

## **INDEPENDENT AUDITOR'S REPORT To The Members of Suzlon Gujarat Wind Park Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of **Suzlon Gujarat Wind Park Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and read with the management's assessment of going concern and the reasons for not making any adjustments to the carrying values (including adjustment on account of impairment of assets) or classification of assets and liabilities as more fully explained in the Material Uncertainty Related to Going Concern section below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Material uncertainty related to Going Concern**

We draw attention to note 38(c) in the financial statements, which indicates that, the Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes, and finance costs which has resulted in increase in negative net worth during the year and as at March 31, 2019. The net current liabilities as at March 31 2019 were Rs. 80.82 crore.

Further, the Company has defaulted in repayment of credit facilities payable to lenders aggregating to Rs. 15.42 crore as on March 31, 2019 and has also defaulted in making payments to certain overdue creditors. The default under credit facilities gives right to the lenders who have issued standby letter of credit (SBLC) for a loan taken by one of the fellow subsidiary company amounting to Rs. 3,937.69 crore, to recall these facilities immediately. The borrowings repayable

after 12 months from the balance sheet date have been classified as 'non-current', based on confirmations / repayment schedule received from lenders after March 31, 2019. The lenders have allowed continuation of operations, permitting usage of 90% of cash inflows towards business requirements and have invoked the Inter Creditor Agreement (ICA) mechanism under 'Project Sashakt' for resolution. The aforesaid conditions indicate existence of liquidity stress and material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern and consequently, the ability of the Company to realise its assets and discharge its liabilities in the normal course of business.

The Company is dependent on the direct or indirect financial support from Suzlon Energy Limited ("the ultimate parent/ SEL"). SEL is working towards a resolution plan with its lenders and has received a non-binding offer from a potential investor, which we are informed is currently valid till June 3, 2019 (the terms of the non-binding offer provide for extension of the validity period of the offer on an exclusive basis as may be mutually agreed by the parties), and envisages infusion of additional equity in SEL, purchase of a business line by the investor and considerable amount of waiver of the debts by the lenders, which will enable SEL and the Company to scale up its operations and meet the remaining financial obligations including that of the Company. These measures are contingent upon the approval of the lenders of the resolution plan including waiver of the debts, and the approval of SEL's shareholders for the preferential allotment of shares, which events are not wholly within the control of SEL. The Company's ability to continue as a going concern is solely dependent on successful outcome of the above mentioned SEL management's plans.

As stated in the note and based on the information available with the Company, management of SEL is confident of obtaining required approval of the lenders and its shareholders for raising adequate resources and provide unconditional financial support to the Company for a period 12 months from the date of Balance sheet. Having regard to the aforesaid, the financial statements have presently been prepared on the basis that the Company will continue as a going concern and hence, no adjustments have been made to the carrying values (including adjustment on account of impairment of assets) or classification of assets and liabilities.

Our opinion is not modified in respect of this matter.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the director's report, but does not include the financial statements and our auditor's report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report including annexure, but does not include the standalone financial statements and our auditor's report thereon. The Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information when it is made available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility 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 SAs 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.

As part of an audit in accordance with SAs, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

*(Signature)*

- 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate 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 identify during our audit.

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) The matter described in the material uncertainty related to going concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy



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and operating effectiveness of the Company's internal financial controls over financial reporting.

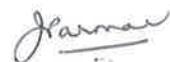
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid / provided for managerial remuneration to its directors during the year and hence provisions of Section 197 of the Act are not applicable to the Company.

- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements, refer note 32 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Jayesh Parmar**

Partner

Membership No. 106388

Place: Pune  
Date: May 30, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Suzlon Gujarat Wind Park Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)



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provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Jayesh Parmar**  
Partner  
Membership No. 106388

Place: Pune  
Date: May 30, 2019

**ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its property, plant and equipment,

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular program of verification, which in our opinion, provides for physical verification of all the property plant and equipment at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold and leasehold, are held in the name of the Company as at the balance sheet date, except the following:

<b>Particulars of the freehold land and building</b>	<b>Gross Block (Rs. in crore)</b>	<b>Net Block (Rs. in crore)</b>	<b>Remarks</b>
14 Freehold lands located at various locations admeasuring 22.47 acres	1.14	1.14	The title deeds are in the name of erstwhile Suzlon Infrastructure Limited ('SISL') which was merged with the Company.
2 leasehold lands and 4 freehold lands admeasuring 13.11 acres	1.58	1.58	These lands were transferred from group companies on account of slump sale of their power generation undertakings during the year ended March 31, 2019.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans or provided guarantees under Section 185 of the Act and hence reporting under clause 3 (iv) of the Order is not applicable. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.

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- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause 3 (v) of the Order is not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148 (1) of the Act, for the products/services of the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except as under:

Name of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of subsequent payment
Town Panchayats, Municipalities and Municipal Corporations (Collection of Tax on Professions, Trades, Callings and Employments) Rules, 1999	Profession Tax	5,000	August and September 2018	September 30, 2018	May 09, 2019
		31,740	August and September 2018	September 30, 2018	May 10, 2019
		8,700	August and September 2018	September 30, 2018	unpaid

- (c) Details of dues of Value Added Tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is Pending	Period to which the amount relates	Amount (Rs. in crore)	Amount paid under protest (Rs. in crore)
Maharashtra Value Added Tax Act, 2002	Value Added Tax	Joint Commissioner (Appeals)	FY 2007-08 to FY 2011-12	4.22	0.25

There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Goods and Services Tax as on March 31, 2019 on account of disputes.

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- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, and banks except as under:

<b>Particulars</b>	<b>Amount of default of repayment (Rs. in crore)</b>		<b>Period of default/delay</b>
	<b>Principal</b>	<b>Interest</b>	
<b>Due to banks:</b>			
Bank of Baroda	8.97	-	Upto 11 days
IDBI Bank	1.21	-	Upto 5 days
Indian Overseas Bank	5.24	-	Upto 9 days
<b>Total</b>	<b>15.42</b>	-	

The Company does not have any borrowing from government nor has issued any debentures.

- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid/ provided managerial remuneration during the year. Accordingly, reporting under the clause 3 (xi) of the Order is not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Act are not applicable.

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(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Jayesh Parmar**  
Partner  
Membership No. 106388

Place: Pune  
Date: May 30, 2019

**Suzlon Gujarat Wind Park Limited**

**Balance Sheet as at March 31, 2019**

All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	40.37	45.98
Goodwill	5	1.29	1.29
Financial assets			
Investments	6	0.01	0.01
Trade receivables	8	-	-
Loans	7	-	1.12
Other financial assets	9	16.70	35.50
Other non-current assets	10	5.32	13.52
		<b>63.69</b>	<b>97.42</b>
<b>Current assets</b>			
Inventories	11	563.87	419.92
Financial assets			
Trade receivables	8	479.04	729.92
Cash and cash equivalents	12	0.67	36.89
Loans		0.00*	0.00*
Other financial assets	9	4.35	5.82
Current tax asset, net		0.06	-
Other current assets	10	633.90	530.16
		<b>1,681.89</b>	<b>1,722.71</b>
<b>Total assets</b>		<b>1,745.58</b>	<b>1,820.13</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	1,245.92	1,245.92
Other equity	14	(1,984.71)	(1,600.96)
		<b>(738.79)</b>	<b>(355.04)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	698.00	704.31
Other financial liabilities	16	20.92	22.46
Provisions	17	2.74	1.61
		<b>721.66</b>	<b>728.38</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	1,111.52	832.77
Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		17.57	2.03
Total outstanding dues of creditors other than micro enterprises and small enterprises		458.80	527.22
Other financial liabilities	16	35.34	28.64
Contract liabilities		128.42	35.49
Other current liabilities	19	7.32	16.43
Provisions	17	3.74	4.21
		<b>1,762.71</b>	<b>1,446.79</b>
<b>Total equity and liabilities</b>		<b>1,745.58</b>	<b>1,820.13</b>
<b>Summary of significant accounting policies</b>			
* Less than ₹ 0.01 Crore.	2.3		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Firm Registration Number : 117366W/ W-100018

Jayesh Parmar  
Partner  
Membership No.: 106388

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

Harish H. Mehta  
Managing Director  
DIN : 00002753

Balrajsinh A. Parmar  
Director  
DIN : 00002276

Nimisha Agnihotri  
Company Secretary  
Membership No.: A30859

Vikas Maheshwari  
Chief Financial Officer  
ICAI Membership No.: 074720

Place : Pune  
Date : May 30, 2019

Place : Pune  
Date : May 29, 2019



**Suzlon Gujarat Wind Park Limited**

**Statement of profit and loss for the year ended March 31, 2019**

All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	March 31, 2019	March 31, 2018
<b>Income</b>			
Revenue from contract with customers	20	634.34	1,002.33
Other operating income		5.27	3.76
Other income	21	2.59	2.30
		<b>642.20</b>	<b>1,008.39</b>
<b>Expenses</b>			
Cost of raw materials consumed and services rendered	22	781.68	1,033.46
Changes in inventories of work-in-progress and finished goods	22	(59.64)	(53.68)
Employee benefits expense	23	45.48	55.57
Depreciation expense	4	5.80	4.93
Finance costs	24	189.61	154.40
Other expenses	25	62.71	92.08
		<b>1,025.64</b>	<b>1,286.76</b>
<b>Profit/ (loss) before tax</b>		<b>(383.44)</b>	<b>(278.37)</b>
Tax expenses	26	-	-
<b>Profit/ (loss) after tax</b>		<b>(383.44)</b>	<b>(278.37)</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss in subsequent years :			
Remeasurements of the defined benefit plans		(0.31)	1.69
Income tax effect on the above		-	-
		<b>(0.31)</b>	<b>1.69</b>
Item that will be reclassified to profit or loss in subsequent years			
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.31)</b>	<b>1.69</b>
<b>Total comprehensive income for the year</b>		<b>(383.75)</b>	<b>(276.68)</b>
<b>Earnings/ (loss) per equity share:</b>			
Basic and diluted [Nominal value of share ₹ 10 (₹ 10)]	27	(3.08)	(2.23)
<b>Summary of significant accounting policies</b>	<b>2.3</b>		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Firm Registration Number : 117366W/ W-100018

Jayesh Parmar  
Partner  
Membership No.: 106388

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

Harish H. Mehta  
Managing Director  
DIN : 00002753

Balrajsinh A. Parmar  
Director  
DIN : 00002276

Nimisha Agnihotri  
Company Secretary  
Membership No.: A30859

Vikas Maheshwari  
Chief Financial Officer  
ICAI Membership No.: 074720

Place : Pune  
Date : May 30, 2019

Place : Pune  
Date : May 29, 2019



**Suzlon Gujarat Wind Park Limited**

**Statement of cash flow for the year ended March 31, 2019**

All amounts in ₹ Crore, unless otherwise stated

Particulars	March 31, 2019	March 31, 2018
<b>Cash flow from operating activities</b>		
Profit/ (loss) before tax	(383.44)	(278.37)
Adjustments for:		
Depreciation expense	5.80	4.93
Loss on disposal of property, plant and equipment	0.67	0.04
Exchange differences, net	0.22	0.50
Other income	(1.61)	(2.30)
Interest expense	184.56	147.90
Provision for estimated loss on contracts	-	0.16
Bad debts written off	2.26	0.79
Impairment allowance	(2.53)	(1.95)
Allowance for doubtful debts and advances	(3.25)	13.31
<b>Operating profit/ (loss) before working capital changes</b>	<b>(197.32)</b>	<b>(114.99)</b>
<b>Movements in working capital</b>		
(Increase)/ decrease in loans, financial assets and other assets	(81.80)	10.30
(Increase)/ decrease in trade receivables	254.59	180.46
(Increase)/ decrease in inventories	(143.95)	(62.03)
(Decrease)/ increase in other liabilities, financial liabilities and provisions	30.46	(300.80)
<b>Cash (used in) generated from operating activities</b>	<b>(138.02)</b>	<b>(287.06)</b>
Direct taxes paid (net of refunds)	8.06	1.86
<b>Net cash (used in)/ generated from operating activities</b>	<b>A</b>	<b>(129.96)</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of property, plant and equipment including capital advances	(1.07)	(18.74)
Proceeds from sale of property, plant and equipment	0.28	0.08
Interest received	0.89	1.11
<b>Net cash (used in)/ generated from investing activities</b>	<b>B</b>	<b>0.10</b>
<b>Cash flow from financing activities</b>		
Proceeds/ (repayment) from short-term borrowings, net	114.89	309.86
Repayment of long-term borrowings	(0.55)	-
Interest paid	(20.70)	(17.80)
<b>Net cash (used in)/ generated from financing activities</b>	<b>C</b>	<b>93.64</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(36.22)</b>
Cash and cash equivalents at the beginning of year	36.89	47.58
<b>Cash and cash equivalents at the end of year</b>		<b>0.67</b>
<b>Components of cash and cash equivalents</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Cash on hand	0.56	0.57
Balances with banks	0.11	36.32
	<b>0.67</b>	<b>36.89</b>

**Summary of significant accounting policies**

2.3

Notes:

The figures in brackets represent outflows.

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

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

ICAI Firm Registration Number : 117366W/ W-100018

Jayesh Parmar  
Partner  
Membership No.: 106388

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

Harish H. Mehta  
Managing Director  
DIN : 00002753

Balrajsinh A. Parmar  
Director  
DIN : 00002276

Nimisha Agnihotri  
Company Secretary  
Membership No.: A30859

Vikas Maheshwari  
Chief Financial Officer  
ICAI Membership No.: 074720

Place : Pune  
Date : May 30, 2019

Place : Pune  
Date : May 29, 2019



**Suzlon Gujarat Wind Park Limited**

**Statement of changes in equity for the year ended March 31, 2019**

All amounts in ₹ Crore, unless otherwise stated

**A. Equity share capital**

	No. in Crore	₹ in Crore
<b>Equity shares of ₹ 10 each, issued, subscribed and fully paid</b>		
As at April 01, 2017	124.59	1,245.92
Issue of share capital (refer Note 13)	-	-
As at March 31, 2018	124.59	1,245.92
Issue of share capital (refer Note 13)	-	-
As at March 31, 2019	<b>124.59</b>	<b>1,245.92</b>

**B. Other equity**

	Surplus			Total
	Share option outstanding account	General reserve	Retained earnings	
As at April 1, 2017	1.41	-	(1,325.69)	(1,324.28)
Profit/ (loss) for the year	-	-	(278.37)	(278.37)
Other comprehensive income	-	-	1.69	1.69
As at March 31, 2018	<b>1.41</b>	-	<b>(1,602.37)</b>	<b>(1,600.96)</b>
As at April 1, 2018	1.41	-	(1,602.37)	(1,600.96)
Employee stock options outstanding transferred to general reserve	(1.41)	1.41	-	-
Profit/ (loss) for the year	-	-	(383.44)	(383.44)
Other comprehensive income	-	-	(0.31)	(0.31)
As at March 31, 2019	-	<b>1.41</b>	<b>(1,986.12)</b>	<b>(1,984.71)</b>

**Summary of significant accounting policies**      **2.3**

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

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

In terms of our report attached

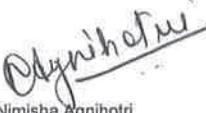
For Deloitte Haskins & Sells LLP  
Chartered Accountants  
ICAI Firm Registration Number : 117366W/ W-100018

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

  
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Vikas Makeshwari  
Chief Financial Officer  
ICAI Membership No.: 074720

Place : Pune  
Date : May 30, 2019

Place : Pune  
Date : May 29, 2019



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 1. Company information

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

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

The financial statement were authorised for issue in accordance with a resolution of the directors on May 29, 2019.

### 2. Basis of preparation and significant accounting policies

#### 2.1 Basis of preparation

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

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

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

#### 2.2 Recent accounting developments

##### Standards issued but not yet effective

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

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and has amended the following standards:

##### Ind AS 116 Leases:

Ind AS 116 Leases was notified as on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 2.3 Summary of significant accounting policies

#### a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

#### b. Fair value measurement

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

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

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

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

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

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

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

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

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

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

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

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

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

### c. Revenue from contract with customer

Revenue from contracts with customers is recognised at the point in time when control of the asset is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

#### Project execution

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

#### Power evacuation infrastructure facility

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

#### Power generation

Income from power generation is recognised on sale of unit generated and invoiced to respective state electricity board.

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### **Land revenue**

Revenue from land lease activity is recognised upon the transfer of leasehold rights to the customers. Revenue from sale of land / right to sale land is recognised at the point in time when control of asset is transferred to the customer as per the terms of the respective sales order. Revenue from land development is recognised upon rendering of the service as per the terms of the respective sales order.

### **Sale of goods**

Revenue from sale of goods is recognised in the statement of profit and loss at the point in time when control of the asset is transferred to the buyer as per the terms of the respective sales order, generally on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

### **Payment terms:**

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for services rendered, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

### **Contract balances**

#### **i. Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### **ii. Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

#### **iii. Contract liabilities (Advance from customers)**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### **d. Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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

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

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

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

### e. Property, plant and equipment (PPE)

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

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

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

Type of asset	Useful lives (years)
Buildings	28 to 58
Plant and machinery	15
Windfarm plant and machinery	22
Computers	3
Office equipment	5
Furniture and fixtures	10
Vehicles	10

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

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

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

### f. Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

### g. Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

### h. Leases

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Company as a lessee

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

### Company as a lessor

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

#### i. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ('CGU') net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit and loss. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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

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

Goodwill and intangible assets with indefinite useful life are tested for impairment annually as at year end. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### j. Inventories

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

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### k. 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 translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### iii. Exchange differences

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

### l. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

### m. Retirement and other employee benefits

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

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

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

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

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

### n. Share-based payments

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).

#### Equity-settled transactions

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

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

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

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

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

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

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### **o. Financial instruments**

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

#### **Financial assets**

##### ***Initial recognition and measurement***

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

##### ***Subsequent measurement***

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

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

##### ***Debt instruments at amortised cost***

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

##### ***Debt instrument at FVTOCI***

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

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

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

##### ***Debt instrument at FVTPL***

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

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

### ***Equity investments***

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

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

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

### ***De-recognition***

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Company has transferred substantially all the risks and rewards of the asset, or
  - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### ***Impairment of financial assets***

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- d) Loan commitments which are not measured as at FVTPL
- e) Financial guarantee contracts which are not measured as at FVTPL

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

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

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

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

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

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

- *Financial assets measured as at amortised cost and contractual revenue receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Financial liabilities

#### *Initial recognition and measurement*

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

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

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

#### **Subsequent measurement**

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

##### ***Financial liabilities at fair value through profit or loss***

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

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

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

##### ***Loans and borrowings***

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

##### ***Financial guarantee contracts***

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

The Company on a contract by contract basis, elects to account for financial guarantee contracts, as a financial instrument or as an insurance contract, as specified in Ind AS 109 of Financial Instrument and Ind AS 104 on Insurance Contracts. For insurance contract, the Company performs a liability adequacy test (i.e. assesses the likelihood of any pay-out based on current discontinued estimates of future cash flows), and any deficiency is recognised in statement of profit and loss.

### **De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Reclassification of financial assets and liabilities**

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

### **Offsetting of financial instruments**

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

### **p. Earnings/ (loss) per share**

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

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

### **q. Cash and cash equivalents**

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### r. Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefit will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The company does not recognise a contingent liability but discloses it as per Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets in the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

## 2.4 Changes in accounting policies and disclosure

### New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### Ind AS 115 Revenue from contracts with customers

Ind AS 115 was issued on March 28, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 w.e.f. April 1, 2018. Application of this Standard, does have any impact on the Company's financial statements.

#### Appendix B to Ind AS 21 Foreign currency transactions and advance considerations:

On March 28, 2018, the Ministry of Corporate Affairs ('the MCA') notified the Companies (Indian Accounting Standards) amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on the Company's financial statements.

## 3. Significant accounting judgements, estimates and assumptions

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

#### Guarantee classified as insurance contract

The Company, ultimate holding company together with its two Indian subsidiaries and a joint venture are obligors to the State Bank of India and other Indian lenders and have given security in connection with loan availed by AE Rotor Holding B.V. ('AERH'), The Netherlands, a step down wholly owned subsidiary of the ultimate holding company. The Company has treated the said guarantee as an insurance contract under Ind AS 104. Please refer to Note 38(b) for further details.

#### Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations*

The Company is primarily engaged in project execution activities consisting of sale/lease of land, civil work, electrical work, power evacuation, erection and commissioning of WTGs, The Company determined that the each of the activity can be performed distinctly on a stand-alone basis which indicates that the customer can benefit from respective performance obligations on their own. Further, the Company chose output method for measuring the progress of performance obligation.

### b. Significant accounting estimates and assumptions

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

#### Impairment of non-financial assets

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

#### Allowance for trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The carrying value of allowance for doubtful debts is ₹ 8.03 Crore and ₹ 14.00 Crore as of March 31, 2019 and March 31, 2018 respectively. Refer Note 8.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 29.

### Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies. The company has unabsorbed depreciation and unabsorbed business loss details which are given in Note 26. The unabsorbed depreciation can be carried forward indefinitely. The business loss can be carried forward for 8 years. Majority of business losses will expire in between March 2022 to March 2027. As there are not certain taxable temporary differences or tax planning operations, the Company has not recognised deferred tax assets on conservative basis. Refer Note 26.

### Defined benefit plans (gratuity benefits)

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

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

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

Further details about gratuity obligations are given in Note 28.

### Fair value measurement of financial instruments

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

### Property, plant and equipment

Refer Note 2.3(e) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Note 4.

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Recompense liability

The Company is in negotiation with CDR lenders for a voluntary exit from CDR scheme. The Company has recognised recompense liability payable to CDR lenders based on management estimate which is derived considering certain scenarios and assumptions in relation to interest rate, waiver in recompense, timing of loan repayment and CDR Exit etc. The amount payable by the Company as recompense is dependent on various factors and also on discussions and negotiations with the CDR lenders. Refer Note 15(a).

### 4. Property, plant and equipment ('PPE')

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 01, 2018	Additions	Deduction/adjustments	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deduction/adjustments	As at March 31, 2019
Freehold land	22.50	-	0.02	22.48	-	-	-	22.48
Buildings	6.74	0.20	0.71	6.23	3.92	0.72	0.18	4.46
Plant and machinery	5.63	0.01	0.43	5.21	2.07	0.69	0.21	2.55
Windfarm plant and machinery	14.22	-	-	14.22	0.26	3.13	-	3.39
Computer and office equipments	5.04	0.85	0.21	5.68	3.38	0.85	0.12	4.11
Furniture and fixtures	1.91	0.07	0.17	1.81	0.90	0.29	0.11	1.08
Vehicles	0.75	-	0.11	0.64	0.28	0.12	0.09	0.31
<b>Total</b>	<b>56.79</b>	<b>1.13</b>	<b>1.65</b>	<b>56.27</b>	<b>10.81</b>	<b>5.80</b>	<b>0.71</b>	<b>15.90</b>
								<b>40.37</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 01, 2017	Additions	Deduction/adjustments	As at March 31, 2018	As at April 01, 2017	Charge for the year	Deduction/adjustments	As at March 31, 2018
Freehold land	20.91	1.59	-	22.50	-	-	-	22.50
Buildings	6.54	0.20	-	6.74	2.15	1.77	-	3.92
Plant and machinery	5.08	0.55	-	5.63	1.14	0.93	-	2.07
Windfarm plant and machinery	-	14.22	-	14.22	-	0.26	-	0.26
Computer and office equipments	4.32	0.85	0.13	5.04	2.07	1.36	0.05	3.38
Furniture and fixtures	1.44	0.47	-	1.91	0.46	0.44	-	0.90
Vehicles	0.79	0.01	0.05	0.75	0.12	0.17	0.01	0.28
<b>Total</b>	<b>39.08</b>	<b>17.89</b>	<b>0.18</b>	<b>56.79</b>	<b>5.94</b>	<b>4.93</b>	<b>0.06</b>	<b>10.81</b>
								<b>45.98</b>

- a) Out of total freehold land of ₹ 22.48 Crore (previous year: ₹ 22.50 Crore), land of ₹ 4.43 Crore (previous year: ₹ 4.43 Crore) has been leased out to lessees for installation of wind turbine generators.
- b) For contractual commitment with respect to property, plant & equipment refer Note 31.
- c) For details of property, plant and equipment given as security to lenders refer Note 15(d).



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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 5. Goodwill

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 01, 2018	Additions	Deduction/adjustments	As at March 31, 2019	As at April 01, 2018	Charge for the year	Deduction/adjustments	As at March 31, 2019
Goodwill*	1.29	-	-	1.29	-	-	-	-
<b>Total</b>	<b>1.29</b>	<b>-</b>	<b>-</b>	<b>1.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.29</b>

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 01, 2017	Additions	Deduction/adjustments	As at March 31, 2018	As at April 01, 2017	Charge for the year	Deduction/adjustments	As at March 31, 2018
Goodwill*	-	1.29	-	1.29	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1.29</b>	<b>-</b>	<b>1.29</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.29</b>

\* Refer Note 38 (a).

### 6. Investments

Non-current investments comprise of Government securities (unquoted) of ₹ 0.01 Crore (previous year: ₹ 0.01 Crore).

### 7. Loans

Non-current loans comprise of inter-corporate deposit of ₹ Nil (previous year: ₹ 1.12 Crore).

### 8. Trade receivables

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Credit impaired	3.19	6.63
Less : Allowance for doubtful debts	(3.19)	(6.63)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Unsecured, considered good	483.88	737.29
Less : Impairment allowance	(4.84)	(7.37)
<b>Total</b>	<b>479.04</b>	<b>729.92</b>

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

	March 31, 2019	March 31, 2018
Balance as at the beginning of the year	7.37	9.32
Impairment allowance during the year	(2.53)	(1.95)
<b>Balance as at the end of the year</b>	<b>4.84</b>	<b>7.37</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 9. Other financial assets

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Bank balances (refer note below)	2.15	2.08
Security deposits (unsecured, considered good)	14.55	14.70
Advances recoverable in cash (unsecured, considered good)	-	18.72
<b>Total</b>	<b>16.70</b>	<b>35.50</b>
<b>Current</b>		
Income receivable	-	0.34
Income accrued but not due	4.25	5.38
Interest accrued on deposits, loans and advances	0.10	0.10
<b>Total</b>	<b>4.35</b>	<b>5.82</b>

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

All the financial assets are disclosed at amortised cost.

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

### 10. Other assets

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Capital advances (unsecured, considered good)	-	0.08
<b>Advances recoverable in kind</b>		
Unsecured, considered doubtful	43.47	106.96
Less : Allowance for doubtful debts	(43.47)	(106.96)
	-	-
Advance income tax (net of provisions)	5.32	13.44
<b>Total</b>	<b>5.32</b>	<b>13.52</b>
<b>Current</b>		
Advances recoverable in kind (unsecured, considered good)	524.27	459.84
Prepaid expenses	6.66	6.08
Advances to employees	0.30	0.08
Balances with government authorities	102.67	64.16
<b>Total</b>	<b>633.90</b>	<b>530.16</b>

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

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

	March 31, 2019	March 31, 2018
Raw materials [including goods-in-transit of ₹ 0.05 Crore (previous year: ₹ 1.58 Crore)]	201.02	129.22
Work-in-progress	166.76	132.51
Finished goods	30.94	5.55
Land and lease rights	165.15	152.64
<b>Total</b>	<b>563.87</b>	<b>419.92</b>

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



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 12. Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks	0.11	36.32
Cash on hand	0.56	0.57
<b>Total</b>	<b>0.67</b>	<b>36.89</b>

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

### 13. Equity share capital

	March 31, 2019	March 31, 2018
<b>Authorised share capital</b>		
1,250,000,000 (previous year: 1,250,000,000) equity shares of ₹ 10/- each.	1,250.00	1,250.00
20,000,000 (previous year: 20,000,000) preference shares of ₹ 100/- each	200.00	200.00
	<b>1,450.00</b>	<b>1,450.00</b>
<b>Issued, subscribed and paid up capital</b>		
1,245,915,359 (previous year: 1,245,915,359) equity shares of ₹ 10/- each	1,245.92	1,245.92
	<b>1,245.92</b>	<b>1,245.92</b>

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

Particulars	March 31, 2019		March 31, 2018	
	Number of shares (Crore)	₹ in Crore	Number of shares (Crore)	₹ in Crore
At the beginning of the year	124.59	1,245.92	124.59	1,245.92
Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>124.59</b>	<b>1,245.92</b>	<b>124.59</b>	<b>1,245.92</b>

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

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

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

#### c. Shares held by holding company

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

	March 31, 2019	March 31, 2018
1,245,915,359 (previous year: 1,245,915,359) equity shares of ₹ 10 each fully paid	1,245.92	1,245.92



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

Name of the shareholder	March 31, 2019		March 31, 2018	
	Number of shares (Crore)	% holding	Number of shares (Crore)	% holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Suzlon Power Infrastructure Limited, holding company	124.59	100%	124.59	100%

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

### 14. Other equity

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

	March 31, 2019	March 31, 2018
Share option outstanding account*	-	1.41
General reserve	1.41	-
Retained earnings	(1,986.12)	(1,602.37)
<b>Total</b>	<b>(1,984.71)</b>	<b>(1,600.96)</b>

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

### 15. Borrowings

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Term loan from banks (secured)	48.00	54.31
Loans from related party (unsecured)	650.00	650.00
<b>Total</b>	<b>698.00</b>	<b>704.31</b>
<b>Current</b>		
Working capital facilities from banks (secured)	49.19	11.77
Loans from related party (unsecured)	1,062.33	821.00
<b>Total</b>	<b>1,111.52</b>	<b>832.77</b>

#### a) Corporate debt restructuring

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

The key features of the CDR package are as follows:

- i. Repayment of Restructured Term Loans ('RTL') after moratorium of 2 years from cut-off date in 32 structured quarterly instalments commencing from December 2014 to September 2022. The moratorium period of 2 years has expired on September 30, 2014.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

- ii. Conversion of various irregular/ outstanding/ devolved financial facilities into Working Capital Term Loan ('WCTL') and the repayment terms of which are in similar to that of RTL with enabling mandatory prepayment obligations on realisation of proceeds from certain asset sale.
- iii. Restructuring of existing fund based and non-fund based working capital facilities, subject to renewal and reassessment every year.
- iv. Unpaid Interest due on certain existing facilities on cut-off date, interest accrued during the moratorium period on RTL and WCTL and interest on fund based working capital facilities for certain period were to be converted into Funded Interest Term Loans ('FITLs') and which were to be converted into equity shares of the Company.
- v. The rate of interest on RTL, WCTL, FITL and fund based working capital facilities were reduced to 11.00% per annum with reset option in accordance with MRA.
- vi. Waiver of existing events of defaults, penal interest and charges etc. in accordance with MRA.
- vii. Contribution of ₹ 250.00 Crore in SEL by promoters, their friends, relatives and business associates as stipulated, conversion of existing promoter's loan of ₹ 145.00 Crore into equity shares / CCDs at the price determined in compliance with Securities and Exchange Board of India.

Other key features of the CDR Package are:

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

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

During the financial year ended March 31, 2015, the restructuring proposal with Power Finance Corporation ('PFC') which is a non-CDR lender was approved by CDR EG. As per the terms of restructuring, the PFC has converted certain portion of interest accrued into FITL I and FITL II. Repayment of outstanding term loan would be in accordance with terms and conditions similar to those of RTL, whereas repayment of FITL I would be made in 32 equal quarterly instalments and should be co-terminus with RTL. Repayment of FITL II would be made in 16 quarterly instalments from December 2018 to September 2022. To give effect to the restructuring a bilateral agreement between the Borrower and PFC was entered into on November 27, 2018.

- b) Loans from related parties comprise of Inter Corporate Deposit from the ultimate holding company SEL, which carry interest @11% p.a. and used for business operations. As per the terms of the agreement between the Company and lender (SEL), the lender consents that it will not raise any demand on the Company to make any prepayment of the loan up to ₹ 650.00 Crore provided under the agreement during the term up to March 31, 2021.

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

In case of financial facilities from CDR lenders in accordance with MRA and non-CDR lenders, RTL, FITL aggregating ₹ 53.76 Crore (previous year: ₹ 54.31 Crore) of which ₹ 48.00 Crore (previous year: ₹ 54.31 Crore) classified as long-term borrowings and ₹ 5.76 Crore (previous year: ₹ Nil) as current maturities of long-term borrowings, fund based working capital facilities of ₹ 49.19 Crore (previous year: ₹ 11.77 Crore), and non-fund based working capital facilities are secured by first pari passu charge except PFC's FITL I and II on all chargeable present and future tangible / intangible movable assets of each of the Borrowers, first charge on all chargeable present and future immovable assets (excluding the identified properties) of each of the Borrowers, first charge on all present and future chargeable current assets of each of the Borrowers, first charge over Trust and Retention Account ('TRA') and other bank accounts of the Borrowers, pledge of equity shares held by SEL in its identified domestic subsidiaries and a joint venture which are forming part of the Borrowers, negative lien over the equity shares held by SEL in SE Forge Limited, negative lien over the shares of Suzlon Energy Limited, Mauritius ('SELM') and AE Rotor Holding BV held by SEL, pledge of certain equity shares of SEL held by its promoters, personal guarantee of the chairman and managing director of SEL and limited personal guarantee of an erstwhile director of a subsidiary.

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

Particulars	Up to 1 year	2 to 5 years	Above 5 years	Total
Secured loans*				
March 31, 2019	5.76	48.00	-	53.76
March 31, 2018	-	54.31	-	54.31
Unsecured loans				
March 31, 2019	-	650.00	-	650.00
March 31, 2018	-	650.00	-	650.00
<b>Total</b>				
<b>March 31, 2019</b>	<b>5.76</b>	<b>698.00</b>	<b>-</b>	<b>703.76</b>
<b>March 31, 2018</b>	<b>-</b>	<b>704.31</b>	<b>-</b>	<b>704.31</b>

\* The effective rate of interest on the long-term and short-term borrowing is at 11.00% to 12.75% p.a. during the year.

d) The Company has made certain defaults in repayment of letter of credit amounting to ₹ 15.42 Crore (previous year: Nil) for which delay in payments is 11 days up to March 31, 2019.

### e) Classification of borrowings :

During the year and as at March 31, 2019, the Company has made defaults in payment towards letter of credit. After March 31, 2019, the Company has obtained balance confirmation and repayment schedule of outstanding Rupee Term Loan as of March 31, 2019 from the lenders. Based on the maturity of the term loan instalments payables as per the balance confirmation, the Company has classified the borrowings under current and non-current.



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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 16. Other financial liabilities

	March 31, 2019	March 31, 2018
<b>Non-current</b>		
Lease rent payable	20.92	22.46
<b>Total</b>	<b>20.92</b>	<b>22.46</b>
<b>Current</b>		
Current maturities of long-term borrowings	5.76	-
Interest accrued on borrowings	0.50	0.51
Other liabilities*	29.08	28.13
<b>Total</b>	<b>35.34</b>	<b>28.64</b>

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

All the financial liabilities are disclosed at amortised cost.

### 17. Provisions

**Non-current:** It consists of provision for employee benefits of ₹ 2.74 Crore (previous year: ₹ 1.61 Crore).

**Current:** It consists of provision for employee benefits of ₹ 3.74 Crore (previous year: ₹ 4.21 Crore).

### 18. Trade payables

	March 31, 2019	March 31, 2018
Trade payables to micro enterprises and small enterprises (refer Note below)	17.57	2.03
Trade payables to related parties	15.71	51.14
Trade payables to others	443.09	476.08
<b>Total</b>	<b>476.37</b>	<b>529.25</b>

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

Sr. no.	Particulars	March 31, 2019	March 31, 2018
a.	The principal amount remaining unpaid to any supplier as at the end of the accounting year	17.57	2.03
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.65	0.09
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	48.72	32.80
d.	The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under	1.14	2.38
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues	1.79	33.25

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from the vendors to the letters circulated by the Company.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 19. Other current liabilities

	March 31, 2019	March 31, 2018
Statutory dues	4.24	13.68
Others*	3.08	2.75
<b>Total</b>	<b>7.32</b>	<b>16.43</b>

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

### 20. Revenue from contracts with customer

#### 20.1 Disaggregated revenue information

	March 31, 2019	March 31, 2018
<b>Type of goods and services</b>		
Project execution income	484.91	747.06
Income from land and land development	125.06	204.62
Power evacuation infrastructure facility	2.92	23.34
Operation and maintenance income	0.21	0.79
Sale of goods	11.42	21.29
Power generation income	6.51	0.34
Scrap sales	3.31	4.89
<b>Total</b>	<b>634.34</b>	<b>1,002.33</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	40.85	81.51
Services transferred over time	593.49	920.82
<b>Total</b>	<b>634.34</b>	<b>1,002.33</b>

The above revenue from contracts with customer is received from India.

#### 20.2 Contract balances

	March 31, 2019	March 31, 2018
Trade receivables	479.04	729.92
Contract liabilities	128.42	35.49

Trade receivables are non-interest bearing and are generally on payment terms of 30 to 45 days on completion of contract milestone.

Contract liabilities include advances received to render services.

#### 20.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	March 31, 2019	March 31, 2018
Revenue as per contracted price	634.34	1,002.33
Less : Variable consideration	-	-
<b>Total</b>	<b>634.34</b>	<b>1,002.33</b>



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 20.4 Performance obligation

#### Project services

Project services includes civil foundation, electrical, installation and commissioning of WTG's. The performance obligation is satisfied over-time and payment is generally due upon completion of milestone as per terms of the contract.

#### Land revenue

In case of leasehold, the performance obligation is satisfied upon the transfer of leasehold rights to the customers, for outright sale, the performance obligation is satisfied when significant risks and rewards in respect of title of land are transferred to the customers as per the terms of the respective sales order. The performance obligation for land development is satisfied upon rendering of the service as per the terms of the respective sales order.

#### Power evacuation infrastructure facilities

The performance obligation is satisfied upon commissioning and electrical installation of the Wind Turbine Generator (WTG) and solar park to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

### 21. Other income

	March 31, 2019	March 31, 2018
Interest income on:		
Financial assets measured at amortised cost		
on deposits with banks	0.15	0.14
on other financial assets	2.44	2.16
<b>Total</b>	<b>2.59</b>	<b>2.30</b>

### 22. Cost of raw materials consumed and services rendered

	March 31, 2019	March 31, 2018
Consumption of raw materials (including bought out costs)		
Opening inventory	129.22	130.05
Add : Purchases	272.11	210.61
	<b>401.33</b>	<b>340.66</b>
Less : Closing inventory	201.02	129.22
	<b>200.31</b>	<b>211.44</b>
Cost of land	104.54	214.73
Provision/ (reversal) for estimated loss on contracts	-	0.16
Cost of project services and infrastructure development expenses	476.83	607.13
	<b>581.37</b>	<b>822.02</b>
<b>Cost of raw material consumed/ services rendered</b>	<b>781.68</b>	<b>1,033.46</b>

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Changes in inventories of work-in-progress and finished goods

#### Opening inventory

Work-in-progress	132.51	80.26
Finished goods	5.55	4.12
	<b>138.06</b>	<b>84.38</b>

#### Closing inventory

Work-in-progress	166.76	132.51
Finished goods	30.94	5.55
	<b>197.70</b>	<b>138.06</b>

#### Changes in inventory

	<b>(59.64)</b>	<b>(53.68)</b>
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### 23. Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries, wages, allowances and bonus	37.58	45.34
Contribution to provident fund and other funds	2.79	3.87
Staff welfare expenses	5.11	6.36
<b>Total</b>	<b>45.48</b>	<b>55.57</b>

### 24. Finance costs

#### Interest expenses on:

	March 31, 2019	March 31, 2018
Financial liabilities measured at amortised cost		
on term loans	5.99	6.15
on inter corporate deposits	163.86	128.84
on other financial liabilities	15.10	11.72
Bank charges	4.66	6.43
Compensation in lieu of bank sacrifice	-	1.26
<b>Total</b>	<b>189.61</b>	<b>154.40</b>



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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 25. Other expenses

	March 31, 2019	March 31, 2018
Site expenses	15.28	16.33
Repairs and maintenance:		
Plant and machinery	0.27	0.07
Others	1.47	1.18
Rent (refer Note 30)	3.28	5.03
Rates and taxes	1.69	1.27
Insurance	2.69	5.74
Travelling, conveyance and vehicle expenses	15.24	15.82
Communication expenses	0.96	1.84
Auditors' remuneration and expenses (refer details below)	0.20	0.22
Consultancy charges	4.70	5.48
CSR, charity and donations	2.52	3.16
Security expenses	6.10	10.04
Miscellaneous expenses	10.92	13.22
Exchange differences, net	0.24	0.49
Bad debts written off	2.26	0.79
Impairment allowance	(2.53)	(1.95)
Allowance/ (reversal) for doubtful debts and advances, net	(3.25)	13.31
Loss on disposal of property, plant and equipment	0.67	0.04
<b>Total</b>	<b>62.71</b>	<b>92.08</b>

#### Payment to auditor:

	March 31, 2019	March 31, 2018
Statutory audit fees	0.20	0.22*
<b>Total</b>	<b>0.20</b>	<b>0.22</b>

\* Includes payment made to earlier statutory auditors.

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

### 26. Income tax

- As the Company has tax losses, there is no income tax expense to statement of profit and loss for the year ended March 31, 2019 and March 31, 2018.
- Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	March 31, 2019	March 31, 2018
Accounting profit before income tax	(383.44)	(278.37)
Enacted tax rates in India	34.94%	34.61%
Computed tax expense	(133.99)	(96.34)
Non-deductible expenses for tax purposes	1.11	1.11
Current year losses on which deferred tax assets not recognised	132.88	95.23
<b>At the effective income tax rate of 34.94% (previous year: 34.61%)</b>	-	-



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

- c. The following is the details of carry forward losses and unused credit on which no deferred tax asset is recognised by the Company. Unabsorbed depreciation is available for offsetting all future taxable profits of the Company. Business losses are available for offsetting future taxable profits of the Company for 8 years from the year in which losses arose. Majority of the business losses will expire between March 2022 to March 2027.

Particulars	March 31, 2019	March 31, 2018
Business loss	1,830.38	1,400.26
Unabsorbed depreciation	28.22	20.94
<b>Total</b>	<b>1,858.60</b>	<b>1,421.20</b>

### 27. Earnings/ (loss) per share (EPS)

	March 31, 2019	March 31, 2018
Net profit/ (loss) after tax attributable to equity shareholders	(383.44)	(278.37)
Weighted average number of equity shares	1,245,915,359	1,245,915,359
Basic and diluted earnings/ (loss) per share of face value of ₹ 10/- each	(3.08)*	(2.23)*

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

### 28. Post-employment benefit plans

#### Defined contribution plan:

During the year the Company has recognised the following amounts in the statement of profit or loss:

	March 31, 2019	March 31, 2018
Employer contribution towards provident fund/ pension fund	1.79	2.25

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is partially funded with an insurance company in the form of a qualifying insurance policy.

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

	March 31, 2019	March 31, 2018
Current service cost	0.76	0.98
Net interest cost	0.11	0.33
<b>Net defined benefit cost recognised in profit and loss</b>	<b>0.87</b>	<b>1.31</b>
<b>Other comprehensive income</b>		
Re-measurement for the period – obligation (gain)/ loss	0.25	(1.39)
Re-measurement for the period – plan assets (gain)/ loss	0.06	(0.30)
<b>Total defined benefit cost recognised in OCI</b>	<b>0.31</b>	<b>(1.69)</b>
<b>Total</b>	<b>1.18</b>	<b>(0.38)</b>

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# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Changes in the defined benefit obligation:

	March 31, 2019	March 31, 2018
Opening defined benefit obligation	5.87	6.86
Current service cost	0.76	0.98
Interest cost	0.45	0.48
Benefits paid	(0.56)	(1.13)
Acquisition adjustments/ settlement cost	(0.17)	0.07
<b>Re-measurement adjustment:</b>		
Experience adjustments	0.16	(0.19)
Actuarial changes arising from changes in demographic assumptions	0.01	0.03
Actuarial changes arising from changes in financial assumptions	0.08	(1.23)
<b>Closing defined benefit obligation</b>	<b>6.60</b>	<b>5.87</b>

### Changes in the fair value of plan assets:

	March 31, 2019	March 31, 2018
Opening fair value of plan assets	4.47	2.18
Interest income	0.34	0.15
Contributions by employer towards approved fund	0.03	2.90
Benefits paid	(0.56)	(1.13)
Acquisition adjustments/ settlement cost	(0.17)	0.07
Re-measurement-return on plan assets, excluding amount recognised in net interest expense	(0.06)	0.30
<b>Closing fair value of plan assets</b>	<b>4.05</b>	<b>4.47</b>
Actual return on plan assets	0.28	0.15

### Major categories of plan assets of the fair value of total plan assets

	March 31, 2019	March 31, 2018
Funds managed by insurer	100%	100%
The composition of investments in respect of funded defined benefit plans are not available with the Company, the same has not been disclosed.		

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

	March 31, 2019	March 31, 2018
Current portion	0.63	-
Non-current portion	5.97	5.87
Present value of defined benefit obligation as at the end of the period	6.60	5.87
Fair value of plan assets as at the end of the period	4.05	4.47
<b>Net asset/ (liability) recognised in the balance sheet</b>	<b>2.55</b>	<b>(1.40)</b>

### Principal assumptions used in determining gratuity obligations:

	March 31, 2019	March 31, 2018
Discount rate (in %)	7.55	7.70
Future salary increases (in %)	8.00	8.00
Life expectation (in years)	8.21	7.98
Attrition rate	18.65% at younger ages and reducing to 8.69% at older ages according to graduated scale	17.10% at younger ages and reducing to 8.20% at older ages according to graduated scale



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

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

### Quantitative sensitivity analysis for significant assumption:

Particulars	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	0.62	(0.54)	0.54	(0.47)
Future salary increases (- / + 1%)	(0.54)	0.61	(0.47)	0.53
Attrition rate (- / + 50% of attrition rates)	0.10	(0.06)	0.06	(0.04)

For the year ending on March 31, 2020 the Company expects to contribute ₹ 3.33 Crore (previous year: ₹ 2.18 Crore) towards its defined benefit plan.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (previous year: 9 years).

## 29. Share-based payments

### Employees Stock Option Plan 2014

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

SEL has provided employee stock option and purchase schemes to its employees. The total expense recognised in the books of the Company arising from equity-settled share-based payment transactions is ₹ Nil (previous year: ₹ Nil). During the year the employee stock options has expired and balance transferred to general reserve.

### Fair value of options

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

## 30. Operating leases

The Company has taken certain premises under operating leases. Expenses under cancellable operating leases during the year is ₹ 3.11 Crore (previous year: ₹ 4.61 Crore). The Company has also taken furnished/unfurnished offices under non-cancellable operating lease agreement. The lease rental charge during the year is ₹ 0.17 Crore (previous year: ₹ 0.42 Crore) and maximum obligations on long term non-cancellable operating lease payable as per the rentals stated in respective agreement are as follows :

Obligation under non-cancellable operating leases not later than one year amounting to ₹ 0.10 Crore (previous year: ₹ 0.10 Crore).



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 31. Capital and other commitments

Estimated amount of contract remaining to be executed on capital accounts and not provided for, net of advances ₹ 0.98 Crore (previous year: ₹ 0.00\* Crore).

\* Less than ₹ 0.01 Crore.

### 32. Contingent liabilities

	March 31, 2019	March 31, 2018
Disputed legal cases	19.00	16.19
Interest payable under MSMED Act, 2006	1.79	33.25
<b>Total</b>	<b>20.79</b>	<b>49.44</b>

The Company has stood as co-borrower for loans granted to the SEL and its subsidiaries for which certain securities are provided, the amount of which is not ascertainable.

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

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

Name of the party	Rate of interest	Secured/ unsecured	March 31, 2019	March 31, 2018
Kishangarh Hi-Tech Textile Park Ltd	12%	Unsecured	-	0.66

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

### 34. Segment information

The Company provides facilities related to infrastructure development (wind & solar) and power generation business. These segments have been identified taking into account the reportable segment as defined in Ind AS 108 – Operating Segment. The Company provides these facilities only in India and hence the entire amount of revenue is from external customers based in India and all non-current assets are also located in India.

Particulars	April 1, 2018 to March 31, 2019			April 1, 2017 to March 31, 2018		
	Infrastructure development	Power generation	Total	Infrastructure development	Power generation	Total
Segment revenue	627.83	6.51	634.34	1,001.99	0.34	1,002.33
Segment results	(198.57)	2.15	(196.42)	(126.34)	0.07	(126.27)
<b>Add / (less) items to reconcile with statement of profit and loss</b>						
Add : Other income			2.59			2.30
Less : Finance costs			(189.61)			(154.40)
<b>Profit/ (loss) before tax</b>			<b>(383.44)</b>			<b>(278.37)</b>
Less : Tax expense			-			-
<b>Profit/ (loss) after tax</b>			<b>(383.44)</b>			<b>(278.37)</b>
Segment assets	1,333.75	24.79	1,358.54	1,527.93	22.56	1,550.49
Common assets			387.04			269.64
Enterprise assets			1745.58			1,820.13
Segment liabilities	662.60	-	662.60	625.85	-	625.85
Common liabilities			1,821.77			1,549.32
Enterprise liabilities			2,484.37			2,175.17
Depreciation	2.67	3.13	5.80	4.67	0.26	4.93



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 35. Related party transactions

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

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Ultimate holding company
2	Suzlon Power Infrastructure Limited	Holding company
3	Gale Solarfarms Limited <sup>(i)</sup>	Fellow subsidiary
4	Suzlon Energy A/S	Fellow subsidiary
5	Suzlon Global Services Limited	Fellow subsidiary
6	Suzlon Wind Energy Equipment Trading (Shanghai) Co. Ltd	Fellow subsidiary
7	Tornado Solarfarms Limited <sup>(ii)</sup>	Fellow subsidiary
8	Aalok Solarfarms Private Limited	Joint venture
9	Abha Solarfarms Private Limited	Joint venture
10	Amun Solarfarms Limited	Joint venture
11	Avighna Solarfarms Limited	Joint venture
12	Heramba Renewables Limited	Joint venture
13	Prathamesh Solarfarms Limited	Joint venture
14	Rudra Solarfarms Limited	Joint venture
15	SE Solar Limited	Joint venture
16	Shreyas Solarfarms Private Limited	Joint venture
17	Suzlon Generators Limited	Joint venture
18	Vayudoot Solarfarms Limited	Joint venture
19	Balrajsinh A. Parmar	Key managerial personnel (KMP)
20	Gita T. Tanti	Key managerial personnel (KMP)
21	Harish H. Mehta	Key managerial personnel (KMP)
22	Nimisha Agnihotri <sup>(v)</sup>	Key managerial personnel (KMP)
23	Ranjitsinh A. Parmar	Key managerial personnel (KMP)
24	Vaidhyanathan Raghuraman	Key managerial personnel (KMP)
25	Venkataraman Subramanian	Key managerial personnel (KMP)
26	Vikas Maheshwari	Key managerial personnel (KMP)
27	M/s. Aarav Renewable Energy	Entities where KMP have significant influence
28	Aspen Infrastructure Limited <sup>(iv)</sup>	Entities where KMP have significant influence
29	M/s. Rajan Renewable Energy	Entities where KMP have significant influence
30	Sarjan Realties Limited	Entities where KMP have significant influence
31	Saroja Renewables Ltd <sup>(iii)</sup>	Entities where KMP have significant influence
32	SE Freight & Logistics (India) Private Limited	Entities where KMP have significant influence
33	Shanay Renewables Ltd <sup>(iii)</sup>	Entities where KMP have significant influence
34	Shubh Realty (South) Limited	Entities where KMP have significant influence
35	Skeiron Renewable Energy Kustagi Private Limited <sup>(iii)</sup>	Entities where KMP have significant influence
36	Skeiron Renewable Energy Amidyalal Limited <sup>(iii)</sup>	Entities where KMP have significant influence
37	Suzlon Foundation	Entities where KMP have significant influence
38	Suzlon Gujarat Wind Park Limited - Gratuity Fund	Employee fund
39	Suzlon Gujarat Wind Park Limited - Superannuation Fund	Employee fund

(i) Ceased to be fellow subsidiary w.e.f. November 19, 2018 and ceased to be joint venture w.e.f. March 25, 2019.

(ii) Ceased to be fellow subsidiary w.e.f. November 19, 2018 and ceased to be joint venture w.e.f. November 26, 2018.

(iii) Ceased to be related party w.e.f. October 31, 2018.

(iv) Ceased to be related party w.e.f. April 01, 2018.

(v) KMP as per Companies Act, 2013.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### B. Transactions between the Company and related parties during the year and the status of outstanding balances as at March 31, 2019 :

Particulars	Ultimate holding company/ holding company	Fellow subsidiaries	Entities where KMP has significant influence	Joint venture	KMP	Employee funds
Purchase of property, plant and equipment	0.08	-	-	-	-	-
(0.00*)		( - )	( - )	( - )	( - )	( - )
Consideration paid towards purchase of WTG's under slump sale	-	-	-	-	-	-
(8.51)		(9.14)	( - )	(4.83)	( - )	( - )
Sale of property, plant and equipment	0.02	-	-	-	-	-
( - )		( - )	( - )	( - )	( - )	( - )
Loans received	990.81	-	-	-	-	-
	(1,267.01)	( - )	( - )	( - )	( - )	( - )
Purchases of goods and services	123.96	1.28	6.24	3.12	-	-
	(59.68)	(1.75)	(75.77)	(2.85)	( - )	( - )
Sales of goods and services	61.15	0.68	0.32	3.14	-	-
	(51.97)	(37.86)	(118.08)	(153.77)	( - )	( - )
Interest expenses	163.86	-	-	-	-	-
	(128.84)	( - )	( - )	( - )	( - )	( - )
Interest income	-	0.48	-	0.27	-	-
	( - )	( - )	( - )	( - )	( - )	( - )
Donation	-	-	1.27	-	-	-
	( - )	( - )	(0.64)	( - )	( - )	( - )
Remuneration	-	-	-	-	0.63	-
	( - )	( - )	( - )	( - )	(0.70)	( - )
Director sitting fees	-	-	-	-	0.01	-
	( - )	( - )	( - )	( - )	(0.02)	( - )
Reimbursement of expenses	18.14	-	-	0.14	-	-
	(0.60)	( - )	( - )	( - )	( - )	( - )
Contribution to superannuation fund	-	-	-	-	-	-
	( - )	( - )	( - )	( - )	( - )	(0.02)
Contribution to gratuity fund	-	-	-	-	-	0.06
	( - )	( - )	( - )	( - )	( - )	(2.93)

### Outstanding balances:

Particulars	Ultimate holding company/ holding company	Fellow subsidiaries	Entities where KMP has significant influence	Joint venture	KMP	Employee funds
Trade payables/ other current liability	3.97	8.05	5.63	0.00*	-	-
	(29.47)	(8.26)	(5.72)	(7.69)	( - )	( - )
Contract liabilities	-	-	0.25	-	-	-
	( - )	( - )	(2.71)	( - )	( - )	( - )
Advances to creditors/ suppliers	-	-	10.31	-	-	-
	( - )	( - )	(11.67)	( - )	( - )	( - )
Unsecured loan	1,712.33	-	-	-	-	-
	(1,471.00)	( - )	( - )	( - )	( - )	( - )
Trade receivables	15.27	0.55	1.94	0.55	-	-
	(12.15)	(32.57)	(9.53)	(91.78)	( - )	( - )

\* Less than ₹ 0.01 Crore.

\*\* Figure in the brackets are in respect of the previous year.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### C. Disclosure of significant transactions with related parties

Type of transaction	Type of relationship	Name of the entity	March 31, 2019	March 31, 2018
Sales of goods & services	Ultimate holding company	Suzlon Energy Limited	61.03	51.15
	Joint venture	Prathamesh Solarfarms Limited	2.84	31.39
	Fellow subsidiary	Suzlon Global Services Limited	0.68	1.27
	Joint venture	SE Solar Limited	0.26	60.45
	Holding company	Suzlon Power Infrastructure Limited	0.12	0.83
	Fellow subsidiary	Gale Solarfarms Limited	-	26.56
	Entities where KMP have significant influence	Skeiron Renewable Energy Kustagi	-	48.28
	Entities where KMP have significant influence	Saroha Renewables Limited	-	33.52
	Entities where KMP have significant influence	Skeiron Renewable Energy Amidyala Limited	-	11.05
	Fellow subsidiary	Tornado Solarfarms Limited	-	10.03
	Joint venture	Vayudoot Solarfarms Limited	-	9.46
		Avighna Solarfarms Limited	-	9.18
		Amun Solarfarms Limited	-	9.18
		Rudra Solarfarms Limited	-	8.86
Purchase of goods and services	Ultimate holding company	Suzlon Energy Limited	116.02	42.53
	Holding company	Suzlon Power Infrastructure Limited	7.95	17.15
	Entities where KMP have significant influence	Sarjan Realties Limited	4.57	32.60
	Fellow subsidiary	Aspen Infrastructure Limited	-	39.69
	Entities where KMP have significant influence	Suzlon Global Services Limited	1.28	1.75
Sale of property, plant and equipment	Ultimate holding company	Tanti Holdings Private Limited	-	3.48
	Purchase of property, plant and equipment	Suzlon Energy Limited	0.02	-
Interest expense	Ultimate holding company	Suzlon Energy Limited	163.86	128.84
Loans / ICD received	Ultimate holding company	Suzlon Energy Limited	990.81	1,267.01
Reimbursement of expenses	Ultimate holding company	Suzlon Energy Limited	18.14	-
	Holding company	Suzlon Power Infrastructure Limited	-	0.60
Director sitting fees	Key managerial personnel	Vaidhyanathan Raghuraman	0.01	0.01
		Venkataraman Subramaniam	0.00*	0.01
		Gita T. Tanti	0.00*	0.00*
Donation	Entities where KMP have significant influence	Suzlon Foundation	1.27	0.64
Remuneration paid	Key managerial personnel	Vikas Maheshwari	0.58	0.64
		Nimisha Agnihotri	0.05	0.05
Contribution to superannuation fund	Employee fund	Suzlon Gujarat Wind Park Limited-Superannuation Fund	-	0.02
Contribution to gratuity fund	Employee fund	Suzlon Gujarat Wind Park Limited-Gratuity Fund	0.06	2.93

\* Less than ₹ 0.01 Crore.

### Compensation of key management personnel recognised as an expenses during the reporting period:

	March 31, 2019	March 31, 2018
Short-term employee benefits	0.56	0.63
Post-employment benefits	0.07	0.07
<b>Total</b>	<b>0.63</b>	<b>0.70</b>



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 36. Fair value measurements

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

### 37. Financial risk management

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

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

#### a. Market risk

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

##### i) Interest rate risk

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

##### ii) Price risk

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

##### iii) Foreign currency risk and sensitivity

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

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

	March 31, 2019			March 31, 2018		
	USD	EURO	Others	USD	EURO	Others
<b>Financial assets</b>						
Other current assets	0.00*	-	0.01	-	-	0.01
<b>Total</b>	<b>0.00*</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>Financial liabilities</b>						
Trade payables	0.04	6.61	0.01	0.63	6.88	0.01
<b>Total</b>	<b>0.04</b>	<b>6.61</b>	<b>0.01</b>	<b>0.63</b>	<b>6.88</b>	<b>0.01</b>

\* Less than ₹ 0.01 Crore.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2019 and March 31, 2018 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and EURO exchange rates.

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

	% Change in currency rate	Effect on profit before tax
<b>March 31, 2019</b>		
USD	+5%	(0.00)*
USD	-5%	0.00*
EURO	+5%	(0.33)
EURO	-5%	0.33
<b>March 31, 2018</b>		
USD	+5%	(0.03)
USD	-5%	0.03
EURO	+5%	(0.34)
EURO	-5%	0.34

\* Less than ₹ 0.01 Crore.

### b. Credit risk

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

#### i) Trade receivables

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

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

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

#### ii) Financial instruments

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

The Company's maximum exposure to credit risk as at March 31, 2019 and as at March 31, 2018 is the carrying value of each class of financial assets.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### c. Liquidity risk

Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. In doing this, management considers both normal and stressed conditions. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flow forecast and by matching the maturity profiles of financial assets and liabilities. The Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes and finance costs which has resulted in negative net worth during the year and as at March 31, 2019. The net current liabilities as at March 31 2019 were ₹ 80.82 crore. Further, the Company has defaulted in making payments towards letter of credit aggregating to ₹ 15.42 crore. These conditions indicates liquidity stress, management plans to address these conditions are more fully described in the note 38 (c).

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

	Up to 1 year	1-5 years	> 5 years	Total
<b>Year ended March 31, 2019</b>				
Borrowings	1,111.52	698.00	-	1,809.52
Other financial liabilities	35.34	4.65	16.27	56.26
Trade payables	476.37	-	-	476.37
<b>Total</b>	<b>1,623.23</b>	<b>702.65</b>	<b>16.27</b>	<b>2,342.15</b>
<b>Year ended March 31, 2018</b>				
Borrowings	832.77	704.31	-	1,537.08
Other financial liabilities	28.64	4.99	17.47	51.10
Trade payables	529.25	-	-	529.25
<b>Total</b>	<b>1,390.66</b>	<b>709.30</b>	<b>17.47</b>	<b>2,117.43</b>

### 38. Other matters

#### a. Accounting for business combinations

On March 31, 2018, the Company acquired Wind Turbine Generator Undertakings ('WTG undertakings') along with all the assets and liabilities as going concern on a slump sale basis for a consideration of ₹ 22.48 Crore based on a valuation done by an independent firm of valuers and the valuation model is in accordance with that recommended.

The acquisition from Suzlon Energy Limited ('SEL') and Suzlon Global Services Limited ('SGSL') are under common control and hence assets and liabilities taken over are at carrying values, whereas assets and liabilities acquired from Suzlon Generator limited ('SGL') are at fair value, details of which are as follows:

	March 31, 2018
Assets taken over	
WTG's including land	15.81
Trade receivables	5.38
<b>Total assets</b>	<b>21.19</b>
Less: Liabilities	-
<b>Net assets taken over</b>	<b>21.19</b>
Consideration paid	22.48
<b>Goodwill arising on acquisition</b>	<b>1.29</b>



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

- b. The Company, together with parent company (SPIL), ultimate parent company (SEL) and its one Indian subsidiary and a joint venture are obligors to the State Bank of India and other Indian lenders under an Onshore SBLC Facility Agreement and have given security on behalf of AE Rotor Holding B.V. ('AERH') a step down wholly owned subsidiary of the Company under the Offshore SBLC Facility Agreement for the issuance of the stand-by letter of credit by State Bank of India in favour of the Security Agent acting on behalf of the lenders of AERH. The outstanding amount of loan as at March 31, 2019 is Rs. 3,924 Crores (USD 569.40 Million). In accordance with the loan agreement the said loan is repayable in February 2023. The Company has treated the said guarantee as an insurance contract under Ind AS 104. During the current year, the Company, holding company and its ultimate holding company ('SEL') has made default in payment of certain interest and debt payable to their lenders. This default triggers cross-default in the above referred facility and pursuant to the same SEL has recognised the entire liability as at March 31, 2019. As on March 31, 2018 the same was disclosed under contingent liability.

### c. Going concern

The Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes, and finance costs which has resulted in increase in negative net worth during the year and as at March 31, 2019. The net current liabilities as at March 31, 2019 were ₹ 80.82 Crore.

Further, the Company has defaulted in repayment of credit facilities payable to lenders aggregating to ₹ 15.42 Crore as on March 31, 2019 and has also defaulted in making payments to certain overdue creditors.

The default under credit facilities gives right to the lenders who have issued standby letter of credit (SBLC) for a loan taken by one of the fellow subsidiary company amounting to ₹ 3,937.69 Crore, to recall these facilities immediately.

The borrowings repayable after 12 months from the balance sheet date have been classified as 'non-current', based on confirmations / repayment schedule received from lenders after March 31, 2019. The lenders have allowed continuation of operations, permitting usage of 90% of cash inflows towards business requirements and have invoked the Inter Creditor Agreement (ICA) mechanism under 'Project Sashakt' for resolution.

The aforesaid conditions indicate liquidity stress and existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent on the direct or indirect financial support from Suzlon Energy Limited ("the ultimate parent/ SEL"). The Board of directors of SEL has evaluated these conditions and has advised its management to take measures to improve its liquidity condition. SEL is working towards a resolution plan with its lenders and has received a non-binding offer from a potential investor, which we are informed is currently extended and valid till June 3, 2019 (the terms of the non-binding offer provide for extension of the validity period of the offer on an exclusive basis as may be mutually agreed by the parties), and envisages infusion of additional equity in SEL, purchase of a business line by the investor and considerable amount of waiver of the debts by the lenders, which will enable SEL and the Company to scale up its operations, and meet the remaining financial obligations including that of the Company. These measures are contingent upon the approval of the lenders of the resolution plan including waiver of the debts, and the approval of SEL's shareholders for the preferential allotment of shares, which events are not wholly within the control of SEL.

The Company's ability to continue as a going concern is solely dependent on obtaining sufficient funds post the successful outcome of the aforesaid plans of SEL to fund its working capital requirement. Based on the information available with the Company, the Management of SEL is confident of obtaining the required approvals of the lenders and shareholders as stated above for raising adequate resources in the foreseeable future and provide unconditional financial support to the Company for a period of 12 months from the date of balance sheet.

Accordingly, these financial statements have been prepared on the basis that the Company will continue as a going concern and hence, no adjustments have been made to the carrying values (including adjustment on account of impairment of assets) or classification of assets and liabilities.



# Suzlon Gujarat Wind Park Limited

## Notes to financial statements for the year ended March 31, 2019

All amounts in ₹ Crore, unless otherwise stated

### 39. Capital management

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

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

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

	March 31, 2019	March 31, 2018
Equity share capital	1,245.92	1,245.92
Other equity	(1,984.71)	(1,600.96)
<b>Total</b>	<b>(738.79)</b>	<b>(355.04)</b>

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

Harish H. Mehta  
Managing Director  
DIN : 00002753

Balrajsinh A. Parmar  
Director  
DIN : 00002276

Nimisha Agnihotri  
Company Secretary  
Membership No.: A30859

Vikas Maheshwari  
Chief Financial Officer  
ICAI Membership No.: 074720

Place : Runa  
Date : May 29, 2019

