SUZLON
POWERING A GREENER TOMORROW

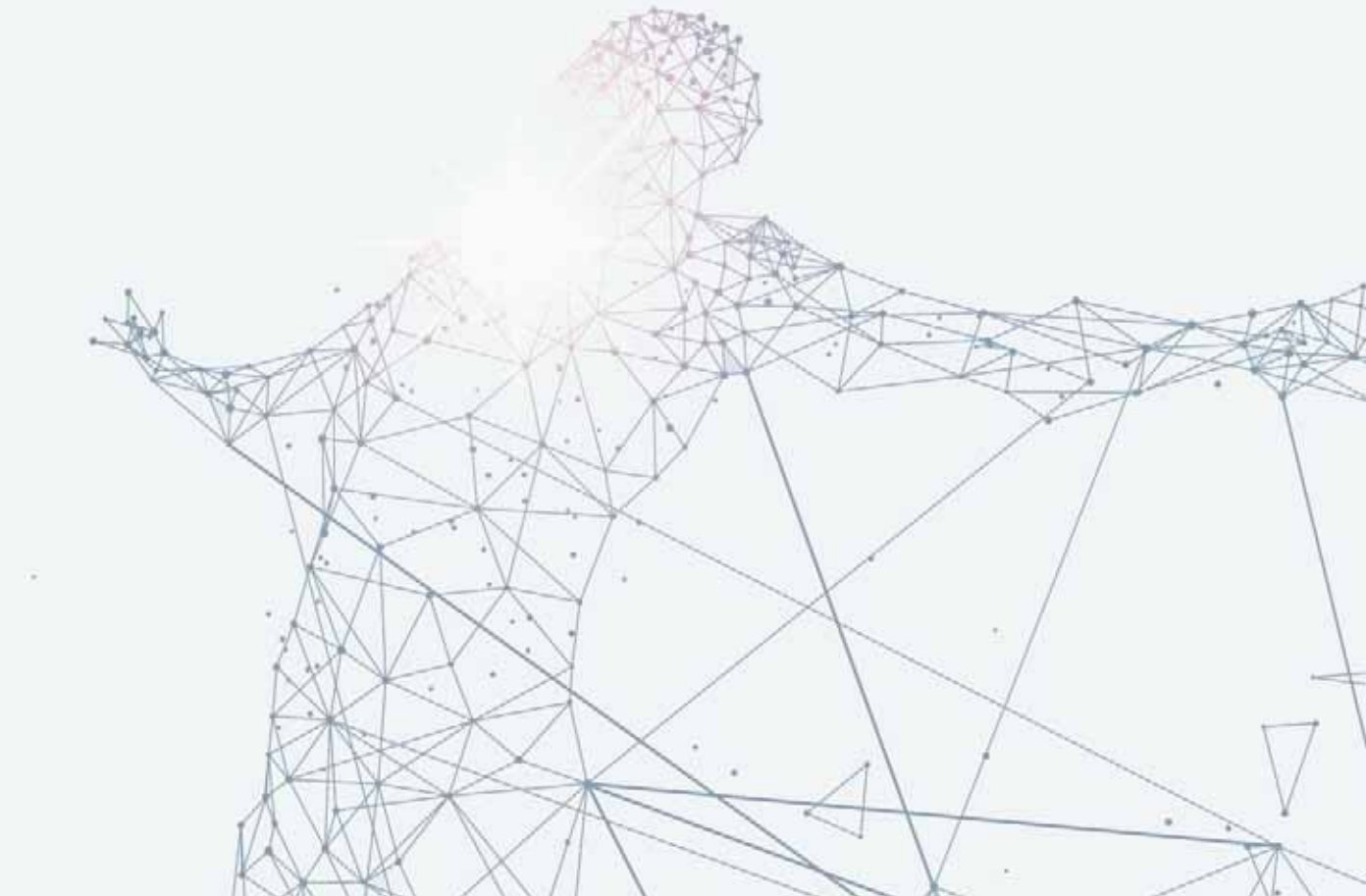
विजयी भव:

BEING VICTORIOUS



॥ विजयी भव: ॥

Rooted in values but conquering the world with home-grown manufacturing and global research and development. Leading the charge to save our planet for future generations.



SUZLON VISION 2020

TO BE THE BEST RENEWABLE ENERGY COMPANY IN THE WORLD

WORK TOWARDS SUSTAINABLE, SOCIAL, ECONOMICAL AND ECOLOGICAL DEVELOPMENT

TO CREATE A BETTER LIFE FOR FUTURE GENERATIONS

KEY MARKETS

India

- Realise 'Make in India' vision of the government by developing our vertically integrated value chain to build India's position as a hub for renewable energy
- Aims to achieve, and surpass the annual wind energy target of 5,000 MW set by the government
- Be the Number One Renewable Energy player in the Indian market

North America

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

Other markets

- Australia to remain attractive for Suzlon
- Emerging markets to enhance Suzlon's growing footprint

TECHNOLOGY ADVANCEMENT FOR REDUCED COST OF ENERGY

- Innovate to develop highest efficiency products to meet market requirements
- Establish new R&D facilities to further technology and innovation
- Digitisation of services and use of big data to increase efficiency and performance of wind turbines
- Aim to reduce levelized cost of energy (LCoE) and enable higher return on investment for customers

GLOBAL CUSTODIAN OF CUSTOMERS' ASSETS

- Ensure profitable functioning of wind turbines across the world, and expansion to 20 GW
- Ensure smooth functioning of products through long term services
- Strengthen OMS capabilities to develop solutions that enhance life of WTGs and operational excellence to enable energy security and reliability
- Provide value-added products and services to meet the ever growing customer needs

A TALENTED WORKFORCE OF BRAND AMBASSADORS

- Sustain an environment where the global workforce of over 8,600 employees can work with increased transparency and measurable goals, aided by promoting employee initiatives
- Inspire a culture where employees are brand ambassadors of the organisation
- Inculcate values where employees and the organisation work in tandem for optimum performance of the business

COMPANY OF CHOICE FOR RENEWABLE ENERGY

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

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COMPANY INFORMATION

SUZLON ENERGY LIMITED, CIN: L40100GJ1995PLC025447

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

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

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

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

Mr. Vinod R. Tanti
(DIN: 00002266)
Wholetime Director &
Chief Operating Officer

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

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

Mr. Per Hornung Pedersen
(DIN: 07280323)
Non-Executive Independent Director

Mrs. Medha Joshi
(DIN: 00328174)
A nominee of IDBI Bank Limited
who ceased to be a Director
w.e.f. November 11, 2016
Non - Executive Director

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

Mr. Sunit Sarkar
(DIN: 02806212)
A nominee of IDBI Bank Limited
(appointed as Additional Director
w.e.f. November 11, 2016)
Non-Executive Director

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

Mrs. Vijaya Sampath
(DIN: 00641110)
Non-Executive Independent Director
(appointed as an Independent Director
w.e.f. August 12, 2016)

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

CHIEF FINANCIAL OFFICER
Mr. Sanjay Baweja
(DIN: 00232126)
(appointed as Chief Financial Officer
w.e.f. December 19, 2016)

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

AUDITOR

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

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

BANKERS / INSTITUTIONS

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

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REGISTERED OFFICE
"Suzlon", 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad - 380009, India
Tel.: +91.79.6604 5000
Fax: +91.79.2656 5540
Website: www.suzlon.com
Email: investors@suzlon.com

CORPORATE OFFICE
One Earth, Hadapsar,
Pune - 411028, India
Tel.: +91.20.6702 2000
Fax.: +91.20.6702 2100

REGISTRAR AND SHARE TRANSFER AGENTS
Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500032, India
Toll Free No. 1800-3454-001
Website: www.karvycomputershare.com
Email: einward.ris@karvy.com

BOARD OF DIRECTORS



Standing (L to R)
Mr. Marc Desaedeleer, Mr. Vinod Tanti, Mr. Sunit Sarkar, Mr. Vaidhyanathan Raghuraman

Seated (L to R)
Mrs. Vijaya Sampath, Mr. Per Hornung Pederson,



Standing (L to R)
Mr. Venkatraraman Subramanian, Mr. Ravi Uppal, Mr. Rajiv Ranjan Jha, Mr. Girish Tanti

Seated (L to R)
Mr. Tulsi Tanti, Mrs. Pratima Ram

CHAIRMAN'S LETTER

Dear Stakeholders,

Financial Year 2016-17 (FY17) was a historic year for Suzlon.

Passion, perseverance, and commitment characterised our performance; the results reflected our sustainable and profitable turnaround. 1,779 MW installations in FY17 is our highest-ever commissioning in India in a single fiscal year. The Company's stellar performance across all parameters - financial, operations, sales, project management and services, demonstrates that Suzlon is back on the growth path with renewed vigour. It is also reflected in our improved credit rating, both at the group level and in our services subsidiary.

This achievement re-endorses our leadership position, with over 11,000 MW of cumulative installations in India and over 17,000 MW globally.

Suzlon outlook - Stronger, smarter and sustainable

In the past two years, Suzlon has registered a growth rate of over 100% Y-o-Y, which is twice the growth rate of the market during the same period. While we are market leaders with ~35% share in India's cumulative wind installations, we are also headed towards achieving leadership position in annual wind installations. Our annual market share in India has grown from 19% in FY15 to 33% in FY17.

Suzlon has further strengthened its manufacturing capabilities and presence across all nine wind resource-rich states in India, by establishing three new rotor blade factories in Madhya Pradesh, Andhra Pradesh and Rajasthan. Our future-ready technology, extensive service and manufacturing capabilities, and presence in 18 diversified geographies served by over 8,600 strong global workforce will power our robust resurgence as a global renewable energy player.

R&D - Our cornerstone of success

At Suzlon, harnessing futuristic technologies and thus staying ahead of the technology curve, has been the cornerstone of our success. We continue to invest in R&D, incubate innovation, and implement the outcomes in our product development, processes, operations, and maintenance services. The net result has been a significant reduction in levelised cost of energy (LCoE) in the last five years and we have been able to bring down the cost of energy by almost 25%. Continuing this legacy, we introduced the S111-120m wind turbine generator (WTG). The first commissioned turbine of S111-120m delivered a 42% Plant Load Factor (PLF) over its first 12 months of operation - this is the highest PLF in the Indian wind industry. The S111-120m will prove to be a game changer in the Indian renewable market.

Our wind-solar hybrid technology has gathered momentum. While we await the wind-solar hybrid policy to further mature, we have commenced technical studies in Rajasthan, Andhra Pradesh and Gujarat. Our development pipeline, infrastructure, nation-wide operations, and strong maintenance capabilities shall reinforce our leadership position in this area. We look forward to harnessing these emerging opportunities.

Our Blade Science Centre at Vejle, Denmark, was established last year. It has enhanced our technological competence by aiding in the development of better airfoils, end-to-end blade solutions to make more efficient turbines, and lowering the LCoE. We are pushing the aerodynamic limits with each new turbine model. We are also introducing advanced materials such as carbon fibre in our next-generation turbines which will make our blades stronger and lighter.

Digital and technological transformation

We have embraced digital transformation by investing in relevant technologies for improving our operations, maintenance services, scheduling and forecasting, and real-time monitoring of our machines. This digitisation has increased the efficiency of our turbines. Today, with over 10,000 wind turbines in operation across 18 geographies, we have harnessed the competitive advantage of big data and sophisticated data analytics. This has strengthened our preventive maintenance algorithms and ensured fewer break-downs.

Renewables – A transition from alternative to mainstream

FY17 was a significant year for the renewable energy sector globally, as well as in India. Internationally, more renewable power capacity was added as compared to (net) capacity addition from all fossil fuels combined*. This is a clear indication that renewables has achieved mainstream and base-load status.



Rapidly evolving technology, declining production cost, conducive policy reforms, and growing consciousness to mitigate climate change risks, has ushered in momentum in favour of renewable energy across the world. It is heralding a new wave of interest and positive action in the clean energy sector. India registered its highest-ever wind and solar combined installations of ~14,400 MW during the year. Its renewable energy capacity addition in FY17 surpassed capacity addition of conventional fuel sources which stood at 7,700 MW capacity. Wind energy exceeded the government's target with installation of 5,500 MW. With such positive impetus, the writing on the wall is clear - the future of energy is certainly green!

Market outlook - Global and India

Renewable energy has entered an exciting new phase and its growth is unstoppable. Once considered a niche industry dependent on government subsidies, today it is driven largely by economic realities, improved reliability, and cost competitiveness of proven technology. According to Bloomberg New Energy Finance (BNEF), wind, solar, hydro and other sustainable sources are expected to account for half of our global energy mix by 2030.

Globally, an estimated investment to the tune of USD 10 trillion is expected in the energy sector between 2014 and 2035, of which, renewables will attract USD 6 trillion**.

We are confident that the evolving technology and economic viability of battery for energy storage, will give further impetus to renewables.

In India, investors are bullish and excited to be part of the renewable growth story. The declining wind and solar tariffs, advent of competitive bidding in wind energy, and policy reforms are steering new possibilities. This momentum will continue to gather speed. While FY18 will be a transitionary year, FY19 onwards, industry will deliver over 6,000 MW of new capacity. This will pave the way to unlock 300 GW wind energy potential in India, delivering higher volumes and harnessing the latent potential of non-windy states.

In over 22 years of our experience, the wind industry in India has witnessed several policy changes, uncertainties and business cycles. The industry has emerged stronger, resilient and mature with renewed vigor. Suzlon has the inherent advantage of an early-stage start-up, which has today transformed into a position of pioneering leadership. This makes a clear case of Suzlon being a preferred partner for global customers.

**REN21 Renewables 2017 Global Status Report (GSR)* ***World Energy Investment Outlook report by International Energy Agency (IEA)*

Internal restructuring

With a view to improve productivity and strengthen to further efficiency, the Company has initiated a Composite Scheme of Amalgamation and Arrangement (the "Scheme") involving merger of three wholly owned subsidiaries and demerger of tower division from another wholly owned subsidiary into the Company. In this regard, the Honourable National Company Law Tribunal ("NCLT"), Ahmedabad Bench, has approved the Scheme vide its order dated May 31, 2017, the certified copy of which has since been filed with the Registrar of Companies, Gujarat. With that the Scheme has become effective on June 1, 2017 from the Appointed Date, viz., January 1, 2016 for the merger and April 1, 2016 for the demerger. The impact of the Scheme has been broadly covered in the Management Discussion & Analysis section of the Directors' Report.

Looking ahead

Suzlon is committed to mitigate climate-change risks and herald the transition from fossil-fuel-dominated energy architecture to that of clean energy. The Indian government's target of 175 GW of renewables by 2022, including 60 GW wind, appears to be an imminent reality, propelled by technology and conducive policy environment. India has already crossed ~32 GW wind installations, and we believe that the industry will realize its target of 60 GW earlier than 2022.

Suzlon is well-equipped to capitalize on the inevitable growth of renewables, both in the domestic and international markets. Our growth strategy is based on strengthening our leadership position in India and expanding our global footprint, with focus on select profitable markets. In the US, we are in a unique position of having created a 500 MW project pipeline that qualifies for 100% Production Tax Credit (PTC) benefit. We expect this 500 MW to be executed in the next two years.

Our key priorities are:

- Leverage innovation and technology to bring down LCoE
- Further strengthen our capital structure
- Remain cost competitive to increase market share

Together we can

The light of the future casts the shadows of tomorrow. We will not rest on past laurels and become complacent. We are agile and excited to seize any and every growth possibility in the renewables market.

Sustainable, affordable and reliable energy for all is no more a distant dream. It is a reality, and renewable energy has enabled it.

We are glad to partner with our stakeholders in the switch to renewable energy globally. Together, we can and we will empower the world with clean and sustainable energy which is good for people and the planet.

I am thankful to my team whose relentless efforts have strengthened our brand's promise of powering a greener tomorrow. I am grateful to all our stakeholders for maintaining trust in us, which has been our driving force towards creating greater value for the entire spectrum of stakeholders.

Best wishes

Tulsi Tanti