chief Executive Officer - SE Forge	Nil	Nil	Nil	44,497
Chintan Shah	President, SBD & Government Relations - India & Emerging Markets	17,000	27,000	Nil	60,970
Sundar Rajagopalan**	Chief Legal Officer	Nil	Nil	Nil	100,119
John O' Halloran**	Chief Technology Officer	Nil	Nil	Nil	60,000
Arthur Laveri**	Chief Executive Officer – Brazil	Nil	Nil	Nil	40,000
Richard He**	Chief Executive Officer – China	Nil	Nil	Nil	75,000

* The figures for number of options granted under ESOP-2006 have been adjusted for the impact of share split and have accordingly been restated as per par value of Rs 2 per share. The figures for ESOP-2005 have not been provided since the scheme has expired and there are no outstanding options under ESOP-2005 scheme as on date.

** Since resigned

- During the year under review, the Company has granted total 25,000 options under Special ESOP-2009 (Tranche VIII) on May 25, 2012. The list of employees who have received a grant in any one year exceeding 5% or more of the options granted during the year under Special ESOP-2009 is given as under:

Name of the employee	Designation	Name of the Company	Number of stock options granted during the year
Bhagwat Yagnik	President, Global HR	Suzlon Energy Limited	25,000

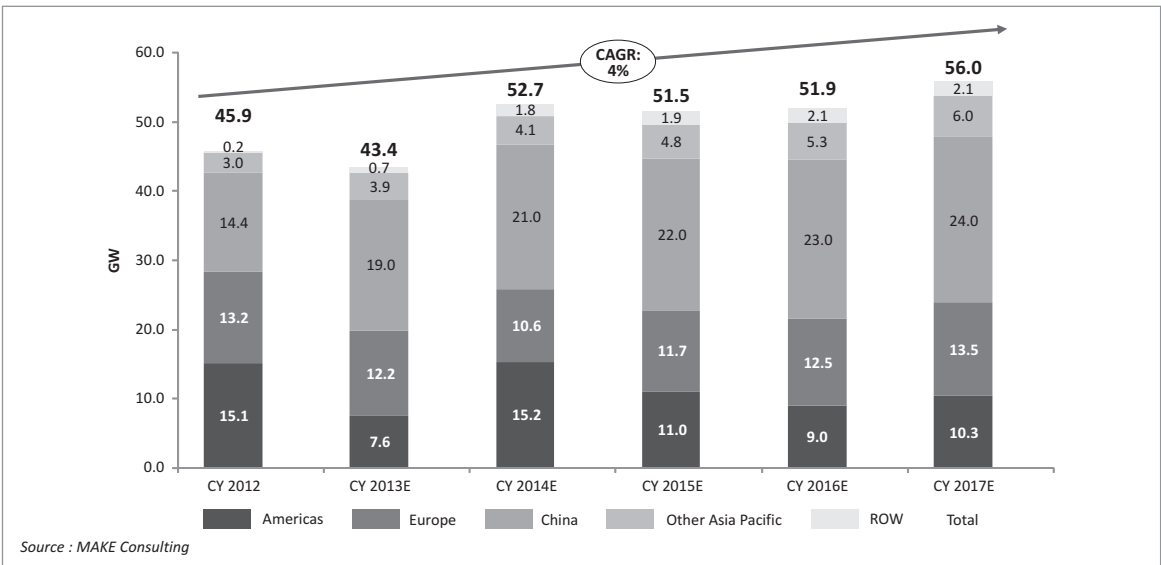
Management Discussion and Analysis

Global markets and outlook

Despite continuing macro-economic turbulence, the wind market continued its strong growth momentum in calendar year 2012, mainly led by what was an extraordinary performance of the US market as a result of the then uncertainty of an extension for Production Tax Credit. CY 2012 ended with 46 GW in new capacity connected to the grid worldwide*. The offshore wind segment grew by over 50 per cent in CY 2012, reaching 1.4 GW in new installations. While many key wind markets delivered a resilient performance, the India market experienced a 17 per cent drop in CY 2012 over CY 2011 installations to 2.3 GW, partly due to the withdrawal of the Indian Government's Generation Based Incentive and Accelerated Depreciation benefits.

New capacity additions are projected to drop in CY 2013, due to low levels of order intake and drop in project financing activities in CY 2012. Policy uncertainties over continuance of PTC in US and GBI in India along with retroactive cut in support level in some part of Europe have dampened new order-intake. However, the industry remains resilient and we expect the activity to pick up in the second half of CY 2013. Global new order intake is showing signs of improvement since April 2013 for the industry, due to renewal of PTC in the US, increased feed in tariff in India and improved growth prospects in China.

Industry estimate for annual installations



Looking ahead, wind markets are expected to grow at a CAGR of four per cent in the next five year period, between CY 2013 and CY 2017, with offshore set to grow even faster at CAGR of 24 per cent. The long-term future for wind is underpinned mainly by its efficiency and cost effectiveness in relationship with other conventional fossil fuels, especially with the Levelized Cost of Energy (LCOE) for wind continuously decreasing. The LCOE of wind is already at par or competing closely with fossil fuels without the need for much government support in most markets. In addition to cost competitiveness, energy security concerns and concerns on the impact of climate change to play key roles in shaping the future course of wind power development.

New products are being introduced with a significantly improved yield curve, and technological advances allow utilities to rely more and more on wind as a mainstay power source. According to analysis published by the International Energy Agency (IEA), renewable energy - including wind - could rival coal as the biggest global source of electricity production by 2035.

Group Outlook

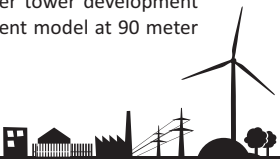
Today, the Suzlon Group is well positioned for a recovery in the medium-term with strong and firm order book of over US\$ 7.5bn as on date - translating to approximately 5,850 MW of new capacity.

The Group's global installations crossed 22,000 MW at the end of the fiscal, with a growing service order backlog. As the Group's global fleet continues to grow, the OMS revenue streams will continue to increase, with likely assured annual contractual cash flows from the OMS business projected to reach US\$ 1bn by 2020.

The key to future competitiveness and growth lies in providing highly cost competitive solutions to consumers with sustainable and affordable wind energy. Suzlon Group is well positioned to meet emerging demands of the market, both onshore and offshore.

Products and technology

Technology is the key enabler for competitiveness in the wind space. The Group's sophisticated R&D capabilities in the wind energy space have led to the development of a comprehensive product portfolio, ranging from 600 kW to 6.15 MW wind turbines. With a focus on reducing the cost of energy, the Group launched three new products over FY13. The S111 - 2.1 MW, specially designed for lower wind-speed sites delivering energy yield improvements of more than 20 per cent over the existing platform. This will help the Company to enhance its market share for low wind regime markets. In parallel, for the existing S97 model the 120 meter tower development progressed in the year 2012-13. This will enhance energy output by more than 10 per cent compared to present model at 90 meter configuration.



REpower has developed and introduced 6M+ offshore turbine that ranks among the most powerful offshore wind turbine in the world to cater this growing market. Suzlon Group continued its product innovation and research and development drive at R&D centers in Germany, The Netherlands, Denmark and India.

Group updates

Despite a more than 35 per cent decrease in Suzlon's supplies to India in CY 2012, as a result of the slowdown in its home market, the company maintained its leadership in India in CY 2012. Our subsidiary REpower's robust growth continues in the FY 12-13, with over 2.2 GW of installations in FY13, contributing to growth in revenues by 33 per cent YOY in FY12-13. REpower was the second largest supplier to Canada and the third largest supplier to Germany, Italy and France in CY 2012. The Group retained fifth position in the world installation in 2012. *Source: BTM Consulting*

Our focus as a Group during FY 12-13 was on comprehensive liability management. This coupled with constrained working capital facilities, lead to adverse impact on business. However, we are pleased to report the successful implementation of Corporate Debt Restructuring Package, and rationalized net working capital to 14 per cent of sales. The Company had successfully redeemed the first tranche of FCCB with scheduled maturity value of \$360 Mn in July, 2012 and remains in active and constructive dialogue with bondholders of outstanding series of FCCB.

Key initiatives

The Management Team has laid out clear plans to address key priorities this year, namely –

1. Achieving working capital optimization;
2. Disposing of non critical assets and reduce debt;
3. Reducing fixed costs by right sizing organization;
4. Reducing project life cycle; Optimize Cash Cycle;
5. Improving contribution margin by maximizing yield and reducing cost of energy;
6. Enhancing service profitability;
7. Focus on core and profitable markets;

With these focus areas, the management team believes that the Suzlon group is well positioned to reach a level of long term sustainability to resume its growth trajectory and deliver significant value to our stakeholders.

Business risks and mitigation

Suzlon Group has an active risk management and mitigation strategy, taking a 360 degree view of the internal and external environment to proactively address challenges. Key elements of the program are summarized below:

Operational risks

Technology: "Optimum utilization of resources makes the most profitable outcome". This belief has strengthened Suzlon Group by developing turbines suitable for each and every class of wind sites, taking most energy out of wind. For utilizing sites, having lower wind speeds but high potential for electricity generation motivated for upcoming S11x turbine by raising tower height and increasing rotor diameter.

Customized design considering wind conditions, environment and best in class technology including doubly fed induction generator and advanced pitch system with continual improvement approach giving us an edge over our competitors.

Achieving robust, reliable and straightforward design resulting in lower maintenance and maximized performance brings satisfaction to engineers and cheer to customers.

Supply chain risk: Increase in commodity prices and forex rates places pressure on margins. In addition, a shortage of critical components like gearboxes, slew rings, pitch bearings, towers, control panels, glass fibre et cetera may affect timely delivery of wind turbines. The Group has mitigated the risk to its supply chain through its backward integration strategy, rate re-negotiations with vendors, alternative sourcing through expanding of vendor base and development of new vendors, indigenisation of critical components, and value-engineering driven initiatives.

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 projects and overall profitability. The Group's presence across geographies helps in providing natural currency hedge to a certain extent by offsetting receivable and payable transactions amongst key currencies. Risks are recognized at the contractual juncture and are hedged progressively at various stages of project life cycle, depending upon the nature of the transactions and in accordance with the hedging policy & strategy of the company. During the year, risk management practices continued to focus on minimising the economic impact on company profitability arising from fluctuations in exchange rates.

Interest rate risk: We were exposed to high interest rates as well as rate fluctuations at the Group level. Post formalisation of Corporate Debt Restructuring Proposal (CDR Proposal), risks associated with interest rate fluctuation has been substantially mitigated with reduction of interest rate and fixing the interest rate regime on the term debts for a longer period.

Credit risk: Continued losses due to persistent subdued market conditions in the economies where Suzlon operates coupled with huge repayment obligations for its debts lead to liquidity crunch and resultant defaults in meeting lenders obligations. With the active supports of its senior secured lenders, the CDR Proposal was put into implementations as a result of which the risks associated with repayment obligations of principal debts and interest has been deferred. This measure gives Suzlon to have more disposable liquidity for improving its performance and reducing risk associated with credit repayment during moratorium period. Availability of working capital has been a continuous exercise. It has been persistent endeavour on the part of our Corporate Finance Team to assess the working capital requirements commensurate to the business volume and timely availability of working capital requirements. Company had series of FCCBs falling due over the last fiscal period. The first series, which was due, had been redeemed in July, 2012. Default in repayment in second series of FCCBs due in October, 2012 led to triggering cross default in remaining series of FCCBs. The Company has been engaged in dialogues with the representatives of bondholders appointed by them alongwith the senior secured lenders to arrive at an amicable restructuring package for all the outstanding FCCBs. To reduce its significant leveraged position, focus has been put to achieve “assets-light and debt light structure”. Several “non-core” assets have been identified for disposal and divestment process is closely monitored for their disposal in scheduled timeline.

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 our 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

With a motto of 'sustainable development for a sustainable economy' Suzlon, through Suzlon Foundation, takes up corporate social responsibility (CSR) activities that span eight states and two Union Territories, of Daman and Pondicherry in India, covering wind farm and factory areas. Believing that business cannot survive in isolation, Suzlon Foundation facilitates to integrate CSR perspective in the business practices. Our CSR philosophy is based on the concept of 'going beyond philanthropy' to contribute to five capitals to achieve sustainability – these are financial, natural, social, human and physical. In the process we work with all our stakeholders – Suzlon business units and employees, communities and gram panchayats, government departments and other agencies.

Outreach: During the year under report we reached out to 927 villages, 97,989 families, 771 schools, 122,266 students, and 2,300 community groups.

Financial capital: Livelihood activities have been conducted in 291 villages with 12,183 families by the Foundation. More than 2,927 hectares of land has received assistance leading to improved agriculture. Over 2,300 community groups have accessed Rs 40 million credit helping them to set up small businesses and 95,526 animals have received vaccinations, improving their health and therefore productivity.

Natural capital: Natural resource management is an important part of sustainability. Encompassing 306 villages and more than 5,000 families, the activities include increasing green cover, water harvesting and treating organic and plastic waste. During FY 12-13, 4.38 million cubic meter water was harvested. Seed broadcasting was done on 252 hectares of land to increase green cover on hills. We raised 147,922 saplings in nurseries and 278,188 trees were planted. Finally, 335,054 kg of organic waste was treated and plastic waste was sent for recycling.

Social capital: Social institution building and empowerment of members is a very important program. We are working with 2,300 community groups in 481 villages. 29,247 members get capacity building inputs frequently. 1310 community leaders have been developed who take up local issues. The collective savings of these groups has gone up to Rs 47.60 million, giving them financial empowerment.

Human capital: Through health and education activities, we have reached out to 120 villages. 6473 individuals have directly benefited through our health camps. Promotion of kitchen gardens to improve nutrition is also an important activity. A number of awareness programs have been organized in schools.

Physical capital: We have been able to improve basic civic amenities in 61 villages during 12-13 and 5,439 families are experiencing better life due to these interventions. Installations of 974 solar lights have improved life for more than 3000 families. Difficult conditions faced by 438 families has reduced due to improved drinking water sources. 69 toilets were built improving overall sanitation of the villages.

Employee involvement: Total 5,565 employees have participated giving 3,272 days effort to CSR activities in the year under report. Value of stakeholder contribution in cash and kind to Suzlon Foundation programs was Rs. 1.93 crores in 12-13. More than 90% employees have given positive feedback on Suzlon Foundation's activities in the feedback survey.



Focus on sustainability in value chain

For a company in renewable energy sector, sustainability is its core. Challenges posed by climate change at once presents some risks and some opportunities. We look at it as an opportunity to clean up our value chain. We realize that though our product is green, our manufacturing processes do create a carbon footprint. Our endeavor is to minimize this footprint by working in the areas of health, safety and environment throughout the organization. Thus our focus areas for improvement are:

- Energy Efficiency
- Waste Management
- Packaging material reuse
- Strengthening Environment Management System ISO 14001

Non-financial indicators for FY 2012-13

Indicator	Co2e*
Indirect emissions from electricity consumption ²	23,443 (tonnes)
Emissions avoided by renewable energy generation (by Group owned turbines in India) in the year ²	35,199 (tonnes)
Emissions avoided annually by Suzlon Group powered turbines (Global) ³	36.47 (million tonnes)

Notes:

*Carbon dioxide equivalent or CO2e, 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.

- 1 Emissions emitted data is limited to Indirect Emissions Scope 2 (as defined in the Greenhouse Gas Protocol, Corporate Accounting Standard) for SEL, India.
- 2 Refers to emissions avoided by Suzlon Group owned turbines, as on 31st March 2013 in India.
- 3 Refers to carbon emissions avoided by Suzlon Group powered turbines based on installation summary as on 31 March 2013, calculated on the basis of average capacity factor sourced from BTM Consult – A part of Navigant Consulting, March 2012.

Highlights of consolidated results:

A. Sources of funds

1. Share capital

Rs in Crore

Particulars	March 31, 2013	March 31, 2012
Authorised share capital	700	700
Issued share capital	359	359
Subscribed and fully paid-up share capital	355	355

There is no change in share capital base as compared to March 31, 2012. However, the Company received share application money of Rs 582 Crore during the year and allotted the same on April 23, 2013 as per the terms of CDR Proposal and MRA.

2. Reserves and surplus

Rs in Crore

Particulars	March 31, 2013	March 31, 2012
Capital reserve	23	42
Capital reserve on consolidation	0*	0*
Capital redemption reserve	15	15
Legal and statutory reserve	143	142
Unrealised gain on dilution	160	160
Securities premium account	4270	4478
Employees stock options outstanding	14	19
Foreign currency translation reserve ('FCTR')	458	220
Foreign currency monetary item translation difference account	(150)	(203)
General reserve	857	851
Minority share of losses	(38)	(38)
Statement of profit and loss	(5,787)	(1,063)
Total	(35)	4,623

*Less than Rs 1 Crore

(a) **Capital reserve**

During the year there is reduction of Rs 18 Crore in capital reserve on account of sale of Suzlon Engitech Limited, a wholly owned subsidiary ('WOS') of the Company.

(b) **Securities premium account**

There is reduction in securities premium by Rs 208 Crore as a result of charge on account of premium payable on redemption of FCCBs.

(c) **Foreign currency translation reserve ('FCTR')**

The change in FCTR is due to exchange fluctuation resulting from translation of the accounts of overseas subsidiaries into reporting currency of the parent company i.e. INR.

(d) **Foreign currency monetary item translation difference account ('FCMIT')**

Based on the revised guidelines provided by ICAI on presentation of FCMIT, the credit balance of Rs 150 Crore in FCMIT as on March 31, 2013 is presented under reserves and surplus.

(e) **General reserve**

During the year there is an addition of Rs 6 Crore in general reserve as a result of transfer from employee stock option outstanding.

(f) **Statement of Profit and Loss**

Statement of profit and loss moved significantly due to loss posted during the year.

3. **Loan funds**

a. **Long-term borrowings**

Rs in Crore		
Particulars	March 31, 2013	March 31, 2012
Secured loans	9,384	5,826
Unsecured loans	1,474	1,539
Total – non current portion	10,858	7,365
Current maturities of long-term borrowings	1,498	3,086
Total	12,356	10,451

The Corporate Debt Restructuring Proposal ("CDR Proposal") of the Company (alongwith its domestic subsidiaries) was approved during the year. The Group has availed long-term borrowings of Rs 2,302 Crore and has repaid Rs 2,903 Crore during the year. The Group also availed Rs 3,513 Crore by issuance of covered bonds. The Group has also redeemed June 12 series FCCBs of Rs 1,371 Cr along with redemption premium of Rs 630 Crore. The outstanding current maturities of Rs 1,498 Crore primarily represent FCCB dues of October 12 series and loans available from promoters which shall be converted to CCD / Equity as per the terms of approved CDR proposal.

b. **Short-term borrowings**

Rs in Crore		
Particulars	March 31, 2013	March 31, 2012
Secured loans	2,788	3,381
Unsecured loans	47	203
Total	2,835	3,584

There is reduction of Rs 685 Crore in short-term borrowings as a result of repayment of working capital loans. Rest of the secured borrowings are from banks and financial institutions, majority of which are part of the CDR package.

4. **Deferred tax liability, net**

Deferred tax liability stands at Rs 559 Crore as at March 31, 2013 (Rs 464 Crore as at March 31, 2012) and deferred tax assets stands at Rs 10 Crore as at March 31, 2013 (Rs 22 Crore as at March 31, 2012). Net increase in deferred tax liability of Rs 107 Crore is primarily on account of deferred tax charge for changes in temporary allowances and disallowances calculated as per the tax regulations applicable to respective entities within the Group.



B. Application of funds

1. Fixed assets

a. Movement in gross block and capital work in progress

Rs in Crore		
Particulars	March 31, 2013	March 31, 2012
Gross block (tangible and intangible assets)	15,503	14,792
Less: Accumulated depreciation / amortisation	3,427	2,559
Net block	12,076	12,233
Capital work-in-progress	306	369
Total	12,382	12,602

The net addition of Rs 711 Crore in gross block is net of removal of gross assets on account of sale of one domestic subsidiary. The addition is on account of plant and machinery of Rs 242 Crore and intangibles in form of technology related design and drawings of Rs 326 Crore apart from addition of Rs 296 Crore on account of impact of currency translation on fixed assets based outside India. The increase in accumulated depreciation and amortisation during the year includes impairment provision of Rs 185 Crore apart from impact of regular depreciation.

b. Capital commitments

Capital commitment stands at Rs 153 Crore as at March 31, 2013 as compared to Rs 89 Crore as at March 31, 2012.

2. Investments

Rs in Crore				
Particulars	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Non-trade investments	36	33	—	14
Investments in Government or trust securities	0*	0*	—	—
Investments in Mutual Funds	—	—	—	50
Total investments	36	33	—	64

*Less than Rs 1 Crore

Reduction in investments during the year is mainly due to redemption of short term investments in Mutual Funds.

3. Non-current and current assets

Rs in Crore						
Particulars	Non-current		Current		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Inventories	—	—	5,264	5,580	5,264	5,580
Trade receivables	713	25	2,732	5,315	3,445	5,340
Cash and bank balance	229	272	1,959	2,633	2,188	2,905
loans and advances	672	904	1,549	1,664	2,221	2,568
Due from customers	—	—	2,936	2,861	2,936	2,861
Other current assets	274	96	250	357	524	453
Total	1,888	1,297	14,690	18,410	16,578	19,707

a. Inventories

Inventory, though reduced in absolute terms, has slightly increased in terms of % of sales to 28.1% as compared to 26.5% in previous year. The increase is primarily on account of reduced sales volume.

b. Trade receivables

Trade receivables stands at Rs 3,445 Crore as compared to Rs 5,340 Crore in previous year. The decrease of Rs 1,895 Crore is primarily on account of realisation of dues from customers, reduced sales volume and exceptional provision of Rs 401 Crore.

c. Cash and bank balance

Cash and bank balance stands at Rs 2,188 Crore as compared to Rs 2,905 Crore in previous year. Cash and bank balance with REpower stands at Rs 1,677 Crore, the same being under 'ring fencing'.

d. Loans and advances

Loans and advances stands at Rs 2,221 Crore as compared to Rs 2,568 Crore in previous year. The reduction is primarily on account of reduction in advances to suppliers and reversal of MAT credit. This includes advances to vendors for goods, services and land, tax credits and payments, security deposits, prepaid expense etc.

e. Due from customers

Due from customers which represents unbilled revenue in relation to construction contracts, primarily outside India, stands at Rs 2,936 Crore as compared to Rs 2,861 Crore in previous year.

f. Other current assets

Other current assets stands at Rs 524 Crore as compared to Rs 453 Crore in previous year. It primarily consists of power evacuation assets which are under recovery from the concerned authorities apart, interest receivable and compensation in lieu of bank sacrifice.

4. Liabilities and provisions

Particulars	Rs in Crore					
	Non-current		Current		Total	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Trade payables	–	–	4,651	5,807	4,651	5,807
Other payables	79	43	1,191	936	1,270	979
Premium payable on redemption of FCCBs	–	–	361	–	361	–
Due to customers	–	–	200	309	200	309
Advance from customers	10	100	3,958	3,022	3,968	3,122
Interest accrued on borrowings	–	–	83	112	83	112
Provisions	265	260	1,473	2,274	1,738	2,534
Total	354	403	11,917	12,460	12,271	12,863

- Decrease in trade and other payables is primarily on account of reduced purchases and business volumes despite there being challenges in making timely payments to vendors.
- Increase in advance from customers is on account of signing of new contracts during the year and lower order execution.
- Decrease in provisions is primarily on account of payment of Rs 630 Crore towards redemption premium on FCCB's of June 12 series. Provisions are primarily related to liabilities towards operation, maintenance and warranty, performance guarantee, liquidated damages and employee benefits.

C. Cash flow

Net cash inflow from operating activities is positive and amounted to Rs 556 Crore for the FY 2013 as against Rs 839 Crore in FY 2012. Net cash used in investing activities amounting to Rs 329 Crore is primarily result of Rs 173 Crore generated from sale of Suzlon Engitech Limited and cash used in purchase of fixed assets of Rs 690 Crore. Net cash usage in financing activities of Rs 901 Crore is primarily a result of proceeds raised from covered bonds of Rs 3,513 Crore, repayment of FCCB of Rs 1,371 alongwith payment of redemption premium of Rs 630 Crore, net repayment of borrowings of Rs 1,286 Crore and cash used towards payment of interest of Rs 1,113 Crore.

D. Results of operations

Particulars	Rs in Crore	
	March 31, 2013	March 31, 2012
Revenue from operations	18,743	21,082
Other operating income	170	277
EBIDTA	(1,296)	1,821
Depreciation and amortisation	740	661
EBIT	(2,037)	1,160
Finance costs	1,855	1,655
Finance income	152	126
Loss before tax before exceptional items	(3,740)	(369)
Exceptional items	643	(227)
Tax	349	331
Net loss	(4,724)	(479)

Principal components of results of operations

1. Revenue from operations

Revenue from operations reduced by 11.1% to Rs 18,743 Crore as compared to Rs 21,082 Crore in previous year. During the year, sales volumes in India have been substantial low mainly on account of adverse economic environment and liability management.

2. Other operating income

Other operating income reduced by 38.5% to Rs 170 Crore as compared to Rs 277 Crore in previous year.



3. Cost of goods sold ('COGS')

COGS as a percentage of sales augmented to 72.8% as compared to 66.8% in previous year. The increase was primarily due to change in sales mix and with low share of sales in India, ongoing pricing pressure, delayed project execution leading to idle crane time and provisioning on account of certain onerous contracts and, obsolete and mis-matched inventory. Consistent efforts are being taken by the Group to improve contribution margin and to bring the cost down through value engineering, optimizing project execution, better rate negotiation and indigenisation of certain components.

4. Other expenses

The other expenses show a rise of Rs 982 Crore to Rs 4,438 Crore as compared to Rs 3,456 Crore in previous year despite measures taken to contain and bring down the portion related to fixed costs. The rise is primarily due to increase in freight cost of Rs 486 Crore partly due to increase in offshore projects, exchange loss of Rs 248 Crore due to adverse movement of currency and liquidated damage of Rs 88 Crore due to delay in execution of the projects.

5. Employee benefits expenses

Employee benefits expenses increased by 6.2% to Rs 2,133 Crore as compared to Rs 2,009 Crore in previous year. The increase in the cost is primarily on account of increased project execution in USA and Canada by REpower. Also there has been rebalancing of the employees across the geographies and overall reduction of 1,500 headcount during FY 12-13. Currently, the group is working on major rationalisation of headcount, the results of which could be seen in FY 13-14.

6. Finance cost

Finance cost has increased by 12.1% to Rs 1,855 Crore as compared to Rs 1,655 Crore in previous year. The increase is on account of increase in the borrowings.

7. Depreciation and amortisation

The Group has provided a sum of Rs 740 Crore as compared to Rs 661 Crore in previous year towards depreciation, amortisation and impairment.

8. Profit / (loss)

Due to reduced sales volumes and increase in cost as explained above, there is consolidated negative EBITDA of Rs 1,296 Crore during the year as compared to positive EBITDA of Rs 1,821 Crore in the previous year. Similarly there is consolidated negative EBIT of Rs 2,037 Crore during the year as compared to positive EBIT of Rs 1,160 Crore in the previous year.

Loss before tax before exceptional items increased to Rs 3,740 Crore as compared to Rs 369 Crore in previous year,

Exceptional items stood at loss of Rs 643 Crore as compared to gain of Rs 227 Crore in previous year. The exceptional loss of Rs 643 Crore comprises of provision for doubtful debt of Rs 401 Crore, provision for impairment in fixed assets of Rs 185 Crore, expenditure on restructuring and refinancing of financial facilities of Rs 100 Crore as reduced by profit on sale of investment of Rs 43 Crore. In previous year, sale of Hansen stake and reversal of provision towards diminution in investment in Hansen contributed gain of Rs 227 Crore.

Tax expenses increased to Rs 349 Crore as compared to Rs 331 Crore in previous year, which includes reversal of MAT credit of Rs 160 Crore in view of increased losses diminishing immediate possibilities of use of the tax already paid under MAT.

Loss after tax increased to Rs 4,732 Crore as compared to Rs 473 Crore in previous year.

Loss attributable to minority is Rs 8 Crore as compared to Rs 27 Crore in previous year and share of the associate loss recorded at Nil as compared to Rs 33 Crore in previous year.

As a result of the foregoing factors, net loss for the year increased to Rs 4,724 Crore as compared to Rs 479 Crore in previous year.

Cautionary Statement

Suzlon Group has included statements in this discussion, that contain words or phrases such as "will", "aim", "will 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.

Corporate Governance Report

[As required under Clause 49 of the Listing Agreement with the Stock Exchanges ("Listing Agreement")]

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 conform 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.

The Company is in compliance with the requirements of the corporate governance code as per Clause 49 of the Listing Agreement.

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, 2013, the Board consists of nine directors, out of whom one is an executive director, six are independent directors and two are non-executive directors. The Chairman of the Board is an executive director and more than half of the Board comprises of independent directors. The composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement as on March 31, 2013.

Post March 31, 2013, IDBI Bank Limited has substituted its Nominee Director on the Board of the Company by withdrawing nomination of Mrs. Mythili Balasubramanian and instead nominating Mr. Ravi Kumar as the Nominee Director of IDBI Bank Limited on the Board of the Company. Accordingly following changes took place in the composition of the Board of the Company:

- Mrs. Mythili Balasubramanian ceased to be the Nominee Director of the Company w.e.f July 20, 2013; and
- Mr. Ravi Kumar has been appointed as an Additional Director of the Company, w.e.f. July 20, 2013.

After aforesaid changes and as on date of this report, the Board comprises of nine directors, out of whom one is an executive director, six are independent directors and two are non-executive directors. The composition of the Board is in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement as on date of this report.

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 Listing Agreement across all 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 2012-13 – During the financial year 2012-13, the Board met four times on May 25, 2012, August 13, 2012, November 9, 2012 and February 14, 2013. The gap between any two board meetings did not exceed four months. Apart from the physical meetings, the Board also considered and approved certain matters by circular resolutions, which were as a matter of good corporate practice ratified at the next meeting of the Board.

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, 2013, are noted below:



Name of the director	Category	Attendance at meetings held during the financial year 2012-13		Total no. of directorships as on March 31, 2013	Total no. of membership of the committees of Board as on March 31, 2013		Total no. of chairmanship of the committees of Board as on March 31, 2013	
		Board (out of 4)	Seventeenth AGM on August 13, 2012		Membership in audit / investors' grievance committees	Membership in other committees	Chairmanship in audit / investors' grievance committee	Chairmanship in other committees
Mr. Tulsi R.Tanti, Promoter	Chairman & Managing Director	4	Yes	1	1	2	-	2
Mr. Vinod R.Tanti , Promoter	Non-Executive Director	3	No	11	8	2	5	-
Mr. Girish R.Tanti, Promoter	Non-Executive Director	3	Yes	1	-	-	-	-
Mr. V. Raghuraman	Independent Director	4	Yes	1	2	1	2	1
Mrs. Mythili Balasubramanian, a nominee of IDBI Bank Limited ¹	Independent Director	3	Yes	1	1	1	-	-
Mr. Rajiv Ranjan Jha, a nominee of Power Finance Corporation Limited	Independent Director	2	Yes	1	-	-	-	-
Mr. Marc Desaeleer	Independent Director	3	Yes	3	-	1	-	-
Mrs. Bharati Rao, a nominee of State Bank of India ²	Independent Director	1	N.A.	6	1	-	-	-
Mr. Ravi Uppal ³	Independent Director	1	N.A.	2	-	-	-	-
Mr. Ravi Kumar, a nominee of IDBI Bank Limited ⁴	Independent Director	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

¹ ceased as the director w.e.f. July 20, 2013.

² appointed as an additional director w.e.f. August 13, 2012.

³ appointed as an additional director w.e.f. September 28, 2012.

⁴ appointed as an additional director w.e.f. July 20, 2013.

Notes:

- While considering the total number of directorships, directorships in private companies, foreign companies and Section 25 companies have been excluded.
- In terms of Clause 49(IV)(G)(ia) of the Listing Agreement, 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. The declaration from the Chairman & Managing Director in terms of Clause 49(I)(D)(ii) of the Listing Agreement stating that as of March 31, 2013, the Board members and Senior Management Personnel have affirmed compliance with the Code of Ethics laid down by the Company has been included in this report.

- Committees of Board:** The Board Committees focus on certain specific areas and make informed decisions within the delegated authority. Each committee of the Board functions according to its scope that defines its composition, power and role in accordance with the Companies Act, 1956 and the Listing Agreement. The composition, meetings, attendance and the detailed terms of reference of various committees of the Board are noted below:

(I) **Audit Committee** – The Audit Committee of the Board has been constituted as per the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Composition – As on March 31, 2013, the Audit Committee consists of three members out of whom two 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 Clause 49(II)(A) of the Listing Agreement as on March 31, 2013.

Post March 31, 2013, following changes took place in the constitution of the Audit Committee:

- Mrs. Mythili Balasubramanian ceased to be the member of Audit Committee w.e.f. July 20, 2013;
- Mr. Ravi Kumar has been inducted as member of Audit Committee w.e.f. July 20, 2013
- Mrs. Bharati Rao has been inducted as member of Audit Committee w.e.f. July 20, 2013.

After aforesaid changes 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 Clause 49(II)(A) of the Listing Agreement as on date of this report.

The Chairman & Managing Director, Chief Financial Officer, representatives of the statutory auditors 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.

Meetings and Attendance - During the financial year 2012-13, the Audit Committee met four times on May 25, 2012, August 13, 2012, November 9, 2012 and February 14, 2013. 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. Ashish Dhawan ¹	Chairman	1	1
Mr. V. Raghuraman ²	Chairman ²	4	4
Mrs. Mythili Balasubramanian ³	Member	3	3
Mr. Vinod R.Tanti	Member	3	1
Ms. Bharati Rao ⁴	Member	N.A.	N.A.
Mr. Ravi Kumar ⁵	Member	N.A.	N.A.

¹ resigned from Board and consequently ceased to be chairman and member w.e.f. May 25, 2012.

² appointed as chairman w.e.f. May 25, 2012.

³ ceased to be the director on Board on account of withdrawal of nomination and consequently ceased to be member w.e.f. July 20, 2013.

⁴ inducted as member w.e.f. July 20, 2013.

⁵ inducted as member w.e.f. July 20, 2013.

Terms of Reference – The broad terms of reference include the following as is mandated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956:

- 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;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements 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 (2AA) of Section 217 of the Companies Act, 1956,
 - Changes, if any, in accounting policies and practices and reasons for the same,
 - Major accounting entries involving estimates based on the exercise of judgement by management,
 - Significant adjustments made in the financial statements arising out of the audit findings,
 - Compliance with listing and other legal requirements relating to financial statements,
 - Disclosure of any related party transactions,
 - Qualifications 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;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;



- (h) 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;
 - (i) Discussion with internal auditors any significant findings and follow-up thereon;
 - (j) Review 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;
 - (k) 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;
 - (l) 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;
 - (m) To review the functioning of the Whistle Blower mechanism;
 - (n) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
 - (o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.”
- (ii) **Investors’ Grievance Committee** – The Investors’ Grievance Committee has been constituted as per the requirements of Clause 49 of the Listing Agreement.

Composition – As on March 31, 2013 and as on date of this report, the Investors’ Grievance Committee of the Board consists of three members out of whom two are non-executive directors and one is an executive director. The Chairman of the Investors’ Grievance Committee is a non-executive independent director. The composition of the Investors’ Grievance Committee is in compliance with the requirements of Clause 49(IV)(G)(iii) of the Listing Agreement as on March 31, 2013 and as on date of this report.

Meetings and Attendance – During the financial year 2012-13, the Investors’ Grievance Committee met four times on May 25, 2012, August 13, 2012, November 9, 2012 and February 14, 2013. 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	2

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

- (a) Redressal of shareholder and investors complaints including, but not limiting to transfer of shares and issue of duplicate share certificates, non-receipt of balance sheet, non-receipt of declared dividends, etc.;
- (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 Listing Agreement with the Stock Exchanges and / or such other regulatory provisions and as also as the Board of Directors may consider think fit for effective and efficient redressal of shareholders and / or investors’ grievances.

Name, designation and contact details of the Compliance Officer - Mr. Hemal A.Kanuga, Company Secretary, 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 / +91.79.2640 7141
Fax: +91.79.2656 5540 / +91.79.2644 2844
Email: investors@suzlon.com; Website: www.suzlon.com.

Separate email-id for redressal of investors' complaints - As per Clause 47(f) of the Listing Agreement, the Company has designated a separate email id (investors@suzlon.com) exclusively for redressal of investors' complaints.

Status of investors' complaints as on March 31, 2013:

Particulars	Opening balance as on April 1, 2012	Received during financial year 2012-13	Disposed during financial year 2012-13	Pending as on March 31, 2013
Non Receipt of Refund Orders	—	—	—	—
Non Receipt of Electronic Credit of Shares	—	—	—	—
Non Receipt of Dividend Warrants	—	23	23	—
Non Receipt of Annual Reports	—	15	15	—
Complaints from Stock Exchanges	—	9	9	—
Complaints from SEBI / SCORES	—	8	8	—
Complaints from legal / consumer forums	—	—	—	—
Total	—	55	55	—

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, 2013.

- (iii) **Remuneration Committee** - The Remuneration Committee of the Board has been constituted as per the non-mandatory requirements of the Listing Agreement.

Composition – As on March 31, 2013, the Remuneration Committee consists of three members, all of whom (including the Chairman) are independent directors. Post March 31, 2013, following changes took place in the constitution of the Remuneration Committee:

- Mrs. Mythili Balasubramanian ceased to be the member of Remuneration Committee w.e.f. July 20, 2013;
- Mr. Ravi Kumar has been inducted as member of Remuneration Committee w.e.f. July 20, 2013.

After aforesaid changes and as on date of this report, the Remuneration Committee comprises of three members, all of whom (including the Chairman) are independent directors.

Meetings and Attendance - During the financial year 2012-13, the Remuneration Committee met once on May 25, 2012. 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	1	1
Mr. Marc Desaeleer	Member	1	1
Mrs. Mythili Balasubramanian ¹	Member	—	—
Mr. Ravi Kumar ²	Member	N.A.	N.A.

¹ inducted as member w.e.f. May 25, 2012; subsequently ceased to be the Director on Board on account of withdrawal of nomination and consequently ceased to be the member w.e.f. July 20, 2013.

² inducted as member w.e.f. July 20, 2013.

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

- to determine the remuneration of the directors of the Company;
- for effective implementation and operations of various existing and future employee stock option plans of the Company to do all such acts, deeds, matters and things including but not limiting to:
 - determining the number of options to be granted to each employee and in the aggregate and the times at which such grants shall be made;
 - determining the eligible employee(s) to whom options be granted;
 - determining the eligibility criteria(s) for grant of options;
 - determining the performance criteria(s), if any for the eligible employees;
 - laying down the conditions under which options vested in optionees may lapse in case of termination of employment for misconduct, etc.;
 - determining the exercise price which the optionee should pay to exercise the options;
 - determining the vesting period;
 - determining the exercise period within which the optionee should exercise the options and that options would lapse on failure to exercise the same within the exercise period;



- specifying the time period within which the optionee shall exercise the vested options in the event of termination or resignation of the optionee;
- laying down the procedure for making a fair and reasonable adjustment to the number of options 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 to exercise all the options 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 or such shares;
- laying down the procedure for cashless exercise of options, if any;
- providing for the grant, vesting and exercise of options 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:

Executive directors - The remuneration payable to the executive directors in terms of recommendations of the Remuneration Committee and the Board at their respective meetings held on July 30, 2011 and approval granted by the shareholders of the Company at the Sixteenth Annual General Meeting held on September 27, 2011 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	18,488,004	1,080,000	432,000	—	20,000,004	Three years up to March 31, 2014	—
Mr. Vinod R.Tanti ¹	11,092,800	648,000	259,200	—	12,000,000	Three years up to October 31, 2013	—

However, in terms of the special resolution passed by the shareholders, the remuneration paid has been restricted to the extent of limits as prescribed under Section II(B) of Part II of Schedule XIII to the Companies Act, 1956 since the Company has incurred losses for the financial year 2012-13. The details of the remuneration paid during the financial year 2012-13 are 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	4,608,351	270,000	—	—	4,878,351	Three years up to March 31, 2014	—
Mr. Vinod R.Tanti ¹	800,000	96,000	—	—	896,000	—	—

¹Mr. Vinod R.Tanti ceased to be an executive director w.e.f. June 1, 2012, however continues as a non-executive director.

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, 1956. The details of the sitting fees paid, stock options granted and shares held by the non-executive directors during the financial year 2012-13 are as under:

Name of the non-executive director	Sitting fees (Rs)	Stock options granted	Shareholding in the Company
Mr. Girish R.Tanti	60,000	—	100,019,000
Mr. Vinod R.Tanti ¹	80,000	—	11,367,000
Mr. V. Raghuraman	260,000	—	—
Mrs. Mythili Balasubramanian ²	120,000	—	—
Mr. Rajiv Ranjan Jha ³	40,000	—	—
Mr. Marc Deseadeleer ⁴	80,000	—	—
Ms. Bharati Rao	20,000	—	—
Mr. Ravi Uppal	20,000	—	1,000
Mr. Ashish Dhawan ⁵	20,000	—	—
Mr. Ravi Kumar ⁶	N.A.	—	—

¹ being paid sitting fees for meetings held after June 1, 2012 as a non-executive director of the Company. Mr. Vinod R.Tanti also holds shares in the capacity as karta of HUF, as guardian of minor son and jointly with others.

² sitting fees paid to IDBI Bank Limited; ceased as Director on Board w.e.f. July 20, 2013.

³ sitting fees paid to Power Finance Corporation Limited.

⁴ sitting fees paid to Citicorp International Finance Corporation as stated by Mr. Marc Deseadeleer.

⁵ resigned from the Board w.e.f. May 25, 2012.

⁶ appointed on Board w.e.f. July 20, 2013.

Transactions with the non-executive directors - The Company does not have material pecuniary relationship or transactions with its non-executive directors except following transactions which are 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 2012-13.
- Receipt of charges as consideration for sale of services in the nature of operation and maintenance of windmills owned by Mr. Girish R.Tanti and Mr. Vinod R.Tanti to the extent of Rs 1,699,528/- each during the financial year 2012-13.

(iv) **Securities Issue Committee**

Composition – As on March 31, 2013, the Securities Issue Committee of the Board consisted of two members one of whom was an executive director and the other was a non-executive director.

Post March 31, 2013, Mr. V. Raghuraman was inducted as a member of Securities Issue Committee and accordingly the Securities Issue Committee after the aforesaid change comprises of three members out of whom, the Chairman is an executive director and the other two members are non-executive directors. Apart from the physical meetings, the Committee also considered and approved certain matters by circular resolutions, which were as a matter of good corporate practice ratified at the next meeting of the Board.

Meetings and Attendance - During the financial year 2012-13, the Securities Issue Committee met once on May 18, 2012. 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	1	1
Mr. Vinod R.Tanti	Member	1	1
Mr. V. Raghuraman ¹	Member	N.A.	N.A.

¹ inducted as a member w.e.f. April 22, 2013.

Terms of Reference - The broad terms of reference 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 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;
- 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;
- 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;
- 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;
- 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, 2013 and as on date of this report, the ESOP Committee of the Board consists 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 2012-13, no meeting of the ESOP Committee was required to be 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 include 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 employee stock option plans of the Company including but not limiting to ESOP-2005, ESOP-2006, ESOP-2007, Special ESOP-2007, ESOP-Perpetual-I and such other future employee stock option plans of the Company.

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 Resolution
2009-10 Fifteenth AGM	Bhikaka Bhawan, Law College Road, Ahmedabad - 380 006	Friday, August 13, 2010 at 11.00 a.m.	i) Modification in terms of Special ESOP-2007 scheme for Employees of the Company; ii) Modification in terms of Special ESOP-2007 scheme for Employees of the Company's subsidiary Companies; iii) Appointment of Mr. Pranav T.Tanti, son of the Managing Director of the Company in a subsidiary of the Company.
2010-11 Sixteenth AGM	J.B. Auditorium, AMA Complex ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015	Tuesday, September 27, 2011 at 11.00 a.m.	i) To ratify and approve appointment of Mr. Tulsi R.Tanti as Managing Director; ii) To ratify and approve appointment of Mr. Vinod R.Tanti as Wholtime Director; iii) Issue of Securities to the extent of Rs 5,000 Crores.
2011-12 Seventeenth AGM	J.B. Auditorium, AMA Complex ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad - 380 015	Monday, August 13, 2012 at 11.00 a.m.	i) Issue of Securities to the extent of Rs 5,000 Crores.

(ii) **Details of resolution passed by way of Postal Ballot** – Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, during the financial year 2012-13, the Company had conducted a postal ballot process vide notice dated March 8, 2013, for obtaining approval of shareholders for the following ordinary / special resolutions, the results of which were declared on April 12, 2013. The details of ordinary / special resolutions passed and voting pattern are noted below:

Resolution No. 1

Special Resolution to approve CDR package

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,703,171	3.20	25,601,726	78,828	99.61	0.31
Total	1,777,365,647	896,745,410	50.45	896,666,582	78,828	99.99	0.01

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 150,222.

Resolution No. 2

Ordinary Resolution u/s. 94, 97 of the Companies Act, 1956 for increase in the Authorised Share Capital of the Company

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,703,688	3.20	25,544,269	140,217	99.38	0.55
Total	1,777,365,647	896,749,342	50.45	896,609,125	140,217	99.98	0.02

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 146,807.

Resolution No. 3

Special Resolution u/s.81(1A) of the Companies Act, 1956 for issue of equity shares / compulsorily convertible debentures of the Company on preferential basis to CDR lenders in consideration of Funded Interest Term Loan(s)

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,678,324	3.20	25,493,928	170,675	99.28	0.66
Total	1,777,365,647	896,729,459	50.45	896,558,784	170,675	99.98	0.02

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,326.

Resolution No. 4

Special Resolution u/s.81(1A) of the Companies Act, 1956 for issue of equity shares / compulsorily convertible debentures of the Company on preferential basis to non-CDR lenders in consideration of Funded Interest Term Loan(s)

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,669,811	3.19	25,400,156	255,684	98.95	1.00
Total	1,777,365,647	896,720,696	50.45	896,465,012	255,684	99.97	0.03

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,576.



Resolution No. 5

Special Resolution u/s. 81(1A) of the Companies Act, 1956 for issue of equity shares of the Company on preferential basis to IDBI Bank Limited for the Sacrifice

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,682,937	3.20	25,427,235	241,835	99.00	0.94
Total	1,777,365,647	896,733,926	50.45	896,492,091	241,835	99.97	0.03

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,472.

Resolution No. 6

Special Resolution u/s. 81(1A) of the Companies Act, 1956 for issue of equity shares / compulsorily convertible debentures of the Company on preferential basis to the Promoters

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,665,743	3.19	25,309,609	340,572	98.61	1.33
Total	1,777,365,647	896,715,037	50.45	896,374,465	340,572	99.96	0.04

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 143,167.

Resolution No. 7

Special Resolution u/s. 81(1A) of the Companies Act, 1956 for issue of equity shares / compulsorily convertible debentures of the Company on preferential basis to Samimeru Windfarms Private Limited

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,652,580	3.19	25,289,655	347,329	98.59	1.35
Total	1,777,365,647	896,701,840	50.45	896,354,511	347,329	99.96	0.04

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 143,201.

Resolution No. 8

Special Resolution u/s. 16, 17 of the Companies Act, 1956 for amendment in the Object Clause of the Memorandum of Association of the Company

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,617,110	3.19	25,458,721	144,697	99.38	0.56
Total	1,777,365,647	896,668,274	50.45	896,523,577	144,697	99.98	0.02

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,297.

Resolution No. 9

Special Resolution u/s. 149(2A) of the Companies Act, 1956 for commencement of business as specified in the Other Object Clause of the Memorandum of Association of the Company

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,681,946	3.20	25,554,142	114,032	99.50	0.44
Total	1,777,365,647	896,733,030	50.45	896,618,998	114,032	99.99	0.01

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,377.

Resolution No. 10

Ordinary Resolution u/s. 293(1)(a) of the Companies Act, 1956 for sale of undertaking(s) of the Company

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	20,734,785	60,038,483	25.63	74.21
Public – Others	803,465,220	25,249,682	3.14	25,046,327	189,328	99.19	0.75
Total	1,777,365,647	896,300,511	50.43	836,072,700	60,227,811	93.28	6.72

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,632.



Resolution No. 11

Special Resolution u/s. 81(1A) of the Companies Act, 1956 for issue of equity shares of the Company on preferential basis to Kalthia Group

Promoter / Public	No. of shares held	No. of votes polled	% of Votes Polled on Outstanding shares	No. of votes - in favour	No. of votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
	(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoters & Promoter Group	790,291,588	790,291,588	100.00	790,291,588	0	100.00	0.00
Public – Institutional Holders	183,608,839	80,900,873	44.06	80,773,268	0	99.84	0.00
Public – Others	803,465,220	25,671,451	3.20	25,158,458	499,266	98.00	1.94
Total	1,777,365,647	896,722,580	50.45	836,223,314	499,266	99.94	0.06

Note: The total of no. of votes polled is reduced by the number of invalid votes i.e. 141,332.

Name of scrutinizer:

Mr. S Anand SS Rao, Company Secretary in Practice, Hyderabad was appointed as the Scrutinizer for the purposes of the postal ballot.

Procedure of postal ballot:

The postal ballot process was conducted in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011.

None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through the postal ballot.

5. Disclosures:

- (i) **Subsidiary Companies** - In terms of Clause 49(III) of the Listing Agreement, at least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non listed Indian subsidiary company. Based on the position as on March 31, 2013, SE Electricals Limited, SE Blades Limited and Suzlon Wind International Limited qualify as Material non-listed Indian subsidiary of the Company. Accordingly, the Company has appointed an independent director on the board of each of these subsidiaries. The requirements with respect to subsidiaries as specified in the Listing Agreement have been complied with.
- (ii) **Disclosure on materially significant related party transactions** - Besides the transactions mentioned elsewhere in the financial statements, there were no other materially significant related party transactions during the financial year 2012-13 that may have potential conflict with the interest of the Company at large. The details of related party transactions as per Accounting Standard-18 forms part of notes to the financial statements.
- (iii) **Disclosure of accounting treatment** - The Company follows accounting standards notified pursuant to the Companies (Accounting Standards), Rules, 2006 (as amended) and 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) **Board disclosures-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.
- (v) **Proceeds from public issues, rights issues, preferential issues, etc.** - The Company had made a reference to the corporate debt restructuring ("CDR") cell on October 29, 2012 for restructuring the Company's debts through CDR mechanism. After considering the proposal, the final restructuring package ("CDR Proposal") was approved by CDR Empowered Group ("CDR EG") on December 31, 2012 and was communicated to the Company by the Corporate Debt Restructuring Cell vide its letter of approval dated January 23, 2013 ("CDR LOA").

Consequent upon receiving the requisite approvals from the shareholders for the approval of CDR Proposal and consequential preferential issue of shares as per the CDR LOA, the Company has allotted 314,246,974 (Thirty One Crores Forty Two Lacs Forty Six Thousand Nine Hundred Seventy Four) Equity Shares of Rs 2/- (Rupees Two Only) each at an issue price of Rs 18.51/- (Rupees Eighteen and Fifty One Paise Only) per share on April 23, 2013 to the allottees on preferential basis under Chapter VII – "Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in accordance with the CDR Proposal as under:

- Allotment of 302,361,507 (Thirty Crores Twenty Three Lacs Sixty One Thousand Five Hundred Seven) Equity Shares of Rs 2/- (Rupees Two Only) each at an issue price of Rs 18.51/- (Rupees Eighteen and Fifty One Paise Only) on preferential basis to CDR Lenders as per CDR Proposal in consideration of Funded Interest Term Loans and first three years' of IDBI's Sacrifice;

- Allotment of 11,885,467 (One Crore Eighteen Lacs Eighty Five Thousand Four Hundred Sixty Seven) Equity Shares on preferential basis to Samimeru Windfarms Private Limited ("Samimeru") as per CDR Proposal in consideration of an amount of Rs 220,000,000/- (Rupees Twenty Two Crores Only) contributed by Samimeru as a part of the promoter contribution under the CDR Proposal and the MRA.
- (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 of Clause 49(IV)(G)(i) of the Listing Agreement 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 2012-13 required to be given under Clause 49(V) of the Listing Agreement was placed before the Board of Directors of the Company at its meeting held on May 30, 2013.
- (ix) **Details of non-compliance with regard to capital market** - With regards to the matters related to capital markets, the Company has complied with the requirements of the Listing Agreement as well as SEBI regulations and guidelines. 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 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 annual custodial fees to the depositories for the financial year 2013-14 in terms of Clause 38 of the Listing Agreement.
- (xi) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Clause 49 of the Listing Agreement with the stock exchanges** - The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate from the statutory auditors of the Company to this effect has been included in this report. Besides mandatory requirements, the Company has constituted a Remuneration Committee to consider and recommend the remuneration to the executive directors and approval and administration of Employee Stock Option Plans (ESOPs).
- (xii) **Whistle Blower Policy** - The Company has adopted a whistle blower policy, which is available on its website www.suzlon.com. The employees are free to express their concerns through e-mail, telephone, fax or any other method to the persons as mentioned in the policy.

With a view to support its corporate governance philosophy, the Company has 'Project Evolution – a project on integrity values' 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 Clause 41 of the Listing Agreement are normally 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 Clause 54 of the Listing Agreement.
- (xiv) **Details of unclaimed shares in terms of Clause 5A(I) of the Listing Agreement** - In terms of Clause 5A(I) of the Listing Agreement, 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, 2012	109	9,600
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2012-13	0	0
Number of shareholders to whom shares were transferred from suspense account during the year 2012-13	0	0
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, 2013	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**
 - Day and date : Eighteenth Annual General Meeting
 - Time : Friday, September 20, 2013
 - Time : 11.00 a.m.
 - Venue : J.B.Auditorium, AMA Complex, ATIRA,
Dr. Vikram Sarabhai Marg, Ahmedabad-380015



- (ii) **Financial calendar for 2013-14** (tentative schedule)
Financial year : April 1 to March 31
- Board meetings for approval of quarterly results :
1st Quarter ended on June 30, 2013 : within 45 days from the close of quarter
2nd Quarter ended on September 30, 2013 : within 45 days from the close of quarter
3rd Quarter ended on December 31, 2013 : within 45 days from the close of quarter
4th Quarter ended on March 31, 2014 : within 45 days from the close of quarter
- Annual results for financial year ended
March 31, 2014 (audited) : Within 60 days from the close of financial year
- Annual General Meeting for the year 2013-14 : In accordance with Section 166 of Companies Act, 1956
- (iii) **Book closure date** : Monday, September 9, 2013 to Friday, September 20, 2013
(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 are traded on both Luxembourg Stock Exchange and London Stock Exchange.

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

Security	ISIN
Equity Shares	INE040H01021
GDRs	US86960A1043
FCCBs:	
USD 200,000,000 Zero Coupon Convertible Bonds Due 2012	XS0323163526
USD 20,796,000 7.5% Convertible Bonds Due October 2012	XS0426742572
USD 90,000,000 Zero Coupon Convertible Bonds Due 2014	XS0441902656
USD 175,000,000 5% Convertible Bonds Due 2016	XS0614325156

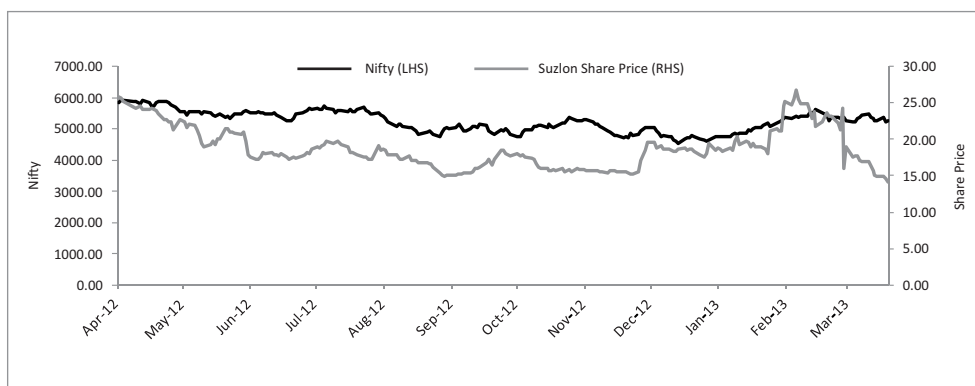
- (vii) **Corporate Identification Number** : L40100GJ1995PLC025447

- (viii) **Market Price Data:** Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2012-13 at NSE and BSE are noted below:

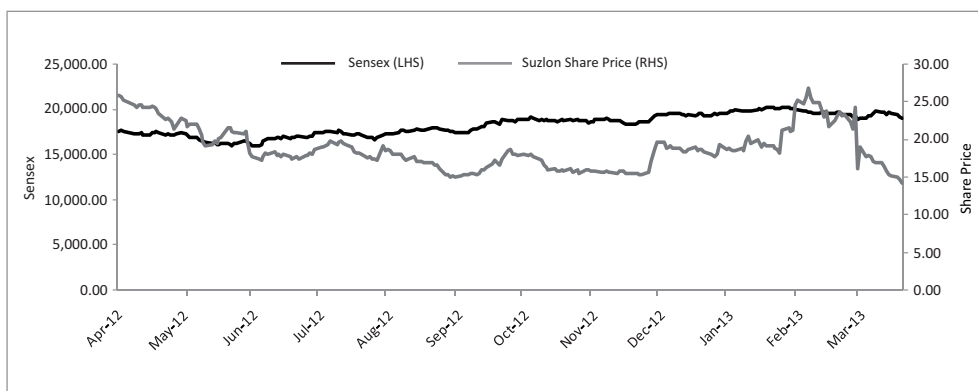
Stock Exchange	NSE			BSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April-12	26.40	21.05	341,381,920	26.40	21.15	68,298,971
May-12	23.20	17.75	556,984,143	23.20	17.90	94,502,196
June-12	18.75	17.00	447,370,079	18.70	17.00	93,451,875
July-12	20.25	17.00	387,540,718	20.20	17.05	85,844,553
August-12	18.95	14.75	256,179,118	18.90	14.75	58,701,430
September-12	19.20	14.80	271,145,767	19.24	14.81	51,653,036
October-12	18.40	15.20	276,443,349	18.40	15.25	58,899,283
November-12	20.40	15.05	342,080,137	20.35	15.15	78,631,230
December-12	24.50	16.75	577,526,844	20.30	16.95	116,476,149
January-13	25.70	17.90	1,007,250,611	25.65	17.90	213,022,169
February-13	26.95	13.35	1,178,491,026	26.90	13.55	364,945,415
March-13	20.75	13.20	457,870,188	20.60	13.20	130,528,377

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

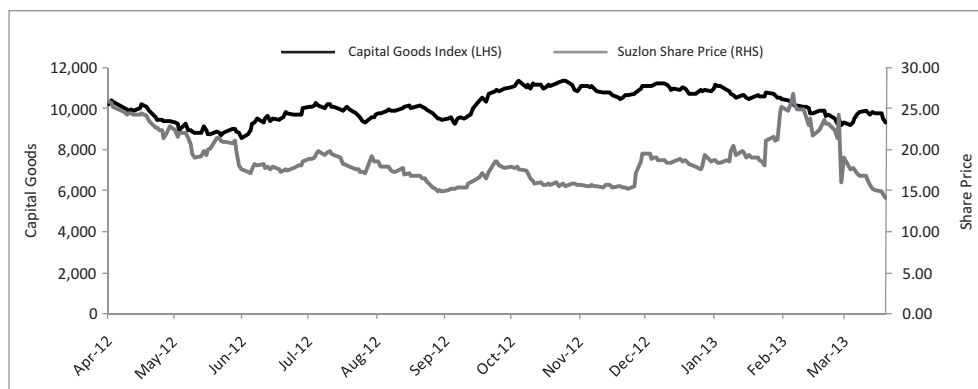
(a) Comparison of the Company's share price with NSE Nifty



(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
17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081
Tel: +91.40.4465 5000; Fax: +91.40.2342 0814;
Toll Free No. 1800-3454-001; Website: www.karvycomputershare.com
Email: einward.ris@karvy.com

Contact person: Mr. V.K.Jayaraman, General Manager and Mr. S. Krishnan, Senior 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, our Registrar & Share Transfer Agent.

(xii) **Distribution of shareholding as on March 31, 2013:**

(a) **Distribution of shareholding as per nominal value of shares held as on March 31, 2013:**

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	932,989	96.63	279,168,608	558,337,216	15.71
5001-10000	19,193	1.99	69,639,407	139,278,814	3.92
10001-20000	7,833	0.81	57,249,906	114,499,812	3.22
20001-30000	2,093	0.22	26,019,822	52,039,644	1.46
30001-40000	1,018	0.10	18,285,495	36,570,990	1.03
40001-50000	541	0.06	12,307,480	24,614,960	0.69
50001-100000	975	0.10	34,776,026	69,552,052	1.96
100001 & above	895	0.09	1,279,918,903	2,559,837,806	72.01
Total	965,537	100.00	1,777,365,647	3,554,731,294	100.00

(b) **Shareholding pattern as on March 31, 2013:**

Category of shareholders	No. of shares of Rs 2 each	% of total shares
Promoters (including persons acting in concert)	790,291,588	44.46
Foreign Institutional Investors	233,290,811	13.13
Non-resident Indians/Overseas Corporate Bodies/ Foreign Nationals/Qualified Foreign Investors	30,198,454	1.70
Mutual Funds, Financial Institutions and Banks	53,952,664	3.04
Private Corporate Bodies	117,361,442	6.60
Resident Indians	548,177,996	30.84
GDRs	4,092,692	0.23
Total	1,777,365,647	100.00%

(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, 2013 are noted below:

Particulars	No. of shares of Rs 2 each	% of total shares
Shares held in dematerialised form with NSDL	1,568,467,908	88.25%
Shares held in dematerialised form with CDSL	208,871,050	11.75%
Shares held in physical form	26,689	0.00%
Total	1,777,365,647	100.00%

(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, 2013 are 1,023,173 representing 4,092,692 equity shares of Rs 2/- each. Each GDR represents four underlying equity shares in the Company.

(b) **Foreign Currency Convertible Bonds (FCCBs):** The outstanding balances of the FCCBs as on March 31, 2013 under various series are noted below:

Series	Outstanding Amount (USD)	Exchange Rate	Convertible on or before	Conversion Price
USD 200,000,000 Zero Coupon Convertible Bonds Due 2012	121,368,000	44.6000	October 4, 2012	97.26
USD 20,796,000 7.5% Convertible Bonds Due October 2012	20,796,000	49.8112	October 4, 2012	76.6755
USD 90,000,000 Zero Coupon Convertible Bonds Due 2014	90,000,000	48.1975	July 18, 2014	90.38
USD 175,000,000 5% Convertible Bonds Due 2016	175,000,000	44.5875	April 6, 2016	54.01
Total outstanding FCCBs as on March 31, 2013	407,164,000	—	—	—

The shares to be allotted on conversion of the FCCBs will aggregate to ~13% of the post conversion equity base of the Company based on equity base of March 31, 2013.

During the year under review, the Company had issued separate notices, each dated May 18, 2012, to convene meetings of the holders of the US\$ 300,000,000 Zero Coupon Convertible Bonds due 2012 and the US\$ 35,592,000 7.5% Convertible Bonds due 2012 for extension of the maturity date (i.e. June 12, 2012) of the Bonds by 45 days i.e. until July 27, 2012. The meetings of the holders of the respective series were held on June 11, 2012 and the maturity got successfully extended till July 27, 2012. On July 27, 2012 the Company successfully redeemed amount outstanding under both the series, along with redemption premiums, in full.

Subsequently, the Company had issued (i) separate notices dated September 18, 2012 convening separate meetings of the holders of the US\$ 200,000,000 Zero Coupon Convertible Bonds due 2012 and the US\$ 20,796,000 7.5% Convertible Bonds due 2012 on October 10, 2012 for the extension of maturity dates of each of the series of Bonds from October 11, 2012 to February 11, 2013; and (ii) a subsequent notice dated October 2, 2012 to the holders of the Bonds, providing further information in relation to the incentive fee payable to the consenting bondholders.

The meetings of the holders of the respective series of Bonds were held on October 10, 2012. The meeting of the holders of the Zero Coupon Bonds did not achieve the requisite quorum to consider the extraordinary resolution. Further, the holders of the Interest Bearing Bonds did not vote in favour of the extraordinary resolution. Accordingly, the extraordinary resolutions in respect of both series of Bonds were not passed. In light of the above, the maturity dates of both series of Bonds remained October 11, 2012. The Company was not able to redeem the Zero Coupon Bonds on October 11, 2012 and the Interest Bearing Bonds on October 18, 2012 (such date being the end of the grace period for payment, as provided in the terms and conditions of the Interest Bearing Bonds). The Company continues to actively engage with its bondholders and is endeavouring to find a consensual solution acceptable to all its stakeholders.

(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.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
Technical Service Centre - 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 / +91.79.2640 7141 Fax: +91.79.2656 5540 / +91.79.2644 2844
Email: investors@suzlon.com; Website: www.suzlon.com.

For and on behalf of the Board of Directors

Place : Pune
Date : July 20, 2013

Tulsi R.Tanti
Chairman & Managing Director



**DECLARATION REGARDING COMPLIANCE WITH THE CODE OF ETHICS OF THE COMPANY AS PER
CLAUSE 49(1)(D)(ii) OF THE LISTING AGREEMENT**

27th May 2013.

The Board of Directors of
Suzlon Energy Limited,
"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.: Clause 49(I)(D)(ii) of the Listing Agreement.

I, Tulsi R.Tanti, Chairman & Managing Director of Suzlon Energy Limited hereby declare that, as of 31st March 2013, 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.

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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.
Firm Registration No.109176W
Chartered Accountants

per Sanjay Kapadia
Partner
Membership No. : 38292
Place : Pune
Date : July 20, 2013

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

per Paul Alvares
Partner
Membership No. : 105754
Place : Pune
Date : July 20, 2013

Standalone Financial Statements

Independent Auditor's Report

To the Members of Suzlon Energy Limited

Report on the Financial Statements

1. We, SNK & Co. and S. R. BATLIBOI & Co. LLP, have audited the accompanying financial statements of Suzlon Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and 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.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.

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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the 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:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

5. We draw attention to Note 5 of the accompanying financial statements in respect of material uncertainty about the Company's ability to continue as a going concern which is in part dependent on the successful outcome of the discussions with the FCCB holders. Our opinion is not qualified in respect of this matter.
6. We draw attention to Note 36 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
 - (a) We have 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 appears from our examination of those books;
 - (c) 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;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

per Sanjay Kapadia
Partner
Membership No. : 38292

Place : Pune
Date : May 30, 2013

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

per Arvind Sethi
Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013

Annexure referred to in paragraph 7 of our report of even date

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 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. As informed, no material discrepancies were noticed on such verification.
 - c. There was no disposal of a substantial part of fixed assets during the year.
- ii.
 - a. The inventory has been physically verified by management during the year. In our opinion, the frequency of verification is reasonable. Inventories lying with outside parties have been confirmed by them as at year end.
 - b. The procedures of physical verification of inventory followed by management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material and have been properly dealt with in the books of account.
- iii.
 - a. 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 in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii) (a) to (d) of the Order are not applicable to the Company and hence not commented upon.
 - b. The Company has taken a loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 248 Crore and the year-end balance of the loan taken from such party was Rs. 248 Crore.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest, and other terms and conditions for such loan are prima facie not prejudicial to the interest of the Company.
 - d. The loan taken by the company is a long term loan. According to the information and explanations given to us, no repayment was due in respect of the principal portion till the balance sheet date. *Payment of interest has not been regular*
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- v.
 - a. According to the information and explanations provided by management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- viii. 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 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, wherever required.
- ix.
 - a. Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have *not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.*
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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.
 - c. According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs Crore)	Accounting year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	0.63	2009-10	Commissioner of Income Tax (Appeals)
Maharashtra Value Added Tax, Act, 2002	Value added tax	0.50	2005-06	Joint Commissioner of Sales Tax (Appeals), Mumbai
Finance Act, 1994	Service Tax on Consulting Engineer along with penalty and interest	3.39	1999-2000 to 2000-2003	CESTAT
Finance Act, 1994	Service Tax on Import of designs and drawings along with penalty and interest	55.49	2007-2008 to 2011-2012	CESTAT

- x. *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses during the current and preceding financial year.*
- xi. *Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted on redemption of foreign currency convertible bonds aggregating to Rs. 1,133.10 Crore (USD 209 million) (including redemption premium). The bonds became due for redemption on October 11, 2012 and have not been redeemed till the date of this report. The Company during the year has also defaulted in repayment of dues to financial institutions and banks in respect of Letters of Credit/Buyers' Credit/Bills Discounting, Term Loans and Interest Liabilities. Following are the details of such defaults:*

(Amount in Rs. Crore)

Particulars	Delay up to 30 days	Delay 31-90 days	Delay 91 to 180 days	Delay 181 to 275 days	Total Amount
Letters of Credit/ Buyers' Credit/Bill Discounting	225.49	437.05	287.52	25.41	975.47
Term Loan	26.70	91.63	68.54	17.40	204.27
Interest Liabilities	175.43	194.41	190.67	61.60	622.10

The CDR proposal of Suzlon Energy Limited and 7 of its subsidiaries has been approved by the CDR Empowered Group and a Master Restructuring Agreement was entered into on March 28, 2013 which cured all defaults during the year to Financial Institutions and Banks except for dues to non-CDR lenders amounting to Rs. 116.68 Crore on account of term loan repayment and interest, which continue post the year-end.

The company did not have any debentures outstanding during the year.

- xii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof in our opinion are prima-facie not prejudicial to the interests of the Company.
- xvi. Based on the information and explanations given to us by management, term loans were applied for the purpose for which the loans were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds aggregating to Rs. 1,560.49 Crore raised on short-term basis in the form of working capital and working capital loans for long-term purposes to fund losses incurred during the year.*
- xviii. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- xix. No debentures have been issued by the Company during the year. Further, the Company has unsecured Foreign Currency Convertible Bonds outstanding during the year on which no security or charge is required to be created.
- xx. The Company has not raised any money by way of a public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

per Sanjay N Kapadia
Partner
Membership No. : 38292

Place : Pune
Date : May 30, 2013

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

per Arvind Sethi
Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013

Balance sheet as at March 31, 2013
All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at	As at
		March 31, 2013	March 31, 2012
Equity and liabilities			
Shareholders' funds			
(i) Share capital	7(i)	355.47	355.47
(ii) Reserves and surplus	8	1,921.19	5,142.44
		2,276.66	5,497.91
Share application money, pending allotment	7(ii)	581.67	–
Non-current liabilities			
(i) Long-term borrowings	9	6,164.01	4,527.46
(ii) Other long-term liabilities	10	10.00	100.00
(iii) Long-term provisions	11	233.61	228.80
		6,407.62	4,856.26
Current liabilities			
(i) Short-term borrowings	12	1,543.35	1,888.76
(ii) Trade payables		3,168.46	4,145.56
(iii) Other current liabilities	13	3,041.57	2,985.61
(iv) Due to customers	21	14.23	–
(v) Short-term provisions	11	428.90	1,249.20
		8,196.51	10,269.13
Total		17,462.46	20,623.30
Assets			
Non-current assets			
(i) Fixed assets			
(a) Tangible assets	14	759.56	851.25
(b) Intangible assets	14	188.79	116.03
(c) Capital work-in-progress		38.38	13.03
(ii) Non-current investments	15	8,136.05	8,702.98
(iii) Long-term loans and advances	17	2,534.46	2,491.97
(iv) Trade receivables	18.1	0.04	23.27
(v) Other non-current assets	18.2	300.17	310.78
		11,957.45	12,509.31
Current assets			
(i) Current investments	15	416.93	112.64
(ii) Inventories	19	1,542.06	1,465.94
(iii) Trade receivables	18.1	1,586.25	3,414.66
(iv) Cash and bank balances	20	139.17	262.65
(v) Short-term loans and advances	17	1,552.14	2,530.59
(vi) Other current assets	18.2	268.46	327.51
		5,505.01	8,113.99
Total		17,462.46	20,623.30
Summary of significant accounting policies	2		

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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2013

per Arvind Sethi
Partner
Membership No. : 89802

Place: Pune
Date: May 30, 2013

Hemal A. Kanuga
Company Secretary

Place: Pune
Date: May 30, 2013

Amit Agarwal
Chief Financial Officer



Statement of profit and loss for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	March 31, 2013	March 31, 2012
Income			
Revenue from operations	21	1,748.11	6,853.52
Other operating income		5.56	17.69
Total revenue		1,753.67	6,871.21
Expenses			
Cost of materials consumed	22	1,699.45	4,488.64
Purchases of traded goods	22	72.78	66.84
(Increase)/decrease in inventories of finished goods work-in-progress and stock-in-trade	22	(320.35)	(96.23)
Employee benefits expense	23	257.45	337.43
Other expenses	24	1,316.55	1,504.74
Total expenses		3,025.88	6,301.42
Earnings/(loss) before interest, tax, depreciation and exceptional items (EBITDA)		(1,272.21)	569.79
Depreciation and amortization expense	14	214.54	182.68
Earnings/(loss) before interest, tax and exceptional items (EBIT)		(1,486.75)	387.11
Finance costs	25	1,086.41	884.02
Finance income	26	301.90	347.06
Earnings/(loss) before tax and exceptional items		(2,271.26)	(149.85)
Less: Exceptional items	27	571.71	348.92
Profit/(loss) before tax		(2,842.97)	(498.77)
Tax expense:			
MAT credit entitlement		156.46	—
Deferred tax		—	—
Earlier years tax		(9.63)	6.61
Net profit/(loss) for the year		(2,989.80)	(505.38)
Earnings/(loss) per equity share: [Nominal value of share Rs 2 (Rs 2)]			
- Basic and diluted	28	(16.82)	(2.84)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the 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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2013

per Arvind Sethi
Partner
Membership No. : 89802

Place: Pune
Date: May 30, 2013

Hemal A. Kanuga
Company Secretary

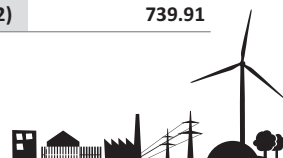
Place: Pune
Date: May 30, 2013

Amit Agarwal
Chief Financial Officer

Cash flow statement for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Loss before tax and exceptional items	(2,271.26)	(149.85)
Adjustments for:		
Depreciation / amortisation	214.54	182.68
Loss on assets sold / discarded, net	11.14	4.88
Interest income	(301.88)	(346.67)
Interest expenses	951.29	784.32
Dividend income	(0.02)	(0.39)
Compensation in lieu of bank sacrifice	22.83	—
Operation, maintenance and warranty expenditure	—	80.44
Performance guarantee expenditure	48.52	25.09
Liquidated damages	88.84	80.08
Bad debts written off	4.31	1.98
Provision for doubtful debts and advances	32.05	13.59
Employee stock option scheme	0.60	0.41
Exchange differences, net	185.92	92.23
Wealth-tax	0.02	0.01
Operating profit / (loss) before working capital changes	(1,013.10)	768.80
Movements in working capital		
(Increase) / decrease in trade receivables	1,826.69	(688.51)
(Increase) / decrease in inventories	(76.11)	(216.05)
(Increase) / decrease in loans and advances and other current assets	17.05	(112.65)
(Decrease) / increase in trade payables, current liabilities and provisions	(473.97)	800.97
Cash generated from operating activities	280.56	552.56
Direct taxes paid (net of refunds)	2.21	(8.20)
Net cash generated from operating activities	282.77	544.36
Cash flow from investing activities		
Payment for purchase of fixed assets	(237.28)	(130.60)
Proceeds from sale of fixed assets	5.31	1.58
Investments in subsidiaries	—	(1,504.55)
Redemption of investments in mutual funds	50.02	46.02
Proceeds from sale of stake in subsidiary	66.76	—
Loans granted to subsidiaries	(2,519.30)	(2,212.62)
Repayments of loans by subsidiaries	3,122.30	2,284.29
Interest received	319.74	338.54
Dividend received	0.02	0.39
Net cash (used in) / generated from investing activities	807.57	(1,176.95)
Cash flow from financing activities		
Share application money**	22.00	—
Convertible bond and share issue expenses	—	(13.09)
Premium paid on FCCB	(630.15)	—
Proceeds from long term borrowings	1,917.92	956.27
Repayment of FCCB	(1,371.33)	—
Repayment of long term borrowings	(196.90)	(118.29)
Proceeds / (repayment) from short term borrowings, net	(345.42)	642.15
Interest paid	(609.92)	(727.13)
Dividend paid	(0.02)	—
Net cash (used in) / generated from financing activities	(1,213.82)	739.91



Cash flow statement for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2013	March 31, 2012
Net increase in cash and cash equivalents (A+B+C)	(123.48)	107.32
Cash and cash equivalents at the beginning of the year	262.65	129.64
Add: Acquired on account of merger	–	25.69
Cash and cash equivalents at the end of the year	139.17	262.65
Components of cash and cash equivalents	As at	As at
	March 31, 2013	March 31, 2012
Cash on hand	0.36	0.32
Cheque/ draft on hand	–	24.89
With scheduled banks in current account*	138.31	236.87
With non-scheduled banks in current account	0.50	0.57
	139.17	262.65

Summary of significant accounting policies

2

Notes

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

* Includes a balance of Rs 0.17 Crore (Rs 0.19 Crore) not available for use by the Company as they represent corresponding unpaid dividend liabilities.

** Out of total share application money of Rs 581.57 Crore, Rs 22.00 Crore has been received in cash and the balance is through conversion of liabilities.

As per our report of even date		For and on behalf of the Board of Directors of Suzlon Energy Limited	
For SNK & Co.	For S.R. Batliboi & Co. LLP	Tulsi R. Tanti	Vinod R. Tanti
Chartered Accountants	Chartered Accountants	Chairman and Managing	Director
ICAI Firm Registration number: 109176W	ICAI Firm Registration number: 301003E	Director	
per Sanjay Kapadia	per Arvind Sethi	Hemal A.Kanuga	Amit Agarwal
Partner	Partner	Company Secretary	Chief Financial Officer
Membership No. : 38292	Membership No. : 89802		
Place: Pune	Place: Pune	Place: Pune	
Date: May 30, 2013	Date: May 30, 2013	Date: May 30, 2013	

Notes to financial statements for the year ended March 31, 2013

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 and incorporated under the provisions of the Companies Act, 1956 (the 'Act'). 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.

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 the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. 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.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2. Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, 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. 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company 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 company 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 difference.

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 and are recognized in the statement of profit and loss when the asset is derecognised.

c. Depreciation on tangible fixed assets

Depreciation is provided on the written down value method ('WDV') unless otherwise stated, pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified in schedule XIV to the Companies Act, 1956, whichever is higher:

The Company has used the following rates to provide depreciation on its fixed assets:

Type of asset	Rate (%)
Office building	5.00
Factory building	10.00
Moulds	13.91 or useful life based on usage
Plant and machinery	
- Single shift	13.91
- Double shift	20.87
- Triple shift	27.82
Patterns	30.00 or useful life based on usage
Plugs for moulds	50.00 or useful life based on usage

Type of asset	Rate (%)
Wind research and measuring equipment	50.00
Computers	40.00
Office equipment	13.91
Furniture and fixtures	18.10
Motor car and others	25.89
Trailers	30.00

Leasehold land is amortized on a straight line basis over the period of lease i.e. up to 99 years depending upon 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 amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized 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 amortization period and the amortization 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 amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization 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 and are recognized 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 recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization 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

a. Where the Company is 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 recognized 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 recognized immediately in the statement of profit and loss.

b. Where the Company is 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 recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

f. Borrowing costs

Borrowing cost includes interest, amortization 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 capitalized 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 recognized 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 recognized 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 recognized 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 recognize 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; spares and consumables; packing materials, semi-finished goods, 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 and royalty. 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. Revenue (gross) is disclosed net of excise duty.



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-of 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 income statement as incurred.

Operation and maintenance income

Revenues from operation and maintenance contracts are recognized 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.

Power generation income

Power generation income is recognised based on electrical units generated and sold, net of wheeling and transmission loss, as applicable, as disclosed in the power generation reports issued by the concerned authorities.

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.

I. 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 long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over the remaining useful life of the asset. For this purpose, the Company 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 recognized as income or as expenses 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 company 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 amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized 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 recognized 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 Company presents the entire leave 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 recognized directly in equity is recognized 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized 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 recognized 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 recognized 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 realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.



At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.

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 realized. 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 recognizes 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 recognizes 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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 recognized, together with a corresponding increase in the "Employee stock options outstanding" account in reserves and surplus. The cumulative expense recognized 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 recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized 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 recognized 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 recognized because it cannot be measured reliably. The Company does not recognize 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

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

3. Corporate debt restructuring:

Suzlon Energy Limited ('SEL'), Suzlon Structures Limited ('SSL'), Suzlon Power Infrastructure Limited ('SPIL'), Suzlon Generators Limited ('SGL'), Suzlon Gujarat Wind Park Limited ('SGWPL'), SE Electricals Limited ('SEEL'), Suzlon Wind International Limited ('SWIL') and SE Blades Limited ('SEBL') are hereinafter collectively referred to as the 'Borrowers' and individually as the 'Borrower', who have availed various financial facilities from the secured lenders.

At the request of the Borrowers, the Corporate Debt Restructuring Proposal ('ÇDR Proposal') of the Borrowers was referred to Corporate Debt Restructuring Cell ("ÇDR Cell") by the consortium of senior lenders led by the State Bank of India. The ÇDR Proposal as recommended by State Bank of India, the lead lender and approved by lenders who are members of ÇDR Cell hereinafter referred to as the 'ÇDR Lenders' was approved by ÇDR Empowered Group ('ÇDR EG') on December 31, 2012 and communicated vide Letter of Approval dated January 23, 2013, as amended/modified time to time. The cut off date for ÇDR Proposal was October 01, 2012. The Master Restructuring Agreement ('MRA') between the Borrowers and the ÇDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of October 01, 2012.

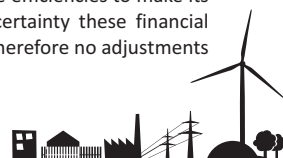
The key features of the ÇDR Proposal are as follow:

- Repayment of Restructured Term Loans ('RTL') after moratorium of 2 year from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium of 2 year from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- Interest accrued but not paid on certain financial facilities till cut off date shall be converted into Funded Interest Term Loan ('FITL'). The interest payable on RTL and WCTL during moratorium period of 2 years from cut off date also shall be converted to FITL. FITL shall be considered as convertible facilities which shall be converted into equity shares or compulsorily convertible debentures in accordance with MRA.
- The rate of interest on RTL, WCTL, FITL and fund based working capital facilities shall be 11% with annual reset option in accordance with MRA.
- Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.
- Right of Recompense to ÇDR Lenders for the relief and sacrifice extended, subject to provisions of ÇDR Guidelines and MRA.
- The Company to issue equity shares in lieu of sacrifice of the ÇDR Lenders for the first three years from cut off date, if demanded by ÇDR Lenders.
- Contribution of Rs 250 Crore in the Company by promoters in lieu of bank sacrifice in the form of equity shares / CCDs including conversion of existing promoter's loan of Rs 145 Crore into equity shares / CCDs.

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

Expenditure on restructuring and refinancing of earlier financial facilities has been charged off and disclosed under exceptional items.

4. The Borrowers and the ÇDR Lenders executed a MRA during the year. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the ÇDR Lenders to get a recompense of their waivers and sacrifices made as part of the ÇDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by ÇDR Lenders as per the MRA is approximately Rs 597.98 crore for the Company and Rs 747.87 crore for the borrowers.
5. The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,133.10 Crore) in respect of its unsecured FCCBs which were due in October 2012 ("October 2012 CCBs"). This default triggers a cross default under the Company's other existing unsecured FCCBs aggregating USD 90 million (Rs 488.63 Crore) and USD 175 million (Rs 950.12 Crore), (which otherwise fall due in 2014 and 2016 respectively) (the "2014 and 2016 FCCBs") and accordingly these trigger acceleration of payments, if demanded by a specified proportion of the 2014 and/or 2016 FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs and accordingly USD 265 million (Rs 1,438.75 Crore) has been classified as non-current liability. The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2013. The Company is in negotiations with the FCCB holders and is working on various solutions with them to ensure settlement of their dues. The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable. Pending the final outcome of negotiations, though there exists material uncertainty these financial statements have been prepared on the basis that the Company will continue as a going concern, and 'therefore no adjustments have been made to the carrying values or classification of assets and liabilities.



6. Scheme of Arrangement and Restructuring for Merger and De-merger

- a. The Company implemented a Scheme of Arrangement and Restructuring ('Scheme'). The 'Appointed Date' fixed for this purpose was April 1, 2010. The following were the salient features of the Scheme.
 - De-merger and consequent transfer of (a) Power Generation Division of Suzlon Towers And Structures Limited ('STSL'), a wholly owned subsidiary ('WOS') of the Company to Suzlon Engitech Limited, another WOS of the Company; and (b) Project Execution Division of Suzlon Infrastructure Services Limited ('SISL'), a WOS of the Company to Suzlon Gujarat Wind Park Limited, another WOS of the Company.
 - Amalgamation of STSL and SISL with the Company after giving effect to the above-mentioned de-merger and consequent transfer of their respective division.
- b. During the previous year, the Scheme has been sanctioned by the Hon'ble High Court at Gujarat vide Order dated August 10, 2011 and Hon'ble High Court of Judicature at Bombay vide Order dated September 02, 2011.

Accordingly, all the assets and liabilities of Power Generation Division of STSL and Project Execution Division of SISL are considered to be transferred and vested with Suzlon Engitech Limited and Suzlon Gujarat Wind Park Limited ('Resulting Companies') respectively, Resulting Companies have issued equity shares to the shareholder of STSL and SISL and thereafter both the companies, viz., STSL and SISL ('Transferor Companies') have been amalgamated with the Company ('Transferee Company') on appointed date i.e. with effect from April 1, 2010 as per the Scheme. Amalgamation of STSL and SISL with the Company has been accounted for under the "Pooling of Interest Method (Amalgamation in the nature of Merger)" as prescribed by Accounting Standard 14 – Accounting for Amalgamations.

7. (i) Share capital

Authorised

	March 31, 2013	March 31, 2012
3,500,000,000 (3,500,000,000) equity shares of Rs 2/- each	700.00	700.00
	700.00	700.00
Issued		
	March 31, 2013	March 31, 2012
1,796,297,624 (1,796,297,624) equity shares of Rs 2/- each	359.26	359.26
	359.26	359.26
Subscribed and fully paid-up		
	March 31, 2013	March 31, 2012
1,777,365,647 (1,777,365,647) equity shares of Rs 2/- each	355.47	355.47
	355.47	355.47

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	March 31, 2013		March 31, 2012	
	Number of Shares (Crore)	Rs in Crore	Number of Shares (Crore)	Rs in Crore
At the beginning of the year	177.74	355.47	177.74	355.47
Issued during the year	–	–	–	–
Outstanding at the end of the year	177.74	355.47	177.74	355.47

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, 2013 are GDRs – 1,023,173 (equivalent shares 4,092,692) and as on March 31, 2012 are GDRs – 793,099 (equivalent shares 3,172,396).

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.

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, 2013	March 31, 2012
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	3.20	3.20

In addition, the Company issued 1,393,000 shares (March 31, 2012 2,573,500 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) 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, please refer table 2 note no 30, under heading of "Closing balance".

For details of shares reserved for issue on conversion of FCCBs, please refer note no 9 (II) 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, please refer note no 3 for terms of conversion.

For details of shares reserved for issue on conversion of existing promoters loan and promoters contribution in lieu of bank sacrifice, please refer note no 3.

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

Name of the shareholder	March 31, 2013		March 31, 2012	
	Number of shares (Crore)	% holding	Number of shares (Crore)	% holding
(Equity shares of Rs 2 each fully paid)				
Mr. Girish R. Tanti	10.00	5.63%	11.61	6.53%
Tanti Holdings Private Limited	15.46	8.70%	23.73	13.35%
Morgan Stanley Asia (Singapore) PTE	12.27	6.90%	—	—

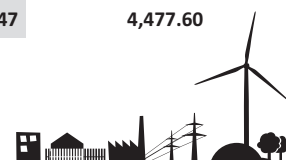
Note : As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(ii) Share application money pending allotment

Under CDR package and as per the terms of the MRA, on April 23, 2013, the company has allotted 31,42,46,974 Equity Shares of Rs 2/- each at a premium of Rs 16.51/- per share (Issue price Rs 18.51 per share) on preferential basis under Chapter VII – "Preferential Issue" of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

8. Reserves and surplus

	March 31, 2013	March 31, 2012
a. Capital reserve (refer note 6)	23.30	23.30
b. Capital redemption reserve	15.00	15.00
c. Securities premium account		
As per last balance sheet	4,477.60	5,306.09
Add : Additions due to merger (refer note 6)	—	115.17
	4,477.60	5,421.26
Less: Proportionate premium payable on redemption of FCCBs	(208.13)	(930.57)
Less : Expenses on issue of FCCB / right shares	—	(13.09)
	4,269.47	4,477.60



	March 31, 2013	March 31, 2012
d. Employee stock options outstanding		
Employee stock options outstanding	14.10	19.72
Less: Deferred employee stock compensation outstanding	(0.01)	(0.61)
	14.09	19.11
e. Foreign currency monetary item translation difference account	(149.99)	(126.07)
f. General reserve		
As per last balance sheet	847.54	897.15
Add : Transfer from employee stock option outstanding	5.62	1.73
Less : Deduction due to merger (refer note 6)	–	(51.34)
	853.16	847.54
g. Statement of profit and loss		
As per last balance sheet	(114.04)	200.34
Less: Loss for the year	(2,989.80)	(505.38)
Add : Additions due to merger (refer note 6)	–	191.00
Net deficit in the statement of profit and loss	(3,103.84)	(114.04)
Total reserves and surplus	1,921.19	5,142.44
9. Long-term borrowings		
	March 31, 2013	March 31, 2012
Secured		
(i) Term loans from		
Banks	3,386.52	1,632.14
Financial institutions	1,338.74	1,402.06
	4,725.26	3,034.20
(ii) Vehicle loans	–	0.07
	4,725.26	3,034.27
Unsecured		
(i) Foreign currency convertible bonds	1,438.75	1,348.19
(ii) Loans and advances from related parties*	–	145.00
	1,438.75	1,493.19
Total	6,164.01	4,527.46

*refer note 34

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

- a. In case of financial facilities from CDR Lenders in accordance with MRA, RTL of Rs 2,469.70 Crore, WCTL of Rs 1,480.82 Crore classified as long term borrowing and Rs 88.34 Crore classified as current maturities of long term borrowing, FITL Rs 11.83 Crore classified as current maturities of long term borrowing, fund based working capital facilities of Rs 1,508.40 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 7 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, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- b. In case of financial facilities from non-CDR Lenders, term loans from banks and financial institution of Rs 913.61 Crore of which Rs 774.73 Crore classified as long term borrowing and Rs 138.88 Crore classified as current maturities of long term borrowing and working capital facilities from banks Rs 34.93 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 7 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 certain overseas subsidiaries held by SEL and its step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.

- c. Term loans from banks and financial institution of Rs Nil (Rs 3,348.00 Crore) of which Rs Nil (Rs 3,034.20 Crore) classified as long term borrowing and Rs Nil (Rs 313.80 Crore) classified as current maturities of long term borrowing and working capital facilities from banks of Rs Nil (Rs 1,888.76 Crore) and non fund based working capital securities are secured by first 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 7 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 certain overseas subsidiaries held by SEL and its step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- d. Vehicle loan of Rs 0.06 Crore (Rs 0.21 Crore), of which Rs 0.06 Crore classified as current portion of long term borrowing is secured against vehicle under hire purchase contract.

II. Foreign currency convertible bonds

a. Initial terms of issue

On June 11, 2007 the Company made an issue of zero coupon convertible bonds aggregating USD 300 million (Rs 1,223.70 Crore) [Phase I bonds] and, on October 10, 2007, the Company made another issue of zero coupon convertible bonds aggregating USD 200 million (Rs 786.20 Crore) [Phase II bonds]. Further on July 24, 2009, the Company made an issue of zero coupon convertible bonds aggregating USD 93.87 million (Rs 452.64 Crore) at an issue price of 104.30% of the principal amount of USD 90.00 million (Phase III bonds). Further, on April 12, 2011, the Company made an issue of 875, 5% Foreign Currency Convertible Bonds of USD 200,000 each due 2016 ('Phase IV Bonds') for a total consideration of USD 175.00 million (Rs 776.83 Crore).

The key terms of these bonds at the time of issue were as follows:

Particulars	Phase I	Phase II	Phase III	Phase IV
Issue size (USD)	300 million	200 million	90 million	175 million
Face value per bond (in USD)	1,000	1,000	1,000	2,00,000
No. of equity shares per bond	113.50	107.30	533.28	165,108.31
Initial conversion price per share (Rs)	359.68	371.55	90.38	54.01
Fixed exchange rate (Rs/USD)	40.83	39.87	48.20	44.59
Redemption amount as a % of principal amount (%)	145.23	144.88	134.20	108.70
Maturity date	June 12, 2012	October 11, 2012	July 18, 2014	April 06, 2016

b. Restructuring of Phase I and Phase II bonds

- i. During the year 2009-10, the Company restructured Phase I and Phase II Zero Coupon Convertible Bonds with an approval of the Reserve Bank of India ('RBI') wherein the bondholders were offered the following options as part of the restructuring;
 - 1) Buyback of bonds @ 54.55% of the face value of US \$ 1000 per bond.
 - 2) Issue of new bonds ('Phase I New Bonds' in case of Phase I Bonds and 'Phase II New Bonds' in case of Phase II Bonds) in place of old bonds at a fixed ratio of 3:5 (60 cents to dollar) bearing a coupon of 7.5 per cent per annum, payable semi-annually. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Phase I New Bond at 150.24 per cent of its principal amount and each Phase II New Bond at 157.72 per cent of its principal amount on the relevant Maturity Date. The conversion price is set at Rs 76.68 per share. These bonds do not have any financial covenants and are of the same maturity as the Phase I Bonds and Phase II Bonds.
 - 3) Consent fee of USD15 Million to be paid across both the series, for those bondholders who consent to the relaxation of covenants.

As a result of the restructuring, the outstanding position of the foreign currency convertible bonds is as follows:



Particulars	Phase I Bonds	Phase II Bonds	Total
Old bonds exchanged [A]	59,332,000	34,672,000	94,004,000
New Bonds issued in the ratio of 3:5 [B]	35,592,000*	20,796,000	56,388,000*
Bonds bought back for cash [C]	29,366,000	43,960,000	73,326,000
Cash paid for buyback [D]	16,019,702	23,980,180	39,999,882
Old bonds outstanding [E]	211,302,000	121,368,000	332,670,000
Value of total bonds outstanding [F]=[B]+[E]	246,894,000	142,164,000	389,058,000
Value of old bonds [G]=[A]+[C]+[E]	300,000,000	200,000,000	500,000,000
Consent fee paid	11,846,947	1,869,863	13,716,810
Maturity date	June 12, 2012	October 11, 2012	
Redemption amount as a % of principal amount of New Bonds (%)	150.24	157.72	
Redemption amount as a % of principal amount of old Bonds carried forward (%)	145.23	144.88	

* 19,000 bonds were converted into equity shares during the year 2009-10.

- ii. On April 29, 2010, the Company convened meetings of Bondholders of each of the series, who approved the respective proposed resolutions. Accordingly post receipt of regulatory approvals, the Company changed the conversion price of the Phase I bonds from Rs 359.68 per equity share to Rs 97.26 per equity share and for Phase II bonds from Rs 371.55 to Rs 97.26 per equity share, subject to adjustments in accordance with terms and conditions of the bonds. The floor price for Phase I and Phase II bonds was revised to Rs 74.025 per equity share. The fixed exchange rate was changed to 1USD=Rs 44.60 from 1USD=Rs 40.83 for Phase I bonds and 1USD=Rs 39.87 for Phase II bonds. The Company incurred Rs 37.28 Crore towards consent fee to bondholders and other cost for this restructuring.

c. Recent development

i. Phase I Bonds and Phase I New Bonds

On June 11, 2012, the Company convened meetings of the holders of the US\$ 300 million Zero Coupon Convertible Bonds due June 2012 and the US\$ 35.59 million 7.5% Convertible Bonds due June 2012 (collectively, the 'Bonds') proposing extraordinary resolutions in relation to extension of the maturity date of each series of the Bonds to July 27, 2012, where the holders of each series of the Bonds had approved the respective extraordinary resolutions put to them. Further on July 27, 2012, the Company redeemed the Bonds in full.

ii. Phase II Bonds and Phase II New Bonds

The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,133.10 Crore) in respect of its unsecured FCCBs which were due in October 2012 ("October 2012 FCCBs"). This default triggers a cross default under the Company's other existing unsecured FCCBs aggregating USD 90 million (Rs 488.63 Crore) and USD 175 million (Rs 950.12 Crore), (which otherwise fall due in 2014 and 2016 respectively) (the "2014 and 2016 FCCBs") and accordingly these trigger acceleration of payments, if demanded by a specified proportion of the respective FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs. The Company is in negotiations with the FCCB holders and is working on various solutions with them to ensure settlement of their dues.

d. Redemption premium:

The Phase I, Phase II, Phase I (new), Phase II (new), Phase III and Phase IV bonds are redeemable subject to satisfaction of certain conditions mentioned in the respective offering circular and hence have been designated as monetary liability.

During the year ended March 31, 2013 the Company has provided for the proportionate redemption premium of Rs 208.13 Crore (March 31, 2012: Rs 930.57 Crore) by adjusting the same against the securities premium account. Following are the scheme-wise details of the redemption premium as of the year end date:

Phase	Rs in Crore	
	March 31, 2013	March 31, 2012
Phase I*	NIL	463.77
Phase II	295.95	242.99
Phase I (new)*	NIL	83.43
Phase II (new)	65.31	48.94
Phase III	118.36	78.43
Phase IV	28.94	13.01
Total	508.56	930.57

*Fully redeemed as on July 27, 2012.

- I. The Company has made certain defaults in repayment of financial facilities and payment of interest. The details of continuing default as at March 31, 2013 is as below :

Particulars	March 31, 2013		March 31, 2012	
	Amount (Rs Crore)	Period of delay	Amount (Rs Crore)	Period of delay
Repayment of phase II and phase II (new) FCCBs including redemption premium	1,133.10	Up to 180 days	—	—
Repayment of term loan	39.73	Up to 90 days	38.67	1 day
Payment of interest	76.95	Up to 180 days	—	—
Letters of credit / buyers' credit / bills discounting	—	—	121.25	Up to 30 days

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

Particulars	Up to 1 Year	2 to 5 Years	Above 5 Years	Total
Secured loans	239.11 (316.15)	2,947.08 (2,482.60)	1,778.18 (551.67)	4,964.37 (3,350.42)
Unsecured loans	1,033.84 (1,979.24)	1,438.75 (1,348.19)	— (145.00)	2,472.59 (3,472.43)
Total	1,272.95 (2,295.39)	4,385.83 (3,830.79)	1,778.18 (696.67)	7,436.96 (6,822.85)

The rate of interest on the long term borrowings ranges between 11.00% p.a. to 16.25% 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.

10. Other long-term liabilities

	March 31, 2013	March 31, 2012
Advance from customers	10.00	100.00
Total	10.00	100.00

11. Provisions

	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Gratuity, superannuation, leave encashment and other employee benefits	40.08	40.20	26.74	27.49
Performance guarantee, operation, maintenance and warranty and liquidated damages	46.23	97.17	402.16	382.57
Provision for FCCB redemption premium	147.30	91.43	—	839.14
Total	233.61	228.80	428.90	1,249.20



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	139.02 (129.53)	236.11 (163.73)	104.61 (69.47)
Additions during the year	48.52 (25.09)	13.71 (160.24)	88.84 (80.08)
Addition due to merger	— (7.94)	— (—)	— (—)
Utilisation	38.48 (23.54)	105.09* (87.86*)	38.85 (44.94)
Closing balance	149.06 (139.02)	144.73 (236.11)	154.60 (104.61)

*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 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, 2013	March 31, 2012
Secured		
Working capital loans from banks	1,543.35	1,888.76
Total	1,543.35	1,888.76

The rate of interest on the working capital loans from banks ranges between 11% p.a. to 16.25% 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 CDR and security given for short term borrowings, refer note 9 (I) above.

13. Other current liabilities

	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings	1,272.95	2,295.39
Interest accrued but not due on borrowings	28.87	66.54
Interest accrued and due on borrowings	27.99	21.63
Unclaimed dividend	0.17	0.19
Advance from customer	995.73	334.74
Premium payable on redemption on FCCBs	361.26	—
Others*	354.60	267.12
Total	3,041.57	2,985.61

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

14. Tangible assets and intangible assets

Assets	Gross block			Depreciation / amortisation			Net block	
	As at April 1, 2012	Additions	Deductions/ adjustments	As at March 31, 2013	As at April 1, 2012	Additions	As at March 31, 2013	As at March 31, 2012
a. Tangible assets								
Freehold land	102.67	0.09	–	102.76	–	–	–	102.67
Leasehold land	2.15	–	–	2.15	0.18	0.03	0.21	1.94
Buildings	478.66	1.19	–	479.85	143.92	24.54	168.46	334.74
Plant and Machinery	510.76	15.54	20.52	505.78	305.64	40.35	333.51	205.12
Wind research and measuring equipments	64.21	16.53	7.87	72.87	31.51	21.10	46.43	32.70
Computer and office equipments	183.68	10.27	1.64	192.31	99.00	26.36	123.82	84.68
Furniture and fixtures	155.35	3.71	0.02	159.04	68.23	16.17	84.39	87.12
Vehicles	9.79	0.09	0.93	8.95	7.54	0.57	7.33	2.25
Total tangible assets	1,507.27	47.42	30.98	1,523.71	656.02	129.12	764.15	851.25
<i>Previous year</i>	<i>1,221.27</i>	<i>336.03*</i>	<i>50.03</i>	<i>1,507.27</i>	<i>475.07</i>	<i>224.44*</i>	<i>656.02</i>	<i>–</i>
b. Intangible assets								
Design and drawings	238.08	156.77	–	394.85	128.37	82.77	211.14	109.71
SAP and other software	26.50	1.41	–	27.91	20.18	2.65	22.83	6.32
Total intangible assets	264.58	158.18	–	422.76	148.55	85.42	233.97	116.03
<i>Previous year</i>	<i>218.25</i>	<i>46.33</i>	<i>–</i>	<i>264.58</i>	<i>101.28</i>	<i>47.27</i>	<i>148.55</i>	<i>–</i>

* Includes Rs 220.10 crore addition on account of merger in respect of gross block and Rs 89.03 crore in respect of depreciation, (refer note 6).

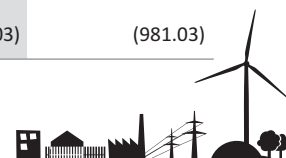
The details of fixed assets held for disposal forming part of and included in Tangible assets schedule.

Assets	Gross block as at March 31, 2013	Accumulated depreciation as at March 31, 2013	Net block as at March 31, 2013	Depreciation for the year
Tangible assets				
Freehold land	13.52	–	13.52	–
Buildings	97.49	49.40	48.09	5.30
Plant and machinery	140.21	107.30	32.91	10.90
Computers and office equipments	7.81	5.82	1.99	0.54
Furniture & fixtures	5.19	3.71	1.48	0.31
Vehicles	0.61	0.56	0.05	0.02
Total tangible assets	264.83	166.79	98.04	17.07

15. Investments

Particulars	March 31, 2013	March 31, 2012
Non current investments		
Unquoted (valued at cost unless stated otherwise)		
Non-trade investments		
Government and other securities (Non trade)		
Security Deposit with Government Departments*	0.01	0.01
	0.01	0.01
Trade investment in subsidiaries		
Indian		
14,524,600 (14,524,600) Equity Shares of Rs 10 each of Suzlon Structures Limited	17.80	17.80
46,882,430 (46,882,430) Equity Shares of Rs 10 each of Suzlon Generators Limited	46.88	46.88
Nil (241,254,125) Equity shares of Rs 10 each of SE Forge Limited	–	391.96
45,915,359 (45,915,359) Equity Shares of Rs 10 each of Suzlon Gujarat Windpark Limited	45.92	45.92
Less: Provision for diminution in value of investment	(45.92)	(45.92)
3,010,000 (3,010,000) Equity Shares of Rs 10 each of Suzlon Power Infrastructure Limited	3.01	3.01
Less: Provision for diminution in value of investment	(3.01)	(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
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)
50,000 (50,000) Equity Shares of Rs 10 each of SISL Green Infra Limited*	0.05	0.05
750,000 (7,50,000) 8% Cumulative Redeemable Preference Shares of Rs 100 each of Suzlon Structures Limited	7.50	7.50
19,329,550 (19,329,550) 9% Cumulative Redeemable Preference Shares of Rs 100 each of Suzlon Wind International Ltd	193.30	193.30
8,590,000 (8,590,000) 9% Cumulative Redeemable Preference Shares of Rs 100 each of SE Electrical Ltd	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	(90.00)	(90.00)
10,327,817 (10,327,817) 3% Compulsory Convertible Preference Shares of Rs 10 each of Suzlon Generators Limited	10.32	10.32
20,000,000 (20,000,000) 9% Cum Red Preference Shares of Rs 100 each of Suzlon Gujarat Windpark Limited	200.00	200.00
Less: Provision for diminution in value of investment	(200.00)	(200.00)
	815.73	1,207.69

Particulars	March 31, 2013	March 31, 2012
Overseas		
244,000 (244,000) Equity Shares of 10 Euro each fully paid up of AE Rotor Holding B.V., The Netherlands	13.15	13.15
19,114,864 (Nil) Equity Shares of 1 Euro each fully paid up of Suzlon Energy A/S, Denmark [Euro 59,770,000 (Euro 59,770,000) invested as additional paid in capital]	503.72	–
Less: Provision for diminution in value of investment	(503.72)	–
1,000 (1,000) Equity shares of 1 USD 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)
Suzlon Energy (Tianjin) Limited, China	58.33	233.30
4,890,621,979 (4,890,621,979) Equity shares of 10 MUR each of Suzlon Energy Limited, Mauritius	7,245.62	7,245.62
Suzlon Wind Energy Equipment Trading (Shanghai) Co. Limited , China	10.11	10.11
Less: Provision for diminution in value of investment	(6.91)	(6.91)
	7,320.30	7,495.27
Other than subsidiaries		
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 Millenium Condominium*	0.00	0.00
	0.01	0.01
Total non current investment	8,136.05	8,702.98
* Amount below Rs 0.01 crore		
Current investments		
Current portion of long-term investments (valued at lower of cost and fair value, unless stated otherwise)		
Trade investment in subsidiaries		
Nil (62,615,785) Equity Shares of Rs. 10 each of Suzlon Engitech Limited	–	62.62
241,254,125 (Nil) Equity shares of Rs 10 each of SE Forge Limited	391.96	–
Less: Provision for diminution in value of investment	(150.00)	–
Suzlon Energy (Tianjin) Limited, China	174.97	–
Nil (19,114,864) Equity Shares of 1 Euro each fully paid up of Suzlon Energy A/S, Denmark [Euro 59,770,000 (Euro 59,770,000) invested as additional paid in capital]	–	503.72
Less: Provision for diminution in value of investment	–	(503.72)
Total unquoted investment	416.93	62.62
Quoted		
SBI Mutual Fund	–	50.02
Total quoted investment	–	50.02
Total Current investment	416.93	112.64
Aggregate amount of quoted investments [Market value:Rs Nil (Rs 50.02 Crore)]	–	50.02
Aggregate amount of unquoted investments	8,552.98	8,765.60
Aggregate provision for diminution in value of investment	(1,131.03)	(981.03)



16. Loans and advances

	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Capital advances				
Unsecured, considered good	2.69	2.84	–	–
(a)	2.69	2.84	–	–
Security deposits				
Unsecured, considered good	36.45	40.14	7.69	9.74
(b)	36.45	40.14	7.69	9.74
Loans and advances to related parties*				
Unsecured loans to subsidiaries	2,372.51	2,142.67	957.01	2,154.93
Unsecured, security deposits	61.48	64.47	3.00	–
Advance for goods and services	50.00	50.00	383.92	176.28
Unsecured, considered doubtful	355.00	–	–	–
	2,838.99	2,257.14	1,343.93	2,331.21
Less: Provision for diminution in value of loans	355.00	–	–	–
(c)	2,483.99	2,257.14	1,343.93	2,331.21
Advances recoverable in cash or in kind				
Unsecured, considered good	1.57	19.96	119.39	84.57
Unsecured, considered doubtful	30.42	19.00	–	–
	31.99	38.96	119.39	84.57
Less : Allowance for bad and doubtful advances	30.42	19.00	–	–
(d)	1.57	19.96	119.39	84.57
Other loans and advances				
Unsecured, considered good				
Advance income tax (net of provisions)	9.76	12.64	23.88	13.59
MAT credit entitlement	–	156.46	–	–
Other assets	–	2.79	57.25	91.48
(e)	9.76	171.89	81.13	105.07
Total (a+b+c+d+e)	2,534.46	2,491.97	1,552.14	2,530.59

*Refer note 34

17. Deferred tax assets (net)

	March 31, 2013	March 31, 2012
Deferred tax assets	–	–
Deferred tax liabilities	–	–
Deferred tax asset, net	–	–

Reconciliation of deferred tax asset / (liabilities), net

	March 31, 2013	March 31, 2012
Opening balance	–	55.64
Income/(expenses) recognized in statement of profit and loss	–	–
Utilisation on account of merger	–	(55.64)
Closing balance	–	–

18. Trade receivables and other assets

18.1 Trade receivable

	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured				
Outstanding for a period exceeding six months from due date				
Considered good*	0.04	0.20	638.76	1,094.79
Considered doubtful	60.36	39.73	–	–
	60.40	39.93	638.76	1,094.79
Other receivable	–	23.07	947.49	2,319.87
	60.40	63.00	1,586.25	3,414.66
Provision for doubtful receivables	60.36	39.73	–	–
Total	0.04	23.27	1,586.25	3,414.66

*Current trade receivables include balances receivables from subsidiaries Rs 569.86 Crore (Rs 825.17 Crore)

18.2 Other assets

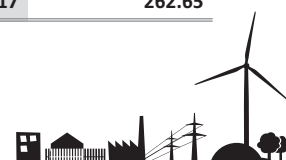
	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good unless stated otherwise				
Non-current bank balances	134.10	207.46	–	–
Prepaid compensation in lieu of bank sacrifice	68.49	–	45.66	–
Ancillary cost of arranging the borrowings	30.83	64.66	9.22	13.49
Other current assets	66.75	23.43	206.66	304.47
Interest receivable	–	15.23	6.92	9.55
Total	300.17	310.78	268.46	327.51

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

	March 31, 2013	March 31, 2012
Raw materials [including goods in transit of Rs 131.23 Crore (Rs 178.73 Crore)]	623.31	885.79
Semi finished goods and work- in- progress(including goods in transit of Rs 226.72 Crore (Rs 36.86 Crore)	847.26	525.29
Land and land lease rights	19.07	20.67
Stores and spares	52.42	34.19
Total	1,542.06	1,465.94

20. Cash and bank balances

	March 31, 2013	March 31, 2012
Current		
Balances with banks:		
In current accounts	138.14	236.68
Unpaid dividend	0.17	0.19
Other bank balances	0.50	0.57
Cheques/ draft on hand	–	24.89
Cash on hand	0.36	0.32
Total	139.17	262.65



21. Revenue from operations

	March 31, 2013	March 31, 2012
Sale of wind turbines and other components	1,096.62	6,334.09
Excisable sales	—	8.32
Less : excise duty	—	0.78
	—	7.54
Sale of services	638.46	498.14
Scrap sales	13.03	13.75
Revenue from operations	1,748.11	6,853.52

Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'

	March 31, 2013	March 31, 2012
Contract revenue recognised during the period	341.46	906.03
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	530.67	458.40
Amount of customer advances outstanding for contracts in progress up to the reporting date	5.52	—
Retention amount due from customers for contract in progress up to the reporting date	—	—
Due from customers	—	—
Due to customers	14.23	—

22. Cost of raw material and components consumed

	March 31, 2013	March 31, 2012
Consumption of raw materials (including project business)		
Opening inventory	885.79	543.65
Add : Acquisition on account of merger	—	196.41
Add : Purchases including bought out components	1,436.97	4,634.37
	2,322.76	5,374.43
Less : Closing inventory	623.31	885.79
	1,699.45	4,488.64
Purchase of traded goods	72.78	66.84
Changes in inventories of finished goods, work-in-progress and stock-in-trade (Increase) / decrease in stocks:		
Opening inventory		
Semi finished goods and work- in- progress	525.30	424.89
Land and land lease rights	20.67	24.85
(A)	545.97	449.74
Closing inventory		
Semi finished goods and work- in- progress	847.26	525.30
Land and land lease rights	19.07	20.67
(B)	866.32	545.97
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	(320.35)	(96.23)
Total	1,451.88	4,459.25

23. Employee benefits expense

	March 31, 2013	March 31, 2012
Salaries, wages, allowances and bonus	227.78	299.27
Contribution to provident fund	11.63	12.26
Contribution to other fund	2.46	7.34
Employee Stock Option Scheme	0.60	0.41
Staff welfare expenses	14.98	18.15
Total	257.45	337.43

24. Other expenses

	March 31, 2013	March 31, 2012
Stores and spares consumed	41.66	38.67
Power and fuel	3.55	8.85
Factory and site expenses	20.18	27.57
Repairs and maintenance:		
Plant and machinery	2.01	2.48
Building	3.00	2.67
Others	14.58	12.56
Operation and maintenance charges	103.60	78.15
Design change and technical upgradation charges	17.94	72.21
Rent	17.80	19.01
Rates and taxes	1.05	3.27
Performance guarantee expenditure (refer note 11)		
Expenses incurred during the year	38.48	23.54
Provision made during the year	48.52	25.09
Less: Amount withdrawn from provision	(38.48)	(23.54)
Liquidated damages expenditure (refer note 11)		
Expenses incurred during the year	38.85	44.94
Provision made during the year	88.84	80.08
Less: Amount withdrawn from provision	(38.85)	(44.94)
Operation, maintenance and warranty expenditure (refer note 11)	(80.48)	80.44
Quality assurance expenses	99.36	111.33
R & D, certification and product development	60.41	65.71
Insurance	10.52	8.54
Advertisement and sales promotion	19.57	31.62
Infrastructure development expenses	4.80	4.67
Freight outward and packing expenses	225.57	230.94
Sales commission	2.48	18.65
Travelling, conveyance and vehicle expenses	46.07	59.58
Communication expenses	10.14	12.27
Auditors' remuneration and expenses (refer details below)	2.20	2.58
Consultancy charges	108.91	80.56
Charity and donations	0.13	2.38
Corporate social welfare expense	0.20	1.52
Security expenses	56.09	52.75
Miscellaneous expenses	58.22	62.18
Exchange differences, net	282.13	287.96
Bad debts written off	4.31	1.98
Provision for doubtful debts and advances	32.05	13.59
Loss on assets sold / discarded, net	11.14	4.88
Total	1,316.55	1,504.74

Payment to auditor:

	March 31, 2013	March 31, 2012
As auditor:		
Statutory audit fees	1.77	1.86
Tax audit fees	0.08	0.08
In other capacities:		
Certification and advisory services*	0.30	0.77
Reimbursement of out of pocket expenses	0.05	0.06
Total	2.20	2.77

*Includes Rs Nil Crore (Rs 0.19 Crore) paid for agreed upon procedures with regard to issue of debt and equity of the Company and adjusted from securities premium account.



25. Finance costs

	March 31, 2013	March 31, 2012
Interest		
Fixed loans	493.68	498.81
Others	457.61	285.51
Bank charges	62.81	65.75
Compensation in lieu of bank sacrifice	22.83	—
Amortization of ancillary borrowing costs	15.26	14.51
Exchange difference to the extent considered as an adjustment to borrowing costs	34.22	19.44
Total	1,086.41	884.02

26. Finance income

	March 31, 2013	March 31, 2012
Interest income		
From banks on fixed deposits	21.79	21.79
From others	280.09	324.88
Dividend income	0.02	0.39
Total	301.90	347.06

27. Exceptional items

	March 31, 2013	March 31, 2012
Provision for diminution in value of loans and investments in subsidiaries	505.00	348.92
Profit on sale of investment*	(4.15)	—
Expenditure on restructuring and refinancing of financial facilities (refer note 3)	70.86	—
Total	571.71	348.92

*On June 28, 2012, the Company entered into share sale agreement with a buyer for the sale of equity shares of its wholly owned subsidiary Suzlon Engitech Limited ('SENL'). Consequently, SENL ceased to be a subsidiary of the Company. The profit on sale of investment in SENL has been shown under exceptional items.

28. Earnings per share (EPS)

	March 31, 2013	March 31, 2012
Basic		
Net loss after share of profit of associates and minority interest	(2,989.80)	(505.38)
Weighted average number of equity shares	1,777,365,647	1,777,365,647
Basic earnings/(loss) per share of Rs 2 each	(16.82)	(2.84)
Diluted		
Net loss after share of profit of associates and minority interest	(2,989.80)	(505.38)
Add: Interest on foreign currency convertible bonds (net of tax)	36.51	41.46
Interest on loan – Tanti Holdings Pvt. Ltd. Loan (net of tax)	13.63	—
Interest on share application money (net of tax)	0.43	—
Adjusted net loss after tax	(2,939.23)	(464.22)
Weighted average number of equity shares	1,777,365,647	1,777,365,647
Add: Potential weighted average equity shares that could arise on		
conversion of foreign currency convertible bonds	398,746,880	377,292,708
conversion of Tanti Holding Ltd. loan	89,485,069	—
conversion of share application money	152,978,513	—
conversion of FITL	3,168,710	—
Weighted average number of equity shares for diluted EPS	2,421,744,818	2,154,658,355
Diluted earnings/(loss) per share (Rs) of face value of Rs 2 each [see note below]*	(16.82)	(2.84)

*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.

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

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2013	March 31, 2012
Opening defined benefit obligation	24.29	13.58
Interest cost	1.98	1.49
Current service cost	4.78	4.13
Benefits paid	(2.53)	(1.46)
Actuarial (gains)/losses on obligation	(3.14)	1.28
Acquisition cost	0.52	5.27
Closing defined benefit obligation	25.90	24.29

Changes in the fair value of plan assets are as follows:

	March 31, 2013	March 31, 2012
Opening fair value of plan assets	13.11	11.87
Expected return	1.32	0.72
Contributions by employer*	6.78	0.01
Benefits paid	(2.53)	(1.46)
Actuarial gains / (losses)	–	0.43
Acquisition adjustment	0.52	1.54
Closing fair value of plan assets	19.20	13.11

* The contribution made by the employer during the year was Rs 6.78 Crore (Rs 0.01 Crore) of which Rs 6.78 Crore (Rs 0.01 Crore) was paid towards approved fund. The actual return on plan assets during the year was Rs 1.32 Crore (Rs 1.14 Crore).

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2013	March 31, 2012
Investments in approved fund	100%	100%

Details of defined benefit obligation

	March 31, 2013	March 31, 2012
Defined benefit obligation (A)	25.90	24.29
Fair value of plan assets (B)	19.20	13.11
Present value of unfunded obligations (C=A-B)	6.70	11.18
Less: Unrecognised past service cost (D)	–	–
Plan liability/(asset) (E=C-D)	6.70	11.18

Net employees benefit expense recognised in the statement of profit and loss:

	March 31, 2013	March 31, 2012
Current service cost	4.78	4.13
Interest cost on benefit obligation	1.98	1.49
Expected return on plan assets	(1.32)	(0.72)
Net actuarial (gain) / loss recognised in the year	(3.14)	0.84
Past service cost	Nil	Nil
Net benefit expense	2.30	5.74

Amounts for the current and previous periods are as follows:

	March 31,				
	2013	2012	2011	2010	2009
Defined benefit obligation	25.90	24.29	13.58	10.68	9.15
Plan assets	19.20	13.11	11.87	9.47	7.12
Surplus/(deficit)	(6.70)	(11.18)	(1.71)	(1.21)	(2.03)
Experience adjustments on plan liabilities	4.29	(2.36)	(0.92)	0.95	(1.61)
Experience adjustments on plan assets	–	0.43	(0.02)	0.05	(0.35)

The principal assumptions used in determining defined benefit obligation are shown below:

	March 31, 2013	March 31, 2012
Discount rate	8.10%	8.60%
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.



30. Employee stock option plans

The Company has provided various Employee Stock Option Schemes to its employees. During the year ended March 31, 2013 the following schemes were in operation:

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Grant date	16-Jun-05	23-Nov-07	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	1-Apr-10	27-Apr-11	31-Jul-11	25-May-12
Board approval date	25-Mar-05	29-Jan-07	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08
Shareholder approval	16-Jun-05	10-Mar-07	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09
Options granted (Nos)	4,605,000	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000
Exercise Price (Rs)	51.00	192.20	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	72.70	54.35	54.15	20.85
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period												
Tranche 1	16-Jun-06	23-Nov-08	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	1-Apr-11	27-Apr-12	1-Aug-12	26-May-13
Tranche 2	16-Jun-07	23-Nov-09	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	1-Apr-12	27-Apr-13	1-Aug-13	26-May-14
Tranche 3	16-Jun-08	23-Nov-10	-	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	1-Apr-13	27-Apr-14	1-Aug-14	26-May-15
Vesting %												
Tranche 1	30%	50%	75%	50%	50%	50%	50%	50%	33.33%	50%	50%	50%
Tranche 2	30%	25%	25%	25%	25%	25%	25%	25%	33.33%	25%	25%	25%
Tranche 3	40%	25%	-	25%	25%	25%	25%	25%	33.34%	25%	25%	25%
Exercise period (end date)	Till 16-Jun-2011	Till 23-Nov-2013	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 31-Mar-2014	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017

The movement in the stock options during the year ended March 31, 2013 was below:

Particulars	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Opening balance	316,000	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000	-
Granted during the year	-	-	-	-	-	-	-	-	-	-	25,000
Forfeited / cancelled during the year	91,000	261,000	2,309,664	-	-	-	75,000	1,564,500	-	25,000	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-	-	-	-	-	-
Closing balance	225,500	996,000	4,793,654	135,000	100,000	50,000	-	7,099,500	50,000	40,000	25,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	225,500	996,000	4,793,654	101,250	75,000	37,500	-	4,733,000	25,000	20,000	-

The movement in the stock options during the year ended March 31, 2012 was as per the table below:

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)
	Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI
Opening balance	340,000	332,000	1,368,000	7,828,889	135,000	175,000	50,000	75,000	11,212,500	-	-
Granted during the year	-	-	-	-	-	-	-	-	-	50,000	65,000
Forfeited / cancelled during the year	-	15,500	111,000	725,571	-	75,000	-	-	2,548,500	-	-
Exercised during the year	-	-	-	-	-	-	-	-	-	-	-
Expired during the year	340,000	-	-	-	-	-	-	-	-	-	-
Closing balance	-	316,500	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	-	316,500	1,257,000	5,327,489	101,250	50,000	25,000	37,500	2,888,000	-	-

No options were exercised during the year.

Fair value of the options

The Company applies intrinsic value based method of accounting for determining compensation cost for Scheme I to Scheme XII. Following are the details of the amounts charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme I	Scheme II	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
				Non-US	US	Non-US	US	Non-US	US						
Charge to profit and loss account	–	–	–	0.58		0.01		0.01		0.01	–	–	0.001	–	–
	(–)	(–)	(0.005)	(1.98)		(0.02)		(0.03)		(0.03)	(–)	(–)	(0.001)	(–)	(–)
Rate per option (Rs)	51.00	182.60	2.20	22.25	4.75	15.45	–	12.29	0.60	11.09	–	–	0.50	–	–
Black Scholes' Model - Cost per option (Rs)	–	249.11	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	29.12	24.50	22.67	9.25

If the cost per option was calculated based on the 'Black-Scholes' model, the loss after tax would have been higher by Rs 17.60 Crore (Rs 22.66 Crore).

Consequently the basic and diluted earnings/(loss) per share after factoring the above impact would be as follows:

Earnings per share	March 31, 2013	March 31, 2012
- Basic	(16.92)	(2.97)
- Diluted	(16.92)	(2.97)

31. 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 16.54 Crore (Rs 13.25 Crore). The Company has also taken furnished / unfurnished offices and certain other premises under non-cancellable operating lease agreement. The lease rental charge during the year is Rs 1.26 Crore (Rs 5.76 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, 2013	March 31, 2012
Not later than one year	0.46	0.72
Later than one year and not later than five years	1.79	2.22
Later than five years	2.23	2.35

b. WTG's

Assets given on lease:

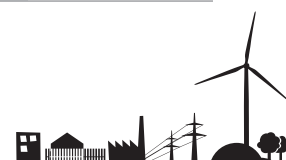
The Company has let out some of its WTG's on operating lease. The lease charges are on the basis of net electricity generated and delivered. The said lease is non-cancellable during the primary lease period i.e. for the first five years and extendable for another five years unless any of the party decides to discontinue the same and the details of the same are as under:

Particulars	March 31, 2013	March 31, 2012
Lease rental income recognized in statement of profit and loss for the period	2.53	2.60
Gross carrying amount	30.00	30.00
Accumulated depreciation	23.46	22.28
Depreciation charged to statement of profit and loss for the period	1.18	1.40

32. 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, 2013	March 31, 2012
Employee remuneration and benefits	2.76	8.06
Operating and other expenditure	1.02	5.46



33. 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.

34. Related party disclosures

As per Accounting Standard – 18 (AS 18) – ‘Related Party Disclosure’, as notified by the Rules, the disclosures of transactions with the related parties as defined in the accounting standard are given below:

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
Avind Desenvolvimento De Projetos De Energia Ltda	Subsidiary Company
Parque Eolico El Almendro S.L.	Subsidiary Company
PowerBlades GmbH	Subsidiary Company
PowerBlades SA	Subsidiary Company
REpower Australia Pty Ltd. (Formerly known as Renewable Energy Contractors Australia Pty Ltd.)	Subsidiary Company
PowerBlades Industries Inc.	Subsidiary Company
RECA Holdings Pty Ltd. (Formerly known as REpower Australia Pty Ltd)	Subsidiary Company
REpower Benelux b.v.b.a.	Subsidiary Company
REpower Betriebs – und Beteiligungs GmbH	Subsidiary Company
REpower Espana S.L.	Subsidiary Company
REpower Investitions – und Projektierungs GmbH & Co. KG	Subsidiary Company
REpower Italia s.r.l	Subsidiary Company
REpower North China Ltd.	Subsidiary Company
REpower Portugal - Sistemas Eolicos, S.A.	Subsidiary Company
REpower S.A.S.	Subsidiary Company
REpower Systems DTE Romania SRL	Subsidiary Company
REpower Systems India Limited (Formerly REpower Systems India Private Ltd.)	Subsidiary Company
REpower Systems GmbH	Subsidiary Company
REpower Systems Inc	Subsidiary Company
REpower Systems Northern Europe A/S	Subsidiary Company
REpower Systems Polska Sp.z o.o	Subsidiary Company
REpower Systems Scandinavia AB	Subsidiary Company
REpower Systems SE	Subsidiary Company
REpower UK Ltd.	Subsidiary Company
REpower USA Corp.	Subsidiary Company
REpower Windpark Betriebs GmbH	Subsidiary Company
REpower Wind Systems Trading Inc.	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
SE Solar Limited	Subsidiary Company
SISL Green Infra Limited	Subsidiary Company
Sure Power LLC	Subsidiary Company
Suzlon Energia Eloica do Brasil Ltda	Subsidiary Company
Suzlon Energy (Tianjin) Limited	Subsidiary Company
Suzlon Energy A/S	Subsidiary Company
Suzlon Energy Australia CYMWFD Pty Ltd.	Subsidiary Company

Name of the party	Nature of relationship
Suzlon Energy Australia Pty. Ltd.	Subsidiary Company
Suzlon Energy Australia RWFD Pty. Ltd.	Subsidiary Company
Suzlon Energy B.V.	Subsidiary Company
Suzlon Energy Chile Limitada	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 Gujarat Wind Park Limited	Subsidiary Company
Suzlon North Asia Ltd	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 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
WEL Windenergie Logistik GmbH	Subsidiary Company
Windpark Blockland GmbH & Co KG	Subsidiary Company
Yorke Peninsula Wind Farm Project Pty Ltd	Subsidiary Company

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:
Sarjan Realities Limited, Aspen Infrastructures Limited (Formerly Synefra Engineering & Construction Limited), Shubh Realities (South) Limited, Tanti Holdings Private Limited, Suzlon Foundation, Girish R. Tanti (HUF), Suruchi Holdings Private Limited, Sugati Holdings Private Limited, Synew Steel Limited, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited, Synefra Infrastructures Limited.
- ii. Key management personnel of Suzlon Energy Limited:
Tulsi R. Tanti
- iii. Relatives of key management personnel of Suzlon Energy Limited:
Jitendra R. Tanti, Nidhi T. Tanti, Vinod R. Tanti*, Girish R. Tanti**
- iv. Employee funds:
Suzlon Energy Limited – Superannuation Fund.
Suzlon Energy Limited – Employees Group Gratuity Scheme.

* Resigned as whole time director and continues to be a non-executive director w.e.f. June 01, 2012. Transactions entered into after June 01, 2012 have been disclosed as transactions with the relatives of KMP.

** Resigned as whole time director and continues to be a non-executive director w.e.f. July 30, 2011. Transactions entered into after July 30, 2011 have been disclosed as transactions with the relatives of KMP



c. **Transactions between the Company and related parties and the status of outstanding balances as at March 31, 2013:**

Particulars	Subsidiary	Entities where KMP /RKMP has significant influence	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	137.94	6.57	–	–	–
	(5.23)	(0.95)	(–)	(–)	(–)
Sale of fixed assets	0.55	–	–	–	–
	(0.38)	(–)	(–)	(–)	(–)
Subscription to/purchase of preference share	–	–	–	–	–
	(510.33)	(–)	(–)	(–)	(–)
Subscription to/purchase of equity share	–	–	–	–	–
	(1,099.26)	(–)	(–)	(–)	(–)
Loans taken	–	138.00	–	–	–
	(–)	(–)	(–)	(–)	(–)
Loans given	2,456.14	–	–	–	–
	(1,882.42)	(–)	(–)	(–)	(–)
Purchase of goods and services	557.46	11.84	–	–	–
	(1,811.78)	(5.56)	(–)	(–)	(–)
Sale of goods (net of returns)	762.76	0.25	0.21	0.47	–
	(195.32)	(0.32)	(0.20)	(0.28)	(–)
Reimbursement of other expenses receivable	83.42	–	–	–	–
	(32.07)	(–)	(–)	(–)	(–)
Reimbursement of expense payable**	148.29	–	–	–	–
	(205.99)	(–)	(–)	(–)	(–)
Corporate social welfare expense	–	0.20	–	–	–
	(–)	(0.60)	(–)	(–)	(–)
Interest expense	–	20.17	–	–	–
	(0.27)	(13.08)	(–)	(–)	(–)
Interest income	271.72	–	–	–	–
	(317.02)	(5.00)	(–)	(–)	(–)
Lease rent income	0.54	0.24	–	–	–
	(0.54)	(–)	(–)	(–)	(–)
Rent expense	–	0.67	–	–	–
	(–)	(0.67)	(–)	(–)	(–)
Miscellaneous income	0.42	–	–	–	–
	(0.84)	(–)	(–)	(–)	(–)
Guarantees given	–	–	–	–	–
	(523.65)	(–)	(–)	(–)	(–)
Remuneration paid	–	–	0.58	0.01	–
	(–)	(–)	(1.08)	(0.01)	(–)
Contribution to various funds	–	–	–	–	7.27
	(–)	(–)	(–)	(–)	(0.24)

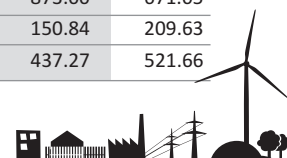
Particulars	Subsidiary	Entities where KMP /RKMP has significant influence	KMP	RKMP	Employee funds
Outstanding balances					
Investments	1,021.00	–	–	–	–
	(1,021.00)	(–)	(–)	(–)	(–)
Advance from customers	177.97	–	–	–	–
	(32.45)	(–)	(0.11)	(–)	(–)
Trade receivables	569.86	0.52	0.16	0.76	–
	(860.36)	(0.76)	(–)	(0.26)	(–)
Loans outstanding (including interest)	3,684.52	–	–	–	–
	(4,297.60)	(–)	(–)	(–)	(–)
Deposits outstanding (including interest)	–	64.48	–	–	–
	(–)	(64.48)	(–)	(–)	(–)
Unsecured loan	–	248.00	–	–	–
	(–)	(145.00)	(–)	(–)	(–)
Advances to suppliers and other receivables	440.51	–	–	–	–
	(224.44)	(1.86)	(–)	(–)	(–)
Trade payables	1,840.24	8.03	–	–	–
	(2,402.08)	(6.18)	(–)	(–)	(–)
Interest payable	–	5.84	–	–	–
	(–)	(–)	(–)	(–)	(–)
Corporate guarantees	875.47	–	–	–	–
	(3,259.08)	(–)	(–)	(–)	(–)

*** Reimbursement of expenses relates to amount payable to subsidiaries on account of guarantee and warranty obligations arising out of WTG Sale.

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,	
			2013	2012
Purchase of fixed assets (including intangibles)	Subsidiary	SE Blades Technology B.V.	52.77	–
	Subsidiary	Suzlon Energy GmbH	85.17	–
	Subsidiary	SE Blades Limited	–	3.48
	Subsidiary	Suzlon Gujarat Windpark Limited	–	1.33
	Entities where KMP/ RKMP has significant influence	Shubh Realities (South) Limited	–	0.93
	Entities where KMP/ RKMP has significant influence	Sarjan Realities Limited	4.44	–
Sale of fixed assets	Subsidiary	SE Electricals Limited	0.32	0.35
	Subsidiary	Suzlon Structures Limited	0.22	–
Subscription to / purchase of preference shares	Subsidiary	SE Blades Limited	–	300.00
	Subsidiary	Suzlon Gujarat Windpark Limited	–	200.00
Subscription to / purchase of equity shares	Subsidiary	Suzlon Energy Limited, Mauritius	–	970.38
Loan taken	Entities where KMP/ RKMP has significant influence	Tanti Holdings Private Limited	138.00	–
Loans given	Subsidiary	SE Blades Limited	432.25	–
	Subsidiary	AE Rotor Holding B.V.	353.90	–
	Subsidiary	Suzlon Wind International Limited	873.00	671.05
	Subsidiary	Suzlon Power Infrastructure Limited	150.84	209.63
	Subsidiary	Suzlon Gujarat Windpark Limited	437.27	521.66



Type of Transaction	Type of relationship	Name of the entity/person	Year ended March 31,	
			2013	2012
Sale of goods and services	Subsidiary	Suzlon Wind International Limited	111.15	–
	Subsidiary	Suzlon Wind Energy Corporation	348.03	–
	Subsidiary	Suzlon Structure Limited	62.24	39.83
	Subsidiary	Suzlon Energia Eolica Do Brasil Ltd	132.23	36.55
	Subsidiary	SE Blades Limited	67.98	58.05
Purchase of goods and services	Subsidiary	SE Electricals Limited	55.12	379.87
	Subsidiary	Suzlon Gujarat Windpark Limited	64.08	–
	Subsidiary	SE Forge Limited	31.78	143.26
	Subsidiary	Suzlon Wind International Limited	61.25	–
	Subsidiary	SE Blades Technology B.V.	66.99	–
	Subsidiary	Suzlon Energy Gmbh	61.50	–
	Subsidiary	SE Blades Limited	69.04	223.01
	Subsidiary	Suzlon Structures Limited	96.91	475.05
Reimbursement of expenses payable	Subsidiary	Suzlon Wind Energy Corporation	115.32	128.38
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	29.44	54.36
Reimbursement of expenses receivable	Subsidiary	Suzlon Generators Limited	0.02	29.90
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	1.81	–
	Subsidiary	AE Rotor Holding B.V.	36.36	–
	Subsidiary	SE Drive Technik GmbH	29.57	–
Corporate social welfare expenses	Entities where KMP/ RKMP has significant influence	Suzlon Foundation	0.20	0.60
Interest income	Subsidiary	AE Rotor Holding B.V.	136.11	179.44
	Subsidiary	SE Blades Limited	44.52	35.14
	Subsidiary	Suzlon Gujarat Windpark Limited	33.87	–
	Subsidiary	Suzlon Wind International Limited	15.75	45.29
Interest expense	Entities where KMP/ RKMP has significant influence	Tanti Holdings Private Limited	20.17	13.08
Lease rent income	Subsidiary	SE Electricals Limited	0.54	0.54
	Entities where KMP/ RKMP has significant influence	Synefra Infrastructures Limited	0.24	–
Rent expense	Entities where KMP/ RKMP has significant influence	Tanti Holdings Private Limited	0.18	0.18
		Samanvaya Holdings Pvt. Limited	0.12	0.12
		Suruchi Holdings Private Limited	0.18	0.18
		Sugati Holdings Private Limited	0.18	0.18
Miscellaneous income	Subsidiary	SE Blades Limited	–	0.25
	Subsidiary	Suzlon Energy Australia Pty. Ltd.	0.10	–
	Subsidiary	REpower Systems India Limited	0.32	–
	Subsidiary	SE Forge Limited	–	0.59
Remuneration paid	KMP	Tulsi R. Tanti	0.49	0.54
	KMP	Vinod R. Tanti	0.09	0.54
	RKMP	Nidhi T. Tanti	0.01	0.01
Contribution to various funds	Employee funds	Suzlon Energy Limited - Superannuation Fund	0.32	0.18
	Employee funds	Suzlon Energy Limited - Employees Group Gratuity Scheme	6.95	0.06
Guarantees given on behalf of	Subsidiary	Suzlon Wind Energy Corporation	–	101.75
	Subsidiary	Suzlon Energy A/S	–	117.69
	Subsidiary	Suzlon Energy B.V.	–	152.63
	Subsidiary	Suzlon Energia Elocia do Brazil Ltda	–	136.06

* refer note 7(i)(e)

Disclosures as required by Clause 32 of the Listing Agreement with Stock Exchanges

Type of relationship	Name	Amount outstanding as at March 31, 2013	Maximum amount outstanding during the year
Subsidiaries	Suzlon Power Infrastructure Limited	161.38	161.38
	Suzlon Gujarat Wind Park Limited	328.30	328.30
	SE Blades Limited	485.48	485.56
	Suzlon Wind International Limited	250.57	389.48
	SE Electricals Limited	167.92	167.92
	Suzlon Rotor Corporation	13.73	13.73
	AE Rotor Holding B.V.	1,912.93	3,031.02
	Suzlon Energy A/S	91.55	91.55
	SISL Green Power Limited	0.26	0.26
	Suzlon Generator Ltd.	2.50	2.50
	Suzlon Structures Ltd.	4.10	4.28
Companies in which directors are interested	Aspen Infrastructures Limited	50.00	50.00

Note :

- All the above balances of loans are excluding accrued interest aggregating Rs 280.29 Crore (Rs 315.70 Crore) and are payable on demand/as per agreement.
- 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.

35. Capital and other commitments

Particulars	March 31, 2013	March 31, 2012
Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances	95.67	288.90

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, 2013	March 31, 2012
Guarantees given on behalf of subsidiaries in respect of loans granted to them by banks/financial institutions	861.44	3,259.08
Tax related matters pending in appeal*	82.83	41.70
Compensation payable in lieu of bank sacrifice	103.06	–
Others	11.55	5.79

* 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. The 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 borrowers have provided certain security in relation to Stand-by Letter of Credit ("SBLC") issued by lenders for securing covered bonds issued by AE Rotor Holding B.V. a wholly owned subsidiary. The Borrowers are also obliged to provide corporate guarantee of USD 117.45 Million in relation to above SBLC to certain lenders.

37. Derivative instruments and unhedged foreign currency exposure

a. Derivative instruments

i. Forward contract outstanding as at balance sheet date:

	Purpose
Buy Euro Nil (Euro 3,138,888)	Hedge of forex Euro liabilities
Buy Euro Nil (Euro 1,703,433)	Hedge of forex USD liabilities



ii. **Principal only currency swaps contracts outstanding as at balance sheet date:**

	Purpose
USD Nil (USD 19,290,889)	Hedge of forex USD receivable
EUR Nil (EUR 50,386,523)	Hedge of forex EUR loan given

b. **Unhedged foreign currency exposure**

	March 31, 2013	March 31, 2012
Current liabilities	2,252.90	3,596.97
Foreign currency convertible bonds	2,719.15	3,327.42
Loans payable	92.99	516.28
Debtors	199.41	866.25
Loans receivable	2,159.00	3,248.79
Bank balance in current and term deposit accounts	0.50	7.47
Investments in overseas subsidiaries	8,122.38	8,122.38

38. **Details of dues to micro and small enterprises as defined under MSMED Act, 2006**

Particulars	March 31, 2013	March 31, 2012
Principal amount remaining unpaid to any supplier as at the end of the year	14.80	8.08
Interest due on the above amount	1.89	0.37
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	34.69	50.34
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under this Act	3.20	1.95
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	5.09	2.32

*Interest payable as per section 16 of the Micro, Small and medium Enterprises Development, 2006, for the year is Rs 5.09 Crore (Rs 2.32 Crore). The same has not been accrued in the books of the company as amount is not contractually payable.

39. **Additional information pursuant to the provisions of paragraph 5 (viii) (a), (b), (c), (d) and (e) of part II of the revised Schedule VI of the Companies Act, 1956**

a. **Value of imports calculated on CIF basis**

	March 31, 2013	March 31, 2012
Raw materials	872.53	2,356.00
Stores and spares	0.80	19.40
Capital goods	157.31	16.20
Total	1,030.64	2,391.60

b. **Expenditure in foreign currency (accrual basis)**

Particulars	March 31, 2013	March 31, 2012
Consultancy	15.31	42.22
R & D, certification and product development and quality assurance	158.40	167.07
Interest and bank charges	148.76	78.17
Design change and technical up gradation charges	16.93	69.89
Performance guarantee expenses	—	1.10
Operations and maintenance charges	89.39	97.46
Freight outward	134.42	16.82
Expenses incurred towards issue of debt and equity of the Company	—	11.35
Others	12.83	8.79
Total	576.04	492.87

c. **Imported and indigenous raw materials, components and spare parts consumed**

	Raw materials				Stores and spares			
	March 31, 2013		March 31, 2012		March 31, 2013		March 31, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Imported	1,139.31	67.04	2,341.85	52.17	5.25	12.60	4.04	10.45
Indigenous	560.14	32.96	2,146.79	47.83	36.41	87.40	34.63	89.55
Total	1,699.45	100.00	4,488.64	100.00	41.66	100.00	38.67	100.00

d. **Details of raw material consumed**

	March 31, 2013	March 31, 2012
Gear Box	106.21	614.35
Others	1,593.24	3,874.29
Total	1,699.45	4,488.64

e. **Details of raw material inventory**

	March 31, 2013	March 31, 2012
Gear Box	49.14	52.26
Others	574.17	833.53
Total	623.31	885.79

f. **Earnings in foreign currency (accrual basis)**

	March 31, 2013	March 31, 2012
FOB value of exports	350.30	45.90
Interest on loans	142.29	185.05
Total	492.59	230.95

40. **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 46 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 loss aggregating Rs 189.39 Crore (Rs 217.69 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 165.47 Crore (Rs 91.62 Crore) have been amortised during the year.

41. **Prior year amounts have been reclassified wherever necessary to conform with current year presentation.**

42. **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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

per Arvind Sethi
Partner
Membership No. : 89802

Hemal A. Kanuga
Company Secretary

Amit Agarwal
Chief Financial Officer

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013



SECTION 212 REPORT

Statement pursuant to Section 212(8) of the Companies, Act, 1956 related to Subsidiary Companies

(Amount Rs in Crore)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Issued and subscribed share capital	Reserves	Total assets	Total liabilities	Investments in other than subsidiaries	Turnover	Profit/(loss) before taxation	Provision for taxation & deferred tax	Profit/(loss) after taxation	Proposed dividend equity	Country
1	AE-Rotor Holding B.V.	EURO	4,417.50	3,363.62	13,811.23	13,811.23	–	65.15	(101.84)	–	(101.84)	–	The Netherlands
2	Parque Eolico El Almendro S.L.	EURO	0.02	–	0.02	0.02	–	–	–	–	–	–	Spain
3	PowerBlades GmbH	EURO	4.34	(150.55)	128.13	128.13	–	427.30	(52.25)	0.01	(52.26)	–	Germany
4	PowerBlades SA	EURO	0.35	23.96	157.39	157.39	–	16.11	2.96	0.75	2.21	–	Portugal
5	PowerBlades Industries Inc.	CAD	–	(0.13)	0.66	0.66	–	–	(0.13)	–	(0.13)	–	Canada
6	REpower Australia Pty Ltd (Formerly known as Renewable Energy Contractors Australia Pty Ltd.)	AUD	–	(21.92)	194.27	194.27	–	222.12	11.77	(1.15)	12.92	–	Australia
7	RECA Holdings Pty Ltd (Formerly known as REpower Australia Pty Ltd)	AUD	0.00	(24.08)	197.57	197.57	0.00	37.75	(2.18)	(0.89)	(1.29)	–	Australia
8	REpower Benelux b.v.b.a.	EURO	0.17	4.31	8.59	8.59	–	24.44	1.32	0.46	0.86	–	Belgium
9	REpower Betriebs – und Beteiligungs GmbH	EURO	0.18	0.04	0.29	0.29	0.01	0.03	0.04	–	0.04	–	Germany
10	REpower Espana S.L.	EURO	2.39	(5.16)	0.48	0.48	–	0.14	(0.16)	0.11	(0.27)	–	Spain
11	REpower Investitions - und Projektierungs GmbH & Co. KG	EURO	(0.16)	0.01	0.03	0.03	–	–	(0.04)	–	(0.04)	–	Germany
12	REpower Italia s.r.l	EURO	0.35	1.43	8.35	8.35	0.00	62.62	3.70	2.05	1.65	–	Italy
13	REpower North China Ltd.	RMB	158.21	(34.55)	193.95	193.95	–	52.92	(12.63)	0.52	(13.15)	–	China
14	REpower Portugal - Sistemas Eolicos, S.A.	EURO	0.70	56.89	73.44	73.44	0.00	28.45	1.92	0.22	1.70	–	Portugal
15	REpower S.A.S.	EURO	3.82	45.03	86.28	86.28	0.28	122.82	7.77	4.43	3.34	–	France
16	REpower Systems DTE Romania SRL	RON	0.36	(0.25)	0.24	0.24	–	–	(0.25)	–	(0.25)	–	Romania
17	REpower Systems India Limited	INR	0.25	(0.01)	0.64	0.64	–	8.18	(0.01)	–	(0.01)	–	India
18	REpower Systems GmbH	EURO	0.17	17.38	72.22	72.22	–	205.25	(0.91)	0.16	(1.07)	–	Germany
19	REpower Systems Inc	Can-\$	58.73	(1.15)	83.22	83.22	–	84.79	7.93	2.57	5.36	–	Canada
20	REpower Systems Northern Europe A/S	EURO	0.49	0.23	20.35	20.35	–	45.07	6.75	–	6.75	–	Denmark
21	REpower Systems Polska Sp.zo.o	PLN	0.17	2.26	2.20	2.20	–	5.94	0.31	0.11	0.20	–	Poland
22	REpower Systems Scandinavia AB	SEK	0.08	1.00	4.78	4.78	–	9.82	0.48	0.12	0.36	–	Sweden
23	REpower Systems SE	EURO	64.10	2,518.04	9,016.83	9,016.83	253.27	13,628.72	(220.05)	(9.30)	(210.75)	–	Germany
24	REpower UK Ltd.	GBP	3.46	20.89	39.02	39.02	–	126.18	5.56	–	5.56	–	United Kingdom
25	REpower USA Corp .	USD	1.36	(2.06)	59.57	59.57	0.54	142.16	11.34	4.55	6.79	–	USA
26	REpower Windpark Betriebs GmbH	EURO	0.17	–	0.19	0.19	–	0.02	0.00	(0.00)	0.00	–	Germany
27	REpower Wind Systems Trading Inc.	RMB	0.54	0.56	1.38	1.38	–	4.63	0.35	0.16	0.19	–	China
28	RETC Renewable Energy Technology Centre	EURO	0.17	17.82	20.57	20.57	–	24.36	3.66	0.01	3.65	–	Germany
29	RiaBlades S.A.	EURO	0.35	(26.83)	260.09	260.09	–	425.82	10.35	0.32	10.03	–	Portugal
30	RPW Investments SGPS,SA	EURO	2.62	713.85	725.44	725.44	–	–	83.53	0.07	83.46	–	Portugal
31	SE Blades Limited	INR	538.98	(336.83)	1,207.96	1,207.96	–	234.61	(128.21)	–	(128.21)	–	India
32	SE Blades Technology B.V.	EURO	0.13	7.73	194.93	194.93	–	201.09	16.70	2.61	14.09	–	The Netherlands
33	SE Drive Technik GmbH	EURO	0.17	2,112.01	9,318.57	9,318.57	–	–	(431.91)	–	(431.91)	–	Germany
34	SE Electricals Limited	INR	95.90	13.24	555.57	555.57	–	197.10	(4.20)	1.26	(5.46)	–	India
35	SE Forge Limited	INR	241.25	(235.93)	873.20	873.20	–	128.39	(160.58)	–	(160.58)	–	India
36	SE Solar Limited	INR	1.00	(1.03)	–	–	–	–	(0.01)	–	(0.01)	–	India
37	SISL Green Infra Limited	INR	0.05	(0.31)	0.04	0.04	–	–	(0.04)	–	(0.04)	–	India
38	Sure Power LLC	USD	–	(0.62)	15.38	15.38	–	–	(0.42)	–	(0.42)	–	USA
39	Suzlon Energia Elocia do Brazil Ltda	BRL	1.00	(369.06)	2,058.28	2,058.28	–	28.03	(270.98)	13.50	(284.48)	–	Brazil
40	Suzlon Energy (Tianjin) Limited	RMB	356.73	47.38	723.37	723.37	–	16.54	(36.34)	–	(36.34)	–	PR China
41	Suzlon Energy A/S	EURO	531.62	(326.44)	1,538.66	1,538.66	7.17	36.43	(71.23)	–	(71.23)	–	Denmark
42	Suzlon Energy Australia CYMWFD Pty Ltd	AUD	–	(0.14)	0.58	0.58	–	–	(0.03)	–	(0.03)	–	Australia
43	Suzlon Energy Australia Pty. Ltd.	AUD	31.39	(267.62)	777.84	777.84	–	98.35	(23.47)	–	(23.47)	–	Australia
44	Suzlon Energy Australia RWFD Pty Ltd	AUD	0.00	(7.57)	2.39	2.39	–	–	(2.53)	–	(2.53)	–	Australia
45	Suzlon Energy B.V.	USD	37.54	(180.61)	715.02	715.02	–	230.71	(109.42)	–	(109.42)	–	The Netherlands
46	Suzlon Energy Chile Limitada	CLP	0.53	(3.04)	0.04	0.04	–	–	(0.25)	(0.10)	(0.15)	–	Chile
47	Suzlon Energy GmbH	EURO	0.17	194.89	323.17	323.17	–	322.95	(3.04)	6.01	(9.05)	–	Germany
48	Suzlon Energy Korea Co., Ltd.	KRW	0.47	(0.47)	–	–	–	–	–	–	–	–	Republic of South Korea
49	Suzlon Energy Limited	EURO	8,280.15	(10.72)	8,275.09	8,275.09	–	–	38.24	–	38.24	–	Mauritius
50	Suzlon Generators Limited	INR	76.28	(36.63)	112.72	112.72	–	41.27	(1.19)	1.99	(3.18)	–	India
51	Suzlon Gujarat Wind Park Limited	INR	245.92	(691.86)	707.37	707.37	0.00	343.60	(406.36)	–	(406.36)	–	India

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Issued and subscribed share capital	Reserves	Total assets	Total liabilities	Investments in other than subsidiaries	Turnover	Profit/ (loss) before taxation	Provision for taxation & deferred tax	Profit/ (loss) after taxation	Proposed dividend equity	Country
52	Suzlon North Asia Ltd	HKD	0.32	(0.34)	–	–	–	–	(0.03)	–	(0.03)	–	Hong Kong
53	Suzlon Power Infrastructure Limited	INR	3.01	(107.69)	321.20	321.20	–	115.04	(81.35)	1.73	(83.08)	–	India
54	Suzlon Project VIII LLC	USD	–	(3.40)	32.38	32.38	–	–	(2.62)	–	(2.62)	–	USA
55	Suzlon Rotor Corporation	USD	0.01	(125.89)	36.07	36.07	–	162.76	(48.59)	–	(48.59)	–	USA
56	Suzlon Structures Limited	INR	29.37	19.36	162.69	162.69	0.00	102.02	(12.02)	2.26	(14.28)	–	India
57	Suzlon Wind Energy (Lanka) Pvt Limited	LKR	–	–	–	–	–	–	–	–	–	–	Sri Lanka
58	Suzlon Wind Energy bH	BAM	0.01	(0.39)	0.01	0.01	–	–	(0.17)	–	(0.17)	–	Bosnia and Herzegovina
59	Suzlon Wind Energy Bulgaria EOOD	BGN	0.00	0.97	7.73	7.73	–	2.36	0.48	0.03	0.45	–	Bulgaria
60	Suzlon Wind Energy Corporation	USD	0.01	205.55	1,785.99	1,785.99	–	1,297.50	(112.92)	7.45	(120.37)	–	USA
61	Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd.	RMB	13.01	(13.99)	6.43	6.43	–	8.52	0.14	–	0.14	–	China
62	Suzlon Wind Energy Espana, S.L	EURO	0.02	47.80	660.87	660.87	0.02	76.96	4.46	–	4.46	–	Spain
63	Suzlon Wind Energy Italy s.r.l.	EURO	0.07	2.04	16.46	16.46	–	4.32	0.23	0.14	0.09	–	Italy
64	Suzlon Wind Energy Limited	EURO	6,645.76	1,618.72	8,264.68	8,264.68	–	–	(107.53)	–	(107.53)	–	United Kingdom
65	Suzlon Wind Energy Nicaragua Sociedad Anonima	EURO	–	(2.59)	16.54	16.54	–	5.23	(4.78)	0.07	(4.85)	–	Nicaragua
66	Suzlon Wind Energy Portugal Energia Elocia Unipessoal Lda	EURO	15.64	(35.95)	111.68	111.68	–	17.05	(0.20)	0.02	(0.22)	–	Portugal
67	Suzlon Wind Energy Romania SRL	RON	0.00	2.97	4.89	4.89	–	6.50	2.37	0.31	2.06	–	Romania
68	Suzlon Wind Energy South Africa (PTY) Ltd	ZAR	0.00	(28.26)	223.60	223.60	–	–	(21.54)	–	(21.54)	–	South Africa
69	Suzlon Wind Enerji Sanayi Ve Ticaret Limited Sirketi	TRY	0.01	2.44	12.79	12.79	–	23.33	0.89	0.24	0.65	–	Turkey
70	Suzlon Wind International Limited	INR	203.30	88.25	2,016.21	2,016.21	0.00	670.61	(553.86)	(0.19)	(553.67)	–	India
71	Suzlon Windenergie GmbH	EURO	0.17	2,401.43	2,437.57	2,437.57	–	–	–	–	–	–	Germany
72	Tarilo Holding B.V.	EURO	0.13	101.00	106.82	106.82	–	–	(96.49)	–	(96.49)	–	The Netherlands
73	Valum Holding B.V.	EURO	0.13	(2.09)	47.06	47.06	–	–	(0.40)	–	(0.40)	–	The Netherlands
74	Ventipower S.A.	EURO	0.35	3.09	84.19	84.19	–	105.99	3.39	2.05	1.34	–	Portugal
75	WEL Windenergie Logistik GmbH	EURO	0.17	1.95	3.29	3.29	–	–	(0.15)	(0.20)	0.05	–	Germany
76	Windpark Blockland GmbH & Co KG	EURO	(9.08)	9.10	1.40	1.40	–	0.95	0.02	–	0.02	–	Germany
77	Yorke Peninsular Wind Farm Project Pty Ltd (Ceres)	AUD	8.63	(20.17)	4.11	4.11	–	–	(14.12)	–	(14.12)	–	Australia
78	Avind Desenvolvimento De Projetos De Energia Ltda	BRL	0.00	(0.01)	0.01	0.01	–	–	–	–	–	–	Brazil

* Amount below Rs 0.01 crore

Note:

The Exchange rates as on March 31, 2013 - (USD 1.00 = Rs 54.2925, AUD 1.00 = Rs 56.5646, DKK 1.00 = Rs 9.3262, EURO 1.00 = Rs 69.5188, BRL 1.00 = Rs 26.9971, KRW(Korea) 1.00 = Rs 0.0488, GBP 1.00 = Rs 82.1147, RMB (China) 1.00 = Rs 8.7367, TRY 1.00 = Rs 29.9157, HKD 1.00 = Rs 6.9927, RON 1.00 = Rs 15.7418, Can \$ 1.00 = Rs 53.3898, BAM 1 = Rs 35.5259, ZAR 1 = Rs 5.8791, CLP 1 = Rs 0.1149, SEK 1 = Rs 8.3203, PLN 1 = Rs 16.6297, BGN 1 = Rs 35.5457, LKR 1.00 = Rs 0.4283)

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

Tulsi R. Tanti
Chairman & Managing Director

Vinod R. Tanti
Director

Hemal A. Kanuga
Company Secretary

Amit Agarwal
Chief Financial Officer

Place : Pune
Date : May 30, 2013



Consolidated Financial Statements

Independent Auditor's Report

To the Board of Directors of Suzlon Energy Limited

1. We, SNK & Co. and S. R. BATLIBOI & Co. LLP, have audited the accompanying consolidated financial statements of Suzlon Energy Limited ("the Company") and its subsidiaries as described in Note 2.2 (together referred to as the 'Group'), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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 judgement, 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 control relevant to the Company's preparation and presentation 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 management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter on use of Going Concern assumption

5. We draw attention to Note 4 of the accompanying consolidated financial statements in respect of material uncertainty about the Company's ability to continue as a going concern which is in part dependent on the successful outcome of the discussions with the FCCB holders. Our opinion is not qualified in respect of this matter.

Emphasis of Matter on Contingencies and Litigations

6. We draw attention to Note 5 to Note 7 of the consolidated financial statements in respect of various contingencies and litigations, the outcome of which is materially uncertain and cannot be determined currently. Our opinion is not qualified in respect of these matters.

Other Matters

7. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 11,181.56 Crore as at March 31, 2013, total revenue of Rs. 15,767.07 Crore and total cash flows of Rs. (298.23) Crore for year ended March 31, 2013. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our opinion is not qualified in respect of this matter.
8. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 1,362.35 Crore as at March 31, 2013, total revenue of Rs. 215.08 Crore and total cash flows of Rs. (207.48) Crore for year ended March 31, 2013. These financial statements and other financial information have been certified by Management, and our opinion on the consolidated financial statements, to the extent they have been derived from such financial statements is based solely on such Management certified financial statements. 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 : Pune
Date : May 30, 2013

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

per Arvind Sethi
Partner
Membership No. : 89802

Place : Pune
Date : May 30, 2013



Consolidated balance sheet as at March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	As at	As at
		March 31, 2013	March 31, 2012
Equity and liabilities			
Shareholders' funds			
(i) Share capital	9	355.47	355.47
(ii) Reserves and surplus	10	(35.06)	4,622.66
		320.41	4,978.13
Share application money, pending allotment (refer note 9 (ii))		581.67	–
Preference shares issued by subsidiary company		5.94	5.94
Minority interest		78.11	82.78
Non-current liabilities			
(i) Long-term borrowings	11	10,857.66	7,364.72
(ii) Deferred tax liabilities (net)		558.50	463.55
(iii) Other long term liabilities	12	89.26	143.07
(iv) Long-term provisions	13	264.72	259.70
		11,770.14	8,231.04
Current liabilities			
(i) Short-term borrowings	14	2,834.69	3,583.54
(ii) Trade payables		4,650.94	5,806.57
(iii) Other current liabilities	15	7,091.57	7,156.05
(iv) Due to customers		200.15	309.43
(v) Short-term provisions	13	1,473.28	2,273.80
		16,250.63	19,129.39
		29,006.90	32,427.28
Assets			
Non-current assets			
(i) Fixed assets	16		
(a) Tangible assets		3,431.09	3,918.81
(b) Intangible assets		8,644.59	8,313.91
(c) Capital work-in-progress		306.27	369.37
(ii) Non-current investments	17	35.69	33.27
(iii) Deferred tax assets (net)		9.94	21.61
(iv) Long-term loans and advances	18	672.22	903.60
(v) Long-term trade receivables	20.1	713.09	24.92
(vi) Other non-current assets	20.2	503.12	368.47
		14,316.01	13,953.96
Current assets			
(i) Current investments	17	-	63.98
(ii) Inventories	21	5,263.83	5,579.80
(iii) Trade receivables	20.1	2,732.36	5,315.29
(iv) Cash and bank balance	22	1,959.12	2,632.48
(v) Short-term loans and advances	18	1,548.88	1,664.06
(vi) Due from customers	23	2,936.41	2,860.77
(vii) Other current assets	20.2	250.29	356.94
		14,690.89	18,473.32
		29,006.90	32,427.28
Summary of significant accounting policies	2.1		

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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

per Arvind Sethi
Partner
Membership No. : 89802

Hemal A. Kanuga
Company Secretary

Amit Agarwal
Chief Financial Officer

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013

Statement of consolidated profit and loss for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	Notes	March 31, 2013	March 31, 2012
Continuing operations			
Income			
Revenue from operations	23	18,743.14	21,082.37
Other operating income		170.39	276.84
		18,913.53	21,359.21
Expenses			
Cost of materials consumed	24	14,136.60	13,623.46
Increase/decrease in inventories of finished goods, work-in-progress and stock-in-trade		(496.99)	450.27
Employee benefits expense	25	2,132.70	2,008.61
Other expenses	26	4,437.71	3,455.67
		20,210.02	19,538.01
Earnings/ (loss) before interest, depreciation, tax and exceptional items (EBITDA)		(1,296.49)	1,821.20
Depreciation / amortisation	16	740.47	661.23
Earnings/ (loss) before interest, tax and exceptional items (EBIT)		(2,036.96)	1,159.97
Finance costs	27	1,854.85	1,654.74
Finance income	28	152.16	125.74
Earnings/ (loss) before tax before exceptional items		(3,739.65)	(369.03)
Less : Exceptional items	29	642.98	(227.24)
Profit/ (loss) before tax		(4,382.63)	(141.79)
Loss from continuing operations before tax		(4,218.68)	(28.21)
Tax expense	30	349.32	330.80
Loss from continuing operations after tax		(4,568.00)	(359.01)
Share in associate's profit/(loss) after tax		—	(33.29)
Share of loss of minority		7.99	27.30
Net loss from continuing operations	(A)	(4,560.01)	(365.00)
Loss from discontinuing operations before tax (refer note 31)		(163.95)	(113.58)
Tax expense		—	—
Loss from discontinuing operations after tax	(B)	(163.95)	(113.58)
Net profit/ (loss) for the year	C = (A)+(B)	(4,723.96)	(478.58)
Earnings/ (loss) per equity share:	29		
- Basic and diluted [Nominal value of share Rs 2 (Rs 2)]		(26.58)	(2.69)
Summary of significant accounting policies	2.1		

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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

Place: Pune
Date: May 30, 2013

per Arvind Sethi
Partner
Membership No. : 89802

Place: Pune
Date: May 30, 2013

Hemal A. Kanuga
Company Secretary

Place: Pune
Date: May 30, 2013

Amit Agarwal
Chief Financial Officer



Consolidated cash flow statement for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Loss before tax	(3,739.65)	(369.03)
Adjustments for:		
Depreciation / amortisation	740.47	661.23
Loss on assets sold / discarded, net	23.17	9.92
Loss on sale of investments, net	–	2.20
Interest income	(152.14)	(124.74)
Interest expenses	1,518.36	1,379.12
Dividend income	(0.02)	(1.00)
Compensation in lieu of bank sacrifice	22.83	–
Operation, maintenance and warranty expenditure	258.19	172.23
Liquidated damages expenditure	101.26	104.26
Performance guarantee expenditure	192.17	86.42
Bad debts written off	6.49	7.25
Provision for doubtful debts and advances	143.84	125.02
Adjustments for consolidation*	60.65	(45.00)
Exchange differences, net	348.11	134.92
Employee stock option scheme	1.59	3.86
Wealth-tax	0.02	0.01
Operating profit / (loss) before working capital changes	(474.66)	2,146.67
Movements in working capital		
(Increase) / decrease in trade receivables and unbilled revenue	1,312.54	(2,417.83)
Decrease / (increase) in inventories	315.97	(228.24)
Decrease / (increase) in loans and advances and other assets	76.31	(244.68)
(Decrease) / increase in trade payables, current liabilities and provisions	(640.34)	1,670.89
Cash used in operating activities	589.82	926.81
Direct taxes paid (net of refunds)	(34.13)	(88.16)
Net cash generated from operating activities (A)	555.69	838.65
Cash flow from investing activities		
Payment for purchase of fixed assets	(689.99)	(894.72)
Sale of fixed assets	41.86	50.68
Paid for acquisition of subsidiaries	–	(694.50)
Proceeds on sale of stake in associates	173.42	876.68
Purchase of investments	–	(25.46)
Sale / redemption of investments	63.97	88.22
Inter-corporate deposits granted	(35.78)	(130.24)
Interest received	117.35	80.16
Dividend received	0.02	1.00
Net cash used in from investing activities (B)	(329.15)	(648.18)

Consolidated cash flow statement for the year ended March 31, 2013

All amounts in Rupees Crore unless otherwise stated

Particulars	March 31, 2013	March 31, 2012
Cash flow from financing activities		
Proceeds from covered bonds	3,512.83	—
Share application money**	22.00	—
Proceeds received from minority	—	10.33
Proceeds from long term borrowings	2,302.16	998.61
Repayment of long term borrowings	(2,903.26)	(898.81)
Proceeds / (repayment) from short term borrowings, net	(684.60)	997.45
Repayment of long FCCB	(1,371.33)	—
Premium paid on FCCB	(630.15)	—
Convertible bond and share issue expenses	(36.14)	(13.09)
Interest paid	(1,112.68)	(1,339.07)
Dividend paid	—	(4.42)
Net cash used in from financing activities (C)	(901.17)	(249.00)
Net increase in cash and cash equivalents (A+B+C)	(674.63)	(58.53)
Add: Cash and bank balances taken over on acquisition of subsidiary	(0.62)	—
Add/(less): Effect of exchange difference on cash and cash equivalents	1.89	5.06
Total	(673.36)	(53.48)
Cash and cash equivalents at the beginning of year	2,632.48	2,685.96
Cash and cash equivalents at the end of year	1,959.12	2,632.48
	As at	As at
Components of cash and cash equivalents	March 31, 2013	March 31, 2012
Cash on hand	1.20	1.41
Cheques on hand	—	33.26
With scheduled and non scheduled banks		
In current accounts***	883.21	1,474.11
In term deposits	1,074.71	1,123.70
	1,959.12	2,632.48

Summary of significant accounting policies

2.1

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.

**Out of total share application money of Rs 581.57 Crore, Rs 22.00 Crore has been received in cash and the balance is through conversion of liabilities.

***Includes a balance of Rs 0.17 crore (Rs 0.19 crore) not available for use by the Group as they represent corresponding unpaid dividend liabilities.

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

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

Tulsi R. Tanti
Chairman and Managing
Director

Vinod R. Tanti
Director

per Sanjay Kapadia
Partner
Membership No. : 38292

per Arvind Sethi
Partner
Membership No. : 89802

Hemal A. Kanuga
Company Secretary

Amit Agarwal
Chief Financial Officer

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013

Place: Pune
Date: May 30, 2013



Notes to consolidated financial statements for the year ended March 31, 2013

1. Corporate information

Suzlon Energy Limited ('SEL' or 'the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ('the Act'). 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, associates and joint venture (together referred to as 'Suzlon' or 'the Group'). 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 to comply in all material respects, with the mandatory accounting standards as notified by the Companies (Accounting Standards) Rules, 2006 as amended ('the Rules') and the relevant provisions of the Companies Act, 1956 ('the Act'). 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').

2.1 Summary of significant accounting policies

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 independent 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 losses;

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 management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of incomes and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

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 capitalization 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 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.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company 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 company 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 difference.

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 recognized in the statement of profit and loss when the asset is derecognised.

d. Depreciation on tangible fixed assets

Depreciation is provided on the written down value method ('WDV'), pro-rata to the period of use of assets and is based on management's estimate of useful lives of the fixed assets or at rates specified by respective statutes, whichever is higher. Leasehold land is amortized 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 amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized 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 amortization period and the amortization 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 amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization 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 recognized 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 recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Intangible assets are amortized on a straight line basis over the estimated useful economic life which is not exceeding five years.

f. Leases

a. Where the Group is 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 recognized 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 recognized immediately in the statement of profit and loss.

b. Where the Group is 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 recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss.

g. Borrowing costs

Borrowing cost includes interest and amortization 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 capitalized 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 recognized 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 recognized 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 recognized 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 other than in associates are carried at cost. However, provision for diminution is made to recognise a decline, other than temporary, in the value of long term 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; spares and consumables; packing materials; semi-finished goods; 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.

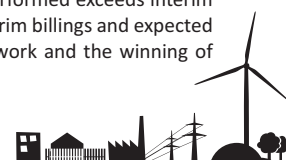
Sales

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-of 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 income statement 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 generation income

Power generation income is recognised based on electrical units generated and sold, net of wheeling and transmission loss, as applicable, as disclosed in the power generation reports issued by the concerned authorities.

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 capitalized and depreciated over the remaining useful life of the asset. For this purpose, 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 recognized as income or as expenses 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 company 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 amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts are recognized 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 recognized 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 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 recognized directly in equity is recognized 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 recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized 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 realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized 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 recognized 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 realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realized.



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 realized. 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 recognizes 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 recognizes 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 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 recognized, together with a corresponding increase in the "Employee stock options outstanding" account in reserves and surplus. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized 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 recognized 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 recognized because it cannot be measured reliably. The Group does not recognize 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 in hand, cheques on hand and short-term investments with an original maturity of three months or less.

v. Measurement of EBITDA and EBIT

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

2.2 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,	
		2013	2012
AE-Rotor Holding B.V.	The Netherlands	100.00%	100.00%
Cannon Ball Wind Energy Park-I, LLC ⁽¹⁾	USA	—	100.00%
Parque Eolico El Almendro S.L.	Spain	100.00%	100.00%
PowerBlades GmbH	Germany	100.00%	100.00%
PowerBlades SA	Portugal	100.00%	100.00%
REpower Australia Pty Ltd. (Formerly known as Renewable Energy Contractors Australia Pty Ltd.)	Australia	100.00%	100.00%
RECA Holdings Pty Ltd (Formerly known as REpower Australia Pty Ltd)	Australia	100.00%	100.00%
REpower Benelux b.v.b.a.	Belgium	100.00%	100.00%
REpower Betriebs – und Beteiligungs GmbH	Germany	100.00%	100.00%
REpower Espana S.L.	Spain	100.00%	100.00%
REpower Investitions – und Projektierungs GmbH & Co. KG	Germany	100.00%	100.00%
REpower Italia s.r.l	Italy	100.00%	100.00%
REpower North China Ltd.	China	54.42%	54.42%
REpower Portugal - Sistemas Eolicos, S.A.	Portugal	100.00%	100.00%
REpower S.A.S.	France	100.00%	100.00%
REpower Systems DTE Romania SRL	Romania	100.00%	—
REpower Systems India Limited	India	100.00%	—
REpower Systems GmbH	Germany	100.00%	100.00%
REpower Systems Inc	Canada	100.00%	100.00%
REpower Systems Northern Europe A/S	Denmark	100.00%	100.00%
REpower Systems Polska Sp.z o.o	Poland	100.00%	100.00%
REpower Systems Scandinavia AB	Sweden	100.00%	100.00%
REpower Systems SE	Germany	100.00%	100.00%
REpower UK Ltd.	United Kingdom	100.00%	100.00%
REpower USA Corp.	USA	100.00%	100.00%
REpower Windpark Betriebs GmbH	Germany	100.00%	100.00%
REpower Wind Systems Trading Inc.	China	100.00%	100.00%
RETC Renewable Energy Technology Centre	Germany	100.00%	100.00%
RiaBlades S.A. ⁽⁴⁾	Portugal	—	—
RPW Investments, SGPS, S.A.	Portugal	100.00%	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%
SE Solar Limited	India	100.00%	100.00%
SISL Green Infra Limited	India	100.00%	100.00%
Sure Power LLC	USA	100.00%	100.00%

Name of the subsidiary	Country of incorporation	Effective ownership in subsidiaries as at March 31,	
		2013	2012
Suzlon Energia Eloica do Brasil Ltda	Brazil	100.00%	100.00%
Suzlon Energy (Tianjin) Limited	China	100.00%	100.00%
Suzlon Energy A/S	Denmark	100.00%	100.00%
Suzlon Energy Australia CYMWFD Pty Ltd.	Australia	100.00%	100.00%
Suzlon Energy Australia Pty. Ltd.	Australia	100.00%	100.00%
Suzlon Energy Australia RWFD Pty. Ltd.	Australia	100.00%	100.00%
Suzlon Energy B.V.	The Netherlands	100.00%	100.00%
Suzlon Energy Chile Limitada	Chile	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 Engitech Limited ⁽²⁾	India	–	100.00%
Suzlon Generators Limited	India	75.00%	75.00%
Suzlon Gujarat Wind Park Limited	India	100.00%	100.00%
Suzlon North Asia Ltd	Hong Kong	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	India	75.00%	75.00%
Suzlon Wind Energy (Lanka) Pvt Limited	Sri Lanka	100.00%	100.00%
Suzlon Wind Energy A/S ⁽³⁾	Denmark	–	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 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%
Ventipower S.A ⁽⁴⁾	Portugal	–	–
WEL Windenergie Logistik GmbH	Germany	100.00%	100.00%
Windpark Blockland GmbH & Co KG	Germany	100.00%	100.00%
Yorke Peninsula Wind Farm Project Pty Ltd	Australia	80.00%	80.00%

⁽¹⁾ Liquidated during the year

⁽²⁾ Sold during the year

⁽³⁾ Merged with Suzlon Energy A/s during the year

⁽⁴⁾ REpower holds 3% stakes in RiaBlades S.A and Ventipower S.A and obtained control on February 03, 2011 as part of purchase agreement for the remaining stake in 'REpower Portugal'.

2.3 List of subsidiaries 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,	
		2013	2012
REpower Geothermie GmbH*	Germany	—	100.00%
REpower Systems India Limited	India	—	100.00%
Avind Desenvolvimento De Projetos De Energia Ltda	Brazil	100.00%	—
PowerBlades Industries Inc.	Canada	100.00%	—
Eólica Faísas S.A.**	Brazil	—	99.90%
Eólica Faísas I – Geração E Comercialização De Energia S.A.**	Brazil	—	99.90%
Eólica Faísas II – Geração E Comercialização De Energia S.A.**	Brazil	—	99.90%
Eólica Faísas III – Geração E Comercialização De Energia S.A.**	Brazil	—	99.90%
Eólica Faísas IV – Geração E Comercialização De Energia S.A.**	Brazil	—	99.90%
Eólica Faísas V – Geração E Comercialização De Energia S.A.**	Brazil	—	99.90%

* Liquidated during the year.

** Sold during the year.

2.4 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, 2013	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	408.63 (386.58)	55.19% (58.46%)
Accumulated depreciation	Some of the subsidiaries have provided depreciation on straight line method as against the written down value method followed by the Company	1,846.39 (1,475.68)	56.94% (57.51%)
Employee compensation expenses for stock option	Some of the subsidiaries have accounted stock options granted to employees using the fair value method as against the intrinsic value method followed by the Company	0.99 (3.45)	62.08% (89.37%)

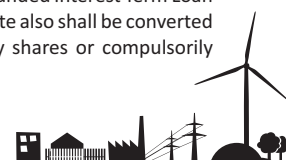
3. Corporate debt restructuring

The Company along with its 7 identified domestic subsidiaries viz : Suzlon Structures Limited ('SSL'), Suzlon Power Infrastructure Limited ('SPIL'), Suzlon Generators Limited ('SGL'), Suzlon Gujarat Wind Park Limited ('SGWPL'), SE Electricals Limited ('SEEL'), Suzlon Wind International Limited ('SWIL') and SE Blades Limited ('SEBL') hereinafter collectively referred to as the 'Borrowers' and individually as the 'Borrower', has availed various financial facilities from the secured lenders.

At the request of the Borrowers, the Corporate Debt Restructuring Proposal ('CDR Proposal') of the Borrowers was referred to Corporate Debt Restructuring Cell ("CDR Cell") by the consortium of senior lenders led by the State Bank of India. The CDR Proposal as recommended by State Bank of India, the lead lender and approved by lenders who are members of CDR Cell hereinafter referred to as the 'CDR Lenders' was approved by CDR Empowered Group ('CDR EG') on December 31, 2012 and communicated vide Letter of Approval dated January 23, 2013, as amended/modified time to time. The cut off date for CDR Proposal was October 01, 2012. The Master Restructuring Agreement ('MRA') between the Borrowers and the CDR Lenders has been executed, by virtue of which the restructured facilities are governed by the provisions specified in the MRA having cut off date of October 01, 2012.

The key features of the CDR Proposal are as follows:

- 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.
- Conversion of various irregular/outstanding/devolved financial facilities into Working Capital Term Loan ('WCTL'). Repayment of WCTL after moratorium of 2 year from cut off date in 32 structured quarterly instalments commencing from December 2014 to September 2022, subject to mandatory prepayment obligation on realisation of proceeds from certain asset sale and capital infusion.
- Restructuring of existing fund based and non fund based financial facilities, subject to renewal and reassessment every year.
- Interest accrued but not paid on certain financial facilities till cut off date shall be converted into Funded Interest Term Loan ('FITL'). The interest payable on RTL and WCTL during moratorium period of 2 years from cut off date also shall be converted to FITL. FITL shall be considered as convertible facilities which shall be converted into equity shares or compulsorily convertible debentures in accordance with MRA.



- The rate of interest on RTL, WCTL, FITL and fund based working capital facilities shall be 11% with annual reset option in accordance with MRA.
- Waiver of existing events of defaults, penal interest and charges etc in accordance with MRA.
- Right of Recompense to CDR Lenders for the relief and sacrifice extended, subject to provisions of CDR Guidelines and MRA.
- The Company to issue equity shares in lieu of sacrifice of the CDR Lenders for the first three years from cut off date, if demanded by CDR Lenders.
- Contribution of Rs 250 crore in the Company by promoters in lieu of bank sacrifice in the form of equity shares / CCDs including conversion of existing promoter's loan of Rs 145 crore into equity shares / CCDs.

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.

Expenditure on restructuring and refinancing of earlier financial facilities has been charged off and disclosed under exceptional items.

4. The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,133.10 Crore) in respect of its unsecured FCCBs which were due in October 2012 ("October 2012 FCCBs"). This default triggers a cross default under the Company's other existing unsecured FCCBs aggregating USD 90 million (Rs 488.63 Crore) and USD 175 million (Rs 950.12 Crore), (which otherwise fall due in 2014 and 2016 respectively) (the "2014 and 2016 FCCBs") and accordingly these trigger acceleration of payments, if demanded by a specified proportion of the 2014 and/or 2016 FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs and accordingly USD 265 million (Rs 1,438.75 Crore) has been classified as non-current liability. The Company also has overdue amounts payable to creditors and certain lenders as at March 31, 2013. The Company is in negotiations with the FCCB holders and is working on various solutions with them to ensure settlement of their dues. The Company is also taking various steps to reduce costs and improve efficiencies to make its operations profitable. Pending the final outcome of negotiations, though there exists material uncertainty these consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, and no adjustments have been made to the carrying values or classification of assets and liabilities.
5. As per the MRA executed by the Borrowers and the CDR lenders during the year as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the outstanding sacrifice made/ to be made by CDR Lenders as per the MRA is approximately Rs 597.87 Crore for the Company and Rs 747.87 Crore for the borrowers.
6. The Tamil Nadu State Electricity Board ('TNEB') through a circular has been charging Infrastructure Development Charges ('IDC') to Wind Energy Developers towards recovery of cost by TNEB towards infrastructure facilities provided to the wind energy generators to evacuate their power till the state grid. After the enactment of the Electricity Act, 2003 Indian Wind Energy Association ('InWEA') approached the Tamil Nadu Electricity Regulatory Commission ('State Commission') challenging the legality of the IDC levied by TNEB. The State Commission ruled in favour of the InWEA and by order dated September 9, 2008 ruled that TNEB has no jurisdiction to issue such a circular imposing IDC and that charging IDC is in contravention of section 32(3) of the Act especially when TNEB had not approached the State Commission for levy of IDC. TNEB appealed against this order of the State Commission to the Appellate Tribunal for Electricity ('Tribunal'). The Tribunal ruled in favour of TNEB vide its order dated January 8, 2010. The InWEA filed a Civil Appeal against the order of the Tribunal in the Supreme Court and the matter is pending the hearing of the Supreme Court. The Company has obtained a legal opinion which states that InWEA (and consequently the Company) has a strong case. The amount under dispute as at March 31, 2013 aggregates to Rs 64.80 Crore (Rs 64.80 Crore).
7. One of the subsidiaries of the Company is required to comply with the provisions of Rule 53 of Special Economic Zones Rules, 2006 ("SEZ Rules") which requires the Company to achieve positive Net Foreign Exchange ("NFE") during the year ending March 31, 2014. The subsidiary has filed applications for extension of due date for achieving positive NFE, with Development Commissioners ("DC"). However, decision of Board of Approval on extension application is awaited as on date. Since the ultimate outcome of the matter cannot be presently ascertained the same has been considered as a contingent liability.
8. **Scheme of Arrangement and Restructuring for Merger and De-merger**
 - a. The Company implemented a Scheme of Arrangement and Restructuring ('Scheme'). The 'Appointed Date' fixed for this purpose was April 1, 2010. The following were the salient features of the Scheme.
 - De-merger and consequent transfer of (a) Power Generation Division of Suzlon Towers And Structures Limited ('STSL'), a wholly owned subsidiary ('WOS') of the Company to Suzlon Engitech Limited, another WOS of the Company; and (b) Project Execution Division of Suzlon Infrastructure Services Limited ('SISL'), a WOS of the Company to Suzlon Gujarat Wind Park Limited, another WOS of the Company.
 - Amalgamation of STSL and SISL with the Company after giving effect to the above-mentioned de-merger and consequent transfer of their respective division.
 - b. During the previous year, the Scheme has been sanctioned by the Hon'ble High Court at Gujarat vide Order dated August 10, 2011 and Hon'ble High Court of Judicature at Bombay vide Order dated September 02, 2011.
 - c. A amalgamation of STSL and SISL with the Company has been accounted for under the "Pooling of Interest Method (Amalgamation in the nature of Merger)" as prescribed by Accounting Standard 14 – Accounting for Amalgamations. Pursuant to the scheme, the difference between the excess of the book value of the assets over the book value of liabilities and reserves is adjusted to Capital Reserve and the excess of the book value of the liabilities and reserves over the book value of the assets is adjusted to General Reserve in respective companies as applicable.

9. i) **Share capital**

Authorised

	March 31, 2013	March 31, 2012
3,500,000,000 (3,500,000,000) equity shares of Rs 2/- each	700.00	700.00
	700.00	700.00
Issued	March 31, 2013	March 31, 2012
1,796,297,624 (1,796,297,624) equity shares of Rs 2/- each	359.26	359.26
	359.26	359.26
Subscribed and fully paid-up	March 31, 2013	March 31, 2012
1,777,365,647 (1,777,365,647) equity shares of Rs 2/- each	355.47	355.47
	355.47	355.47

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

	March 31, 2013		March 31, 2012	
	Number of shares (Crore)	Rs in Crore	Number of shares (Crore)	Rs in Crore
At the beginning of the year	177.73	355.47	177.73	355.47
Issued during the year	–	–	–	–
Outstanding at the end of the year	177.73	355.47	177.73	355.47

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, 2013 are GDRs – 1,023,173 / shares – 4,092,692 and as on March 31, 2012 are GDRs – 793,099 / shares – 3,172,396.

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.

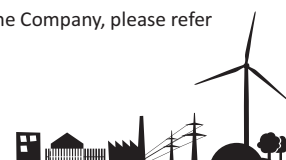
c. **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	March 31, 2013	March 31, 2012
	Number of shares (Crore)	Number of shares (Crore)
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	3.20	3.20

In addition, the Company has issued 1,393,000 shares (March 31, 2012: 2,573,500 shares) during the period of five years immediately preceding the reporting date on exercise of options granted under the employee stock option plan (ESOP) 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, please refer table 2 note no 34, under heading of "Closing balance".



For details of shares reserved for issue on conversion of FCCBs, please refer note no 11 (II) 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, please refer note no 3 for terms of conversion.

For details of shares reserved for issue on conversion of existing promoters loan and promoters contribution in lieu of bank sacrifice, please refer note no 3.

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

Name of shareholder	March 31, 2013		March 31, 2012	
	Number of shares (Crore)	% holding in the class	Number of shares (Crore)	% holding in the class
Equity shares of Rs 2 each fully paid				
Mr. Girish R. Tanti	10.00	5.63%	11.61	6.53%
Tanti Holdings Private Limited	15.46	8.70%	23.73	13.35%
Morgan Stanley Asia (Singapore) PTE	12.27	6.90%	–	–

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) Share application money, pending allotment

Under CDR package and as per the terms of the MRA, on April 23, 2013, the company has allotted 31,42,46,974 Equity Shares of Rs 2/- each at a premium of Rs 16.51/- per share (Issue price Rs 18.51 per share) on preferential basis under Chapter VII – “Preferential Issue” of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

10. Reserves and surplus

	March 31, 2013	March 31, 2012
a. Capital reserve		
As per last balance sheet	41.64	–
Add : Addition on account of merger (refer note 8)	–	41.64
Less: Reduction due to sale of subsidiary (refer note 27a)	(18.34)	–
	23.30	41.64
b. Capital reserve on consolidation	0.03	0.03
c. Capital redemption reserve		
As per last balance sheet	15.00	45.00
Less : Reduction due to merger (refer note 8)	–	(30.00)
	15.00	15.00
d. Legal and statutory reserve		
As per last balance sheet	142.22	142.22
Add: Additions during the year	1.11	–
	143.33	142.22
e. Unrealised gain on dilution		
As per last balance sheet	160.09	159.67
Add: Additions due to restructuring	–	0.42
	160.09	160.09
f. Securities premium account		
As per last balance sheet	4,477.60	5,306.09
Add: Additions due to merger (refer note 8)	–	115.17
	4,477.60	5,421.26
Less : Proportionate premium payable on redemption of FCCBs	(208.13)	(930.57)
Less : Expenses on issue of FCCB / rights issue	–	(13.09)
	4,269.47	4,477.60

	March 31, 2013	March 31, 2012
g. Employee stock options outstanding		
Employee stock options outstanding	14.10	19.72
Less: Deferred employee stock compensation outstanding	(0.01)	(0.61)
	14.09	19.11
h. Foreign currency translation reserve		
As per last balance sheet	219.80	137.17
Movement during the year	238.28	82.63
	458.08	219.80
i. Foreign currency monetary item translation difference account	(149.99)	(202.71)
j. General reserve		
As per last balance sheet	851.14	950.50
Add : Transfer from employee stock option outstanding	5.62	1.73
Less : Deduction due to merger (refer note 8)	–	(101.09)
	856.76	851.14
k. Minority share of losses		
As per last balance sheet	(38.26)	(37.84)
Add : Additions during the year	–	(0.42)
	(38.26)	(38.26)
l. Statement of profit and loss		
As per last balance sheet	(1,063.00)	(553.16)
Add : Loss for the year	(4,723.96)	(478.58)
Additions due to merger (refer note 8)	–	(31.26)
Net deficit in the statement of profit and loss	(5,786.96)	(1,063.00)
Total reserves and surplus	(35.06)	4,622.66

11. Long-term borrowings

	March 31, 2013	March 31, 2012
Secured		
(i) Term loans from banks and financial institutions	5,871.09	5,826.14
(ii) Covered bonds	3,512.83	–
(iii) Vehicle loans	–	0.07
	9,383.92	5,826.21
Unsecured		
(i) Foreign currency convertible bonds	1,438.75	1,348.19
(ii) Loans from		
Banks and financial institutions	34.99	45.32
Related parties	–	145.00
	1,473.74	1,538.51
Total	10,857.66	7,364.72

(I) The details of security for the secured loans and current maturities of long-term borrowings are as follows:

- a) In case of financial facilities from CDR Lenders in accordance with MRA, RTL of Rs 2,469.70 Crore, WCTL of Rs 1,569.17 Crore, fund based working capital facilities of Rs 1,508.40 Crore, FITL Rs 11.83 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 7 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, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.



- b) In case of financial facilities from non-CDR Lenders, term loans from banks and financial institution of Rs 913.61 Crore of which Rs 774.73 Crore classified as long term borrowing and Rs 138.88 Crore classified as current maturities of long term borrowing and working capital facilities from banks Rs 34.93 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 7 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 certain overseas subsidiaries held by SEL and its step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- c) Term loans from banks and financial institutions of Rs Nil (Rs 4,246.78 Crore) and working capital facilities from banks of Rs Nil (Rs 2,801.90 Crore) and non fund based working capital securities are secured by first 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 7 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 certain overseas subsidiaries held by SEL and its step down overseas subsidiaries including pledge of shares of REpower Systems SE ("REpower"), 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, guarantee of an overseas subsidiary, personal guarantee of the managing director of SEL and limited personal guarantee of one director of SSL.
- d) Rs 306.41 Crore (Rs 376.53 Crore) secured by way of first charge on all plant and machinery and other fixed assets and second charge on all current assets and corporate guarantee of a Group Company.
- e) A.E. Rotor Holding B.V. (AERH), a wholly owned subsidiary of the Company, has issued covered bonds of USD 647 million on March 26, 2013. The Bonds is secured by an unconditional and irrevocable Stand-by Letter of Credit ("SBI SBLC") issued by State Bank of India. The SBI SBLC is backed by Stand-by Letter of Credits issued by certain Indian lenders (Indian Lenders SBLCs) and Stand-by Letter of Credits 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 7 Indian subsidiaries which are forming part of the Borrowers, pledge on shares of Suzlon Energy Limited, Mauritius ('SELM') held by SEL, pledge of shares of certain other overseas subsidiaries held by SEL's step down overseas subsidiaries including pledge of shares of REpower, 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 Indian Lenders SBLCs is secured by guarantee of an overseas subsidiary and the Offshore SBLCs is guaranteed by the Borrowers. The funds raised through this issue have been primarily used to refinance existing foreign currency debt of few subsidiaries.

II. Foreign currency convertible bonds

a) Initial terms of issue

On June 11, 2007 the Company made an issue of zero coupon convertible bonds aggregating USD 300 million (Rs 1,223.70 Crore) [Phase I bonds] and, on October 10, 2007, the Company made another issue of zero coupon convertible bonds aggregating USD 200 million (Rs 786.20 Crore) [Phase II bonds]. Further on July 24, 2009, the Company made an issue of zero coupon convertible bonds aggregating USD 93.87 million (Rs 452.64 Crore) at an issue price of 104.30% of the principal amount of USD 90.00 million (Phase III bonds). Further, on April 12, 2011, the Company made an issue of 875, 5% Foreign Currency Convertible Bonds of USD 200,000 each due 2016 ('Phase IV Bonds') for a total consideration of USD 175.00 million (Rs 776.83 Crore).

The key terms of these bonds at the time of issue were as follows:

Particulars	Phase I	Phase II	Phase III	Phase IV
Issue size (USD)	300 million	200 million	90 million	175 million
Face value per bond (in USD)	1,000	1,000	1,000	200,000
No. of equity shares per bond	113.50	107.30	533.28	165,108.31
Initial conversion price per share(Rs)	359.68	371.55	90.38	54.01
Fixed exchange rate (Rs/USD)	40.83	39.87	48.20	44.59
Redemption amount as a % of principal amount (%)	145.23	144.88	134.20	108.70
Maturity date	June 12,2012	October 11,2012	July 18,2014	April 06,2016

b) Restructuring of Phase I and Phase II bonds

- i. During the year 2009-10, the Company restructured Phase I and Phase II Zero Coupon Convertible Bonds with an approval of the Reserve Bank of India ('RBI') wherein the bondholders were offered the following options as part of the restructuring;
 - (1) Buyback of bonds @ 54.55% of the face value of US \$ 1000 per bond.
 - (2) Issue of new bonds ('Phase I New Bonds' in case of Phase I Bonds and 'Phase II New Bonds' in case of Phase II Bonds) in place of old bonds at a fixed ratio of 3:5 (60 cents to dollar) bearing a coupon of 7.5 per cent per annum, payable semi-annually. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each Phase I New Bond at 150.24 per cent of its principal amount and each Phase II New Bond at 157.72 per cent of its principal amount on the relevant Maturity Date. The conversion price is set at Rs 76.68 per share. These bonds do not have any financial covenants and are of the same maturity as the Phase I Bonds and Phase II Bonds.
 - (3) Consent fee of USD15 Million to be paid across both the series, for those bondholders who consent to the relaxation of covenants.

As a result of the restructuring, the outstanding position of the foreign currency convertible bonds is as follows:

Amount in USD			
Particulars	Phase I Bonds	Phase II Bonds	Total
Old bonds exchanged [A]	59,332,000	34,672,000	94,004,000
New Bonds issued in the ratio of 3:5 [B]	35,592,000*	20,796,000	56,388,000*
Bonds bought back for cash [C]	29,366,000	43,960,000	73,326,000
Cash paid for buyback [D]	16,019,702	23,980,180	39,999,882
Old bonds outstanding [E]	211,302,000	121,368,000	332,670,000
Value of total bonds outstanding [F]=[B]+[E]	246,894,000	142,164,000	389,058,000
Value of old bonds [G]=[A]+[C]+[E]	300,000,000	200,000,000	500,000,000
Consent fee paid	11,846,947	1,869,863	13,716,810
Maturity date	June 12, 2012	October 11, 2012	
Redemption amount as a % of principal amount of New Bonds (%)	150.24	157.72	
Redemption amount as a % of principal amount of Old Bonds carried forward (%)	145.23	144.88	

* 19,000 bonds were converted into equity shares during the year 2009-10.

- ii. On April 29, 2010, the Company convened meetings of Bondholders of each of the series, who approved the respective proposed resolutions. Accordingly post receipt of regulatory approvals, the Company changed the conversion price of the Phase I bonds from Rs 359.68 per equity share to Rs 97.26 per equity share and for Phase II bonds from Rs 371.55 to Rs 97.26 per equity share, subject to adjustments in accordance with terms and conditions of the bonds. The floor price for Phase I and Phase II bonds was revised to Rs 74.025 per equity share. The fixed exchange rate was changed to 1USD=Rs 44.60 from 1USD=Rs 40.83 for Phase I bonds and 1USD=Rs 39.87 for Phase II bonds. The Company incurred Rs 37.28 Crore towards consent fee to bondholders and other cost for this restructuring.

c) Recent development

- i. Phase I Bonds and Phase I New Bonds

On June 11, 2012, the Company convened meetings of the holders of the US\$ 300 million Zero Coupon Convertible Bonds due June 2012 and the US\$ 35.59 million 7.5% Convertible Bonds due June 2012 (collectively, the 'Bonds') proposing extraordinary resolutions in relation to extension of the maturity date of each series of the Bonds to July 27, 2012, where the holders of each series of the Bonds had approved the respective extraordinary resolutions put to them. Further on July 27, 2012, the Company redeemed the Bonds in full.

- ii. Phase II Bonds and Phase II New Bonds

The Company defaulted in repayment of amounts aggregating approximately USD 209 million (Rs 1,133.10 Crore) in respect of its unsecured FCCBs which were due in October 2012 ("October 2012 FCCBs"). This default triggers a cross default under the Company's other existing unsecured FCCBs aggregating USD 90 million (Rs 488.63 Crore) and USD 175 million (Rs 950.12 Crore), (which otherwise fall due in 2014 and 2016 respectively) (the "2014 and 2016 FCCBs") and accordingly these trigger acceleration of payments, if demanded by a specified proportion of the respective FCCB holders. The Trustees for the 2014 and 2016 FCCB holders have not issued any acceleration notice in respect of the 2014 and 2016 FCCBs. The Company is in negotiations with the FCCB holders and is working on various solutions with them to ensure settlement of their dues.



d) Redemption premium:

The Phase I, Phase II, Phase I (new), Phase II (new), Phase III and Phase IV bonds are redeemable subject to satisfaction of certain conditions mentioned in the respective offering circular and hence have been designated as monetary liability.

During the year ended March 31, 2013 the Company has provided for the proportionate redemption premium of Rs 208.13 Crore (March 31, 2012: Rs 930.57 Crore) by adjusting the same against the securities premium account. Following are the scheme-wise details of the redemption premium as of the year end date:

Rs in Crore		
Phase	March 31, 2013	March 31, 2012
Phase I*	—	463.77
Phase II	295.95	242.99
Phase I (new)*	—	83.43
Phase II (new)	65.31	48.94
Phase III	118.36	78.43
Phase IV	28.94	13.01
Total	508.56	930.57

* Fully redeemed as on July 27, 2012.

III. The details of repayment of long term borrowing are as follows:

Particulars	Up to 1 Year	2 to 5 Years	Above 5 Years	Total
Secured loans	441.18 (1,092.87)	7,280.67 (5,120.32)	2,103.25 (705.94)	9,825.09 (6,919.13)
Unsecured loans	1,057.28 (1,992.85)	1,473.74 (1,389.18)	— (149.28)	2,530.98 (3,531.31)
Total	1,498.42 (3,085.72)	8,754.41 (6,509.50)	2,103.25 (855.23)	12,356.07 (10,450.44)

12. Other long-term liabilities

	March 31, 2013	March 31, 2012
Other long-term payables *	79.26	43.07
Advance from customers	10.00	100.00
	89.26	143.07

* It mainly includes purchase price and other contractual obligation

13. Provisions

	Long-term		Short-term	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Employee benefits	56.53	56.28	41.17	153.23
Performance guarantee, operation, maintenance and warranty and liquidated damages	60.89	111.99	1,427.12	1,230.35
Provision for FCCB redemption premium	147.30	91.43	—	839.14
Provision for taxation	—	—	4.99	51.08
Total	264.72	259.70	1,473.28	2,273.80

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	149.65 (150.12)	1,038.67 (993.15)	154.02 (87.62)
Additions during the year	101.26 (86.42)	567.18 (482.03)	192.17 (123.27)
Utilisation	95.85 (86.89)	403.91* (273.77)*	91.51 (37.87)
Reversal	—	123.67 (162.73)	— (19.01)
Closing balance	155.06 (149.65)	1,078.27 (1,038.67)	254.68 (154.02)

* 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.

14. Short-term borrowings

	March 31, 2013	March 31, 2012
a. Secured		
Working capital loans from banks	2,787.63	3,380.95
b. Unsecured		
(i) From banks and financial institutions	0.09	169.54
(ii) From others	46.97	33.05
	47.06	202.59
Total short-term borrowings	2,834.69	3,583.54

The rate of interest on the working capital loans from banks ranges between 11% p.a. to 16.25% 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 CDR and security given for short term borrowings, refer note 11 above.

15. Other current liabilities

	March 31, 2013	March 31, 2012
Current maturities of long-term borrowings	1,498.42	3,085.72
Interest accrued but not due on borrowings	37.58	76.81
Interest accrued and due on borrowings	45.60	35.21
Unclaimed dividend	0.17	0.19
Advance from customer	3,815.92	3,022.14
Statutory dues	248.09	95.20
Premium payable on redemption of FCCBs	361.26	–
Others*	942.93	840.78
Total	6,949.97	7,156.05

* Primarily includes refundable deposits and accruals



16. Tangible assets and intangible assets

Assets	Gross block					Depreciation / amortisation					Net block		
	As at April 1, 2012	Additions	Translation adjustment	Deductions/ adjustments	Sale of subsidiary	As at March 31, 2013	As at April 1, 2012	For the year	Translation adjustment	Deductions/ adjustments	Sale of subsidiary	As at March 31, 2013	As at March 31, 2012
a. Tangible assets													
Land	197.38	1.93	2.14	–	6.29	195.16	7.38	16.76	0.22	–	0.33	24.03	171.13
Buildings	1,869.77	79.98	37.40	0.42	–	1,986.73	384.71	230.61	7.46	–	–	622.78	1,363.95
Site development	105.25	–	–	–	–	105.25	15.25	6.50	–	–	–	21.75	83.50
Plant and machinery	2,859.26	241.61	43.58	75.97	236.84	2,831.64	1,173.71	312.61	23.57	34.19	51.93	1,423.77	1,407.87
Wind research and measuring equipments	79.86	16.48	0.32	8.34	–	88.32	38.83	24.67	0.13	6.64	–	56.99	31.33
Computer and office equipments	304.07	16.13	3.16	7.82	0.02	315.52	167.89	44.03	2.32	3.41	0.02	210.81	104.71
Furniture and fixtures	603.55	57.41	11.66	9.64	–	662.98	319.53	79.11	6.94	6.63	–	398.95	264.03
Vehicles	23.61	0.39	0.13	1.86	–	22.27	16.64	2.65	0.05	1.64	–	17.70	4.57
Total tangible assets	6,042.75	413.93	98.39	104.05	243.15	6,207.87	2,123.94	716.94	40.69	52.51	52.28	2,776.78	3,431.09
Previous year	5,450.15	548.85	211.64	167.89	–	6,042.75	1,634.02	518.98	75.02	104.08	–	2,123.94	3,918.81
b. Intangible assets													
Goodwill on consolidation	7,547.69	–	179.90	–	–	7,727.59	–	–	–	–	–	–	7,547.69
Design and drawings	901.18	325.94	13.41	–	–	1,240.53	287.95	177.40	3.21	–	–	468.56	771.97
Software	300.36	22.02	4.50	0.04	–	326.84	147.37	31.33	3.15	0.04	–	181.81	145.03
Total intangible assets	8,749.23	347.96	197.81	0.04	–	9,294.96	435.32	208.73	6.36	0.04	–	650.37	8,644.59
Previous year	7,401.94	851.25	507.65	11.61	–	8,749.23	299.31	133.67	14.23	11.89	–	435.32	8,313.91

- i) The depreciation / amortisation (including impairment losses) charged in the statement of profit and loss account amounting to Rs 911.84 Crore (Rs 661.23 Crore) includes Rs 0.47 Crore (Rs 8.58 Crore) for depreciation charged on capital work-in-progress.
- ii) Borrowing cost amounting to Rs Nil (Rs 4.08 Crore) have been capitalised to qualifying assets.
- iii) In the current year the Group has identified following assets as held for sale and recognised impairment loss of Rs 184.73 Crore (Rs Nil) on write-down value of certain assets to the recoverable amount based on its expected net selling price and the same has been disclosed under exceptional items.

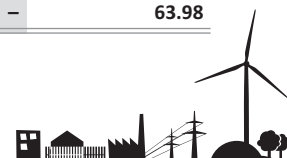
Asset	As at March 31, 2013			Depreciation for the year	Impairment for the year
	Gross block	Accumulated depreciation	Net block		
a. Tangible assets					
Land	36.30	3.19	33.11	0.46	15.16
Buildings	388.47	190.09	198.38	31.08	128.33
Plant and machinery	443.18	351.90	91.28	28.55	40.45
Computers and office equipments	19.07	16.46	2.61	0.97	0.47
Furniture & fixtures	36.58	34.69	1.89	1.76	0.31
Vehicles	1.61	1.38	0.23	0.14	0.01
Total tangible assets	925.21	597.71	327.50	62.96	184.73
b. Intangible assets					
Software	39.84	39.84	—	—	—
Total intangible assets	39.84	39.84	—	—	—
Grand total	965.05	637.55	327.50	62.96	184.73

- iv) Gross block includes Rs 926.66 Crore and accumulated depreciation includes Rs 245.58 Crore towards assets of discontinued operations (refer note 31)

Asset	As at March 31, 2013			Depreciation for the year
	Gross block	Accumulated depreciation	Net block	
a. Tangible assets				
Buildings	50.80	20.65	130.15	4.91
Site development	58.35	8.72	49.63	3.89
Plant and machinery	701.90	207.30	494.60	36.84
Computers and office equipments	4.52	2.81	1.71	0.62
Furniture & fixtures	4.27	1.14	3.13	0.27
Vehicles	1.48	0.74	0.74	0.17
Total tangible assets	921.32	241.36	679.96	46.70
b. Intangible assets				
Design and drawings	3.54	2.62	0.92	0.89
Software	1.80	1.60	0.20	0.10
Total intangible assets	5.34	4.22	1.12	0.99
Grand total	926.66	245.58	681.08	47.69

17. Investments

	Non-current investments		Current investments	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Non-trade investments (valued at cost unless stated otherwise)				
Non-trade investments in shares (unquoted)	35.67	33.25	—	13.96
Investments in Government or trust securities (unquoted)	0.02	0.02	—	—
Investments in Mutual Funds (quoted)	—	—	—	50.02
Total	35.69	33.27	—	63.98



18. Loans and advances

		Non-current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Capital advances					
Unsecured, considered good	(a)	3.49	7.97	–	–
Security deposits					
Unsecured, considered good	(b)	192.04	178.84	12.63	14.89
Advances recoverable in cash or in kind					
Secured, considered good		–	–	–	6.05
Unsecured, considered good		235.75	228.61	582.54	768.91
Unsecured, considered doubtful		92.49	22.63	–	1.50
		328.24	251.24	582.54	776.46
Less : Allowance for bad and doubtful advances		92.49	22.63	–	1.50
	(c)	235.75	228.61	582.54	774.96
Other loans and advances					
Unsecured, considered good					
Advance income tax (net of provisions)		98.64	130.03	138.01	148.17
MAT credit entitlement		1.50	161.67	–	10.90
Inter-corporate deposits		121.00	131.62	99.10	52.70
Other assets		19.80	64.86	716.60	662.44
	(d)	240.94	488.18	953.71	874.21
Total (a + b + c + d)		672.22	903.60	1,548.88	1,664.06

19. Deferred tax

	March 31, 2013	March 31, 2012
Deferred tax assets:		
Unabsorbed losses and depreciation	125.87	21.81
Employee benefits	0.88	0.89
Provision for guarantee and warranty	25.46	31.19
Provision for doubtful debts	12.74	2.34
Others	25.09	9.43
	190.04	65.66
Deferred tax liabilities		
Difference in depreciation of fixed assets	258.19	214.47
Others	480.41	293.13
	738.60	507.60
Deferred tax liabilities (net)	548.56	441.94

20. Trade receivables and other assets

20.1 Trade receivables

		Non-current		Current	
		March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Secured					
Other receivables*		1,114.50	–	–	991.10
Less: Provision for doubtful receivables		401.60	–	–	–
	(a)	712.90	–	–	991.10
Unsecured					
Outstanding for a period exceeding six months from due date					
Considered good		–	0.20	1,211.18	852.88
Considered doubtful		78.04	40.95	98.32	77.26
		78.04	41.15	1,309.50	930.14
Other receivables		0.19	24.72	1,521.18	3,471.31
		78.23	65.87	2,830.68	4,401.45
Provision for doubtful receivables		78.04	40.95	98.32	77.26
	(b)	0.19	24.92	2,732.36	4,324.19
Total	(a + b)	713.09	24.92	2,732.36	5,315.29

*Trade receivable is secured by wind farm assets of a customer (refer note 29 c).

20.2 Other assets

	Non-current		Current	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
Unsecured, considered good unless stated otherwise				
Non-current bank balances	228.90	272.12	–	–
Prepaid compensation in lieu of bank sacrifice	68.49	–	45.66	–
Ancillary cost of arranging the borrowings	37.50	81.11	9.22	–
Interest receivable	101.48	15.24	7.94	59.45
Others	66.75	–	187.47	297.49
Total	503.12	368.47	250.29	356.94

21. Inventories

	March 31, 2013	March 31, 2012
Raw materials	2,574.43	3,386.91
Finished goods, semi-finished goods and work- in- progress	2,393.26	1,901.74
Stores and spares	191.86	192.34
Land and land lease rights	104.28	98.81
Total	5,263.83	5,579.80

22. Cash and bank balances

	March 31, 2013	March 31, 2012
Balances with banks:		
In current accounts	883.12	1,473.92
In term deposits	1,074.63	1,123.70
Unpaid dividend	0.17	0.19
Cheques / draft on hand	–	33.26
Cash on hand	1.20	1.41
Total	1,959.12	2,632.48

23. Revenue from operations

	March 31, 2013	March 31, 2012
Revenue from sale, installation and commissioning of WTG	16,780.16	19,687.20
Income from operation and maintenance service	1,962.98	1,395.17
Total	18,743.14	21,082.37

Disclosure pursuant to Accounting Standard-7 (AS-7) 'Construction Contracts'

	March 31, 2013	March 31, 2012
Contract revenue recognised during the period	10,867.52	12,790.63
Aggregate amount of contract cost incurred and recognised profits (less recognised losses) for all contracts in progress up to the reporting date	9,485.98	9,224.62
Amount of customer advances outstanding for contracts in progress up to the reporting date	2,926.33	2,459.07
Retention amount due from customers for contract in progress up to the reporting date	–	–
Due from customers	2,936.41	2,860.77
Due to customers	200.15	309.43



24. Cost of raw material and components consumed

	March 31, 2013	March 31, 2012
Consumption of raw materials (including project business)		
Opening inventory	3,386.91	2,744.85
Add : Purchases including bought out components	13,324.12	14,265.52
	16,711.03	17,010.37
Less : Closing inventory	2,574.43	3,386.91
	14,136.60	13,623.46
Changes in inventories of finished goods, work-in-progress and stock-in-trade		
(Increase) / decrease in stocks:		
Opening inventory		
Finished, semi finished goods and work-in-progress	1,901.74	2,378.23
Land and land lease rights	98.81	72.59
(A)	2,000.55	2,450.82
Closing inventory		
Finished, semi finished goods and work-in-progress	2,393.26	1,901.74
Land and land lease rights	104.28	98.81
(B)	2,497.54	2,000.55
(Increase) / decrease in stocks	(C) = (A) - (B)	450.27
	(496.99)	450.27

25. Employee benefits expense

	March 31, 2013	March 31, 2012
Salaries, wages, allowances and bonus	1,734.92	1,648.61
Contribution to provident and other funds	308.64	261.96
Employee stock option scheme	1.58	3.86
Staff welfare expenses	87.56	94.18
Total	2,132.70	2,008.61

26. Other expenses

	March 31, 2013	March 31, 2012
Stores and spares consumed	83.03	126.77
Power and fuel	62.36	79.55
Factory and site expenses	50.27	71.45
Repairs and maintenance	79.65	61.85
Operation and maintenance charges	117.48	158.09
Design change and technical up gradation charges	20.35	72.82
Rent	146.80	139.25
Rates and taxes	23.68	44.01
Performance guarantee expenditure	101.26	86.42
Liquidated damages expenditure	192.17	104.26
Operation, maintenance and warranty expenditure	258.19	172.23
Quality assurance expenses	136.19	69.72
R & D, certification and product development	143.07	135.47
Insurance	69.15	44.71
Advertisement and sales promotion	63.13	74.60
Infrastructure development expenses	9.17	4.83
Freight outward and packing expenses	1,265.60	779.26
Sales commission	4.01	19.33
Travelling, conveyance and vehicle expenses	292.51	277.11
Communication expenses	80.83	81.62
Auditors' remuneration and expenses	10.90	9.98
Consultancy charges	361.35	278.07
CSR, charity and donations	14.45	30.88
Miscellaneous expenses	371.78	329.73
Exchange differences, net	306.83	59.27
Bad debts written off	6.49	7.25
Provision for doubtful debts and advances	143.84	125.02
Loss on sale of investments, net	—	2.20
Loss on assets sold / discarded, net	23.17	9.92
Total	4,437.71	3,455.67

27. Finance costs

	March 31, 2013	March 31, 2012
Interest		
Fixed loans	820.38	901.69
Others	697.98	477.43
Bank charges	205.49	224.84
Amortization of ancillary borrowing costs	60.92	19.81
Compensation in lieu of bank sacrifice	22.83	–
Exchange difference to the extent considered as an adjustment to borrowing costs	47.25	30.97
Total	1,854.85	1,654.74

28. Finance income

	March 31, 2013	March 31, 2012
Interest income		
From banks on fixed deposits	33.07	41.51
From others	119.07	83.23
Dividend income	0.02	1.00
Total	152.16	125.74

29. Exceptional items

	March 31, 2013	March 31, 2012
Reversal towards diminution in investments and profit on sale of investment	(43.25)	(227.24)
Expenditure on restructuring and refinancing of financial facilities (refer note 3)	99.90	–
Provision for impairment in tangible assets	184.73	–
Provision for doubtful debts	401.60	–
Total	642.98	(227.24)

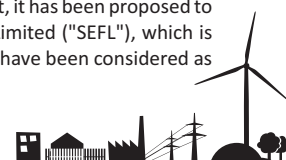
- a) On June 28, 2012, the Company entered into share purchase agreement with a buyer for the sale of equity shares of its wholly owned subsidiary Suzlon Engitech Limited ('SENL'). Consequently, SENL ceased to be a subsidiary of the Company. The profit on sale of investment in SENL has been shown under exceptional items.
- b) The Group is in the process of disposing off its investment in the equity shares of Suzlon Energy (Tianjin) Limited ("SETL"), a wholly owned subsidiary and certain other assets. Based on the likely realisable value of the respective assets identified for disposal, the Group has made an impairment provision of Rs 184.73 Crore in the carrying value of assets in the current year and disclosed the same under exceptional items.
- c) Suzlon Wind Energy Corporation, USA ("SWECO"), a wholly owned subsidiary of the Company and Big Sky Wind LLC ("Big Sky"), a wholly owned subsidiary of Edison Mission Energy entered into a Financing Agreement, wherein Big Sky sought equipment financing from SWECO, to be payable on or before October 2014, subject to certain mandatory prepayment conditions. SWECO believes that the relevant mandatory prepayment conditions have been duly complied with in August 2012 and accordingly the receivables became due for prepayment within six months from August 2012 as per the agreement which Big Sky has disputed. Hence, on September 14, 2012, SWECO filed a complaint for Declaratory Judgment in the Supreme Court of the State of New York. If the complaint is dismissed, the receivables amount is nevertheless due in full on the maturity date, i.e. October 2014. The receivable is secured against the primary security of the Wind Farm ("Asset") owned by Big Sky. The prevailing sale price of power is volatile and low at present in USA where the Asset is located, which may lead to reduction in the value of the Asset and corresponding security available with Group. Accordingly on prudent basis, the Group has made provision of Rs 401.60 Crore and disclosed under exceptional items.

30. Tax

	March 31, 2013	March 31, 2012
Current tax	28.30	91.81
Deferred tax charge	158.61	235.37
MAT credit entitlement	160.17	(0.49)
Earlier years tax	2.24	4.11
Total	349.32	330.80

31. Discontinuing operation

As part of the Company's long-term strategy to focus its activities in the areas of manufacturing and sale of Wind Turbine Generators and also as per the terms of CDR MRA along with part of its initiatives for liability management, it has been proposed to divest certain non-critical assets. Accordingly, the Group proposes to divest the business of SE Forge Limited ("SEFL"), which is engaged in manufacturing and machining of large forging and casting products and the said operations have been considered as discontinued operations.



Operating results of the Company's discontinued operations are summarized as follows:

The carrying amounts of the total assets and liabilities to be disposed of at March 31, 2013 are as follows:

	March 31, 2013	March 31, 2012
Total assets	873.20	983.58
Total liabilities	867.88	817.68
Net assets	5.32	165.90

The revenue and expenses in respect of ordinary activities attributable to the discontinuing operations:

	March 31, 2013	March 31, 2012
Revenues	128.39	309.30
Cost and expenses	288.97	428.90
Operating losses before taxes	(160.58)	(119.60)
Tax expenses	—	—
Operating loss from discontinued operations	(160.58)	(119.60)

The net cash flows attributable to the Foundry and Forging business are as follows:

	March 31, 2013	March 31, 2012
Operating activities	138.95	133.31
Investing activities	1.44	(8.90)
Financing activities	(144.57)	(135.89)
Net cash outflows	(4.18)	(11.48)

32. Earnings per share (EPS)

	March 31, 2013	March 31, 2012
Basic		
Net loss after share of profit of associates and minority interest	(4,723.96)	(478.58)
Less: Preference dividend and tax thereon	0.35	0.35
Profit attributable to equity shareholders	(4,724.31)	(478.93)
Weighted average number of equity shares	1,777,365,647	1,777,365,647
Basic earnings /(loss) per share of Rs 2 each	(26.58)	(2.69)
Diluted		
Net loss after share of profit of associates and minority interest	(4,724.31)	(478.93)
Add: Interest on foreign currency convertible bonds (net of tax)	36.51	41.46
Interest on loan – Tanti Holdings Pvt. Ltd. Loan (net of tax)	13.63	—
Interest on share application money (net of tax)	0.43	—
Adjusted net loss after tax	(4,673.74)	(437.47)
Weighted average number of equity shares	1,777,365,647	1,777,365,647
Add: Potential weighted average equity shares that could arise on conversion of foreign currency convertible bonds	398,746,880	377,292,708
conversion of Tanti Holdings Pvt. Ltd. loan	89,485,069	—
conversion of share application money	152,978,513	—
conversion of FITL	3,168,710	—
Weighted average number of equity shares for diluted EPS	2,421,744,818	2,154,658,355
Diluted earnings / (loss) per share (Rs) of face value of Rs 2 each [see note below]*	(26.58)	(2.69)

*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.

33. 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 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, 2013	March 31, 2012
Current service cost	6.85	5.77
Interest cost on benefit obligation	2.59	1.83
Expected return on plan assets	(1.75)	(1.01)
Net actuarial (gain) / loss recognised in the year	(3.87)	2.13
Past service cost	—	0.58
Net benefit expense	3.81	9.30

Details of defined benefit obligation

	March 31, 2013	March 31, 2012
Defined benefit obligation (A)	34.12	31.99
Fair value of plan assets (B)	25.52	17.46
Present value of unfunded obligations (C=A-B)	8.60	14.53
Less: Unrecognised past service cost (D)	—	—
Plan liability / (asset) (E=C-D)	8.60	14.53

Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2013	March 31, 2012
Opening defined benefit obligation	31.99	23.39
Interest cost	2.58	1.83
Current service cost	6.85	5.77
Benefits paid	(3.96)	(1.76)
Actuarial (gains) / losses on obligation	(3.34)	2.76
Closing defined benefit obligation	34.12	31.99

Changes in the fair value of plan assets are as follows:

	March 31, 2013	March 31, 2012
Opening fair value of plan assets	17.46	17.71
Expected return	1.75	1.22
Contributions by employer*	9.58	0.35
Benefits paid	(3.79)	(2.25)
Actuarial gains / (losses)	0.52	0.43
Closing fair value of plan assets	25.52	17.46

Amounts for the current and previous periods are as follows:

	March 31,				
	2013	2012	2011	2010	2009
Defined benefit obligation	34.12	31.99	23.39	17.22	70.77
Plan assets	25.52	17.46	17.71	12.44	49.36
Surplus / (deficit)	8.60	14.53	5.68	4.76	21.41
Experience adjustments on plan liabilities	5.41	(3.95)	(2.18)	(0.14)	Nil
Experience adjustments on plan assets	0.01	0.43	0.01	0.07	Nil

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

34. Employee stock option plans

The Company has provided various Employee Stock Option Schemes to its employees. During the year ended March 31, 2013 the following schemes were in operation:

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Grant date	16-Jun-05	23-Nov-07	21-May-09	5-Oct-09	30-Jan-10	28-Jul-10	30-Oct-10	21-Feb-11	1-Apr-10	27-Apr-11	31-Jul-11	25-May-12
Board approval date	25-Mar-05	29-Jan-07	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	16-Jun-08	15-Apr-08	16-Jun-08	16-Jun-08	16-Jun-08
Shareholder approval	16-Jun-05	10-Mar-07	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	13-Aug-09	22-May-08	13-Aug-09	13-Aug-09	13-Aug-09
Options granted (Nos)	4,605,000	519,500	1,878,000	10,916,787	135,000	175,000	50,000	75,000	14,143,500	50,000	65,000	25,000
Exercise Price (Rs)	51.00	192.20	90.50	70.00/87.50	61.80/77.25	46.76/58.45	44.36	47.70	72.70	54.35	54.15	20.85
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period												
Tranche 1	16-Jun-06	23-Nov-08	21-May-10	5-Oct-10	30-Jan-11	28-Jul-11	30-Oct-11	21-Feb-12	1-Apr-11	27-Apr-12	1-Aug-12	26-May-13
Tranche 2	16-Jun-07	23-Nov-09	21-May-11	5-Oct-11	30-Jan-12	28-Jul-12	30-Oct-12	21-Feb-13	1-Apr-12	27-Apr-13	1-Aug-13	26-May-14
Tranche 3	16-Jun-08	23-Nov-10	—	5-Oct-12	30-Jan-13	28-Jul-13	30-Oct-13	21-Feb-14	1-Apr-13	27-Apr-14	1-Aug-14	26-May-15
Vesting %												
Tranche 1	30%	50%	75%	50%	50%	50%	50%	50%	33.33%	50%	50%	50%
Tranche 2	30%	25%	25%	25%	25%	25%	25%	25%	33.33%	25%	25%	25%
Tranche 3	40%	25%	—	25%	25%	25%	25%	25%	33.34%	25%	25%	25%
Exercise period (end date)	Till 16-Jun-2011	Till 23-Nov-2013	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 31-Mar-2014	Till 27-Apr-2016	Till 31-Jul-2016	Till 25-May-2017

The movement in the stock options during the year ended March 31, 2013 was as per the table below:

Particulars	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
Opening balance	316,000	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000	–
Granted during the year	–	–	–	–	–	–	–	–	–	–	25,000
Forfeited / cancelled during the year	91,000	261,000	2,309,664	–	–	–	75,000	1,564,500	–	25,000	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	–	–	–	–	–	–	–	–	–	–	–
Closing balance	225,500	996,000	4,793,654	135,000	100,000	50,000	–	7,099,500	50,000	40,000	25,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	225,500	996,000	4,793,654	101,250	75,000	37,500	–	4,733,000	25,000	20,000	–

The movement in the stock options during the year ended March 31, 2012 was as per the table below:

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)
	Scheme I	Scheme II	Scheme III	Scheme IV	Scheme V	Scheme VI	Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI
Opening balance	340,000	332,000	1,368,000	7,828,889	135,000	175,000	50,000	75,000	11,212,500	–	–
Granted during the year	–	–	–	–	–	–	–	–	–	50,000	65,000
Forfeited / cancelled during the year	–	15,500	111,000	725,571	–	75,000	–	–	2,548,500	–	–
Exercised during the year	–	–	–	–	–	–	–	–	–	–	–
Expired during the year	340,000	–	–	–	–	–	–	–	–	–	–
Closing balance	–	316,500	1,257,000	7,103,318	135,000	100,000	50,000	75,000	8,664,000	50,000	65,000
Exercisable at the end of the year (Included in closing balance of option outstanding)	–	316,500	1,257,000	5,327,489	101,250	50,000	25,000	37,500	2,888,000	–	–

No options were exercised during the year.

Fair value of the options

The Company applies intrinsic value based method of accounting for determining compensation cost for Scheme I to Scheme XII. Following are the details of the amounts charged to the statement of profit and loss, rate per option, and cost per option calculated based on 'Black-Scholes' Model.

Particulars	ESOP 2005	ESOP 2006	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)	Special ESOP 2007	ESOP Perpetual-I (Tranche VI)	ESOP Perpetual-I (Tranche VII)	ESOP Perpetual-I (Tranche VIII)
	Scheme I	Scheme II	Scheme III	Scheme IV		Scheme V		Scheme VI		Scheme VII	Scheme VIII	Scheme IX	Scheme X	Scheme XI	Scheme XII
				Non-US	US	Non-US	US	Non-US	US						
Charge to profit and loss account	Nil	Nil	Nil	0.58		0.01		0.01		0.01	Nil	Nil	0.001	Nil	Nil
	(Nil)	Nil	(0.005)	(1.98)		(0.02)		(0.03)		(0.03)	Nil	Nil	(0.001)	(Nil)	(Nil)
Rate per option (Rs)	51.00	182.60	2.20	22.25	4.75	15.45	Nil	12.29	0.60	11.09	Nil	Nil	0.50	Nil	Nil
Black Scholes' Model - Cost per option (Rs)	–	249.11	43.32	42.54	49.28	34.27	39.95	26.39	30.73	28.68	21.16	29.12	24.50	22.67	9.25

If the cost per option was calculated based on the 'Black-Scholes' model, the loss after tax would have been higher by Rs 17.60 Crore (Rs 22.66 Crore).

Consequently the basic and diluted earnings/(loss) per share after factoring the above impact would be as follows:

Earnings per share		March 31, 2013	March 31, 2012
- Basic		(26.68)	(2.82)
- Diluted		(26.68)	(2.82)

35. Operating leases

The Group has taken certain premises under operating leases. Further there are certain shipping charter agreements for offshore systems.

Expenses under cancellable operating lease and rental contracts during the year is Rs 130.78 Crore (Rs 121.00 Crore).

Expenses under non-cancellable operating lease and rental contracts during the year is Rs 26.04 Crore (Rs 39.36 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 leases	March 31, 2013	March 31, 2012
Not later than one year	104.48	92.07
Later than one year and not later than five years	404.03	384.80
Later than five years	1,796.25	1,673.81

Assets given on lease (Windmills):

The Group has let out some of its Windmills on operating lease. The lease charges are on the basis of net electricity generated and delivered. The said lease is non-cancellable during the primary lease period i.e. for the first five years and extendable for another five years unless any of the party decides to discontinue the same and the details of the same are as under:

	March 31, 2013	March 31, 2012
Lease rental income recognized in statement of profit and loss for the period	2.53	2.60
Gross carrying amount	30.00	30.00
Accumulated depreciation	23.46	22.28
Depreciation charged to statement of profit and loss for the period	1.18	1.40

36. Segment information

The Company 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 sale of WTGs and allied activities including sale/sub-lease of land, infrastructure development income; 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, 2013						March 31, 2012					
	Continuing operations			Discontinuing operations*	Elim	Grand total	Continuing operations			Discontinuing operations*	Elim	Grand total
	Sale of WTG	Others	Total	Foundry & Forging			Sale of WTG	Others	Total	Foundry & Forging		
Total external sales	18,651.79	21.73	18,673.02	70.12	—	18,743.14	20,946.08	42.93	20,989.01	93.36	—	21,082.37
Add: Inter segment sales	2.63	—	2.63	58.27	(60.90)	—	6.43	—	6.43	215.94	(222.37)	—
Segment revenue	18,654.42	21.23	18,675.65	128.39	(60.90)	18,743.14	20,952.51	42.93	20,995.44	309.30	(222.37)	21,082.37
Segment results before exceptional items	(1,964.02)	7.19	(1,956.83)	(76.80)	(3.33)	(2,036.96)	1,174.89	15.71	1,190.60	(31.26)	0.63	1,159.97
Add/(less) items to reconcile with profit as per statement of profit and loss												
Add : Other income						152.16						125.74
Less : Financial charges						(1,854.85)						(1,654.74)
Loss before tax before exceptional items						(3,739.65)						(369.03)
Less/ (add) : Exceptional items						642.98						(227.24)
Loss before tax						(4,382.63)						(141.79)
Provision for current tax						28.30						91.81
MAT credit entitlement						158.61						(0.49)
Deferred tax						160.17						235.37
Earlier year tax						2.24						4.11
Total tax						349.32						330.80
Loss after tax						(4,731.95)						(472.59)
Add : Share in associate's profit/(loss) after tax						—						(33.29)
Less: Share of loss/(profit) of minority						7.99						27.30
Net loss						(4,723.96)						(478.58)
Segment assets	25,195.48	101.67	25,297.15	856.97	—	26,154.12	27,471.70	327.96	27,799.66	969.07	—	28,768.73
Common assets						2,852.78						3,658.55
Enterprise assets						29,006.90						32,427.28
Segment liabilities	11,317.55	—	11,317.55	357.20	—	11,674.75	11,728.84	1.64	11,730.48	73.96	—	11,804.44
Common liabilities						17,011.74						15,644.71
Enterprise liabilities						28,686.49						27,449.15
Capital expenditure during the year	683.33	13.79	697.12	(2.81)	—	694.31	877.22	4.56	881.78	14.99	—	896.77
Segment depreciation	682.13	10.67	692.80	47.67	—	740.47	572.98	21.13	594.11	67.12	—	661.23

*refer note 31

(B) Geographical business segment

Particulars	Year ended March 31, 2013							Year ended March 31, 2012						
	India	Europe	USA & Canada	China	Aus-tralia	Others	Total	India	Europe	USA & Canada	China	Aus-tralia	Others	Total
Segment revenue	1,439.38	11,190.95	5,632.82	68.07	122.70	289.22	18,743.14	7,801.51	8,184.42	3,480.28	314.47	714.10	587.59	21,082.37
Segment assets	6,596.97	15,305.66	2,008.09	613.48	192.80	1,437.12	26,154.12	9,420.37	15,269.11	2,197.72	857.15	300.83	723.61	28,768.79
Capital expenditure incurred	121.39	550.92	7.78	0.38	2.34	11.50	694.31	218.37	617.22	40.39	2.44	15.01	3.34	896.77

37. 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**

Sarjan Realities Limited, Aspen Infrastructures Limited (earlier Synefra Engineering & Construction Limited), Shubh Realities (South) Private Limited, Tanti Holdings Private Limited, Suzlon Foundation, Girish R. Tanti (HUF), Suruchi Holdings Private Limited, Sugati Holdings Private Limited, Synew Steel Limited, Salene Power Infrastructure Limited, Samanvaya Holdings Private Limited, Synefra Infrastructures Limited.

b. Key Management Personnel of Suzlon Energy Limited

Tulsi R. Tanti,

c. Relatives of Key Management Personnel of Suzlon Energy Limited

Jitendra R. Tanti, Pranav T. Tanti, Nidhi T. Tanti, Vinod R. Tanti*, Girish R. Tanti**

d. 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

* Resigned as whole time director and continues to be a non-executive director w.e.f. June 01, 2012. Transactions entered into after June 01, 2012 have been disclosed as transactions with the relatives of KMP.

** Resigned as whole time director and continues to be a non-executive director w.e.f. July 30, 2011. Transactions entered into after July 30, 2011 have been disclosed as transactions with the relatives of KMP

(B) Transactions between the Group and related parties during the year and the status of outstanding balances as at March 31, 2013

Particulars	Entities where KMP / RKMP has significant influence	KMP	RKMP	Employee funds
Purchase of fixed assets (including intangibles)	6.68	—	—	—
	(0.95)	(—)	(—)	(—)
Sale of fixed assets	0.16	—	—	—
	(—)	(—)	(—)	(—)
Purchase of goods and services	46.36	—	—	—
	(51.69)	(—)	(—)	(—)
Sale of goods and services	0.85	0.17	0.51	—
	(2.67)	(0.20)	(0.28)	(—)

Particulars	Entities where KMP / RKMP has significant influence	KMP	RKMP	Employee funds
Loans given	–	–	–	–
	(4.15)	(–)	(–)	(–)
Loans taken	138.00	–	–	–
	(–)	(–)	(–)	(–)
Interest income	–	–	–	–
	(5.00)	(–)	(–)	(–)
Interest expense	20.17	–	–	–
	(13.08)	(–)	(–)	(–)
Lease rent income	0.24	–	–	–
	(–)	(–)	(–)	(–)
Lease rent expense	16.16	–	–	–
	(17.14)	(–)	(–)	(–)
Donation given	1.67	–	–	–
	(2.66)	(–)	(–)	(–)
Managerial remuneration	–	0.49	0.10	–
	(–)	(1.43)	(0.74)	(–)
Contribution to various funds	–	–	–	7.81
	(–)	(–)	(–)	(0.63)
Reimbursement of expenses	0.72	–	–	–
	(–)	(–)	(–)	(–)

(C) **Outstanding balances**

Particulars	Entities where KMP / RKMP has significant influence	KMP	RKMP	Employee funds
Advances from customers	0.01	–	–	–
	(0.03)	(0.11)	(–)	(–)
Trade receivables	1.94	0.16	0.77	–
	(5.02)	(–)	(0.26)	(–)
Deposits outstanding	130.53	–	–	–
	(125.64)	(–)	(–)	(–)
Advances to supplier and other assets	0.66	–	–	–
	(23.50)	(1.83)	(–)	(–)
Trade payables	24.70	–	–	–
	(8.33)	(–)	(–)	(–)
Unsecured loan outstanding (including interest)	253.84	–	–	–
	(145.00)	(–)	(–)	(–)



(D) Disclosure of significant transactions with related parties:

Type of the transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2013	2012
Purchase of fixed assets (including intangibles)	Entities where KMP / RKMP has significant influence	Sarjan Realities Ltd. Shubh Realty (South) Pvt. Ltd.	4.44 2.10	– 0.93
Sale of fixed assets	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	0.12	–
		Sarjan Realities Ltd.	0.04	–
Purchase of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	44.63	48.46
Sale of goods and services	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	0.12	2.47
		Sarjan Realities Ltd.	0.70	–
		KMP Tulsi R. Tanti	0.17	–
		RKMP Girish R. Tanti	0.17	–
		RKMP Vinod R. Tanti	0.17	–
		RKMP Jitendra R. Tanti	0.17	–
Loans taken	Entities where KMP / RKMP has significant influence	Tanti Holdings Private Limited	138.00	–
Deposits given	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	–	4.15
Interest income	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	–	5.00
Interest expense	Entities where KMP / RKMP has significant influence	Tanti Holdings Private Limited	20.17	13.08
Rent income	Entities where KMP / RKMP has significant influence	Synefra Infrastructures Limited	0.24	–
Rent expense	Entities where KMP / RKMP has significant influence	Aspen Infrastructure Limited (earlier Synefra Engineering & Construction Limited)	15.49	16.47
Donation given	Entities where KMP / RKMP has significant influence	Suzlon Foundation	1.67	2.66
Remuneration	KMP KMP RKMP	Tulsi R. Tanti	0.49	0.89
		Vinod R. Tanti	0.09	0.54
		Pranav T. Tanti	0.01	0.52
Contribution to various funds	Employee Funds	Suzlon Energy Limited Superannuation Fund	0.32	0.18
		Suzlon Energy Limited Employee Group Gratuity Scheme	6.95	0.05
		SE Blades Limited Employees Group Gratuity Scheme	–	0.06
		SE Electricals Limited Employees Group Gratuity Scheme	0.26	0.23

38. Capital and other commitments

	March 31, 2013	March 31, 2012
Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances	152.97	89.23
Commitment for purchase of goods	4,095.31	6,409.79
Contingent consideration payable	34.33	56.61

39. Contingent liabilities

	March 31, 2013	March 31, 2012
Disputed Infrastructure Development Charges (refer note 4)	64.80	64.80
Claims against the Group not acknowledged as debts-		
Excise duty, customs duty, service tax and VAT	58.96	12.51
Income-tax*	30.52	41.70
State levies	6.41	11.10
Suppliers and service providers	0.08	39.19
Cumulative preference share dividend of subsidiary payable to minority	5.27	0.96
Interest sacrifice under CDR scheme (refer note 5)	129.32	—
Others	28.79	12.61

* 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. The 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.

One of the subsidiaries of the Company has filed applications for extension of due date for achieving positive Net Foreign Exchange with Development Commissioners. The matter is under approval and the outcome of the same is not ascertainable.

40. Derivative instruments and unhedged foreign currency exposure

a. Derivative instruments

1. Forward contract outstanding as at balance sheet date:

	Purpose
Buy Euro Nil (Euro 3,138,888)	Hedge of forex Euro liabilities
Buy USD 40,000,000 (USD 33,703,433)	Hedge of forex USD liabilities
Buy CAD Nil (CAD 26,800,000)	Hedge of forex CAD liabilities
Buy GBP 5,700,000 (GBP Nil)	Hedge of forex GBP liabilities
Sell SEK 63,000,000 (SEK Nil)	Hedge of forex SEK receivables
Sell CAD 115,800,000 (CAD 47,900,000)	Hedge of forex CAD receivables
Sell USD Nil (USD 244,000,000)	Hedge of forex USD receivables
Sell Euro Nil (Euro 2,000,000)	Hedge of forex Euro receivables
Sell AUD 10,000,000 (AUD Nil)	Hedge of forex AUD receivables

2. Principal only currency swaps contracts outstanding as at balance sheet date:

	Purpose
USD Nil (USD 19,290,889)	Hedge of forex USD receivable
Notional Amount	
Euro Nil (Euro 50,386,523)	Hedge of forex Euro loan given
Notional Amount	

b. Unhedged foreign currency exposure

	March 31, 2013	March 31, 2012
Current liabilities	2,615.71	4,764.54
Debtors	3,148.55	3,821.30
Loans given	2,159.00	3,248.79
Loans received	3,820.11	2,765.11
Bank balance in current and term deposit accounts	255.30	98.32
Deposit paid	1.22	—
Foreign currency convertible bonds	2,719.15	3,327.42

41. Deferral / capitalisation 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 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 loss aggregating Rs 270.06 Crore (loss of Rs 342.69 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 losses aggregating Rs 322.78 Crore (Rs 139.98 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 and on behalf of the Board of Directors of Suzlon Energy Limited	
For SNK & Co.	For S.R. Batliboi & Co. LLP	Tulsi R. Tanti	Vinod R. Tanti
Chartered Accountants	Chartered Accountants	Chairman and Managing	Director
ICAI Firm Registration number: 109176W	ICAI Firm Registration number: 301003E	Director	
per Sanjay Kapadia	per Arvind Sethi	Hemal A.Kanuga	Amit Agarwal
Partner	Partner	Company Secretary	Chief Financial Officer
Membership No. : 38292	Membership No. : 89802		
Place: Pune	Place: Pune	Place: Pune	
Date: May 30, 2013	Date: May 30, 2013	Date: May 30, 2013	

Notice

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of Suzlon Energy Limited will be held on Friday, September 20, 2013 at 11.00 a.m. at J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 to transact the following businesses:

ORDINARY BUSINESS:

1. Adoption of Financial Statements, etc. for the financial year 2012-13

To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.

2. Re-appointment of Mr. Vinod R.Tanti as Director

To appoint a director in place of Mr. Vinod R.Tanti, who retires by rotation and being eligible, offers himself for re-appointment.

3. Re-appointment of Mr. Girish R.Tanti as Director

To appoint a director in place of Mr. Girish R.Tanti, who retires by rotation and being eligible, offers himself for re-appointment.

4. Appointment of Statutory Auditors

To appoint M/s. SNK & Co., Chartered Accountants, Pune (Firm Registration No.109176W) and M/s. S. R. Batliboi & Co. LLP (formerly known as S.R. Batliboi & Co.), Chartered Accountants, Pune (Firm Registration No.301003E), as Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. Regularisation of Mrs. Bharati Rao, Nominee of State Bank of India as Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mrs. Bharati Rao, the Nominee Director, who was appointed as an Additional Director of the Company with effect from August 13, 2012 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing her candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of Office shall not be liable to determination by retirement of directors by rotation."

6. Regularisation of Mr. Ravi Uppal as Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ravi Uppal who was appointed as an Additional Director of the Company with effect from September 28, 2012 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of Office shall be liable to determination by retirement of directors by rotation."

7. Regularisation of Mr. Ravi Kumar as Director

To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Ravi Kumar who has been appointed as an Additional Director of the Company with effect from July 20, 2013 and holds office up to the ensuing Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company whose period of Office shall not be liable to determination by retirement of directors by rotation."

8. Issue of Securities to the extent of Rs 5,000 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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), 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 subject to the approval, consent, permission and / or sanction of the 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 the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed 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 5,000 Crores (Rupees Five 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 (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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof), approval of the shareholders and 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 5,000 Crores (Rupees Five 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 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. 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

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 Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the stock exchanges, where the shares of the Company are listed, provisions of **Chapter VII – "Preferential Issue"** and other applicable provisions, if any, of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as may be modified or re-enacted from time to time (hereinafter referred to as "**ICDR Regulations**"), the applicable rules, notifications, guidelines issued by various authorities including but not limited to the Government of India, the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**") and other competent authorities, and subject to the approvals, permissions, sanctions and consents as may be necessary from any regulatory and other appropriate authorities including but not limited to SEBI, Corporate Debt Restructuring Empowered Group, RBI, the Government of India, etc. and all such other approvals (including approvals of the existing lenders of the Company), which may be agreed to by the Board of Directors (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution) and in furtherance to the scheme of corporate debt restructuring ("**CDR Package**") by and between the Company and the lenders of the Company ("**CDR Lenders**") which has been approved by the Corporate Debt Restructuring Empowered Group ("**CDR EG**") on December 31, 2012, and communicated to the Company by the Corporate Debt Restructuring Cell ("**CDR Cell**") vide its letter of approval dated January 23, 2013 ("**CDR LOA**"), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot, in one or more tranches, compulsorily convertible debentures ("**CCDs**"), at a price determined in accordance with the ICDR Regulations and applicable law, not exceeding Rs 145,00,00,000/- (Rupees One Hundred Forty Five Crores Only) to the Promoters (whether body corporate, companies, trusts, overseas corporate bodies, individuals, etc.) of the Company being Tanti Holdings Private Limited and / or its / Promoters' affiliates, in consideration of conversion of unsecured loan of Rs 145,00,00,000/- (Rupees One Hundred Forty Five Crores Only) given by the Promoters to the Company, whether they are members of the Company or not, by way of preferential allotment and in such manner and on such other terms and conditions, as the Board may, in its absolute discretion, think fit."

"RESOLVED FURTHER THAT each CCD shall be compulsorily converted into equity shares of the Company of the face value of Rs 2/- (Rupees Two Only) each on or after the respective dates on which the Promoters become entitled to apply for the equity shares of the Company on the conversion of the CCDs ("**Entitlement Date**") as set out in the Explanatory Statement and / or such date which shall not be later than the period specified in Regulation 75 of the ICDR Regulations, at the conversion price determined with reference to the "**Relevant Date**" as set out in the Explanatory Statement and / or such date which shall be a date 30 (Thirty) days prior to the Entitlement Date in accordance with Chapter VII of the ICDR Regulations, as the case may be."



“RESOLVED FURTHER THAT the equity shares to be allotted on conversion of the CCDs in terms of this resolution shall be made fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of the Company in all respects and the CCDs and / or equity shares to be allotted on conversion of the CCDs shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution(s), the Securities Issue Committee of the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding the dates of allotment for the CCDs, revising the Entitlement Date and / or Relevant Date, in accordance with applicable law, deciding and / or finalising other terms of offer, issue and allotment of the CCDs and / or equity shares to be allotted on conversion of the CCDs in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted on the conversion of the CCDs, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, CDR EG, RBI, the Government of India, etc. and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, offer and allotment of the CCDs and / or the equity shares arising therefrom, including utilisation of the issue proceeds and to execute all such deeds, documents, writings, agreements, applications, etc. in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Members or otherwise with the intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution.”

10. 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

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 Section 314(1) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby granted to the appointment of Mr. Vinod R.Tanti, the Non-Executive Director of the Company and a relative of Mr. Tulsi R.Tanti, Chairman & Managing Director and Mr. Girish R.Tanti, the Non-Executive Director of the Company, to hold place of profit being the office of the Chief Operating Officer (“COO”) of Suzlon Wind International Limited (“SWIL”), a wholly owned subsidiary of Suzlon Energy Limited with effect from July 1, 2013 at an annual remuneration of Rs 1,20,00,000/- (Rupees One Crore Twenty Lacs Only) together with other benefits, perquisites, allowances, amenities and facilities, as applicable / payable to the other employees occupying similar position in the said cadre as per the applicable rules, which is commensurate with his experience and as per prevalent industry standards.”

By order of the Board of Directors of Suzlon Energy Limited

Place : Pune
Dated : July 20, 2013

Hemal A.Kanuga,
Company Secretary.

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.
2. The instrument appointing proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 (Forty Eight) hours before commencement of the Eighteenth Annual General Meeting of the Company.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the aforesaid items of Ordinary and / or Special Business is enclosed herewith.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, September 9, 2013 to Friday, September 20, 2013 (both days inclusive) for the purpose of the Eighteenth Annual General Meeting.
5. Profile of directors seeking appointment / re-appointment as stipulated under Clause 49 of the Listing Agreement is enclosed herewith.
6. Corporate members intending to send their authorised representatives to attend the Eighteenth 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 Eighteenth 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 Eighteenth 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 last year, 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, 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081; email id 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 registered office of the Company during office hours.
10. In terms of provisions of Section 205C of the Companies Act, 1956, the application money received for allotment of shares at the time of Initial Public Offer (IPO) of the Company and due for refund and remaining unclaimed or unpaid 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. Accordingly, the application moneys received at the time of IPO of the Company in the year 2005 and remaining unclaimed or unpaid aggregating to Rs 2,499,544/- (Rupees Twenty Four Lacs Ninety Nine Thousand Five Hundred Forty Four Only) have been transferred to IEPF during the financial year 2012-13.
11. In terms of provisions of Section 205A read with Section 205C of the Companies Act, 1956, as amended, the amount of dividend remaining unpaid or unclaimed is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Government of India. Accordingly, the unpaid or unclaimed interim dividend for the financial year 2005-06 aggregating to Rs 126,578/- (Rupees One Lac Twenty Six Thousand Five Hundred Seventy Eight Only) has been transferred to IEPF during the financial year 2012-13.

The information pertaining to date of declaration of dividend and corresponding dates after which such other unpaid or unclaimed dividends would be transferred to IEPF are given as under:

Financial Year	Type of Dividend	Date of declaration	Date after which unclaimed dividend would be transferred to IEPF
2005-06	Final	July 18, 2006	July 18, 2013
2006-07	Interim	March 12, 2007	March 12, 2014
2007-08	Final	July 30, 2008	July 30, 2015

Please note that no claim shall lie against the Company or IEPF for such unclaimed dividend once such amount is transferred to IEPF. Members who have not yet encashed their dividend warrants for financial year 2006-07 and 2007-08, are therefore requested to contact the Company’s Registrar and Share Transfer Agents, Karvy Computershare Private Limited, 17-24, Vittalrao Nagar, Madhapur, Hyderabad-500081; email id einward.ris@karvy.com, at the earliest for revalidation.

12. The Company had conducted postal ballot process vide notice dated March 8, 2013 for obtaining approval of shareholders inter alia for issuance of securities on preferential basis in terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The details of allotments made and revised shareholding pattern are given in Annexure to this notice for the information of shareholders.



EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Agenda Item No.2:

In terms of provisions of Section 255 of the Companies Act, 1956, not less than two-thirds of the total number of directors of a public company shall be persons whose period of office is liable to determination by retirement of directors by rotation. Further, in terms of the provisions of Section 256 of the Companies Act, 1956, one-third of such of the directors for the time being as are liable to retire by rotation shall retire from office. Thus at any point of time only one-third directors can be non-retiring directors.

Mrs. Mythili Balasubramanian and Mr. Rajiv Ranjan Jha, the nominee directors had been appointed as directors liable to retire by rotation at the Sixteenth Annual General Meeting of the Company. However as per the contractual terms with the Company's lenders read with the provisions of the Articles of Association of the Company, they have to be non-retiring.

Mr. Vinod R.Tanti has been appointed as Director not liable to retire by rotation at the Sixteenth Annual General Meeting held on September 27, 2011. Thus with a view to comply with the provisions of the Companies Act, 1956, it is required to make Mr. Vinod R.Tanti liable to retire by rotation.

The details of Mr. Vinod R.Tanti as required to be given under Clause 49(IV)(G) of the Listing Agreement 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.2 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 may be deemed to be concerned or interested in the said resolution for re-appointment of Mr. Vinod R.Tanti.

Agenda Item No.5:

Mrs. Bharati Rao was appointed as an Additional Director of the Company, with effect from August 13, 2012. In terms of the provisions of Section 260 of the Companies Act, 1956, Mrs. Bharati Rao holds office up to the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mrs. Bharati Rao for the office of the Director of the Company.

The details of Mrs. Bharati Rao as required to be given in terms of Clause 49(IV)(G) of the Listing Agreement have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board recommends the appointment of Mrs. Bharati Rao as the Director 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.5 of the accompanying Notice.

No other Director except Mrs. Bharati Rao is, in any way, concerned or interested in the said resolution appointing Mrs. Bharati Rao as the Director of the Company.

Agenda Item No.6:

Mr. Ravi Uppal was appointed as an Additional Director of the Company, with effect from September 28, 2012. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Ravi Uppal holds office up to the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Ravi Uppal for the office of the Director of the Company.

The details of Mr. Ravi Uppal as required to be given in terms of Clause 49(IV)(G) of the Listing Agreement have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board recommends the appointment of Mr. Ravi Uppal as the Director 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.6 of the accompanying Notice.

No other Director except Mr. Ravi Uppal is, in any way, concerned or interested in the said resolution appointing Mr. Ravi Uppal as the Director of the Company.

Agenda Item No.7:

IDBI Bank Limited has substituted its Nominee Director on the Board of the Company by withdrawing nomination of Mrs. Mythili Balasubramanian and instead nominating Mr. Ravi Kumar as the Nominee Director of IDBI Bank Limited on the Board of the Company. Accordingly, Mr. Ravi Kumar has been appointed as an Additional Director of the Company, with effect from July 20, 2013. In terms of the provisions of Section 260 of the Companies Act, 1956, Mr. Ravi Kumar holds office up to the ensuing Annual General Meeting of the Company. The Company is in receipt of a notice in writing pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Ravi Kumar for the office of the Director of the Company.

The details of Mr. Ravi Kumar as required to be given in terms of Clause 49(IV)(G) of the Listing Agreement have been provided separately under Profile of Directors seeking appointment / re-appointment.

The Board recommends the appointment of Mr. Ravi Kumar as the Director 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.

No other Director except Mr. Ravi Kumar is, in any way, concerned or interested in the said resolution appointing Mr. Ravi Kumar as the Director of the Company.

Agenda Item No.8:

The resolution contained in the business 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 5,000 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 5,000 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 Seventeenth Annual General Meeting held on August 13, 2012. 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, an additional / fresh resolution is proposed to be passed 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 5,000 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 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the equity shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the equity shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board of Directors to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company.

The Board of Directors believes that the issue of Securities is in the interest of the Company and therefore recommends the special resolution as set out at Agenda Item No.8 of the accompanying Notice for your approval.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

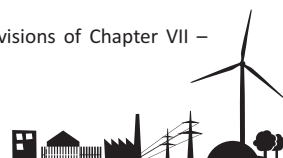
Agenda Item No.9:

The Company had made a reference to the corporate debt restructuring (“CDR”) cell on October 29, 2012 for restructuring the Company’s debts through CDR mechanism. After considering the proposal, the final restructuring package (“CDR Package”) was approved by CDR Empowered Group (“CDR EG”) on December 31, 2012 and was communicated to the Company by the Corporate Debt Restructuring Cell vide its letter of approval dated January 23, 2013 (“CDR LOA”).

The Promoters, being Tanti Holdings Private Limited, had extended an unsecured loan of Rs 145,00,00,000/- (Rupees One Hundred and Forty Five Crore Only) (“Promoter Unsecured Loan”) to the Company. The CDR Package records that the Promoter Unsecured Loan is to be converted into fully paid up equity shares / compulsorily convertible debentures (“CCDs”) of the Company at a price determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (“ICDR Regulations”) or applicable law. However, the Promoter Unsecured Loan is not forming part of the Promoters’ contribution as on date and hence the Board has decided, in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as may be modified or re-enacted from time to time (“Takeover Regulations”) and the ICDR Regulations, to issue and allot, in one or more tranches, CCDs to the Promoters being Tanti Holdings Private Limited and / or its / Promoters’ affiliates not exceeding the amount of the Promoter Unsecured Loan.

Subject to the provisions of the ICDR Regulations, the CCDs shall be converted into fully paid up equity shares of Rs 2/- (Rupees Two Only) each of the Company in one or more tranches. The Promoters will be entitled to convert the CCDs into equity shares of the Company at any time on or after October 5, 2013 (“Entitlement Date”) and the conversion date(s) would be decided by the Securities Issue Committee at the time of allotment of CCDs. The Securities Issue Committee of the Board of Directors of the Company shall have right to revise the Entitlement Date (and consequently the Relevant Date as well), in accordance with applicable law without seeking fresh approval of shareholders; provided however that the Entitlement Date shall not be later than the period specified in Regulation 75 of the ICDR Regulations.

The following details of the proposed preferential issue of CCDs are disclosed in accordance with the provisions of Chapter VII – “Preferential Issue” of the ICDR Regulations:



a. The object of the preferential issue:

The object of the issue is to restructure the liabilities of the Company in furtherance to the CDR Package by converting the Promoter Unsecured Loan into CCDs of the Company.

b. The proposal of the Promoters, Directors and key management persons of the Company to subscribe to the proposed preferential offer:

Tanti Holdings Private Limited, one of the Promoters of the Company and / or its / Promoters' affiliates will subscribe to the proposed preferential offer. Mr. Tulsi R.Tanti, Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the Directors of the Company have got an interest in Tanti Holdings Private Limited.

Except the above, none of the directors or key management persons intends to subscribe to the CCDs and / or equity shares to be allotted on conversion of the CCDs.

c. The shareholding pattern of the Company before and after the preferential issue:

The shareholding pattern of the Company before and after the preferential issue considering the preferential issue under this notice as well as the preferential allotments to be made in terms of Resolution No.3, 4 and 6 of the Postal Ballot Notice dated March 8, 2013 is provided hereunder:

Sr. No.	Category	Pre-Issue as of July 19, 2013		Post Issue*	
		Number of shares	% of Capital	Number of shares	% of Capital
A	Promoter & Promoter Group	790,291,588	37.78%	1,043,822,185	35.37%
B	Public Shareholding				
1	Institutions				
	Financial Institutions / Banks	286,453,368	13.70%	831,290,615	28.17%
	Insurance Companies	39,924,328	1.91%	101,364,148	3.43%
	Others	226,619,219	10.83%	226,619,219	7.68%
	Sub-Total	552,996,915	26.44%	1,159,273,982	39.28%
2	Non-Institutions				
	Bodies Corporate	108,610,144	5.19%	108,610,144	3.68%
	Individuals	598,766,199	28.63%	598,766,199	20.29%
	Others	36,579,207	1.75%	36,579,207	1.24%
	Sub-Total	743,955,550	35.57%	743,955,550	25.21%
	Total Public Shareholding	1,296,952,465	62.01%	1,903,229,532	64.49%
C	GDRs	4,368,568	0.21%	4,368,568	0.15%
	GRAND TOTAL	2,091,612,621	100.00%	2,951,420,285	100.00%

*Note:

- (1) The post issue details have been provided considering all the allotments proposed to be made to the CDR Lenders and non-CDR Lenders (subject to their acceptance of the CDR Package) in consideration for the Funded Interest Term Loans and Promoters in consideration of the Promoters' Contribution in terms of the approved CDR Package and as has been approved by the shareholders by a postal ballot conducted vide Postal Ballot Notice dated March 8, 2013 and the results of which were declared on April 12, 2013.
- (2) The post-issue capital is subject to alterations due to the conversion of the existing convertible securities issued by the Company including employee stock options (ESOPs) and foreign currency convertible bonds (FCCBs).
- (3) The 'Relevant Date' shall be a date which is 30 (Thirty) days prior to the Entitlement Date in accordance with Chapter VII of ICDR Regulations. Since the actual 'Relevant Date' would be a date after the date of this notice, for the purposes of arriving at a tentative shareholding pattern, the 'relevant date' for determination of the price of the equity shares to be allotted to the Promoters on conversion of CCDs has been presumed to be July 20, 2013 and the 'relevant date' for determination of price of equity shares to be allotted to CDR and Non-CDR Lenders is December 31, 2012 being the date on which the CDR EG approved the CDR Package of the Company. Thus, the number of equity shares actually allotted to Promoters on conversion of CCDs issued on preferential basis may stand altered and consequently the post-issue capital may also stand altered.

The Company will ensure compliance with all applicable laws and regulations including the ICDR Regulations at the time of allotment of the CCDs and / or equity shares to be allotted on conversion of the CCDs of the Company.

d. Proposed time within which the preferential issue shall be completed:

The Company will issue and allot securities to the Promoters within 15 (Fifteen) days from the date of the passing of this resolution or any longer time limit as may be specified under the ICDR Regulations.

- e. The identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control, if any, in the Company consequent to the preferential issue:

Details of the proposed allottees:

Sr. No.	Proposed Allottee	Pre-Issue as of July 19, 2013		Post-Issue*	
		Number of shares	% of Capital	Number of shares	% of Capital
1.	Tanti Holdings Private Limited	154,626,093	7.39%		
2.	Tulsi R.Tanti	3,905,000	0.19%		
3.	Gita T. Tanti	64,512,000	3.08%		
4.	Tulsi R.Tanti as karta of Tulsi Ranchhodbhai HUF	18,000,000	0.86%		
5.	Tulsi R.Tanti as karta of Ranchhodbhai Ramjibhai HUF	42,570,000	2.04%		
6.	Tulsi R.Tanti J/w. Vinod R.Tanti J/w. Jitendra R.Tanti	42,660,000	2.04%		
7.	Vinod R.Tanti	11,367,000	0.54%		
8.	Jitendra R.Tanti	12,400,000	0.59%		
9.	Sangita V.Tanti	70,182,000	3.36%		
10.	Lina J.Tanti	70,182,000	3.36%		
11.	Rambhaben Ukabhai	3,000	0.00%		
12.	Vinod R.Tanti as karta of Vinod Ranchhodbhai HUF	18,900,000	0.90%	1,043,822,185	35.37%
13.	Jitendra R.Tanti as karta of Jitendra Ranchhodbhai HUF	12,723,000	0.61%		
14.	Pranav T.Tanti	59,067,000	2.82%		
15.	Nidhi T.Tanti	3,052,000	0.15%		
16.	Rajan V.Tanti through F/G. Vinod R.Tanti	16,605,000	0.79%		
17.	Brij J.Tanti	37,117,000	1.77%		
18.	Trisha J.Tanti through F/G. Jitendra R.Tanti	15,120,000	0.72%		
19.	Girish R.Tanti	100,019,000	4.78%		
20.	Suruchi Holdings Private Limited	4,275,000	0.20%		
21.	Sugati Holdings Private Limited	5,000	0.00%		
22.	Samanvaya Holdings Private Limited	33,001,495	1.58%		
Total Promoter Group Holding		790,291,588	37.78%	1,043,822,185	35.37%

*Note:

- (1) It is proposed to make allotment to Tanti Holdings Private Limited, one of the Promoters of the Company and / or its / Promoters' affiliates. Since the name(s) of the final allottee would be known only at the time of allotment, it is not possible to give the exact post issue shareholding pattern of the allottee(s).
- (2) The post issue details have been provided considering all the allotments proposed to be made to the CDR Lenders and non-CDR Lenders (subject to their acceptance of the CDR Package) in consideration for the Funded Interest Term Loans and Promoters in consideration of the Promoters' Contribution in terms of the approved CDR Package and as has been approved by the shareholders by a postal ballot conducted vide Postal Ballot Notice dated March 8, 2013 and the results of which were declared on April 12, 2013.
- (3) The post-issue capital is subject to alterations due to the conversion of the existing convertible securities issued by the Company including employee stock options (ESOPs) and foreign currency convertible bonds (FCCBs).
- (4) The 'Relevant Date' shall be a date which is 30 (Thirty) days prior to the Entitlement Date in accordance with Chapter VII of ICDR Regulations. Since the actual 'Relevant Date' would be a date after the date of this notice, for the purposes of arriving at a tentative shareholding pattern, the 'relevant date' for determination of the price of the equity shares to be allotted to the Promoters on conversion of CCDs has been presumed to be July 20, 2013 and the 'relevant date' for determination of price of equity shares to be allotted to CDR and Non-CDR Lenders is December 31, 2012 being the date on which the CDR EG approved the CDR Package of the Company. Thus, the number of equity shares actually allotted to Promoters on conversion of CCDs issued on preferential basis may stand altered and consequently the post-issue capital may also stand altered.

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment, except a corresponding change in shareholding pattern as well as voting rights.



f. Undertaking to Recomputed Price:

The same is not applicable in the present case.

g. Undertaking to put under Lock-In till the Re-Computed Price is paid:

The same is not applicable in the present case.

h. Certificate from Statutory Auditors:

A copy of the certificate from statutory auditors certifying that the issue is being made in accordance with the requirements of ICDR regulations shall be placed before the shareholders at the ensuing Annual General Meeting of the Company.

i. Relevant Date:

The 'Relevant Date' for conversion of CCDs is September 5, 2013 being a date which is 30 (Thirty) days prior to the Entitlement Date i.e. October 5, 2013. The Securities Issue Committee of the Board of Directors of the Company shall have right to revise the Entitlement Date (and consequently the Relevant Date as well) in accordance with the applicable law without seeking fresh approval of shareholders provided however that the Entitlement Date shall not be later than the period specified in Regulation 75 of the ICDR Regulations.

j. Lock-in Period:

The securities allotted to Promoters shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations.

The consent of the Members is sought for the issue of CCDs and the equity shares allotted pursuant to conversion of the CCDs, in terms of Section 81 of the Companies Act, 1956, and all other applicable provisions of the Companies Act, 1956, and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed.

The Board recommends passing of the Special Resolution as set out in Agenda Item No.9 of the accompanying notice.

The proposed preferential issue of CCDs not exceeding Rs 145,00,00,000/- (Rupees One Hundred Forty Five Crores Only) to the Promoters as envisaged under this resolution shall be subscribed by Tanti Holdings Private Limited and / or its / Promoters' affiliates in which Mr. Tulsi R.Tanti, the Chairman & Managing Director, Mr. Vinod R.Tanti and Mr. Girish R.Tanti, the Non-Executive Directors of the Company have got an interest and hence may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors of the Company is, in any way, concerned or interested in passing of the said resolution.

Agenda Item No.10:

Mr. Vinod R.Tanti, a Non-Executive Director of the Company has been appointed as Chief Operating Officer ("COO") of Suzlon Wind International Limited ("SWIL"), a wholly owned subsidiary of the Company with effect from July 1, 2013 in order to focus at Suzlon Group level where his extensive experience and expertise can be applied.

In terms of Section 314(1) of the Companies Act, 1956, the appointment of a director or a relative of director to an office or place of profit in a company or a subsidiary of the company requires approval of the shareholders of the company. Since Mr. Vinod R.Tanti is a Non-Executive Director of the Company and a brother of Mr. Tulsi R.Tanti, Chairman & Managing Director and Mr. Girish R.Tanti, the Non-Executive Director of the Company, provisions of Section 314(1) of the Companies Act, 1956 would be applicable for 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.

In the 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 may be deemed to be concerned or interested in the said resolution. Except the above, none of the Directors of the Company is, in any way, concerned or interested in passing of the said resolution.

By order of the Board of Directors of Suzlon Energy Limited

Place : Pune

Dated : July 20, 2013

**Hemal A.Kanuga,
Company Secretary.**

ANNEXURE I

Profile of Directors seeking appointment / re-appointment at the Eighteenth Annual General Meeting as stipulated under Clause 49 of the Listing Agreement is as under:

Mr. Vinod R.Tanti

Brief resume - Mr. Vinod R.Tanti holds a Degree in Civil Engineering and has been associated with Suzlon right from its inception. In his 26 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.

Shareholding - Mr. Vinod R.Tanti holds 11,367,000 equity shares aggregating to 0.54% of the paid-up capital of the Company. He also holds shares in the capacity as karta of HUF, as guardian of minor son and jointly with others.

Interse-relationship - Mr. Vinod R.Tanti is brother of Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Girish R.Tanti, the non-executive director.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Vinod R.Tanti are given as under:

Name of the Indian company in which Director	Name of Committee in which member
SE Blades Limited	Audit Committee
SE Electricals Limited	Audit Committee
Suzlon Power Infrastructure Limited	Nil
Suzlon Structures Limited	Audit Committee
Suzlon Generators Limited	Audit Committee
Synew Steel Limited	Nil
SE Forge Limited	Audit Committee
SE Solar Limited	Nil
REpower Systems India Limited	Nil
Tanti Holdings Private Limited	Nil
Suruchi Holdings Private Limited	Nil
Sugati Holdings Private Limited	Nil

Mr. Girish R.Tanti

Brief resume - Mr. Girish Tanti is one of the founding members of the Company, the world's fifth largest wind turbine manufacturer. 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 – spanning 32 countries on six continents. 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.

Shareholding - Mr. Girish R.Tanti holds 100,019,000 equity shares aggregating to 4.78% of the paid-up capital of the Company.

Interse-relationship - Mr. Girish R.Tanti is brother of Mr. Tulsi R.Tanti, the Chairman & Managing Director and Mr. Vinod R.Tanti, the non-executive director.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Girish R.Tanti are given as under:

Name of the Indian company in which Director	Name of Committee in which member
Tanti Holdings Private Limited	Nil
Sugati Holdings Private Limited	Nil
Samanvaya Holdings Private Limited	Nil

Mrs. Bharati Rao

Brief resume - Mrs. Bharati Rao is M.A. (Economics) and CAIIB and has over 40 years of experience in the banking and financial sector, having joined State Bank of India, the largest bank in India, in 1972. Since then she has held both domestic and international positions and titles, covering areas such as project finance, credit and risk management, development of foreign offices, human resources and mergers and acquisitions. In 2008 and 2009, she played a key role in the planned merger between State Bank of India and State Bank of Indore (which completed in 2010) as also merger of State Bank of Saurashtra. Presently she acts as a director on the boards as well as member of committees of various State Bank of India subsidiaries and Vijaya Bank and acts as an advisor to a number of companies and other corporate entities, including EXIM Bank and Brickworks Ratings Company. She has been an Independent Director on the Board (on behalf of State Bank of India) since August 13, 2012.

Shareholding – Mrs. Bharati Rao does not hold any shares in the Company.

Interse-relationship – Mrs. Bharati Rao is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mrs. Bharati Rao are given as under:

Name of the Indian company in which Director	Name of Committee in which member
SBI Capital Markets Limited	Nil
SBICAP Ventures Limited	Nil
SBI Mutual Fund Trustee Company Private Limited	Nil
SBI Global Factors Limited	Nil
Vijaya Bank	Audit Committee
SBICAP Securities Limited	Nil



Mr. Ravi Uppal

Brief resume - Mr. Ravi Uppal as the Managing Director & Group CEO of US\$ 4 billion Jindal Steel & Power Limited (JSPL) Group, is presently driving the company's growth and responsible for business excellence, both in the domestic and global markets. With wide-ranging business experience, spanning over 36 years in engineering and infrastructure segments in India and abroad, Mr. Uppal is known for his entrepreneurial experience. Before joining JSPL, he served as the whole-time Director and President & CEO (Power) at L&T. Earlier he held various positions in ABB Group including President of Global Market, Member of Group Executive Committee, President of ABB in Asia Pacific Region & Chairman & Managing Director of ABB India. He has also to his credit of being the Founding Managing Director of Volvo in India.

Mr. Uppal has been awarded the Royal Order of the Polar Star by the King of Sweden that named him Knight of this Order in recognition of his invaluable services to the Kingdom of Sweden. He was also conferred with the Marketing Award 2005 by the Institute of Marketing Management, India and named among 'India's Best of the Best' by Smart Manager magazine.

He holds a degree in Mechanical Engineering from the Indian Institute of Technology (IIT) Delhi, which has honoured him as a Distinguished Alumni. He is also an alumnus of the Indian Institute of Management (IIM) Ahmedabad. He has also done Advanced Management Program from Wharton Business School, USA. Mr. Uppal is actively involved in several industry forums & academic institutions and holds a keen interest in social and community development initiatives.

Shareholding – Mr. Ravi Uppal holds 1,000 equity shares aggregating to 0.00% of the paid-up capital of the Company.

Interse-relationship – Mr. Ravi Uppal is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Ravi Uppal are given as under:

Name of the Indian company in which Director	Name of Committee in which member
Jindal Steel and Power Limited	Nil

Mr. Ravi Kumar

Brief resume - Mr. Ravi Kumar has done M.A. & M.B.A. (Finance). He is presently working as General Manager, Corporate Banking Group, IDBI Bank Limited, New Delhi. He has more than 20 years experience in the field of Corporate Banking. Prior to his posting as General Manager, Corporate Banking Group IDBI Bank Limited, he was working as Regional Head (West), Infrastructure Corporate Group, IDBI Bank Limited, Mumbai.

Shareholding – Mr. Ravi Kumar does not hold any shares in the Company.

Interse-relationship – Mr. Ravi Kumar is not related to any of the Directors of the Company.

Other Directorships - The details of other directorships and / or committee positions held by Mr. Ravi Kumar are given as under:

Name of the Indian company in which Director	Name of Committee in which member
National Scheduled Castes Finance and Development Corporation	Nil
Punjab Alkalies & Chemicals Limited	Nil

ANNEXURE II

UPDATES ON PREFERENTIAL ISSUE OF THE COMPANY IN TERMS OF POSTAL BALLOT NOTICE DATED MARCH 8, 2013

1. The status of allotments made under Preferential Issue of the Company in terms of postal ballot notice dated March 8, 2013 is given below:

Reference to Postal Ballot Notice dated March 8, 2013	Particulars	No. of Securities allotted	Remarks
Resolution No.3	Issue of equity shares and / or compulsorily convertible debentures on preferential basis on conversion of the funded interest term loan to the CDR Lenders	228,356,864	The allotment to CDR Lenders would be made on quarterly basis in tranches till October 2014 for conversion of Funded Interest Term Loan. The first tranche of allotment has been made on April 23, 2013.
Resolution No.4	Issue of equity shares and / or compulsorily convertible debentures on preferential basis on conversion of the funded interest term loan to the non-CDR Lenders as on the date of the Notice	Nil	The allotment could not be made since the Company is yet working on mutually acceptable restructuring package with non-CDR Lenders. Once the debt of non-CDR Lenders is restructured either in lines with the CDR Lenders or otherwise, issue and allotment would be made based on the terms of such restructured package.
Resolution No.5	Issue of equity shares on preferential basis for the sacrifice by IDBI Bank Limited	74,004,643	–
Resolution No.6	Issue of equity shares and / or compulsorily convertible debentures, on preferential basis, to the Promoters	Nil	The allotment would be made in terms of Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), once Promoters are eligible under ICDR Regulations in terms of this resolution.

Reference to Postal Ballot Notice dated March 8, 2013	Particulars	No. of Securities allotted	Remarks
Resolution No.7	Issue of equity shares and / or compulsorily convertible debentures, on preferential basis, to Samimeru Windfarms Private Limited	11,885,467	–
Resolution No.11	Issue of equity shares on preferential basis to Kalthia Investment Private Limited, Mr. Kalpesh R.Kalthia, Mrs. Anu Kalthia and Mrs. Ritu Kalthia	Nil	Allotment could not be made since the Company could not obtain necessary approval from the Lead Bank for allotting shares.
	Total	314,246,974	

2. Considering the aforesaid allotments, the revised pre and post shareholding details of the allottees under Resolution No. 3, 4, 5, 6 and 11 of the Postal Ballot Notice dated March 8, 2013 is given as under:

Resolution No.3, 4 & 5[®]

Sr. No.	Proposed Allottee	Pre-Issue as of March 1, 2013 [*]		Post-Issue [*]	
		Number of shares	% of Capital	Number of shares	% of Capital
1	State Bank of India	–	-	129,810,913	4.40%
2	Axis Bank Limited [®]	–	-	20,669,908	0.70%
3	Bank of Baroda	550,000	0.03%	53,515,964	1.81%
4	Bank of India	-	-	5,175,581	0.18%
5	Bank of Maharashtra	-	-	15,969,746	0.54%
6	Central Bank of India	1,116,000	0.06%	39,370,997	1.33%
7	Corporation Bank	85,126	0.00%	5,147,255	0.17%
8	Dena Bank	-	-	8,638,574	0.29%
9	Export Import Bank of India	-	-	24,592,112	0.83%
10	ICICI Bank Limited [®]	-	-	14,170,719	0.48%
11	IDBI Bank Limited	1,369,895	0.08%	219,527,648	7.44%
12	Indian Overseas Bank	134,500	0.01%	53,354,381	1.81%
13	Life Insurance Corporation of India	13,635,731	0.77%	101,064,148	3.42%
14	Oriental Bank of Commerce	150,000	0.01%	9,307,212	0.32%
15	Punjab National Bank	3,672,710	0.21%	64,245,373	2.18%
16	The Saraswat Cooperative Bank Limited	-	-	5,586,170	0.19%
17	State Bank of Bikaner & Jaipur	30,000	0.00%	13,952,204	0.47%
18	State Bank of Patiala	–	-	14,586,710	0.49%
19	Union Bank of India	419,616	0.02%	5,994,981	0.20%
20	Power Finance Corporation	-	-	116,342,518	3.94%
21	Yes Bank Limited	-	-	8,779,038	0.30%
	Total	21,163,578	1.19%	929,802,152	31.50%

[®]Note - Axis Bank Limited and ICICI Bank Limited have confirmed that they do not hold any shares of Suzlon Energy Limited in their investment books hence the pre-preferential shareholding is shown as Nil instead of 2,992,848 shares and 1,806,989 shares respectively as was shown in the Postal Ballot Notice dated March 8, 2013.



Resolution No.6[#]

Sr. No.	Proposed Allottee	Pre-Issue as of March 1, 2013 [*]		Post-Issue [*]	
		Number of shares	% of Capital	Number of shares	% of Capital
1	Tanti Holdings Private Limited	154,626,093	8.70%	1,043,822,185	35.37%
2	Tulsi R. Tanti	3,905,000	0.22%		
3	Gita T. Tanti	64,512,000	3.63%		
4	Tulsi R. Tanti as karta of Tulsi Ranchhodbhai HUF	18,000,000	1.01%		
5	Tulsi R. Tanti as karta of Ranchhodbhai Ramjibhai HUF	42,570,000	2.40%		
6	Tulsi R. Tanti J/w. Vinod R. Tanti J/w. Jitendra R. Tanti	42,660,000	2.40%		
7	Vinod R. Tanti	11,367,000	0.64%		
8	Jitendra R. Tanti	12,400,000	0.70%		
9	Sangita V. Tanti	70,182,000	3.95%		
10	Lina J. Tanti	70,182,000	3.95%		
11	Rambhaben Ukabhai	3,000	0.00%		
12	Vinod R. Tanti as karta of Vinod Ranchhodbhai HUF	18,900,000	1.06%		
13	Jitendra R. Tanti as karta of Jitendra Ranchhodbhai HUF	12,723,000	0.72%		
14	Pranav T. Tanti	59,067,000	3.32%		
15	Nidhi T. Tanti	3,052,000	0.17%		
16	Rajan V. Tanti through F/G. Vinod R. Tanti	16,605,000	0.93%		
17	Brij J. Tanti	37,117,000	2.09%		
18	Trisha J. Tanti through F/G. Jitendra R. Tanti	15,120,000	0.85%		
19	Girish R. Tanti	100,019,000	5.63%		
20	Suruchi Holdings Private Limited	4,275,000	0.24%		
21	Sugati Holdings Private Limited	5,000	0.00%		
22	Samanvaya Holdings Private Limited	33,001,495	1.86%		
	Total Promoter Group Holdings	790,291,588	44.46%	1,043,822,185	35.37%

[#]Notes:

- It is proposed to make allotment to Tanti Holdings Private Limited, one of the Promoters of the Company and / or its / Promoters' affiliates. Since the name(s) of the final allottee may be known only at the time of allotment, it is not possible to give the exact post issue shareholding pattern of the allottee(s).
- The 'Relevant Date' for CCDs to be allotted to Promoters shall be a date which is 30 (Thirty) days prior to the Entitlement Date i.e. the date on which the Promoters become entitled to apply for the equity shares of the Company on conversion of CCDs in accordance with Chapter VII of the ICDR Regulations. Out of proposed allotment of CCDs to the extent of Rs 377 Crores approved by the Shareholders, the Entitlement Date for the amount already infused by the Promoters as a part of Promoter Contribution i.e. Rs 103 Crores and the Promoter Unsecured Loan of Rs 145 Crores shall be October 5, 2013 and corresponding Relevant Date shall be September 5, 2013. The Securities Issue Committee of the Board of Directors of the Company shall have right to revise the Entitlement Date (and consequently the Relevant Date as well) in accordance with applicable law, without seeking fresh approval of shareholders; provided however that the Entitlement Date shall not be later than the period specified in Regulation 75 of the ICDR Regulations.
- Since the actual 'Relevant Date' would be a date after the date of this notice, for the purposes of arriving at a tentative shareholding pattern, the 'relevant date' for determination of the price of the equity shares to be allotted to the Promoters on conversion of CCDs has been presumed to be July 20, 2013. Thus, the number of equity shares actually allotted to Promoters on conversion of CCDs issued on preferential basis may stand altered and consequently the post-issue capital may also stand altered.

Resolution No.11[§]

Sr. No.	Proposed Allottee	Pre-Issue as of March 1, 2013 [*]		Post-Issue [*]	
		Number of shares	% of Capital	Number of shares	% of Capital
1	Kalthia Investment Private Limited	—	—	—	—
2	Mr. Kalpesh R. Kalthia	—	—	—	—
3	Mrs. Anu Kalthia	—	—	—	—
4	Mrs. Ritu Kalthia	—	—	—	—
	Total	—	—	—	—

[§]Note - No allotment has been made under Resolution No.11 hence the details are Nil.

^{*}Common Notes - The pre issue shareholding details have been given as per Postal Ballot Notice dated March 8, 2013 (excluding the allotment made on April 23, 2013) and the post issue shareholding details have been provided considering total allotments made / proposed to be made to CDR Lenders, Non-CDR Lenders and Promoters in future and hence the post issue shareholding is subject to change depending upon actual allotments made.

3. Considering the aforesaid allotments, the revised pre and post issue shareholding pattern is as under:

Sr. No.	Category	Pre-Issue as of March 1, 2013 [*]		Post Issue [*]	
		Number of shares	% of Capital	Number of shares	% of Capital
A	Promoter & Promoter Group	790,291,588	44.46%	1,043,822,185	35.37%
B	Public Shareholding				
1	Institutions				
	Financial Institutions / Banks	13,945,279	0.78%	835,155,436	28.30%
	Insurance Companies	13,935,731	0.78%	101,364,148	3.43%
	Others	155,727,829	8.76%	155,727,829	5.28%
	Sub-Total	183,608,839	10.33%	1,092,247,413	37.01%
2	Non-Institutions				
	Bodies Corporate	105,343,083	5.93%	117,228,550	3.97%
	Individuals	472,144,805	26.56%	472,144,805	16.00%
	Others	222,227,092	12.50%	222,227,092	7.53%
	Sub-Total	799,714,980	44.99%	811,600,447	27.50%
	Total Public Shareholding	983,323,819	55.32%	1,903,847,860	64.51%
C	GDRs	3,750,240	0.21%	3,750,240	0.13%
	GRAND TOTAL	1,777,365,647	100.00%	2,951,420,285	100.00%



***Note:**

1. The pre issue shareholding details have been given as per Postal Ballot Notice dated March 8, 2013 (excluding the allotment made on April 23, 2013) and the post issue shareholding details have been provided considering total allotments made / proposed to be made to CDR Lenders, Non-CDR Lenders and Promoters in future. The aforesaid shareholding pattern does not include shares to be allotted to Kalthia Investment Private Limited, Mr. Kalpesh R.Kalthia, Mrs. Anu Kalthia and Mrs. Ritu Kalthia since no allotment is proposed to be made to them in terms of Resolution No.11 of the Postal Ballot Notice dated March 8, 2013.
2. The 'relevant date' for the determination of the price of the equity shares to be allotted to CDR and Non-CDR Lenders has been considered to be December 31, 2012, being the date on which the CDR EG approved the CDR Package of the Company.
3. The 'Relevant Date' for CCDs to be allotted to the Promoters shall be a date which is 30 (Thirty) days prior to the Entitlement Date i.e. the date on which the Promoters become entitled to apply for the equity shares of the Company on conversion of CCDs in accordance with Chapter VII of the ICDR Regulations. Out of proposed allotment of CCDs to the extent of Rs 377 Crores approved by the Shareholders, the Entitlement Date for the amount already infused by the Promoters as a part of Promoter Contribution i.e. Rs 103 Crores and the Promoter Unsecured Loan of Rs 145 Crores shall be October 5, 2013 and corresponding Relevant Date shall be September 5, 2013. The Securities Issue Committee of the Board of Directors of the Company shall have right to revise the Entitlement Date (and consequently the Relevant Date as well) in accordance with applicable law, without seeking fresh approval of shareholders; provided however that the Entitlement Date shall not be later than the period specified in Regulation 75 of the ICDR Regulations.
4. Since the actual 'Relevant Date' would be a date after the date of this notice, for the purposes of arriving at a tentative shareholding pattern, the 'relevant date' for determination of the price of the equity shares to be allotted to the Promoters on conversion of CCDs has been presumed to be July 20, 2013 (instead of December 31, 2012 as was considered in the Postal Ballot Notice dated March 8, 2013). Thus, the number of equity shares actually allotted to Promoters on conversion of CCDs issued on preferential basis may stand altered and consequently the post-issue capital may also stand altered.
5. The FITL-II is based on actual accruals and may stand reduced and accordingly number of shares to be allotted for conversion of FITL-II may change.
6. The post-issue capital is subject to alterations due to the conversion of the existing convertible securities issued by the Company including employee stock options (ESOPs) and foreign currency convertible bonds (FCCBs).

Notes:

[illegible]

Notes:

[illegible]



SUZLON

POWERING A GREENER TOMORROW

SUZLON ENERGY LIMITED

Registered Office: "Suzlon", 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009

ATTENDANCE SLIP

Eighteenth Annual General Meeting on Friday, September 20, 2013

DP ID _____

Folio No/Client ID _____

Full name of the shareholder/proxy attending the meeting

(First Name)

(Second Name)

(Surname)

FIRST HOLDER / JOINT HOLDER / PROXY

(Strike out whichever is not applicable)

Full name of first holder _____

(If joint holder/proxy attending)

(First Name)

(Second Name)

(Surname)

Signature of the Shareholder/proxy



SUZLON

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SUZLON ENERGY LIMITED

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PROXY FORM

Eighteenth Annual General Meeting on Friday, September 20, 2013

DP ID _____

Folio No/Client ID _____

I/We _____ of _____

being a member(s) of Suzlon Energy Limited hereby appoint _____ of

_____ or failing him/her _____

of _____ as my/our proxy to attend and vote for me/us and on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on Friday, September 20, 2013, at 11.00 a.m., at J.B.Auditorium, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix 15
Paise
Revenue
Stamp

Signature _____

Note:

1. The proxy need not be a member of the Company.
2. The proxy form duly signed across 15 paise Revenue stamp should reach the Company's Registered Office at least 48 hours before the time of the meeting.





SUZLON

POWERING A GREENER TOMORROW

REGISTERED OFFICE : "Suzlon" 5, Shrimali Society, Near Shri Krishna Complex, Navrangpura, Ahmedabad - 380 009, India
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