

**CONSORTIUM SUZLON-PADGREEN CO LTD  
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

|                                     | <u>Note</u> | <b>2017<br/>Rs</b>  | <b>2016<br/>Rs</b> |
|-------------------------------------|-------------|---------------------|--------------------|
| <b>ASSETS</b>                       |             |                     |                    |
| <b><u>Non-current assets</u></b>    |             |                     |                    |
| Plant and equipment                 | 5           | <b>11,660,121</b>   | 11,632,918         |
| <b><u>Current assets</u></b>        |             |                     |                    |
| Other receivables                   | 6           | <b>63,228,032</b>   | 48,631,422         |
| Cash at bank                        |             | <b>5,013</b>        | 27,410             |
| <b>Total current assets</b>         |             | <b>63,233,045</b>   | 48,658,832         |
| <b>Total assets</b>                 |             | <b>74,893,166</b>   | 60,291,750         |
| <b>EQUITY AND LIABILITIES</b>       |             |                     |                    |
| <b><u>Capital and reserves</u></b>  |             |                     |                    |
| Stated capital                      | 7           | <b>100,000</b>      | 100,000            |
| Accumulated losses                  |             | <b>(32,188,119)</b> | (28,033,589)       |
| <b>Shareholders' deficit</b>        |             | <b>(32,088,119)</b> | (27,933,589)       |
| <b><u>Non-current liability</u></b> |             |                     |                    |
| Obligation under finance lease      | 8           | <b>366,941</b>      | 702,404            |
| <b><u>Current liabilities</u></b>   |             |                     |                    |
| Other payables                      | 10          | <b>12,887,832</b>   | 32,095,636         |
| Obligation under finance lease      | 8           | <b>335,463</b>      | 355,178            |
| Shareholders' loans                 | 9           | <b>93,391,049</b>   | 55,068,803         |
| Bank overdrafts - unsecured         |             | <b>-</b>            | 3,318              |
| <b>Total current liabilities</b>    |             | <b>106,614,344</b>  | 87,522,935         |
| <b>Total liabilities</b>            |             | <b>105,981,285</b>  | 88,225,339         |
|                                     |             | <b>74,893,166</b>   | 60,291,750         |

Approved by the Board of Directors and authorised for issue on.....

## DIRECTORS

Consortium Suzlon - Padgreen Co Ltd  
Motor way M3, Riche Terre  
Terre Rouge

**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

|  | <b>Stated<br/>capital<br/>Rs</b> | <b>Accumulated<br/>losses<br/>Rs</b> | <b>Total<br/>Rs</b> |
|--|----------------------------------|--------------------------------------|---------------------|
| Balance at 1 July 2015                         | 100,000                          | (16,794,523)                         | (16,694,523)        |
| Loss for the year and total comprehensive loss | -                                | (11,239,066)                         | (11,239,066)        |
| <b>Balance at 30 June 2016</b>                 | <b>100,000</b>                   | <b>(28,033,589)</b>                  | <b>(27,933,589)</b> |
| Loss for the year and total comprehensive loss | -                                | (4,154,530)                          | (4,154,530)         |
| <b>Balance at 30 June 2017</b>                 | <b>100,000</b>                   | <b>(32,188,119)</b>                  | <b>(32,088,119)</b> |

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

|  | <u>2017</u><br>Rs   | <u>2016</u><br>Rs |
|--|---------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |                     |                   |
| Loss before tax  | (4,154,530)         | (11,239,066)      |
| <i>Adjustments for:</i>                                |                     |                   |
| Depreciation   | 359,000             | 359,000           |
| Interest expense                                       | 94,296              | 115,384           |
| Payable written back                                   | -                   | (42,000)          |
| Expenses paid by shareholder                           | <u>38,322,246</u>   | <u>11,734,542</u> |
| <b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b> | <b>34,621,012</b>   | 927,860           |
| Increase in other receivables                          | (14,596,610)        | (22,942,706)      |
| Decrease in other payables                             | <u>(19,207,804)</u> | <u>25,553,646</u> |
| <b>CASH GENERATED FROM OPERATING ACTIVITIES</b>        | <b>815,598</b>      | 3,538,800         |
| Interest paid  | <u>(94,296)</u>     | <u>(115,384)</u>  |
| <b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>    | <b>722,302</b>      | 3,423,416         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |                     |                   |
| Additions to plant and equipment                       | (386,203)           | (1,085,128)       |
| Advance to related company                             | -                   | (2,070,900)       |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>           | <b>(386,203)</b>    | (3,156,028)       |
| <b>CASH FLOW FROM FINANCING ACTIVITY</b>               |                     |                   |
| Repayment of finance lease                             | (355,178)           | (276,215)         |
| <b>NET CASH USED IN FINANCING ACTIVITY</b>             | <b>(355,178)</b>    | (276,215)         |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>       | <b>(19,079)</b>     | (8,827)           |
| Cash and cash equivalents at start of year             | <u>24,092</u>       | <u>32,919</u>     |
| Cash and cash equivalents at end of year               | <u>5,013</u>        | <u>24,092</u>     |
| <b>Represented by:</b>                                 |                     |                   |
| Cash at bank   | 5,013               | 27,410            |
| Bank overdraft   | -                   | (3,318)           |
|  | <u>5,013</u>        | <u>24,092</u>     |

Consortium Suzlon - Padgreen Co Ltd  
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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1. GENERAL INFORMATION**

Consortium Suzlon-PadGreen Co Ltd (the "company") is a limited liability company, which can also be called the Special Purpose Company for the implementation of a wind farm. The company was incorporated under the Mauritius Companies Act 2001 on 28 October 2010 and its registered office is located at Motorway M3, Riche Terre, Terre-Rouge. The company has not yet started its operations.

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

**Amendments to published Standards and Interpretations effective in the reporting period**

In the current year, the Company have applied all of the new and revised standard and interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 July 2016.

**2.1 New and revised IFRSs applied with no material effect on the financial statements**

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

|        |   |
|--------|---|
| IAS 1  | Presentation of Financial Statements - Amendments resulting from the disclosure initiative                                    |
| IAS 16 | Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation |
| IAS 16 | Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16                                    |
| IFRS 7 | Financial Instruments: Disclosures - Amendments resulting from September 2014 Annual Improvements to IFRSs                    |

**2.2 New and revised Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant Standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

|        |   |
|--------|---|
| IAS 7  | Statement of Cash Flows - Amendments as a result of the Disclosure initiative (effective 1 January 2017)  |
| IAS 12 | Income Taxes - Amendments regarding the recognition of deferred tax assets for unrealised losses (effective 1 January 2017)   |
| IAS 39 | Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception (effective 1 January 2018) |
| IFRS 7 | Financial Instruments: Disclosures - Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9 (effective 1 January 2018)  |
| IFRS 7 | Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective 1 January 2018)   |
| IFRS 9 | Financial Instruments - Finalized version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition (effective 1 January 2018)   |

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) (CONT'D)**

**Amendments to published Standards and Interpretations effective in the reporting period (cont'd)**

**2.2 New and revised Standards in issue but not yet effective (cont'd)**

- IFRS 9 Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9 (effective 1 January 2018)
- IFRS 9 Financial Instruments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities (effective 1 January 2019)
- IFRS 15 Revenue from Contracts with Customers - Original issue (effective 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers - Clarifications to IFRS 15 (effective 1 January 2019)
- IFRS 16 Leases - Original issue (effective 1 January 2018)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective 1 January 2018)
- IFRIC 23 Uncertainty over Income Tax Treatments Issued (effective 1 January 2019)

The directors anticipate that these amendments will be applied in the Company's financial statements at the above effective dates in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:-

**(a) Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRSs"). Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

**Comparative figures**

Comparative figures have been regrouped where necessary to conform to the current year's presentation.

**Statement of compliance**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

**Functional and presentation currency**

The financial statements are presented in Mauritian Rupee (Rs), which is the company's functional currency.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(b) Plant and equipment

Plant and equipment are recorded at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis to depreciate the cost of the assets over their expected useful lives as follows:

|               |           |
|---------------|-----------|
| Motor vehicle | - 5 years |
|---------------|-----------|

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gain and losses on disposal is determined by comparing proceeds with carrying amount and are included in profit or loss.

Plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with IFRS. Such properties are classified to the appropriate categories of plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(c) Foreign currencies

Transactions in foreign currencies are converted at the exchange rate at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated to Mauritian Rupee ("Rs") at the rates of exchange ruling at the end of the reporting date. Exchange differences arising on translation of assets and liabilities are dealt with in profit or loss.

(d) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

*Deferred tax*

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 profits will be available to allow all or part of the asset to be recovered.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) Taxation (cont'd)

*Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(e) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the company has become party to the contractual provisions of the financial instruments.

(i) *Financial assets*

The company initially recognises loans and receivables on the date when they are originated. All other financial assets are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loans and receivables comprise cash at bank and other receivables.

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the company is recognised as a separate asset or liability in the statement of financial position.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(e) Financial instruments (cont'd)

(i) *Financial assets (cont'd)*

*Other receivables*

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

*Cash and cash equivalents*

Cash comprise bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts and which are subject to an insignificant risk of change in value and are held for the purpose of meeting short-term cash commitments. Cash and cash equivalents are measured at amortised cost which is equivalent to their fair value.

(ii) *Financial liabilities*

Financial liabilities are recognised initially on the trade date at which the company become a party to the contractual provisions of the instrument.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities comprise other payables, obligation under finance lease, shareholders' loans and bank overdrafts.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

When an existing 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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(f) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party to exercise significant influence over the other party in making financial and operating decisions or is a member of the key management personnel of the reporting entity. An entity is related to a reporting entity if both of them are members of the same group or one of them is either an associate or joint venture of the other entity.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(g) Provisions

A provision is recognised when and only when there is a present obligation (legal or constructive) as a result of a past event, and 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. Provision are reviewed at the end of each reporting date and adjusted to reflect the current best estimate.

(h) Finance leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The company leases a motor vehicle. Leases of motor vehicle where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in either short-term or long-term liability. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The motor vehicle acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(i) Stated capital

Ordinary shares are classified as equity.

**4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. Judgements and estimates are continuously evaluated and are based on historical experience and other factors, including expectations and assumptions concerning future events that are believed to be reasonable under the circumstances. The actual results could, by definition therefore, often differ from the related accounting estimates.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

*Motor vehicle*

The cost of the motor vehicle is depreciated over the estimated useful life of the asset. The estimated useful life is based on expected usage of the asset and expected physical wear and tear, which depends on operational factors.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)**

*Other receivables*

Loan origination fees relates to costs of obtaining loan for the construction of the windfarm. As at 30 June 2017, the loan has not yet been received. The directors are certain that the loan will be sanctioned in the foreseeable future given that all diligence and re-appraisal have been completed. The loan origination fees will be amortised to profit or loss over the term period of the loan.

**5. PLANT AND EQUIPMENT**

|                        | <b>Plant and equipment in progress</b><br><b>Rs</b> | <b>Motor Vehicle under finance lease</b><br><b>Rs</b> | <b>Total</b><br><b>Rs</b> |
|------------------------|---|---|---------------------------|
| <b>COST</b>            |   |   |                           |
| At 1 July 2015         | 9,500,707   | 1,795,000   | 11,295,707                |
| Additions              | 1,085,128   | -   | 1,085,128                 |
| At 30 June 2016        | 10,585,835  | 1,795,000   | 12,380,835                |
| At 1 July 2016         | 10,585,835  | 1,795,000   | 12,380,835                |
| Additions              | 386,203   | -   | 386,203                   |
| <b>At 30 June 2017</b> | <b>10,972,038</b>                                   | <b>1,795,000</b>                                      | <b>12,767,038</b>         |
| <b>DEPRECIATION</b>    |   |   |                           |
| At 1 July 2015         | -   | 388,917   | 388,917                   |
| Charge for the year    | -   | 359,000   | 359,000                   |
| At 30 June 2015        | -   | 747,917   | 747,917                   |
| At 1 July 2016         | -   | 747,917   | 747,917                   |
| Charge for the year    | -   | 359,000   | 359,000                   |
| <b>At 30 June 2017</b> | <b>-</b>  | <b>1,106,917</b>                                      | <b>1,106,917</b>          |
| <b>NET BOOK VALUE</b>  |   |   |                           |
| <b>At 30 June 2017</b> | <b>Rs 10,972,038</b>                                | <b>688,083</b>  | <b>11,660,121</b>         |
| At 30 June 2016        | Rs 10,585,835                                       | 1,047,083   | 11,632,918                |

The directors have reviewed the carrying value of the plant and equipment and are of the opinion that as at 30 June 2017, the carrying value has not suffered any impairment (2016: Nil).

Plant and equipment in progress relates to costs directly attributable to the construction of the windfarm.

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**6. OTHER RECEIVABLES**

|                                      | <u>2017</u><br>Rs | <u>2016</u><br>Rs |
|--------------------------------------|-------------------|-------------------|
| Loan origination fees                | 54,360,480        | 40,373,268        |
| Deposit on reservation of State land | 5,567,500         | 5,567,500         |
| Other receivables                    | 1,129,152         | 519,754           |
| Unpaid stated capital                | 100,000           | 100,000           |
| Amount due from related company      | <u>2,070,900</u>  | <u>2,070,900</u>  |
|                                      | <u>63,228,032</u> | <u>48,631,422</u> |

The amount due from related company is unsecured, interest free and bear no fixed repayment term.

Loan origination fees relates to costs of obtaining bank loans of USD55 million for the construction of the windfarm. As at 30 June 2017, the loan has not yet been received.

**7. STATED CAPITAL**

|                                     | <u>2017 and 2016</u><br>Rs |
|-------------------------------------|----------------------------|
| Issued and unpaid                   |                            |
| 100 Ordinary shares at no par value | <u>100,000</u>             |

Each ordinary share shall confer on the holders thereof the right to one vote at any meeting of the shareholders of the company; and the right to be paid out of the profits of the company available for distribution a dividend equal to that declared in respect of each ordinary share.

Upon a winding up of the company, the surplus assets shall be distributed to the holders of the ordinary shares proportionately to the amount paid up (or deemed to be paid up) on the shares held by them.

**8. OBLIGATION UNDER FINANCE LEASE**

Finance lease relates to motor vehicle with a remaining lease terms of 2 years. The company's obligation under finance lease are secured by corporate guarantee of Phil Alain Didier Co Ltd (PAD Co Ltd).

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**8. OBLIGATION UNDER FINANCE LEASE (CONT'D)**

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

|                                     | <u>2017</u><br>Rs   | <u>2016</u><br>Rs      |
|-------------------------------------|---------------------|------------------------|
| <b>Minimum lease payments:</b>      |                     |                        |
| Within one year                     | 385,080             | 449,260                |
| After one year and before two years | <u>385,080</u>      | 770,160                |
| Less: Future finance charges        | 770,160<br>(67,756) | 1,219,420<br>(161,838) |
| Present value                       | <u>702,404</u>      | <u>1,057,582</u>       |
| Present value analysed as follows:  |                     |                        |
| <b>Current</b>                      |                     |                        |
| Within one year                     | 335,463             | 355,178                |
| <b>Non-current</b>                  |                     |                        |
| After one year and before two years | <u>366,941</u>      | 702,404                |
|                                     | <u>702,404</u>      | <u>1,057,582</u>       |

**9. SHAREHOLDERS' LOANS**

|                          | <u>2017</u><br>Rs | <u>2016</u><br>Rs |
|--------------------------|-------------------|-------------------|
| At 1 July                | 55,068,803        | 43,334,261        |
| Movement during the year | <u>38,322,246</u> | 11,734,542        |
| At 30 June               | <u>93,391,049</u> | 55,068,803        |

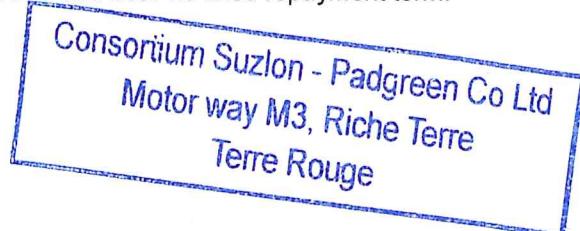
Shareholders' loans are unsecured, interest free and have no fixed date of repayment.

**10. OTHER PAYABLES**

|  | <u>2017</u><br>Rs | <u>2016</u><br>Rs |
|--|-------------------|-------------------|
| Other payables                               | 153,140           | 27,333            |
| Amount due to director                       | 4,385,128         | 1,085,128         |
| Deposit on reservation of State land payable | 5,567,500         | 5,567,500         |
| Accruals                                     | <u>2,782,065</u>  | 25,415,675        |
|  | <u>12,887,832</u> | <u>32,095,636</u> |

The company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

The amount due to director is unsecured, interest free and bear no fixed repayment term.



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**11. TAXATION**

Income tax is calculated at the rate of 15% (2016: 15%) on the profit for the year as adjusted for income tax purposes. However, no provision is required for the year as the company has tax losses amounting to Rs 25,029,368 (2016: Rs 24,642,121) which can be carried forward for set off against future taxable income. Tax Loss of Rs 1,855,075 lapsed during the year.

| Year | Tax losses<br>Rs | Expiry date       |
|------|------------------|-------------------|
| 2013 |                  | 2018              |
| 2014 |                  | 2019              |
| 2015 |                  | 2020              |
| 2016 |                  | 2021              |
| 2017 |                  | 2022              |
|      |                  | <u>25,029,368</u> |

No deferred tax asset has been recognised during the year as the company has not yet started its operations.

**12. OTHER INCOME**

|                      | <u>2017</u><br>Rs | <u>2016</u><br>Rs |
|----------------------|-------------------|-------------------|
| Refund of rent paid  | <u>366,126</u>    | 263,127           |
| Payable written-back | <u>-</u>          | <u>42,000</u>     |
|                      | <u>366,126</u>    | <u>305,127</u>    |

**13. FINANCE COSTS**

|                       | <u>2017</u><br>Rs | <u>2016</u><br>Rs |
|-----------------------|-------------------|-------------------|
| Interest on lease     | <u>94,083</u>     | 115,143           |
| Interest on overdraft | <u>213</u>        | <u>241</u>        |
|                       | <u>94,296</u>     | <u>115,384</u>    |

**14. FINANCIAL RISK MANAGEMENT**

Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern. The capital structure of the company consists of net debt (shareholders' loans, obligation under finance lease and bank overdrafts offset by cash at bank) and equity (comprising of stated capital and accumulated losses).

The company reviews the capital structure on a regular basis and as part of this review, management considers the cost of capital and the risks associated with each class of capital.

Fair value measurement

The company's financial assets and liabilities comprise other receivables, cash at bank, other payables, obligation under finance lease, bank overdrafts and shareholders' loans. The carrying amounts of these assets and liabilities approximate their fair values.

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**FOR THE YEAR ENDED 30 JUNE 2017**

**14. FINANCIAL RISK MANAGEMENT (CONT'D)**

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

|                                      | <u>2017</u><br>Rs  | <u>2016</u><br>Rs |
|--------------------------------------|--------------------|-------------------|
| <i>Financial assets</i>              |                    |                   |
| <i>Loan and receivables:</i>         |                    |                   |
| Other receivables                    | 539,337            | 123,461           |
| Deposit on reservation of State land | 5,567,500          | 5,567,500         |
| Amount due from related company      | 2,070,900          | 2,070,900         |
| Cash at bank                         | 5,013              | 27,410            |
|                                      | <u>8,182,750</u>   | <u>7,789,271</u>  |
| <i>Financial liabilities</i>         |                    |                   |
| <i>Amortised cost:</i>               |                    |                   |
| Other payables                       | 12,887,832         | 32,095,636        |
| Bank overdrafts                      | -                  | 3,318             |
| Obligation under finance lease       | 702,404            | 1,057,582         |
| Shareholders' loans                  | 93,391,049         | 55,068,803        |
|                                      | <u>106,981,285</u> | <u>88,225,339</u> |

Loan origination fees of Rs 54,360,480 (2016: Rs 40,373,268) and Vat receivable of Rs 689,817 (2016: Rs 496,293) are excluded from other receivables.

Financial risk management

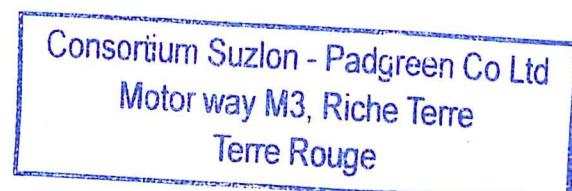
In its ordinary operations, the company is exposed to various risks such as market risk, credit risk, and liquidity risk.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of financial instruments. The company's exposure to market risk is determined by a number of factors, including interest rates, foreign currency exchange rates and market volatility. As at 30 June 2017, the company is not exposed to market risk since it has not yet started its operation.

Foreign currency risk management

The company undertakes certain transactions denominated in foreign currencies. Consequently, the company is exposed to the risk that the carrying amounts of assets and liabilities denominated in foreign currency may change due to fluctuations in foreign exchange rates.



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**14. FINANCIAL RISK MANAGEMENT (CONT'D)**

*Foreign currency risk management*

The currency profile of the company's financial assets and financial liabilities is summarised as follows:

| <u>Currency</u>      | <b>2017</b>                          |   | <b>2016</b>                          |   |
|----------------------|--------------------------------------|---|--------------------------------------|---|
|                      | <b>Financial Assets</b><br><b>Rs</b> | <b>Financial Liabilities</b><br><b>Rs</b> | <b>Financial Assets</b><br><b>Rs</b> | <b>Financial Liabilities</b><br><b>Rs</b> |
| Mauritian Rupee      | <b>8,180,909</b>                     | <b>81,508,418</b>                         | 7,762,430                            | 55,509,292                                |
| United States Dollar | <b>1,841</b>                         | <b>25,386,664</b>                         | 26,841                               | 32,716,047                                |
| Great Britain Pound  | <b>-</b>                             | <b>86,203</b>                             | <b>-</b>                             | <b>-</b>                                  |
|                      | <b><u>8,182,750</u></b>              | <b><u>106,981,285</u></b>                 | <b><u>7,789,271</u></b>              | <b><u>88,225,339</u></b>                  |

*Foreign currency sensitivity analysis*

Foreign exchange risk arises from changes in foreign exchange rates. Fluctuations in the above currency by 5% would result in a gain or loss recognised in profit or loss as shown below. The analysis does not take the currency positions that are denominated in the functional currency of relevant operations because they do not create any foreign currency exposure. Also, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not represent the exposure during the year.

At 30 June 2017, if exchange rate has strengthened/weakened by 5% against the following currency, the result would be as follows:

|     | <b>Change in<br/>loss<br/>after tax<br/>2017</b><br><b>Rs</b> | <b>Change in<br/>loss<br/>after tax<br/>2016</b><br><b>Rs</b> |
|-----|---|---|
| USD | (1,039,991)   | (1,634,460)   |
| GBP | (4,310)   | -   |

A weakening of the Mauritian Rupee against the above currencies at 30 June 2017 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The maturity profile of the financial liabilities is summarised as follows:

| <b>2017</b>                  | <b>Less than<br/>1 year</b><br><b>Rs</b> | <b>More than<br/>1 year</b><br><b>Rs</b> | <b>Total</b><br><b>Rs</b> |
|------------------------------|--|--|---------------------------|
| <i>Financial liabilities</i> |  |  |                           |
| Other payables               | 12,887,832                               | -  | 12,887,832                |
| Obligation under lease       | 335,463                                  | 366,941                                  | 702,404                   |
| Shareholders' loans          | <b>93,391,049</b>                        | <b>-</b>                                 | <b>93,391,049</b>         |
|                              | <b><u>106,614,344</u></b>                | <b><u>366,941</u></b>                    | <b><u>106,981,285</u></b> |

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 30 JUNE 2017**

**14. FINANCIAL RISK MANAGEMENT (CONT'D)**

*Foreign currency sensitivity analysis (cont'd)*

| <b>2016</b>                  | <b>Less than<br/>1 year<br/>Rs</b> | <b>More than<br/>1 year<br/>Rs</b> | <b>Total<br/>Rs</b> |
|------------------------------|------------------------------------|------------------------------------|---------------------|
| <i>Financial liabilities</i> |                                    |                                    |                     |
| Other payables               | 32,095,636                         | -                                  | 32,095,636          |
| Bank overdrafts              | 3,318                              | -                                  | 3,318               |
| Obligation under lease       | 355,178                            | 702,404                            | 1,057,582           |
| Shareholders' loans          | <u>55,068,803</u>                  | -                                  | <u>55,068,803</u>   |
|                              | <u>87,522,935</u>                  | <u>702,404</u>                     | <u>88,225,339</u>   |

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

The company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. As at 30 June 2017, the company is not exposed to credit risk since it has not yet started its operation.

**15. RELATED PARTY TRANSACTIONS**

During the year ended 30 June 2017, the company transacted with related parties. Details of the nature, volume of transaction and balance with the related parties are as follows:

|                               | <b>2017<br/>Rs</b> | <b>2016<br/>Rs</b> |
|-------------------------------|--------------------|--------------------|
| <i>Shareholders' loans</i>    |                    |                    |
| At 1 July                     | <u>55,068,803</u>  | 43,334,261         |
| Expenses paid by shareholders | <u>38,322,246</u>  | <u>11,734,542</u>  |
| At 30 June                    | <u>93,391,049</u>  | <u>55,068,803</u>  |

The terms and condition has been disclosed in Note 9.

|  | <b>2017<br/>Rs</b> | <b>2016<br/>Rs</b> |
|--|--------------------|--------------------|
| <i>Amount due from related company</i> |                    |                    |
| Ultimate holding Company- PAD Co Ltd   | <u>2,070,900</u>   | <u>2,070,900</u>   |

The terms and condition has been disclosed on Note 6.

|                        | <b>2017<br/>Rs</b> | <b>2016<br/>Rs</b> |
|------------------------|--------------------|--------------------|
| Amount due to director |                    |                    |
|                        | <u>4,385,128</u>   | <u>1,085,128</u>   |

The terms and condition has been disclosed on Note 10.

**Compensation paid to Key Management Personnel**

There is no compensation paid to Key Management Personnel during the year ended 30 June 2017 (2016: Nil).

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**CONSORTIUM SUZLON-PADGREEN CO LTD**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
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**16. OPERATING LEASE**

The company leases State land at Plaine Sophie, Mare aux Vacoas with lease term of 60 years which expires in year 2074. The lessee does not have an option to purchase the land at the expiry of lease period.

The company determined that the land is an element of operating lease. The rent paid to the lessor is adjusted to market rentals on a yearly basis, and the company does not have interest in the residual value of the land. As a result, it was determined that substantially all of the risks and rewards of the land are with the landlord.

*Future minimum lease payments*

At 30 June, the future minimum lease payments under non-cancellable lease were as follows.

|                            | 2017<br>Rs        | 2016<br>Rs        |
|----------------------------|-------------------|-------------------|
| Less than one year         | <b>393,750</b>    | 253,125           |
| Between one and five years | <b>1,800,000</b>  | 1,732,500         |
| Later than 5 years         | <b>23,325,000</b> | <b>22,500,000</b> |

*Amount recognised in profit or loss*

|                | 2017<br>Rs     | 2016<br>Rs |
|----------------|----------------|------------|
| Lease expenses | <b>366,126</b> | 253,125    |

**17. CONTINGENT LIABILITIES**

The company had contingent liabilities of USD 2,220,000 (2016: USD 2,220,000) in respect of bank guarantees given to Central Electricity Board (CEB) as development security.

**18. GOING CONCERN**

At 30 June 2017, the company had a shareholders' deficit of **Rs 32,088,119** (2016: Rs 27,933,589) and net current liabilities of **Rs 43,381,299** (2016: Rs 38,864,103). The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholders of the company to enable it to continue the construction of the windfarm. The directors are of the opinion that support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

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**19. WIND FARM PROJECT FUNDING STATUS**

Based on the terms of the indicative term sheet from the bank, the company was required to obtain the necessary approval from the government for the felling of trees before the funds could be disbursed. The approval were obtained in 2017 and therefore the company is proceeding with finalising the documentation required for disbursement of the loan. The directors believe that the outstanding documents will be delivered to the bank by end of February 2018 to enable the bank to proceed with the loan disbursement which has been planned in March 2018. The wind farm project should be fully operational as from 12 October 2018 further to letter of extension obtained from the Central Electricity Board on 29 December 2017.

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