

DCS/AMAL/NB/R37/3679/2025-26

To,
The Company Secretary,
Suzlon Energy Ltd
Suzlon, 5, Shrimali Society,
Near Shri Krishna Complex,
Navrangpura, Ahmedabad,
Gujarat, 380009

Sub: Scheme of Arrangement by and among Suzlon Energy Limited and Its Shareholders and Creditors

We refer to your application for Scheme of Arrangement by and among Suzlon Energy Limited ("SEL") and Its Shareholders and Creditors under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 and other applicable provisions of the filed with the Exchange under Regulation 37 of SEBI LODR Regulations, 2015, read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and Reg. 94(2) of SEBI LODR Regulations, 2015.

In this regard, SEBI vide its Letter dated July 02, 2025, has inter alia given the following comment(s) on the said scheme of Arrangement:

1. "The proposed composite Scheme of Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015."
2. "The Entity shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."
3. "The Entities shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter, is displayed on the websites of the listed company."
4. The entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s), except those mandated by the regulators/ authorities/ tribunal.
5. "The Entity shall ensure compliance with the SEBI circulars issued from time to time."
6. "The Entities shall ensure that the financials in the scheme considered are not for period more than 6 months old"
7. The entity is advised to prominently disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:
 - A. Under the Heading — "Reduction and reorganisation of Reserves of the Company, and transfer of Credit Balance in General Reserve to the Retained Earnings of the Company"-
 - a. Details of adjustment of the debit balance of the Retained Earnings Account, against the credit balances in the reserves as per para 7.2 of the Scheme.

- b. Details of the manner of adjustment and transfer of the credit balance in the General Reserve to the Retained Earnings of the Company may also be disclosed in the following format-

S. No.	Particulars	Pre-Scheme (Rs. in Cr.)	Reduction in Reserves to adjust debit balance in Retained Earning	Reclassification and transfer of Credit balance in General Reserve to Retained Earnings / P&L a/c
1	Capital Reserve			
2	Capital Contribution Reserve			
3	Capital Redemption Reserve			
4	Securities Premium			
5	General Reserv			
6	Retained Earnings / P&L A/c			

- c. Disclosure of the following legal and regulatory considerations, that may arise in relation to the proposed transfer of the General Reserve to Retained Earnings:

i. Under Section 205(2A) of the Companies Act, 1956, companies were mandatorily required to transfer a portion of their profits (not exceeding 10%) to general reserves. These reserves served the dual purpose of enabling future business expansion and facilitating dividend payments during periods of inadequate profits. The Companies (Declaration of Dividend out of Reserves) Rules, 1975 governed such utilisation, prescribing conditions such as a cap on dividend rate, a limit on withdrawal from reserves (10% of paid-up capital and free reserves), and a requirement to maintain a minimum balance of 15% of paid-up capital in reserves post withdrawal.

ii. With the introduction of the Companies Act, 2013, Section 123(1) replaced the earlier provision, making the transfer of profits to reserves optional rather than mandatory. Companies now have discretion in deciding whether and how much profit to allocate to reserves before declaring dividends. However, the second proviso to Section 123(1) retains the requirement that dividend out of accumulated reserves, in case of insufficient profits, must be in accordance with prescribed rules. In this regard, the Companies (Declaration and Payment of Dividend) Rules, 2014 were notified, carrying forward similar restrictions as earlier, including limits on dividend rate, withdrawal thresholds, offsetting of current year losses, and maintenance of reserve balances.

iii. This scheme involves a reclassification of General Reserve (accumulated under the mandatory regime of the 1956 Act) into Retained Earnings, effectively making the funds available for general use, including dividend distribution. The Companies Act, 2013 does not expressly permit or prohibit such retransfer, and remains silent on whether the discretionary framework

123

123

of the 2013 Act can be retrospectively applied to reserves created under the erstwhile mandatory framework.

- iv. While the 2013 Act has done away with the compulsory transfer of profits to reserves, the 2014 Rules continue to impose conditions on the utilisation of such reserves for declaring dividends. Hence, although companies have discretion regarding new reserve creation, the use of pre-existing reserves created under the previous statutory mandate remains subject to regulatory constraints. The legislative intent appears to preserve conditionality on utilisation while offering flexibility in creation.
- v. Upon approval of the scheme, the reclassified funds would become part of Retained Earnings, thereby expanding their potential application, including for dividend purposes.

B. In addition to the above, the following disclosures may also be made in the explanatory statement:

- a. The built up of accumulated losses since inception
 - b. The built up of Reserves of the company since inception
 - c. Need for the scheme of arrangement
 - d. Rationale of the scheme of arrangement
 - e. Impact of the scheme of arrangement on the shareholder
 - f. Cost benefit analysis of the scheme of arrangement
 - g. Pre and Post Scheme Provisional Balance Sheet of the Company
- 8. The entity is advised that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders.
 - 9. "Company is advised that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only".
 - 10. "Company is advised that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."
 - 11. No changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.
 - 12. "The Company is advised that the observations of SEBI/Stock exchanges shall be incorporated in the petition to be filed before NCLT and the company is obliged to bring the observations to the notice of NCLT."
 - 13. "The Company is advised that applicable additional information, if any, to be submitted to SEBI along with the draft scheme of arrangement as advised by Email dated July 03, 2025 shall form part of disclosure to the shareholders."
 - 14. "The Company is advised to comply with the all applicable provisions of the Companies Act, 2013, rules and regulations issue thereunder including obtaining the consent from the creditors for the proposed scheme."
 - 15. "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."



16. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchanges on its website within 24 hours of receiving the same."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- iii. To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Please note that the submission of documents / information, in accordance with the circular to SEBI / Exchange should not any way be deemed or construed that the same has been cleared or approved by SEBI / Exchange. SEBI / Exchange does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the document submitted.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023.

Kindly note that as required under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,



Ashok Kumar Singh
Deputy Vice President



Nilima Burghate
Deputy Manager

Ref: NSE/LIST/45321

July 03, 2025

The Company Secretary
Suzlon Energy Limited

Kind Attn.: Ms. Geetanjali Vaidya

Dear Sir/Madam,

Sub: Observation Letter for draft scheme of Arrangement by and among Suzlon Energy Limited and its shareholders and creditors (under sections 230 to 231 read with Section 52 and Section 66 and other applicable provisions of the Companies Act, 2013 as may be applicable and rules made thereunder).

We are in receipt for captioned draft Scheme of arrangement filed by Suzlon Energy Limited.

Based on our letter reference no. NSE/LIST/45321 dated February 03, 2025, submitted to SEBI pursuant to SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, SEBI vide its letter dated July 02, 2025, has inter alia given the following comment(s) on the draft scheme of arrangement:

- a) The Company shall ensure that the proposed composite Scheme of Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) The Company shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters, and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*
- c) The Company shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchange, from the date of receipt of this letter, is displayed on the websites of the Listed Company and the Stock Exchanges.*
- d) The Company shall ensure entities involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by Stock Exchange(s), except those mandated by the regulators/ authorities/tribunal.*
- e) The Company shall ensure compliance with the SEBI circulars issued from time to time.*
- f) The Company shall ensure that the financials in the scheme considered are not for period more than 6 months old.*

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Signer: SAILI MOHAN KAMBLE
Date: Thu, Jul 3, 2025 11:22:44 IST
Location: NSE

Ref: NSE/LIST/45321

July 3, 2025

g) The Company shall ensure to prominently disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter.

i. Under the Heading- “Reduction and Reorganisation of Reserves of the Company, and transfer of Credit Balance in General Reserve to the Retained Earnings of the Company”-

1. Details of adjustment of the debit balance of the Retained Earnings Account, against the credit balances in the reserves as per para 7.2 of the Scheme.
2. Details of the manner of adjustments and transfer of the credit balance in the General Reserve to the Retained Earnings of the Company may also be disclosed in the following format:

S. No	Particulars	Pre-Scheme (Rs. In cr.)	Reduction in Reserves to adjust debit balance in Retained Earnings	Reclassification and transfer of Credit balance in General Reserve to Retained Earnings / P&L A/c
1	Capital Reserve			
2	Capital Contribution Reserve			
3	Capital Redemption Reserve			
4	Securities Premium			
5	General Reserve			
6	Retained Earnings/ P&L A/c			

3. Disclosures of the following legal and regulatory considerations, that may arise in relation to the proposed transfer of the General Reserve to Retained Earnings:

(i) Under Section 205(2A) of the Companies Act, 1956, companies were mandatorily required to transfer a portion of their profits (not exceeding 10%) to general reserves. These reserves served the dual purpose of enabling future business expansion and facilitating dividend payments during periods of inadequate profits. The Companies (Declaration of Dividend out of Reserves) Rules, 19 governed such utilisation, prescribing conditions such as a cap on dividend rate, a limit on withdrawal from reserves (10% of paid-up capital and free reserves), and a requirement to maintain a minimum balance of 15% of paid-up capital in reserves post withdrawal.

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July 3, 2025

- (ii) *With the Introduction of the Companies Act, 2013, Section 123(1) replaced the earlier provisions, making the transfer of profits to reserves optional rather than mandatory. Companies now have discretion in deciding whether and how much profit to allocate to reserves before declaring dividends. However, the second proviso to Section 123(1) retains the requirement that dividend out of accumulated reserves, in case of insufficient profits, must be in accordance with prescribed rules. In this regard, the Companies (Declaration of Payments of Dividend) Rules, 2014 were notified, carrying forward similar restrictions as earlier, including limits on dividend rate, withdrawal thresholds, offsetting of current year losses, and maintenance of reserve balance.*
- (iii) *This scheme involves a reclassification of General Reserve (accumulated under the mandatory regime of the 1956 Act) into Retained Earnings, effectively making the funds available for general use, including dividend distribution. The Companies Act, 2013 does not expressly permit or prohibit such retransfer, and remains silent on whether the discretionary framework of the 2013 Act can be retrospectively applied to reserves created under the erstwhile mandatory framework.*
- (iv) *While the 2013 Act has done away with the compulsory transfer of profits to reserves, the 2014 Rules continue to impose conditions on the utilisation of such reserves for declaring dividends. Hence, although companies have discretion regarding new reserve creation, the use of pre-existing reserves created under the previous statutory mandate remains subject to regulatory constraints. The legislative intent appears to preserve conditionality on utilisation while offering flexibility in creation.*
- (v) *Upon approval of the scheme, the reclassified funds would become part of Retained Earnings, thereby expanding their potential application, including for dividend purposes.*
- ii. *In addition to the above, the following disclosures may also be made in the explanatory statement:-*
- The built up of accumulated losses since inception*
 - The built up of Reserves of the company since inception*
 - Need for the scheme of arrangement*
 - Rationale of the scheme of arrangement*
 - Impact of the scheme of arrangement on the shareholders*
 - Cost benefit analysis of the scheme of arrangement*
 - Pre and Post Scheme Provisional Balance Sheet of the Company*

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July 3, 2025

- h) The Company shall ensure that the details of proposed scheme under consideration as provided by the Company to the Stock Exchanges shall be prominently disclosed in the notice sent to the shareholders.*
- i) The Company shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*
- j) The Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*
- k) The Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities/ tribunals shall be made without specific written consent of SEBI.*
- l) The Company shall ensure that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before NCLT, and the Company is obliged to bring the observations to the notice of NCLT.*
- m) The Company shall ensure that all the applicable additional information, if any, shall form part of disclosures to shareholders, which was submitted by the Company to the Stock Exchange as per Annexure M of Exchange checklist.*
- n) The Company shall ensure to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*
- o) It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*
- p) The listed entity involved in the proposed scheme shall ensure to disclose the No-Objection letter of the Stock Exchange on its website within 24 hours of receiving the same.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

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Ref: NSE/LIST/45321

July 3, 2025

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from July 03, 2025, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Saili Kamble
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

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Signer: SAILI MOHAN KAMBLE
Date: Thu, Jul 3, 2025 11:22:44 IST
Location: NSE