



Suzlon Foundation – CSR Annual Report

FINANCIAL YEAR: 2015-2016

Suzlon Foundation

ONE EARTH, HADAPSAR, PUNE-411028, INDIA

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MESSAGE FROM SUZLON FOUNDATION HEAD



Sustainable Development is at the core of Suzlon's operations and philosophy. At Suzlon sustainability is our goal and the very essence of our business model. As the country's premier player in renewable energy, Wind is at the heart of our business with over 9500 MW of installed capacity in India. Harnessing clean and renewable energy through wind, it ensures zero carbon emission and as a vital enabler of mitigating climate change risks. We are guided by the principle to have minimal impact on the natural environment, enabling local communities to develop their potential and empowering employees to be responsible civil society members.

Suzlon being in renewable energy sector strives for environmental sustainability with business profitability. The vision of Suzlon viz. 'Powering a greener tomorrow' indicates the company's efforts for conducting responsible business while taking care of climate change. Suzlon Foundation, an arm of Suzlon Group, which is the development vehicle of Suzlon's CSR initiatives, works closely with local communities, civil society and local government bodies, and carries forward the idea of sustainability through its corporate social responsibility programmes. All our CSR programs are strategized keeping sustainability at the focus.

This report is a step to put together the social initiatives undertaken by Suzlon Group for sharing integrated community development efforts with its stakeholders. In FY 2015-16 we have reached out to 668 villages across 8 states

I am happy to share that Suzlon has received CISCO award for 'Best Rural Outreach' and ABP News CSR award for 'Best Corporate Social Responsibility'.

We live in a world where corporate social responsibility is very critical for employees who choose to work with you and for customers who decide to spend money on your product or services. Therefore, it is essential for corporates now to minimise their negative impact and stand out in positive light by committing to serve community and protect environment.

Suzlon believes that effective CSR strategy just cannot be 'tick in the box' and thus we aspire to bring positive impact by

collaborating with various stakeholders for greater outreach and larger impact.

Also, I am sure that the day is not far when such collaborations would be a reality. Particularly the neighbourhood communities around the areas of operations are into more focus for business since they are in immediate vicinity and get affected more through businesses. In such locations where there are more than one

corporate, companies can easily collaborate and work together for a common purpose of sustainable development.

Dr Jasmine Sofia Gogia
Head-Suzlon Foundation

MISSION

“Corporate Social Responsibility at Suzlon means living corporate values, with the goal of:



So that we can collectively contribute towards creating a better world for all”

AWARDS

•Received Civic Award from Bombay Chamber of Commerce under Social Development Category

2010-11



•Received recognition from FE-EVI as "Green Business Leader"

2010-11



•Received Aajtak Care Award under Environment Category

2010-11



•Received Asia's Best CSR Practices Award from CMO Asia

2011-12



•Business World-FICCI Corporate Social Responsibility Award in recognition of the commendable work done by Suzlon as a socially responsible company

2011-12



•CII-ITC Sustainability Awards: Commendation for Significant Achievement in Corporate Social Responsibility for Commendable Results from Deploying Policies and Processes in Category A

2014-15



•World CSR Day –50 Most Talented Sustainability Leaders to DrJasmine Gogia, Head SuzlonFoundation

2014-15



•World CSR Day –50 Most Caring Companies of India

2014-15



•CISCO Award for 'Best rural Outreach'

2015-16



•ABP News CSR Award for 'Best Corporate Social Responsibility'

2015-16



ABOUT SUZLON FOUNDATION

Suzlon has always championed the cause of environment protection even in the business choices that it has made. Corporate Social Responsibility (CSR) is an extension of this stewardship. Suzlon’s CSR approach is to promote sustainability – within the organization and in the neighbourhoods where its business areas are. Suzlon Foundation, a non-profit company established in 2007, nurtures this stewardship by implementing CSR programs for the entire Suzlon Group.

CSR – Strategy

| Engage | Empower | Sustain |
|--|---|--|
| <ul style="list-style-type: none"> Engaging stakeholders in a dialogue Involving them in identifying, planning and execution of CSR programs | <ul style="list-style-type: none"> Strengthening capacities of weaker stakeholder groups Building and empowering village level institutions so that they can address their own development issues | <ul style="list-style-type: none"> Bringing the village institutions to higher level of ownership in phased manner Sustaining the small activities by delegating the execution to village institutions |

Multi-pronged Approach

Transformative CSR

To transform business practices to make them more responsible and to make employees responsive to environment and society

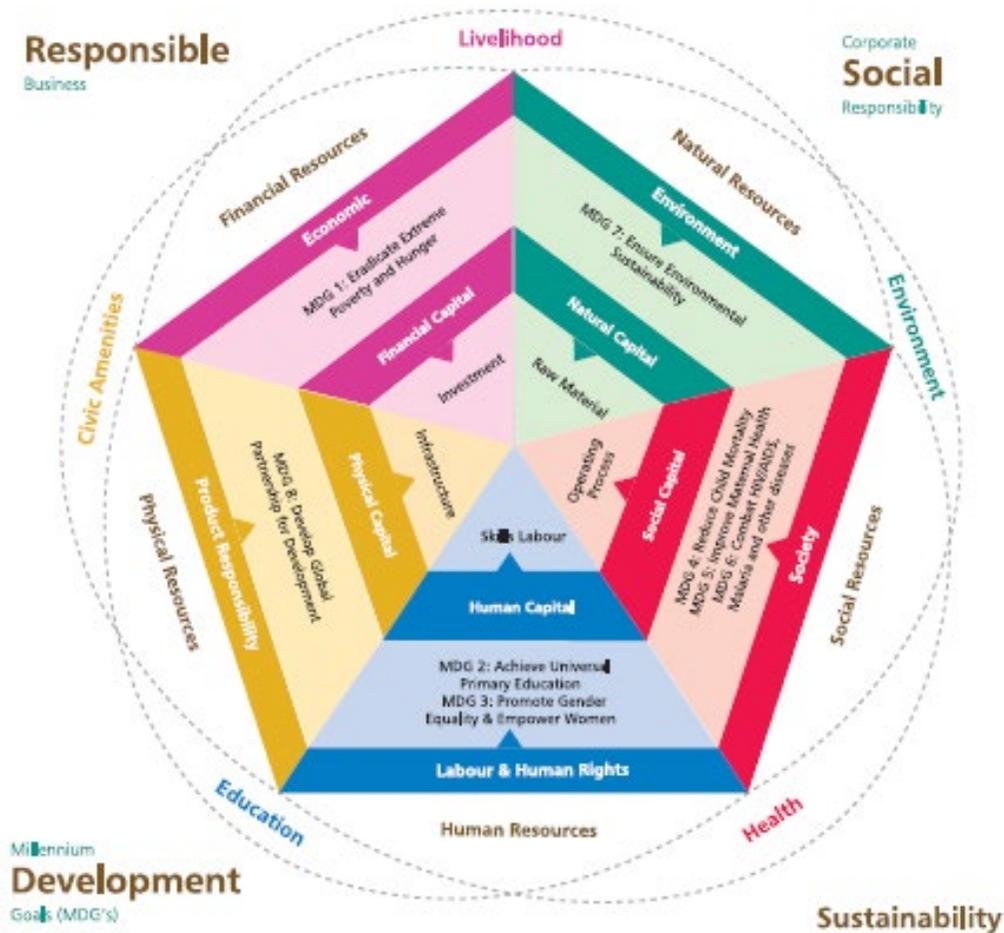
Responsive CSR

To respond to stakeholder needs and to offset business footprint

Proactive CSR

To go beyond the boundary lines to address larger issues such as climate change and natural disaster

Suzlon Foundation supports Suzlon in its efforts to achieve environmental, social and economic sustainability by enhancing natural, social, human, physical and financial resources around its wind farms and factory areas. Going beyond philanthropy approach, it has incorporated sustainability perspective even in its CSR programs which are implemented through partners. Suzlon believes in responsible action and thus below is the model showcasing how Suzlon aligns its CSR programmes while doing responsible business and focusing on Sustainability.



CSR Policy and Mission gives us direction in strategizing and planning towards achievement of our corporate goal of “Powering a greener tomorrow”. The interconnection between Suzlon’s Strategies and approach is demonstrated below-

Suzlon wants to create win-win situation for communities and business. Suzlon believes that the business should be an opportunity and not a threat to the communities around its neighbourhood. Therefore CSR is an integral part of business strategy and is treated with equal importance as other business verticals. Suzlon gives high importance to transparent and inclusive governance practices.

Suzlon CSR mandates that all the business functions respect corporate values, environmental sustainability, right of local communities, responsibilities of employees and ethical standards. Responsive CSR programs enhance holistic development neighbourhood on the sustainability framework of five capitals – financial (improving livelihoods of the local community); natural (participatory Natural Resource Management); social (empowering local communities, especially women); human (investing in health and education of disadvantaged); and physical (improving civic amenities and services). The objective is responding to local stakeholder’s interests and ensuring

that they are not negatively impacted by business, and investing in these five important resources for future sustainability of the business. SF believes that all stakeholders should be able to enjoy the benefits in future too. Over last three years, there have been more than 100 responsive projects implemented by Non-Government Organization (NGO) partners. Most projects are conceptualized for 3 to 5 years of duration and expected to be eventually managed by the local community organizations. The projects are planned and reviewed by involving community members, relevant NGOs, Govt. Departments, corporate and Suzlon employees (called as 360 degree review) annually. The idea is to share responsibility and collaborate to sustain good results with cooperation.

The organization has multi-stakeholder approach in developing its CSR strategies and plans. It has a structured process to develop strategies and plans. There is involvement of various levels of management within Suzlon, Suzlon Foundation CSR team members, the communities, the NGO partners implementing the program, various government agencies and other institutions in the planning and strategizing process.

STAKEHOLDER INVOLVEMENT

- a. Identification of neighbourhood villages: A list of the neighbourhood villages is made in consultation with concerned employees in wind farm areas and factories. Particularly villages in wind farm areas which are far and widely spread are prioritized as per the business importance. In this process different management levels in business units in different states are involved along with CSR team. The purpose is to prioritize the utilization of financial and human resources available for CSR.
- b. Needs Assessment: The needs assessment – in which the community is involved - of the prioritized villages is made and accordingly programs are planned.
- c. Planning: The plan is bottom up – after assessing the needs, it is discussed with the community, NGO partners, CSR Team members and then consultations at various levels of management happen. It is shared with the senior management of each business unit which sanctions the plan and budget.
- d. Collaborations: Along the line various partnerships with government agencies and other institutions are formed to leverage resources. The CBOs are the pillars of all developmental activities conducted in the villages.
- e. Review: Important stakeholders are also involved in our review process coming on one platform where transparent review takes place. (This is explained in detail in later sections.)

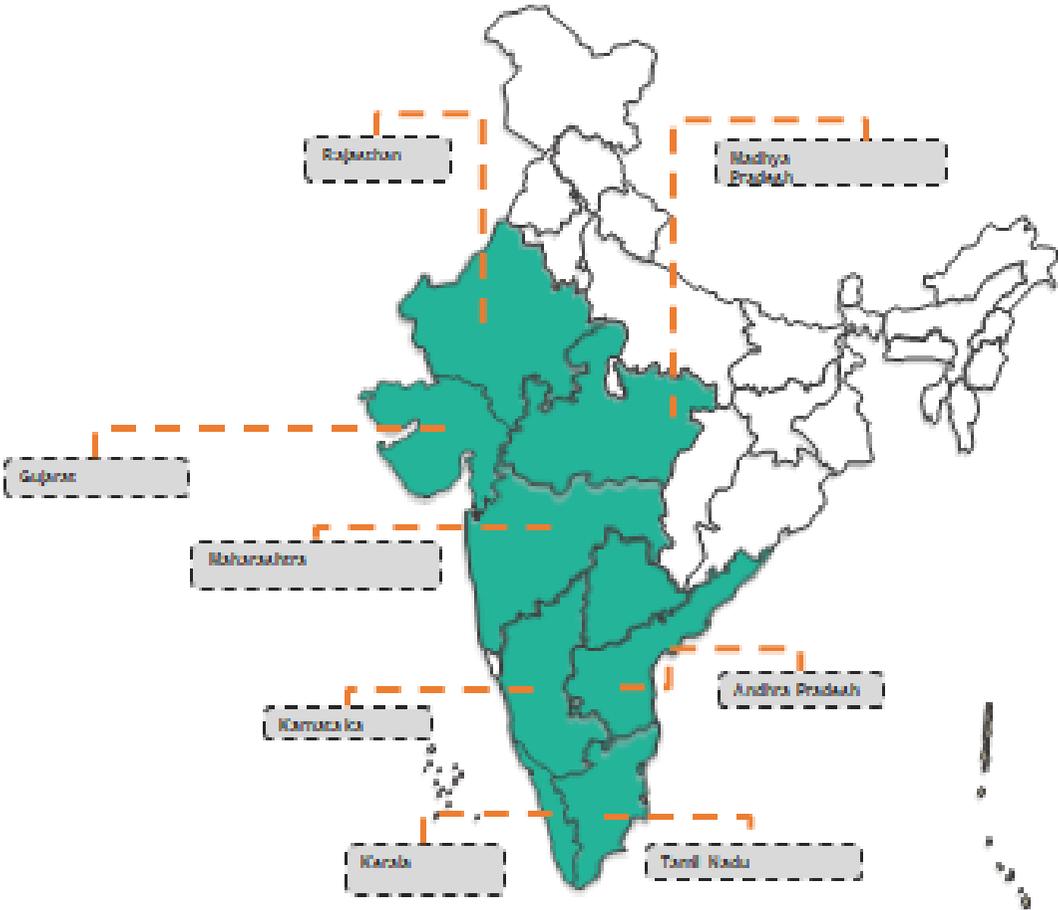
PROGRAM SUSTAINABILITY

Suzlon Foundation has focus on the sustainability aspect of the programs from the beginning. The proposals invited from the NGO partners have sustainability incorporated in it. Following strategies are used to achieve sustainability.

- f. Suzlon works with Community based organizations CBOs. These may be Self-help Groups (SHGs) of women or Village Development Committees (VDCs).
- g. The members of the CBOs are systematically trained so that they are empowered to take decisions on developmental issues.
- h. In respect of SHGs, the women are trained to handle micro finance aspects. As the groups mature they take on bigger role to handle issues of women, other social issues such as harassment, and development of the village.
- i. The members of the VDCs are chosen by the village itself and represent all sections of the village. All the decisions of the development initiatives are taken by the VDC. Gradually some microenterprise activities are promoted so that the VDC become financially independent. The money they generate is used for the common work that needs to be taken up in the village. The VDC has been very successful in Jaisalmer district of Rajasthan. The SHG model has been especially successful in Maharashtra and Karnataka.
- j. A system is set up for operations of the CBOs. The meeting and decisions are recorded in the register and are available for the villagers to see.
- k. The organization believes that ownership only comes if the community has stake in the development. Suzlon does not believe in free distribution of things. Whatever activities are undertaken, community's contribution either in cash or in form of labour is always sought. In Suzlon's experience if the need is great, community is always ready to contribute. Only in education initiatives, this rule is sometimes relaxed.
- l. To build sustainable relationship between business and community, the employees at site level are invited to participate in village level activities. In Madhya Pradesh, where the business team needed gun-escort to service the turbines, so much transformation took place that the villagers started inviting the employees for inaugural functions when events took place in the village.

However, we are conscious that it takes at least five years for the CBOs to mature and take initiative on their own for the development of the village.

SUZLON FOUNDATION FOOTPRINT



| # | Activity | Major Locations | # | Activity | Major Locations |
|---|--|----------------------------------|----|--|---------------------------------|
| 1 | Health, Livelihood, Civic Amenities, SHG,, Environment | Andhra Pradesh (2 districts) | 6 | Livelihood, Environment, Education, Civic Amenities, Soil and Water Conservation SHG, micro enterprise | Maharashtra (8 districts) |
| 2 | Livelihood, SHG, Micro enterprise, Health, Environment | Daman | 7 | Livelihood, SHG, Soil and Water Conservation, Civic Amenities, Health, Environment | Madhya Pradesh (3 districts) |
| 3 | Livelihood, SHG,, Civic Amenities, Health, Education, Environment, Soil and Water Conservation | Gujarat (4 districts) | 8 | Health, Livelihood, Environment, Civic Amenities, Education, SHG | Karnataka (7 districts) |
| 4 | Civic Amenities, Livelihood, Education, Soil and Water Conservation, Health, Environment | Rajasthan (2 districts) | 9 | Civic Amenities, Livelihood, Health, Environment, Soil and Water Conservation, Disaster Response | Pondicherry |
| 5 | Environment, Livelihood, Civic Amenities, Health, Education | Tamil Nadu (3 districts) | 10 | Awareness Generation under Social Initiatives | Kerala (1 district) |

PROGRAMME HIGHLIGHTS FOR FY 2015-16

| | | |
|-----------------------------|------------------------|---|
| NATURAL CAPITAL - | 22.5 Ha | Land Conserved Through Soil and Water Conservation Activities |
| Enhancing Natural Resources | 211,95 | Trees Planted |
| | 1.7 Million CUM | Water Conserved |
| | 2,750 KGs | Waste Recycled |

| | | |
|----------------------------|---------------|--|
| FINANCIAL CAPITAL - | 171 | Youths Trained In Various Skills |
| Enhancing Livelihoods | 225 | Micro Enterprises Developed |
| | 96,960 | Animals Vaccinated Increasing Productivity |



**HUMAN
CAPITAL -**

510 Schools

Enhancing
Education
And
Healthcare

**69,918
Students**

Reached Through
School Programs

**29,239
Patients**

Benefited Through
Health Camps

2716 Patients

Treated with Cataract
Surgeries for
Improving sight and
Quality of life

770,000 litre

4,153 families

Clean Drinking Water
Made Available

**SOCIAL
CAPITAL-**

598

Village
Development
Committes
Formed

Empowering
Communities

30145

Community
Members
Trained and
Taken for
Exposure Visits

| | | |
|----------------------------------|-------------|---|
| PHYSICAL CAPITAL - | 1055 | Assets Improved or Newly Established |
| ENHANCING BASIC AMENITIES | 1010 | Benefited Through Solar Lighting System |
| | 228 | Water Storage Tank Supported |

| | | |
|--|-----------------------|--|
| EMPLOYEE VOLUNTEERING AND EMPLOYEE GIVING | 3162 | Employees Participated in CSR Activities |
| | 17832 | Hours Contributed |
| | 5.63 INR Lakhs | Cause Related Donation Received from 242 Employees |







360 DEGREE MULTI STAKEHOLDER REVIEW

Suzlon Foundation has a robust governance process for reviewing CSR programs. There are systems and process developed to review and evaluate projects with all the stakeholder's participation which is called 360 degree review. This 360 degree review process has an overarching view of all the stakeholders involved in the project. Stakeholders engaged in 360 degree review: Representatives from the community, Govt agencies and other institutions with whom we are engaging, Suzlon employees, NGO partners, CSR Managers, Suzlon Foundation senior management team members, Suzlon Business Units' senior management members, representatives of other corporate foundations.

| 360 degree multi-stakeholder review rating - 2015-16 | | | | |
|---|------------------|-----------------|----------------------|-----------------------|
| NGO Partner | Relevance | Adequacy | Effectiveness | Sustainability |
| 1 | 4.54 | 4.00 | 3.92 | 3.46 |
| 2 | 4.44 | 4.13 | 4.31 | 3.63 |
| 3 | 3.92 | 3.81 | 3.69 | 3.58 |
| 4 | 4.24 | 4.12 | 4.04 | 4.12 |
| 5 | 3.52 | 3.12 | 3.08 | 3.24 |
| 6 | 4.43 | 3.68 | 3.68 | 3.95 |
| 7 | 4.35 | 4.18 | 4.15 | 4.28 |
| 8 | 4.53 | 4.20 | 4.03 | 4.03 |
| 9 | 4.03 | 3.73 | 3.45 | 3.68 |
| 10 | 4.03 | 2.83 | 3.53 | 3.90 |
| 11 | 4.28 | 3.79 | 3.88 | 3.63 |
| 12 | 4.46 | 4.00 | 4.17 | 3.92 |
| 13 | 3.92 | 4.32 | 3.79 | 3.89 |
| 14 | 4.28 | 4.14 | 4.22 | 3.89 |
| 15 | 4.50 | 4.38 | 4.25 | 4.00 |
| 16 | 4.13 | 3.69 | 3.50 | 3.13 |
| 17 | 4.27 | 4.07 | 4.08 | 3.49 |
| 18 | 4.25 | 3.40 | 3.60 | 3.63 |
| 19 | 4.50 | 4.50 | 4.50 | 4.50 |
| 20 | 4.20 | 4.20 | 4.00 | 3.80 |
| 21 | 4.50 | 4.50 | 4.50 | 4.50 |
| 22 | 3.64 | 3.18 | 3.27 | 3.27 |
| 23 | 3.25 | 2.75 | 3.00 | 2.50 |
| 24 | 3.73 | 3.36 | 3.18 | 2.73 |
| 25 | 3.83 | 3.75 | 3.92 | 3.42 |

OUR PARTNERS

| State | Partner | Full Name |
|----------------|-----------------|---|
| 1. AP | MASS | Mass Education & Organisation Society. |
| 2. AP | Vision Spring | Vision Spring Society |
| 3. AP | AF | Accion Fraterna Ecology Centre |
| 4. AP | ILFS | IL&FS Skills Development Corporation Ltd |
| 5. Guj | GVT | Gramya Vikas Trust |
| 6. Guj | BPA | Blind People's Association (INDIA) |
| 7. Guj | SAVA | Saurashtra Voluntary Actions |
| 8. Kar | NEEDS | Navodaya Educational and Environment Development Service |
| 9. Kar | ORDER | Organisation For Resource Development and Environment Rejuvenation |
| 10. Mah | VA | Vigyan Ashram |
| 11. Mah | NALANDA | Nalanda Bal Vikas And Magasvargia Mahila Vikas Mandal |
| 12. Mah | YERALA PROJECTS | Yerala Projects Society |
| 13. MP | Samarpan | Samarpan Care,Awareness& Rehabilitation Centre |
| 14. MP | Card | Cente For Advance Research & Development. |
| 15. MP | BYPASS | Bhopal Yuwa Paryavaran Shikshan& Samajik Sansthan |
| 16. MP | Concept | Concept Society |
| 17. Raj | CECOEDECON | Centre For Community Economics And Development Consultants Society |
| 18. Raj | HLFPPT | Hindustan Latex Family Planning Promotion Trust |
| 19. Raj | GRAVIS | Gramin Vikas Vigyan Samiti |
| 20. Raj | ILFS | IL&FS Skills Development Corporation Ltd |
| 21. TN | ADISIL | Agrarian Development Institute for Sustenance and Improved livelihood |
| 22. TN | AIRD | Association For Integrated Rural Develppment |
| 23. TN | IMAYAM | IMAYAM Social Welfare Association |
| 24. TN | CCD | The Convenant Centre for Development |
| 25 . PAN INDIA | NextGen | Next Gen PMS Pvt.Ltd. |

SUSTAINABILITY IN VALUE CHAIN

Suzlon's goal is 'powering a greener tomorrow'. Suzlon's entry in renewable energy sector was by a conscious decision. Its wind turbine generators are helping mitigate environment degradation significantly globally. In supply chain however, there is always scope for improvement. It has taken up following focused projects to improve environment, energy efficiency and waste management:

Preventing oil spillage

Reducing water consumption by 20%

Reducing hazard waste generation

Reducing electricity consumption per ton basis

Non-Financial Indicators for FY 2015-16

| S N | Indicators | CO2e* |
|-----|--|-------------------------------|
| 1 | Indirect Emissions from electricity consumption ¹ | 19,793 (metric tonnes) |
| 2 | Emissions avoided by renewable energy generation (by Group owned turbines in India) in the year ² | 41,136 (metric tonnes) |
| 3 | Emissions avoided annually by Suzlon Group powered turbines (India and Sri Lanka) ³ | 12.90 (million metric tonnes) |
| 4 | Emissions avoided annually by Suzlon Group Globally ⁴ | 1,372,380 (metric tonnes) |
| 5 | Emissions of blade waste disposal by combustion avoided due to co-processing ⁵ | 14,963 (metric tonnes) |
| 6 | Emissions avoided at blade waste co-processor's facility ⁶ | 4,151 (metric tonnes) |

Notes:

*Carbon dioxide equivalent or CO2e, refers to a metric measure used to compare the emissions from various greenhouse gases on the basis of their global-warming potential (GWP), by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

- 1 Emissions emitted data is limited to Indirect Emissions Scope 2 (as defined in the Greenhouse Gas Protocol, Corporate Accounting Standard) for SEL, India. (Source: user_guide_ver9-co2 calculator for grid India, by Central Electricity Authority, 2014)
- 2 Refers to emissions avoided by Suzlon Group owned turbines, as on 31st March 2016 in India.
- 3 Refers to emissions avoided by Suzlon Group powered turbines, as on 31st March 2016 in India and Sri Lanka.
- 4 Refers to carbon emissions avoided by Suzlon Group powered turbines based on installation summary as on 31st March 2016, calculated on the basis of average capacity factor sourced from BTM Consult – A part of Navigant Consulting, World Market Update 2011, published March 2012
- 5 Refers to emissions of disposal of blade waste by combustion that were avoided by sending it for co-processing in India
- 6 Refers to emissions avoided at co-processor's facility by replacing coal with the blade waste for fuel in their cement kilns in FY15-16 (India only)

FORM 10B
OF
SUZLON FOUNDATION
F. Y. 2015-2016

SNK & Co.

CHARTERED ACCOUNTANT

'SNK House' 31-A, Adarsh Society,
Opp. Seventh Day Adventist High School,
Athwalines, Surat - 395 001. Gujarat, India.
Phone (91) (261) 2656273 -4 & 6544791-2-3 Fax (91) (261) 2656868
E mail: snk@snkca.com

FORM NO. 10B
[See Rule 17B]

Audit Report under section 12A (b) of the Income-tax Act, 1961 in the case of charitable or religious trusts or institutions

We have examined the Balance Sheet of Suzlon Foundation as at **March 31, 2016** and the Statement of Income and Expenditure for the year ended on that date which is in agreement with the books of accounts maintained by the said trust or institution.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit. In our opinion, proper books of accounts have been kept by the head office and the branches of the above-named trust visited by us so far as appears from our examination of the books, and proper returns adequate for the purpose of audit have been received from branches not visited by us, subject to the comments given below:

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view: -

- i. In case of the Balance Sheet of the state of affairs of the above-named section 8 company as at March 31, 2016 and
- ii. In case of the Statement of Income and Expenditure, of the surplus of its accounting year ending as on March 31, 2016.

The prescribed particulars are annexed hereto.

For SNK & Co.
F.R.No.:109176W
Chartered Accountants,

Mihir D. Gandhi

Mihir D. Gandhi
Partner
M.No. 125394



Place: Pune
Date: 18.08.2016

**ANNEXURE
STATEMENT OF PARTICULARS**

I Application of income for charitable or religious purposes.

| | | |
|----|--|---------------------------------|
| 1 | Amount of income of the previous year applied to charitable or religious purposes in India during that year. | 6,83,77,651 |
| 2 | Whether the trust/institution* has exercised the option under clause (2) of the Explanation to section 11 (1)? If so, the details of the amount of income deemed to have been applied to charitable or religious purposes in India during the previous year. | No |
| 3 | Amount of income accumulated or set apart*/finally set apart for application to charitable or religious purposes, to the extent it does not exceed 15 per cent of the income derived from property held under trust wholly*/in part only for such purposes. | 1,22,44,932 |
| 4 | Amount of income eligible for exemption under section 11(1)(c) [Give details] | NIL |
| 5 | Amount of income, in addition to the amount referred to in item 3 above, accumulated or set apart for specified purposes under section 11(2) | 10,10,300 |
| 6 | Whether the amount of income mentioned in item 5 above has been invested or deposited in the manner laid down in section 11(2)(b)? If so, the details thereof. | Yes, deposited in Schedule bank |
| 7 | Whether any part of the income in respect of which an option was exercised under clause (2) of the Explanation to section 11(1) in any earlier year is deemed to be income of the previous year under section 11(1B)? If so, the details thereof. | NIL |
| 8 | Whether, during the previous year, any part of income accumulated or set apart for specified purposes under section 11(2) in any earlier year :- | NIL |
| a. | has been applied for purposes other than charitable or religious purposes or has ceased to be accumulated or set apart for application thereto, or | NIL |
| b. | has ceased to remain invested in any security referred to in section 11(2)(b)(i) or deposited in any account referred to in section 11(2)(b)(ii) or section 11(2) (b) (iii), or | NIL |
| c. | has not been utilised for purpose for which it was accumulated or set apart during the period for which it was to be accumulated or set apart, or in the year immediately following the expiry thereof? If so, the details thereof | NIL |



II. Application or use of income or property for the benefit of persons referred to in section 13 [3].

| | | |
|---|---|----|
| 1 | Whether any part of the income or property of the *trust/institution was lent, or continues to be lent, in the previous year to any person referred to in section 13(3) [hereinafter referred to in this Annexure as such person]? If so, give details of the amount, rate of interest charged and the nature of security, if any | No |
| 2 | Whether any land, building or other property of the *trust/institution was made, or continued to be made, available for the use of any such person during the previous year? If so, give details of the property and the amount of rent or compensation charge | No |
| 3 | Whether any payment was made to any such person during the previous year by way of salary allowance or otherwise? If so, give details. | No |
| 4 | Whether the services of the *trust/institution were made available to any such person during the previous year? If so, give details thereof together with remuneration or compensation received, if any. | No |
| 5 | Whether any share, security, or other property was purchased by or on behalf of the *trust/institution during the previous year from any such person? If so, give details thereof together with the consideration paid. | No |
| 6 | Whether any share, security, or other property was sold by or on behalf of the *trust/institution during the previous year to any such person? If so, give details thereof together with the consideration received. | No |
| 7 | Whether any income or property of the *trust/institution was diverted during the previous year in favour of any such person? If so, give details thereof together with the amount of income or value of property so diverted. | No |
| 8 | Whether the income or property of the *trust/institution was used or applied during the previous year for the benefit of any such person in any other manner? If so, give details. | No |

* Strike out whichever is not applicable



AUDITED ANNUAL ACCOUNTS

OF

SUZLON FOUNDATION

F.Y. 2015-16

SNK & Co.

CHARTERED ACCOUNTANTS

'SNK House' 31-A, Adarsh Society,

Opp. Seventh Day Adventist High School,

Athwalines, Surat - 395 001. Gujarat, India.

Phone (91) (261) 2656273 -4 -5 -65544791-2-3 Fax (91) (261) 2656868

E mail: snk@snkca.com

INDEPENDENT AUDITOR'S REPORT

To
The Members,
Suzlon Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of SUZLON FOUNDATION, which comprise of the Balance Sheet as at March 31, 2016 and the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory 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 Companies Act, 2013 ("The Act") with respect to the preparation and presentation of these Financial Statements that give a true and fair view of the Financial Position, financial performance in accordance with the Accounting Principles generally accepted in India including the Accounting Standards specified under section 133 of The Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 Statements that give a true and fair view and are free from material misstatement, whether due to Fraud or Error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



Mumbai :
303, Konark Shram, 156, Tardeo Road,
Mumbai Central, Mumbai-400 034,
☎ (91) (22) 31921942 - 3

Pune :
E - 2 - B, 4th Floor, The Fifth Avenue,
Dhole Patil Road, Pune - 411001
☎ (91) (20) 32549007 - 8

Surat :
'SNK House', 31-A, Adarsh Society,
Athwalines, Surat-395 001
☎ (91) (261) 2656273 - 4, 3299540 - 7

Ahmedabad :
304, Super Plaza, Sandesh Press
Road, Vastrapur, Ahmedabad-380 054
☎ (91) (79) 40032950

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016; and
- (b) In case of the Statement of Income and Expenditure, of the excess of Income over Expenditure for the year ended on that date.

Report of the Other Legal and Regulatory Requirements

The Companies (Auditor's Report) Order, 2016 will not be applicable to this company as the company is licensed to operate under section 8 of the Companies Act, 2013.

As required by Section 143(3) of the Act, we report that,

- i. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. 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;
- iii. The Balance Sheet and the Statement of Income and Expenditure dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- v. On the basis of the written representations received from the directors, as on 31st March 2016 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of section 164(2) of the Act;
- vi. 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" and
- vii. 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, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The company does not have any pending litigations on its financial position in its financial statements.
 - ii. The company did not have any long term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

For SNK & Co.
Chartered Accountants
F. R. No. : 109176W


Mihir D. Gandhi
Partner
M. No.:125394



Place: Pune
Date: June 24, 2016

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls 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 M/s. SUZLON FOUNDATION as of 31 March 2016 in conjunction with our audit of the financial statements and the Statement of Income and Expenditure 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 ('ICAI'). 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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) 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, 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 31 March 2016, 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.

For SNK & Co.
Chartered Accountants
F. R. No. : 109176W



Mihir D. Gandhi
Partner
M. No.:125394



Place: Pune
Date: June 24, 2016

Suzlon Foundation

(A Company Limited by Shares under Section 8 of the Companies Act, 2013)

Balance sheet as at March 31, 2016

All amount in Indian Rupees, unless otherwise stated

| Particulars | Notes | As at March 31, 2016 | As at March 31, 2015 |
|---|-------|-------------------------|-------------------------|
| Equity and liabilities | | | |
| Shareholder's funds | | | |
| (i) Share capital | 4 | 10,00,000 | 10,00,000 |
| (ii) Reserves and surplus | 5 | 65,78,697 | (66,75,180) |
| | | 75,78,697 | (56,75,180) |
| Current liabilities | | | |
| (i) Other current liabilities | 6 | 11,83,910 | 96,01,138 |
| | | 11,83,910 | 96,01,138 |
| Total | | 87,62,607 | 39,25,958 |
| Assets | | | |
| Non-current assets | | | |
| (i) Fixed assets | | | |
| (a) Tangible assets | 7 | - | 434 |
| | | - | 434 |
| Current assets | | | |
| (ii) Cash and bank balances | 8 | 28,12,726 | 23,76,905 |
| (ii) Loans and advances | 9 | 59,49,881 | 15,48,619 |
| | | 87,62,607 | 39,25,524 |
| Total | | 87,62,607 | 39,25,958 |
| Summary of significant accounting policies | 3 | | |

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

As per our report of even date

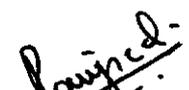
For S N K & Co.
Chartered Accountants
ICAI Firm Registration number : 109176W


per Mihir D. Gandhi
Partner
Membership No. : 125394

Place : Pune
Date : June 24, 2016



For and on behalf of the Board of Directors
Suzlon Foundation

 
Gita T. Tanti Ranjitsinh A. Parmar
Director Director
DIN: 00028462 DIN: 00002613

Place : Pune
Date : June 24, 2016

Suzlon Foundation

(A Company Limited by Shares under Section 8 of the Companies Act, 2013)

Statement of income and expenditure for the year ended March 31, 2016

All amount in Indian Rupees, unless otherwise stated

| Particulars | Notes | March 31, 2016 | March 31, 2015 |
|--|-------|--------------------|--------------------|
| Income | | | |
| Donations received | | 8,15,09,717 | 2,59,43,005 |
| Other income | | 43,38,327 | 25,84,129 |
| Interest income | | 1,21,398 | 1,18,664 |
| Interest on IT refund | | 1,768 | - |
| Total | | 8,59,71,210 | 2,86,45,798 |
| Expenses | | | |
| Operating expenses | 10 | 6,39,15,407 | 2,33,75,634 |
| Administrative expenses | 11 | 17,36,206 | 26,27,112 |
| Employees' remuneration and benefits | 12 | 70,63,916 | 86,18,270 |
| Bank charges | | 1,371 | 5,884 |
| Depreciation | 7 | 434 | 3,245 |
| Total | | 7,27,17,333 | 3,46,30,144 |
| Excess/ (shortage) of income over expenditure | | 1,32,53,877 | (59,84,347) |

Summary of significant accounting policies

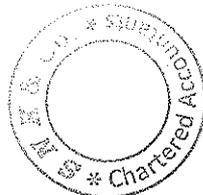
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The accompanying notes are an integral part of the financials statements.

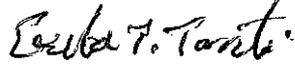
As per our report of even date

For S N K & Co.
Chartered Accountants
ICAI Firm Registration number : 109176W


per Mihir D. Gandhi
Partner
Membership No. : 125394



For and on behalf of the Board of Directors
Suzlon Foundation

 
Gita T. Tanti
Director
DIN: 00028462
Ranjitsinh A. Parmar
Director
DIN: 00002613

Place : Pune
Date : June 24, 2016

Place : Pune
Date : June 24, 2016

Suzlon Foundation

Notes to the financial statements for the year ended March 31, 2016

All amounts in Indian Rupees, unless otherwise stated

1. Company Information

Suzlon Foundation ('Suzlon Foundation' or 'the Company') was incorporated under section 8 of the Companies Act 2013 on 27th December, 2007.

The Company is established with the object of carrying out welfare and charitable activities in relating to rehabilitation, health and medical, hygiene, nutrition, education, civic amenities, infrastructure, livelihood skills, climate changes and global warming resolution initiatives.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

3. Summary of significant accounting policies

a. Use of estimates

The presentation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that may affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ with those estimates.

b. Revenue recognition

Donations are recognised as income as and when it is received by the company. The interest income is recognised in books on accrual basis of accounting.

c. Tangible fixed assets

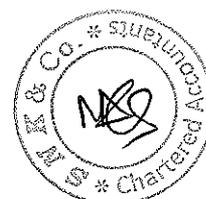
Fixed assets are stated at cost, less accumulated depreciation. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

d. Depreciation

Depreciation on tangible fixed asset 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. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has used the following lives to provide depreciation on its tangible assets:

| Type of asset | Useful lives (years) |
|------------------------|----------------------|
| Computers | 03 |
| Servers and networks | 06 |
| Office equipment | 05 |
| Furniture and fixtures | 10 |



Suzlon Foundation

Notes to the financial statements for the year ended March 31, 2016

All amounts in Indian Rupees, unless otherwise stated

Vehicles

10

e. Foreign currency transactions

Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date on which the transaction occurred.

Exchange differences arising as a result of the above are recognised as income or expense in the Profit and Loss Account, including the amount of liabilities incurred for acquiring imported fixed assets, where the differences are also charged to Profit and Loss account in compliance with the Accounting Standard as issued by Institute of Chartered Accountants of India.

f. Employee benefits

Retirement benefits to employees comprise of Provident fund, gratuity and leave encashment under the schemes of the company.

Defined contributions to provident fund are charged to profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than contribution payable to the respective statutory authorities.

The Company has taken a Group Gratuity cum Life Assurance Policy from Life Insurance Corporation of India. The yearly contribution as determined by the LIC on actuarial basis under this policy / scheme has been paid during the Financial Year and debited the same to Profit & Loss Account.

Leave encashment is accounted on actual payment basis.

g. Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

h. Taxes

Provision for income tax and deferred tax has not been made in accounts, as the company has been recognised and registered under section 2(15) and section 12-AA of the Income Tax Act, 1961.

4. Share capital

| | March 31, 2016 | March 31, 2015 |
|--|-----------------------|-----------------------|
| Authorised share capital | | |
| 1,00,000 (1,00,000) equity shares of Rs 10 each | 10,00,000 | 10,00,000 |
| | 10,00,000 | 10,00,000 |
| Issued, subscribed and fully paid up shares | | |
| | March 31, 2016 | March 31, 2015 |
| Equity | | |
| 1,00,000 (1,00,000) equity shares of Rs 10 each | 10,00,000 | 10,00,000 |
| Total | 10,00,000 | 10,00,000 |



Suzlon Foundation

Notes to the financial statements for the year ended March 31, 2016

All amounts in Indian Rupees, unless otherwise stated

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

| Name of the shareholders | March 31, 2016 | | March 31, 2015 | |
|---|------------------|-----------|------------------|-----------|
| | Number of shares | % holding | Number of shares | % holding |
| Equity shares of Rs 10 each fully paid | | | | |
| Gita T. Tanti | 30,000 | 30% | 30,000 | 30% |
| Tulsi R. Tanti | 35,000 | 35% | 35,000 | 35% |
| Vinod R. Tanti | 35,000 | 35% | 35,000 | 35% |

5. Reserves and surplus

| | March 31, 2016 | March 31, 2015 |
|---------------------------------------|------------------|--------------------|
| Statement of profit and loss | | |
| As per last balance sheet | (66,75,180) | (5,85,243) |
| Add : Profit/ (loss) for the year | 1,32,53,877 | (59,84,347) |
| Less: Depreciation charged to reserve | - | 1,05,590 |
| Net surplus/ (deficit) | 65,78,697 | (66,75,180) |

6. Current liabilities

| | March 31, 2016 | March 31, 2015 |
|---------------------------|------------------|------------------|
| Statutory dues payable | 4,96,632 | 3,23,182 |
| Other current liabilities | 6,87,278 | 92,77,955 |
| Total | 11,83,910 | 96,01,137 |

The above other current liabilities balances are subject to confirmation.

7. Fixed assets

| Particulars | Gross block | | | Accumulated depreciation | | | Net block | | | |
|------------------------|---------------------|-----------|---------------------|--------------------------|---------------------|--------------|---------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2015 | Additions | Transfer to reserve | As at March 31, 2016 | As at April 1, 2015 | For the year | Transfer to reserve | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Tangible assets | | | | | | | | | | |
| Computers | 8,655 | - | - | 8,655 | 8,221 | 434 | - | 8,655 | - | 434 |
| Total | 8,655 | - | - | 8,655 | 8,221 | 434 | - | 8,655 | - | 434 |
| <i>Previous year</i> | <i>587,204</i> | <i>-</i> | <i>578,549</i> | <i>8,655</i> | <i>477,934</i> | <i>3,245</i> | <i>4,72,958</i> | <i>8,221</i> | <i>434</i> | |

8. Cash and bank balances

| | March 31, 2016 | March 31, 2015 |
|----------------------|------------------|------------------|
| Balances with banks: | | |
| In current accounts | 13,43,582 | 9,94,834 |
| In fixed deposit | 14,69,144 | 13,82,071 |
| Total | 28,12,726 | 23,76,905 |



Suzlon Foundation

Notes to the financial statements for the year ended March 31, 2016

All amounts in Indian Rupees, unless otherwise stated

9. Short-term loans and advances

| | <u>March 31, 2016</u> | <u>March 31, 2015</u> |
|--|-------------------------|-------------------------|
| Unsecured, considered good, unless stated otherwise | | |
| Advances recoverable in cash or kind | 58,91,328 | 15,13,001 |
| Advance income tax and tax deducted at source | 33,151 | 34,944 |
| Interest accrued on fixed deposit | 25,402 | 676 |
| Total | <u>59,49,881</u> | <u>15,48,621</u> |

The above advance balances are subject to confirmation.

10. Operating expenses

| | <u>March 31, 2016</u> | <u>March 31, 2015</u> |
|---------------------------|---------------------------|---------------------------|
| Educational | 35,32,195 | 29,43,539 |
| Health and medical relief | 194,37,039 | 27,14,555 |
| Livelihood | 65,46,447 | 49,91,414 |
| Civic amenities | 130,03,541 | 73,23,026 |
| Environment | 97,49,750 | 23,88,186 |
| Transformative | 11,40,547 | 4,07,427 |
| Proactive | 10,89,404 | 10,30,872 |
| Empowerment | 94,02,754 | 10,76,615 |
| Other charitable expenses | 13,731 | 5,00,000 |
| | <u>6,39,15,407</u> | <u>2,33,75,634</u> |

11. Administrative expenses

| | <u>March 31, 2016</u> | <u>March 31, 2015</u> |
|------------------------------------|-------------------------|-------------------------|
| Auditor's remuneration | 85,875 | 16,854 |
| Travelling & conveyance expense | 727,950 | 10,35,497 |
| Communication expense | 101,764 | 1,29,241 |
| Printing & stationary | 1,722 | 14,410 |
| Legal and professional charges | 97,298 | 18,874 |
| Business promotion expense | 586,852 | 1,31,801 |
| Miscellaneous expenses | 133,390 | 76,444 |
| Miscellaneous balances written off | - | 12,01,221 |
| Interest and penalties | 1,355 | 2,770 |
| | <u>17,36,206</u> | <u>26,27,112</u> |



Suzlon Foundation

Notes to the financial statements for the year ended March 31, 2016

All amounts in Indian Rupees, unless otherwise stated

12. Employees' remuneration and benefits

| | <u>March 31, 2016</u> | <u>March 31, 2015</u> |
|---------------------------------------|-----------------------|-----------------------|
| Salaries, wages, allowances and bonus | 62,44,381 | 81,73,164 |
| Insurance | 97,460 | 1,18,612 |
| Contribution to various funds | 5,22,075 | 326,494 |
| | <u>70,63,916</u> | <u>86,18,270</u> |

13. Additional information pursuant to the provisions of paragraphs 3, 4B, 4C, 4D of part II of the Schedule III of the Companies Act, 2013 are not applicable to the Company.

14. Previous year amounts have been regrouped/ reclassified where necessary to conform to current year's presentation. Figures in brackets are in respect of the previous year.

As per our report of even date

For S N K & Co.

Chartered Accountants

ICAI Firm Registration number : 109176W



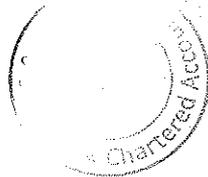
per Mihir D. Gandhi

Partner

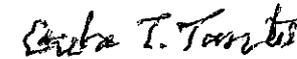
Membership No. : 125394

Place : Pune

Date : June 24, 2016



For and on behalf of the Board of Directors
Suzlon Foundation



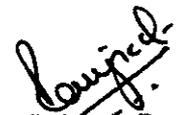
Gita T. Tanti

Director

DIN: 00028462

Place : Pune

Date : June 24, 2016



Ranjitsinh A. Parmar

Director

DIN: 00002613

WAY FORWARD

With formulation and adoption of Suzlon CSR policy in previous year, Board has taken conscious efforts to show proper direction to Suzlon Foundation. The ultimate aim of all the CSR initiatives at Suzlon is to create a positive and sustainable impact. With increase in geographical areas this year and scaling up of programme, data management has become critical for Suzlon. Hence efforts are being taken towards making monitoring and evaluations exercise automated. Next year we would like to maximize the impact of existing programmes and also would like to focus on initiatives which are the immediate issues of the societies but never really get centre stage for discussion and prioritization.

