



## Suzlon Wind Energy Uruguay S.A.

Financial Statements  
March 31<sup>st</sup>, 2019

# Index

Independent Auditors' Report	2
Statement of financial position as of March 31 <sup>st</sup> , 2019	5
Statement of income for the year ended March 31 <sup>st</sup> , 2019	6
Statement of comprehensive income for the year ended March 31 <sup>st</sup> , 2019	7
Statement of changes in equity for the year ended March 31 <sup>st</sup> , 2019	8
Statement of cash flows for the year ended March 31 <sup>st</sup> , 2019	9
Notes to the financial statements as of March 31 <sup>st</sup> , 2019	10

## Independent Auditors' Report

To the Shareholders and Board of Directors of  
Suzlon Wind Energy Uruguay S.A.

### **Opinion**

We have audited the financial statements of Suzlon Wind Energy Uruguay S.A. (the Company), which comprise the statement of financial position as of March 31<sup>st</sup>, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Suzlon Wind Energy Uruguay S.A. as of March 31<sup>st</sup>, 2019, and its financial performance and its cash flows for the year then ended in accordance with the accounting bases described in Note 2.1.

### **Emphasis of Matters**

We draw attention to Note 1.3 and 24 where it is disclosed that the Company has terminated all contracts with Rouar S.A. in order to solve some claims between both parts and the Company will not continue as a going concern. Thus this does not modify our opinion.

The Financial Statements have been prepared assuming that the Company will not continue as a going concern, according to disclosures of the note 1.3 and 24, in which it is disclosed the current operational status of the Company. The Management of the Company is evaluating different alternatives to give continuity to the Company, and no final decision has been made.

Without qualifying our opinion, we draw attention to Note 1.3 and 14.4 in the financial statements which indicates that the Company registered negative equity due to its accumulated losses. According to Law 16,060, and even though there are no penalties provided, the mentioned situation is one of the possible causes of dissolution of a Company.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Uruguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles in Uruguay, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Suzlon Wind Energy Uruguay S.A. financial reporting process.

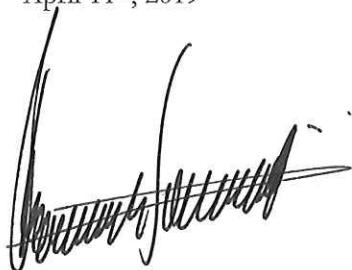
## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A more detailed description of our responsibilities in relation to the audit of the financial statements is included in Appendix A to this audit report. This information is an integral part of our audit report.

Montevideo, Uruguay  
April 11<sup>th</sup>, 2019



Rafael Sánchez  
Partner, Grant Thornton S.C.  
Public Accountant



## **Appendix A**

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

# Statement of financial position as of March 31<sup>st</sup>, 2019

(amounts expressed in United States dollars)

	Notes	March 31 <sup>st</sup> , 2019	March 31 <sup>st</sup> , 2018
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	-	488,103
Other receivables	5	353,456	1,545,923
Inventories	6	-	158,312
<b>Total current assets</b>		<b>353,456</b>	<b>2,192,338</b>
<b>Non-current assets</b>			
Trade receivables	7	-	929,541
Other receivables	5	-	658,291
<b>Total non-current assets</b>		<b>-</b>	<b>1,587,832</b>
<b>Total assets</b>		<b>353,456</b>	<b>3,780,170</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables	8	227,499	802,192
Financial liabilities	9	-	707,891
Other liabilities	10	6,663	47,457
<b>Total current liabilities</b>		<b>234,162</b>	<b>1,557,540</b>
<b>Non-current liabilities</b>			
Trade payables	8	2,208,863	1,542,780
Other liabilities	10	-	1,541,227
<b>Total non-current liabilities</b>		<b>2,208,863</b>	<b>3,084,007</b>
<b>Total liabilities</b>		<b>2,443,025</b>	<b>4,641,547</b>
<b>Equity</b>	14		
Share capital		654,897	654,897
Retained earnings		(1,516,274)	(1,833,834)
Net result of the year		(1,228,192)	317,560
<b>Total equity</b>		<b>(2,089,569)</b>	<b>(861,377)</b>
<b>Total liabilities and equity</b>		<b>353,456</b>	<b>3,780,170</b>

Notes 1 to 25 are an integral part of these financial statements.

# Statement of income for the year ended March 31<sup>st</sup>, 2019

(amounts expressed in United States dollars)

	Notes	March 31 <sup>st</sup> , 2019	March 31 <sup>st</sup> , 2018
Operating income		256,742	1,240,772
Cost of services	15	(380,502)	(547,739)
<b>Gross Profit</b>		<b>(123,760)</b>	<b>693,033</b>
Administrative expenses	16	(943,764)	(363,037)
Miscellaneous results	17	90,854	-
Financial results	18	(247,455)	(10,151)
<b>Result before tax</b>		<b>(1,224,125)</b>	<b>319,845</b>
Income tax	20	(4,067)	(2,285)
<b>Net result for the year</b>		<b>(1,228,192)</b>	<b>317,560</b>

Notes 1 to 25 are an integral part of these financial statements.

Statement of comprehensive income for the year  
ended March 31<sup>st</sup>, 2019  
(amounts expressed in United States dollars)

	March 31 <sup>st</sup> , 2019	March 31 <sup>st</sup> , 2018
Result before tax	<u>(1,228,192)</u>	317,560
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b><u>(1,228,192)</u></b>	<b>317,560</b>

Notes 1 to 25 are an integral part of these financial statements.

Statement of changes in equity for the year ended  
 March 31<sup>st</sup>, 2019  
 (amounts expressed in United States dollars)

	Share capital	Retained earnings	Total
Balance at 31 March 2017	654,897	(1,833,834)	(1,178,937)
Net result for the year	-	317,560	317,560
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>317,560</b>	<b>317,560</b>
<b>Balance at 31 March 2018</b>	<b>654,897</b>	<b>(1,516,274)</b>	<b>(861,377)</b>
Net result for the year	-	(1,228,192)	(1,228,192)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(1,228,192)</b>	<b>(1,228,192)</b>
<b>Balance at 31 March 2019</b>	<b>654,897</b>	<b>(2,744,466)</b>	<b>(2,089,569)</b>

Notes 1 to 25 are an integral part of these financial statements.

Statement of cash flows for the year ended March  
31<sup>st</sup>, 2019  
(amounts expressed in United States dollars)

	Notes	March 31 <sup>st</sup> , 2019	March 31 <sup>st</sup> , 2018
<b>Operating activities</b>			
Net result of the year		(1,228,192)	317,560
Changes in operating assets and liabilities	21	1,447,980	791,397
<b>Total funds (used in)/ from operating activities</b>		<b>219,788</b>	<b>1,108,957</b>
<b>Financing activities</b>			
Changes in financial debts		(707,891)	(704,185)
<b>Total funds (used in)/ from financing activities</b>		<b>(707,891)</b>	<b>(704,185)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(488,103)</b>	<b>404,772</b>
Cash and cash equivalents, beginning of the period		488,103	83,331
<b>Cash and cash equivalents, end of the period</b>	4	<b>-</b>	<b>488,103</b>

Notes 1 to 25 are an integral part of these financial statements.

# Notes to the financial statements as of March 31<sup>st</sup>, 2019

## **Note 1 – Basic information about the Company**

### **1.1 General information**

Suzlon Wind Energy Uruguay S.A. (SWEU or the Company) is a closely-held company incorporated in Uruguay under the regulation of Law Nr.16,060, with nominative shares.

The company shareholder is a global Indian corporation ([www.suzlon.com](http://www.suzlon.com)). The Suzlon Group is one of the leading renewable energy solutions providers in the world.

### **1.2 Main activity**

The Company has an engineering, procurement and construction contract (EPC contract) with Rouar S.A. (Astillero Project), a unique joint venture between UTE (Uruguay's state-owned utility) and Brazilian utility Eletrobras (the largest in Latin America), for the construction of a wind farm located in the Department of Colonia (Uruguay).

The wind farm construction began in October 2013, the startup of the wind turbines generators was between December 2014 and August 2015 and the official inauguration was in February 2015. It counts with 31 units of the model S95 – 2.1 MW wind turbines with a hub height of 90 meters, part of Suzlon's S9X portfolio optimized for medium to low wind regimes.

The Company also signed a wind farm guarantee and maintenance contract with Rouar S.A., which establishes that once the construction is completed (October 2015), the first two years are included in EPC contract price, and after the second year fees will be charged (October 2017).

As of March 31.2019, the Company and Rouar S.A. have terminated the contracts and signed a transactional agreement, which is detailed in the next point.

### **1.3 Termination of contracts – transactional agreement**

Dated October 8, 2018, the Company has signed a transactional agreement with Rouar S.A. after reciprocal claims between parties, as well as filing of lawsuits and several claims for the construction of the wind farm, and carried out additional services held by the Company.

In that agreement, the parties agreed to end all disputes arised from previous contracts: EPC contract and guarantee and maintenance contract, as well as the contract's settlement carried out in 2017, by resolving the following:

- Termination of the wind farm construction contract (EPC contract) extinguishing all rights, duties, obligations and guarantees of all the parties, and waiving any claim derived from that contract. Termination of the wind farm guarantee and maintenance contract (O & M contract), extinguishing all rights, duties, obligations and guarantees of all the parties, and waiving any claim derived from that contract, leaving the maintenance services in charge of Rouar S.A.
- Release the guarantees issued by Suzlon Wind Energy Uruguay S.A., Suzlon Spain and AE Rotors Holding BV, including the bank guarantee issued by EXIM Bank.
- Additionally, in the signed transaction agreement are included several obligations for each of the parties, such as collaboration with the supply of parts and maintenance, inventory transfer of existing parts as a result of the appraisal carried out, Software information as well as transfer of part of the Company's staff.

The effects of the transactional agreement are disclosed in the financial statements, including adjustments in some assets and/or liabilities. The net effects are presented in the statement of income.

#### **1.4 Conciliation hearings and judicial proceedings**

The Company maintains reciprocal judicial claims with Etincar S.A. and Asatul S.A., sub-contractors.

In relation to Etincar S.A.'s claim, as reported by the legal advisors of the Company, the claim on Suzlon Wind Energy Uruguay S.A. is in process of execution of sentence. The judicial court condemned Suzlon Wind Energy Uruguay S.A. to pay \$ 1.403.803 plus interest. As a result of the process of execution of sentence, Suzlon Uruguay maintains a general attachment on bank accounts and deposits in the Uruguayan Banking System, as well as general attachment on rights, credits and shares of Suzlon Uruguay. The Company has recorded a liability in the financial statements. (See note 8)

In relation to Asatul S.A.'s claim, as reported by the legal advisors of the Company, the claim have not yet reached a final resolution, so the Company has not recorded a liability in the financial statements.

#### **Note 2 – Summary of accounting policies**

##### **2.1 Basis for the preparation of these financial statements**

The financial statements are prepared in Uruguayan pesos in accordance with Generally Accepted Accounting Principles in Uruguay established under Decrees 372/15, 291/14 and 408/16.

Decree No, 291/14 with the modifications given by Decree 372/15, establishes that financial statements for periods beginning on or after January 1<sup>st</sup>, 2015 must be prepared in compliance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) issued by the Council International Accounting standards Board (IASB - International Accounting standards Board) at the date of issuance of the decree and published on the website of the Auditoría Interna de la Nación. Without prejudice to its general obligation, this Decree establishes some allowed alternative treatments.

Decree 408/16 establishes the following requirements regarding the presentation of the financial statements:

- Assets and liabilities, current and non-current, must be presented as separate categories within the Statement of Financial Position. Current assets must be ordered in decreasing order of liquidity.
- Expenses recognized in results must be presented using a classification based on their function within the entity.
- the items of other comprehensive income must be presented net of income tax.
- cash flows from operating activities must be presented in the Statement of Cash Flows using the indirect method.
- the presentation of the result of the period and other comprehensive income must be made in two separate statements.

As mentioned in notes 1.2 and 24, the Company does not currently maintain operations and consequently these financial statements have not been prepared under the going concern principle. Due to the fact that the above-mentioned standards do not include the preparation of financial statements of entities that do not comply with the going concern principle, the Company, adopting as a criterion the common uses and practices in these situations, has valued the assets and liabilities as of March 31, 2019 to their liquidation values.

##### **2.2 Functional currency and presentation currency**

The financial statements of the Company are prepared and presented in United States dollars, which is in turn the functional currency and the presentation currency of the financial statements of the Company.

The accounting records of the Company are kept simultaneously in Uruguayan pesos, legal currency in Uruguay, and in United States dollars.

##### **2.3 General valuation criteria**

Assets and liabilities are valued at their respective acquisition cost in United States dollars, or at their market value, if lower. These values coincide with their liquidation values.

## 2.4 Definition of funds

In order to prepare the Statement of cash flows, funds were defined as cash, cash equivalents and temporary investments with an original maturity date of less than three months.

## 2.5 Use of estimates accounting

The preparation of the financial statements at a given date requires the Company's management to make estimates and assumptions that affect the amounts of reported and contingent assets and liabilities disclosed as of the date of these financial statements, as well as income and expenses recording during the year.

By their nature, these estimates are subject to measurement uncertainty, so actual future results may differ from those determined at the date of preparation of these financial statements.

The most significant estimates and assumptions that the Management has used in these financial statements are detailed in Note 3.13.

## Note 3 - Specific valuation criteria

The valuation criteria applied for each of the main headings is listed below:

### 3.1 Foreign currency balances

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the transactions. Assets and liabilities in foreign currencies are translated into United States dollars at the closing rate. The resulting exchange differences are presented in the Statement of comprehensive income.

The average and ending balance exchange rates operated by the Company are detailed below:

	March 31, 2019		March 31, 2018	
	Average	Ending balance	Average	Ending balance
Uruguayan pesos	30.937	33.484	28,467	28,389
Euro	1.176	1.122	1,149	1,231

### 3.2 Cash and cash equivalents

Bank balances are presented at their nominal value, taking into consideration Note 3.1 above if corresponds.

### 3.3 Trade receivables and other receivables

Trade receivables and other receivables are initially recognized at fair value and subsequently measured at their amortized cost applying the effective interest method, less a provision for uncollectible accounts. This provision is recorded when there is objective evidence that the Company will be unable to collect all the amounts receivable in the original terms agreed for trade receivables. The amount of the provision is the difference between assets' book value and the present value of estimated future cash flows discounted at the effective interest rate.

The provisions have been estimated in accordance with historic balances existing at the end of each period.

### 3.4 Financial instruments

#### Financial assets

The Company classifies its investments in the following categories: those assets valued at fair value with changes in profit or loss, those consisting of loans and receivables, those held to maturity and those financial assets available for sale.

#### *Investments valued at fair value with changes in profit or loss*

Assets in this category are held for sale in the short term (within twelve months after the closing date).

#### *Loans and receivables*

Are measured initially at fair value and then at amortized cost using the effective interest method, less a provision for impairment, when applicable.

#### Investment held to maturity

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities. Investments are classified as held until maturity if the entity has the intention and ability to hold them until the maturity date. These assets are measured initially at fair value and subsequently at amortized cost using the effective interest method, less a provision for impairment, when applicable.

#### *Financial assets available for sale*

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are measured at fair value with changes in net equity. Gains and losses are recognized in the Statement of comprehensive income when the asset is sold or is determined to be impaired.

#### Financial liabilities

Financial liabilities are subsequently measured at their amortized cost applying the effective interest method, with the exception of financial liabilities held for trading or designated at fair value with changes in profit or loss, which are subsequently taken at fair value with profits or losses recognized in the statement of comprehensive income.

#### Impairment of financial instruments

Depreciation of financial instruments is measured as the value of the books minus the present value of future cash flows discounted at the original interest rate of the financial assets. The loss due to impairment is recognized in the Statement of comprehensive income.

### **3.5 Inventories**

Inventories are valued at their purchase cost or at their net realizable value, if lower. Net realizable value is the estimated sale price in the normal course of business less the respective variable selling expenses.

### **3.6 Impairment of assets**

The book value of assets is revised as of the date of each financial statement in order to determine any indications of impairment.

If it is estimated that the recoverable amount of an asset (or cash generated) is less than its book value, the book value of the asset (or cash generated) is reduced to the recoverable amount, immediately, recognizing a loss for impairment. If the asset is registered at a reevaluated value, the loss for impairment is treated as a reevaluation decrease to net equity; in other cases, the loss for impairment is recognized directly in the statement of comprehensive income.

The recoverable value is the larger of the fair value minus the sale cost and the economic use value.

Economic use value is the actual value of estimated cash flows expected from continuous operation of the asset to the extent of its useful life, as well as its disposal. In order to determine the economic use value, the cash flows are discounted to their actual value, using a discount rate after taxes that reflect the market evolution of the time value of money and the specific risks related to the asset being valued.

### **3.7 Provisions**

Provisions for debt for legal claims or other actions of third parties are recognized when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and that the amount of the obligation can be estimated reliably.

### **3.8 Income tax**

Income tax on the net results for the year comprises current tax and deferred tax. Deferred income tax is recognized in the Statement of comprehensive income, except when it is related to items recognized in equity, in which case it is recognized in equity.

Current tax is the tax payable on the taxable amount of income for the year, using the prevailing tax rate at the date of the financial statements and considering the adjustments for tax losses in previous years.

Deferred tax is calculated using the liability method based on the Statement of financial position, determined from the temporary differences between the carrying amount of assets and liabilities and the amounts used for taxation purposes. The amount of the deferred tax calculated is based on the expected manner of the realization or settlement of assets and liabilities at carrying amounts, using the tax rates that are expected to be in force at the date of the reversal of temporary differences.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets are reduced by the amount that it is not likely that the related tax benefits can be realized.

### **3.9 Employee benefits**

Obligations generated by benefits to the personnel, legal or voluntary, are exposed as a liability with charge to profit and loss statement in the current period.

### **3.10 Leases**

Leases where the lessor retains a significant portion of the risks and benefits of ownership are classified as operating leases. Payments made under operating leases are charged uniformly over the lease period.

### **3.11 Share capital**

It reflects the value of the shares issued at their historical value in United States dollars.

### **3.12 Income statement criteria**

The Company applied the accrual method of revenue recognition and allocation of costs and expenses.

Revenues from the sale of goods is recognized, when risks and benefits associated with ownership are transferred to the buyer.

Operating expenses are recognized in the statement of comprehensive income upon utilization of the service or at the date of their origin.

### **3.13 Significant Management Judgment in applying accounting policies and estimation uncertainties**

#### **Provision for doubtful accounts**

The management of the Company makes estimates to determine the amount that must be provisioned for bad debts, by considering the evidence of bad debts, in order to cover the associated risks.

#### **Fair value estimates**

The nominal value of functional assets and liabilities approximates of their respective fair values.

### **Note 4 – Cash and cash equivalents**

	31 March 2019 USD	31 March 2018 USD
Current		
Cash and banks	-	488,103
Total	<hr/>	<hr/>

As mentioned in note 1.4, the Company maintains a general attachment on bank accounts and deposits in the Uruguayan Banking System as a result of the execution of the judicial sentence with Etincar S.A.

**Note 5 – Other receivables**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Guarantee deposits (Note 23.1)	-	1,217,840
Related parties (Note 11)	313,982	191,596
Allowance for doubtful accounts (Note 13)	-	(11,354)
Advances to suppliers	-	138,861
Tax credits	36,542	-
Other	2,932	8,980
<b>Total</b>	<b>353,456</b>	<b>1,545,923</b>
<b>Non-current</b>		
Tax credits	560,435	658,291
Prevision for recoverability - tax credits	(560,435)	-
<b>Total</b>	<b>-</b>	<b>658,291</b>

**Note 6 – Inventories**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Raw materials and consumables	-	91,533
Imports in process	-	66,779
<b>Total</b>	<b>-</b>	<b>158,312</b>

**Note 7 – Trade receivables**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Accounts receivable	-	1,183,804
Income to accrue	-	(254,263)
<b>Total</b>	<b>-</b>	<b>929,541</b>

**Note 8 – Trade payables**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Local suppliers	29,435	400,922
Foreign suppliers	196,364	212,613
Related parties (Note 11)	1,700	188,657
<b>Total</b>	<b>227,499</b>	<b>802,192</b>
<b>Non-current</b>		
Local suppliers	2,208,863	1,542,780
<b>Total</b>	<b>2,208,863</b>	<b>1,542,780</b>

**Note 9 – Financial liabilities**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Related parties (Note 11)	-	707,891
<b>Total</b>	<b>-</b>	<b>707,891</b>

**Note 10 – Other liabilities**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Current</b>		
Accrued payroll and social security charges	1,263	47,457
Advances from clients	5,400	-
<b>Total</b>	<b>6,663</b>	<b>47,457</b>
 <b>Non-current</b>		
LD Provision (Note 13)	-	1,541,227 (1)
<b>Total</b>	<b>-</b>	<b>1,541,227</b>

(1) The Company has a delay on the guaranteed date of provisional acceptance of the offer. As specified in clause 6.5 of the contract, the contracting Party (Rouar SA) will receive from the contractor (SWEU SA), by fine, an amount equivalent to USD 1,100 (thousand one hundred dollars of the United States of America) for each day of delay with respect to the guaranteed date of provisional acceptance of the delivery.

Taking into account this situation, in accordance with section 21 of IFRS for SMEs, The Company must recognize a provision damage of liquidity ("LD provision") for the total amount.

This account includes the amount that has been estimated reliably linked to the work done by subcontractors for the project.

This provision was canceled in the transaction agreement signed with Rouar S.A. (Note 1.3).

**Note 11 – Related parties**

**11.1 Balances with related parties**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Assets</b>		
Other receivables		
AE-Rotor Holding B.V.	289,034	-
Suzlon Energy A/S	-	130,766
Suzlon Wind Energy Nicaragua S.A.	-	24,528
Suzlon Energy Eólica do Brasil LTDA	-	11,354
Suzlon Energy LTD	24,948	24,948
<b>Total</b>	<b>313,982</b>	<b>191,596</b>
<b>Liabilities</b>		
Trade payables		
Suzlon Energy B.V.	-	80,585
Suzlon Global LTD	-	3,472
Suzlon Generators LTD	-	598
Suzlon Wind Energy España SLU	1,700	30,600
Suzlon Energy A/S	-	73,402
<b>Total</b>	<b>1,700</b>	<b>188,657</b>
<b>Financial liabilities</b>		
AE-Rotor Holding B.V.	-	707,891
<b>Total</b>	<b>-</b>	<b>707,891</b>

**11.2 Transactions with related parties**

Transactions with related parties during the year ended March 31<sup>st</sup>, 2019 were the following:

	Purchase USD	Sales USD	Loans granted and received net USD		Collection USD	Payment USD	Interest expense USD	Interest income USD
			USD	USD				
Suzlon Wind Energy España SLU	80,151	(92,392)	-	-	-	(15,559)	-	-
Suzlon Generators LTD	-	-	-	-	-	(598)	-	-
Suzlon Energy B.V.	-	-	-	-	-	(80,585)	-	-
Suzlon Energy A/S	-	-	-	-	24,528	(64,330)	-	-
Suzlon Global LTD	-	-	-	-	-	(3,472)	-	-
AE-Rotor Holding B.V.	-	-	303,052	-	-	(797,575)	80,700	(5,034)
<b>Total</b>	<b>80,151</b>	<b>(92,392)</b>	<b>303,052</b>	<b>24,528</b>	<b>(962,119)</b>	<b>80,700</b>	<b>(5,034)</b>	

Transactions with related parties during the year ended March 31<sup>st</sup>, 2018 were the following:

	Purchase USD	Loans granted and received net USD	Collection USD	Payment USD	Compensation USD
Suzlon Wind International LTD	-	(24,474)	-	-	3,169,987
Suzlon Wind Energy España SLU	30,750	-	-	-	-
Suzlon Energy Eólica do Brasil LTDA	8,594	-	-	-	-
SE Electricals LTD	7,869	-	-	(56,825)	-
Suzlon Generators LTD	598	-	-	-	-
Suzlon Energy LTD	-	-	2,145,488	(60,047)	(2,178,305)
Suzlon Energy B.V.	-	-	-	(1,040,350)	-
Suzlon Energy A/S	73,315	-	-	(8,919)	-
SWETU LTD	-	-	-	-	8,318
Suzlon Global LTD	3,472	-	-	-	-
Suzlon Wind Energy Corporation	-	-	-	(26,981)	-
AE-Rotor Holding B.V.	-	2,292,890	-	(1,991,580)	(1,000,000)
<b>Total</b>	<b>124,598</b>	<b>2,268,416</b>	<b>2,145,488</b>	<b>(3,184,702)</b>	<b>-</b>

## Note 12 – Financial instruments

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
<b>Financial assets</b>		
<i>Loans and receivables (amortised cost)</i>		
Cash and cash equivalents	-	488,103
Trade and other receivables	316,914	2,602,220
<b>Total</b>	<b>316,914</b>	<b>3,090,323</b>
 <b>Financial liabilities</b>		
<i>Other liabilities (amortised cost)</i>		
Trade and other liabilities	2,443,025	3,933,656
Financial debts	-	707,891
<b>Total</b>	<b>2,443,025</b>	<b>4,641,547</b>

## Note 13 – Provisions

	Provision LD USD	Allowance for doubtful accounts USD	Total USD
<b>Total at March 31<sup>st</sup>, 2018</b>	<b>1,541,227</b>	<b>11,354</b>	<b>1,552,581</b>
- Additional provisions	132,796	-	132,796
- Reversals	(1,674,023)	(11,354)	(1,685,377)
<b>Total at March 31<sup>st</sup>, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Note 14 – Shareholders' equity

### 14.1 Authorized capital

The Company's authorized capital at March 31<sup>st</sup>, 2019 and 2018 amounts to Uruguayan \$ 100,000,000 and is represented by 100,000,000 ordinary shares of \$ 1 each.

### 14.2 Share capital

As of March 31<sup>st</sup>, 2019 and 2018 share capital amounts to \$ 19,077,800 equivalent to USD 654,897.

#### 14.3 Dividend distribution restrictions

- a) According to Article 93 of the Law of Commercial Companies N° 16,060, the Company should designate no less than 5% and up to 20% of the accumulated results to create a legal reserve. When this reserve is diminished for any reason, accumulated earnings will not be distributed until refunding the reserve.
- b) According to Article 98 of the aforementioned law, the Company will not be able to distribute dividends unless it covers losses from previous periods.

#### 14.4 Negative equity

As of March 31<sup>st</sup>, 2019 and 2018, the Company registered negative equity due to its accumulated losses. According to Law 16,060, the mentioned situation is a causal for dissolution of the Company, unless decisions are made to revert this event. (Note 24)

#### Note 15 – Cost of sales and services

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Goods	(568)	(418,206)
Losses LD (Notes 10 y 13)	-	(135,412)
Reversal guarantee provision (Notes 10 y 13)	-	596,186
Professional fees	(11,866)	(125,763)
Employee compensation and benefit expenses (Note 19)	(289,535)	(297,070)
Other cost	(78,533)	(167,474)
<b>Total</b>	<b>(380,502)</b>	<b>(547,739)</b>

#### Note 16 – Administrative expenses

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Professional fees	(325,953)	(262,405)
Taxes and contributions	(29,831)	(45,813)
Provision for recoverability (Note 10)	(560,435)	-
Bad debts (Note 13)	-	(11,354)
Other expenses	(27,545)	(43,465)
<b>Total</b>	<b>(943,764)</b>	<b>(363,037)</b>

#### Note 17 – Miscellaneous results

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Settlement agreement	550,416	-
Loss for lawsuits and litigation	(459,562)	-
<b>Total</b>	<b>90,854</b>	<b>-</b>

**Note 18 – Financial results**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Interest expense and other financial items	(137,793)	-
Interest income	5,034	-
Exchange difference	(114,696)	(10,151)
<b>Total</b>	<b>(247,455)</b>	<b>(10,151)</b>

**Note 19 – Employee compensation and benefit expenses**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Employee compensations	(266,538)	(269,499)
Benefit expenses	(22,997)	(27,571)
<b>Total</b>	<b>(289,535)</b>	<b>(297,070)</b>

Total staff expenses are recorded as cost of sales and service.

**Note 20 – Income tax**

**20.1 Components of the net income tax recognized in the Statement of profit or loss**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Income Tax		
Current tax expense for the year	(4,067)	(2,285)
<b>Total expense</b>	<b>(4,067)</b>	<b>(2,285)</b>

**20.2 Reconciliation of the accounting profit with the current tax payable**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Loss before tax	(1,224,125)	319,845
Rate of income tax	25%	25%
<b>Tax at the prevailing rate</b>	<b>306,031</b>	<b>(79,961)</b>
Adjustment for tax losses	1,400,190	1,474,026
Adjustment for non-deductible expenses	(30,723)	(35,262)
Expenses associated to non-taxable income	(66,617)	14,954
Adjustment for provision OMS and LD	(58,981)	117,926
Other adjustments	(79,338)	40,651
<b>Subtotal</b>	<b>1,164,531</b>	<b>1,612,295</b>
<b>Total tax losses</b>	<b>1,470,562</b>	<b>1,532,334</b>
<b>Minimum current tax expense</b>	<b>(4,067)</b>	<b>(2,285)</b>

**20.3 Reconciliation of the accounting profit with the current tax payable**

The Company applying prudential criteria has decided not to recognize the deferred tax asset, because the Management estimated that tax losses accrued to March 31<sup>st</sup>, 2019 will not be fully deductible to the extent date positive future tax reverse will not be generated.

**Note 21 – Changes in operating assets and liabilities**

	March 31 <sup>st</sup> , 2019 USD	March 31 <sup>st</sup> , 2018 USD
Trade receivables	929,541	(299,156)
Other receivables	1,850,758	3,334,002
Inventories	158,312	185,410
Trade payables	91,390	(975,211)
Other liabilities	(1,582,021)	(1,453,648)
<b>Total</b>	<b>1,447,980</b>	<b>791,397</b>

**Note 22 – Foreign exchange position**

	March 31st, 2019			March 31st, 2018		
	\$	Euros	USD	\$	Euros	USD
<b>Assets</b>						
Cash and cash equivalents	-	-	-	50.419	-	1.776
Other receivables	1,223,572	-	36,542	21,603,404	126,147	916,272
<b>Total assets</b>	<b>1,223,572</b>	<b>-</b>	<b>36,542</b>	<b>21,653,823</b>	<b>126,147</b>	<b>918,048</b>
<b>Liabilities</b>						
Trade payables	(1,527,507)	(104,886)	(163,291)	(2,681,369)	(187,854)	(325,709)
Other liabilities	(16,139)	-	(482)	(3,856,078)	-	(135,830)
<b>Total liabilities</b>	<b>(1,543,646)</b>	<b>(104,886)</b>	<b>(163,773)</b>	<b>(6,537,447)</b>	<b>(187,854)</b>	<b>(461,539)</b>
<b>Net position</b>	<b>(320,074)</b>	<b>(104,886)</b>	<b>(127,231)</b>	<b>15,116,376</b>	<b>(61,707)</b>	<b>456,509</b>

**Note 23 – Guarantees and other contingencies**

**23.1 Guarantees**

Guarantee deposits included in Other receivables as of March 31<sup>st</sup>, 2018 corresponded to a guarantee deposit of USD 1,217,840 on Export-Import Bank of India , that guaranteed the Company's obligations with Rouar S.A. customer for the construction of the wind farm "Parque Eólico Astilleros". The mentioned guarantee was released on the termination of the contract with Rouar S.A. (Note 1.3).

**23.2 Contingencies**

There are no provisions established for contingencies because management has deemed the occurrence of such events requiring contingencies remote.

**Note 24 - Operational context – going concern**

As disclosed in note 1, the Company has terminated all contracts with Rouar S.A., main customer of the Company. As of March 31, 2019, the Company does not maintain businesses or operational activities that support the fulfilment of the going concern principle, and not having plans or projections of Company in order to recompose the operative in the next twelve months.

Continuity company as going concern depends on its ability to obtain sufficient cash flow to meet its obligations in time, to fulfill the term of their financial agreements, in order to obtain additional financing or refinance when necessary and to make the Company profitable.

The current situation of company and even though that the shareholders of the Company have not decided to liquidate the Company formally, assets and liabilities of the Company are presented to its liquidation values as of March 31, 2019, with the understanding that the Company will not continue as a going concern.

**Note 25 - Subsequent events**

As of March 31<sup>st</sup>, 2019 there are no other expected events that would significantly affect the accompanying financial statements.