

T R Chadha & Co LLP

Chartered Accountants

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Report of Independent Accountants

To the Stockholder of Suzlon Wind Energy Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of **Suzlon Wind Energy Corporation** (referred to as “the Company”) as at March 31, 2020 and 2019 and the related statements of profit and loss and change in stockholder's equity for the years then ended, and related notes to financial statement (collectively referred to as the “financials statements”).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020 and March 31, 2019 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in India.

Basis of Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are required to be independent with respect to the Company in accordance with the relevant ethical requirements relating to our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error. Our audit included performing procedures to assess the risks of the material misstatement of the financial statements, whether due to fraud or error, and performing procedures that respond to those risks. Such procedures included examining, in a test basis, evidence regarding the amounts and disclosures in financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter

We draw attention to Note 33 of the financial statements, that the Company incurred a loss of \$ 4.2 million during the year ended 31 March 2020 (2019: Loss of \$ 11.85 million), and as of that date, the Company had net asset deficiency of \$ 24.82 million (2019: Loss of \$ 20.55 million). These factors indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. The continuation of the Company's operations depends upon future profitable operation and continued financial support from the shareholders/related parties. The Company sought and obtained a letter of support from Suzlon Energy Limited (“the Group”), the ultimate parent to continue to provide financial support to Suzlon Energy Limited (Mauritius) and its subsidiaries to enable it to continue operations through at least 12 months from the date of the directors' report.

We draw attention to Note 38 of the financial statements, which indicates that the impact of COVID-19 pandemic situation remained insignificant and explains the uncertainties and the management's assessment

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of the financial impact due to the lockdown and other restrictions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of these matters.

Restriction of Use

This report is issued for internal consumption of the Management with respect to the consolidation purposes and for the use of existing Lenders of the company and should not be used for any other purpose. We do not accept or assume any liability or duty of care for any other purpose or any third parties to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For T R Chadha & Co LLP

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Chartered Accountants

Date:

Place: Mumbai

Suzlon Wind Energy Corporation
Consolidated Balance sheet as at March 31, 2020
All amounts in US Dollars, unless otherwise stated

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	6	923,052	1,488,744
Financial assets			
Trade receivables	7	3,197,740	25,065,975
Other financial assets	8	2,062,960	2,746,168
		6,183,752	29,300,887
Current assets			
Inventories	9	8,300,396	10,901,854
Financial assets			
Trade receivables	7	32,373,119	11,862,973
Cash and cash equivalents	10	627,140	2,547,388
Other financial assets	8	93,369	108,620
Current Tax Assets		118,518	110,669
Other current assets	11	469,518	445,063
		41,982,059	25,976,568
Total assets		48,165,811	55,277,455
Equity and liabilities			
Equity			
Equity share capital	12	1,000	1,000
Other equity			
Share premium	13	82,314,746	82,314,746
Retained earnings		(107,131,859)	(102,869,834)
		(24,816,113)	(20,554,088)
Non-current liabilities			
Financial liabilities			
Borrowings	14	0	4,000,000
Other financial liabilities	15	7,124,684	40,376,338
		7,124,684	44,376,338
Current liabilities			
Financial liabilities			
Trade payables	18	14,779,003	8,781,606
Other financial liabilities	15	46,563,097	11,824,054
Other liabilities	16	2,539,013	8,115,516
Provisions	17	1,976,128	2,734,030
		65,857,240	31,455,206
Total equity and liabilities		48,165,811	55,277,455

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg.No.006711N/N500028

VIKAS KUMAR
Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date:

For Suzlon Wind Energy Corporation


Andy Cukurs
CEO

Place: *CHICAGO, IL*
Date: *JUNE 22, 2020*

Suzlon Wind Energy Corporation**Consolidated Statement of profit and loss for the year ended March 31, 2020**

All amounts in US Dollars, unless otherwise stated

Particulars	Notes	March 31, 2020	March 31, 2019
Income			
Revenue from operations	19	50,744,468	53,557,830
Other operating income	20	276,612	344,041
Other income	21	1,176,183	3,931,486
		52,197,263	57,833,358
Expenses			
Consumption of raw materials		17,385,274	20,621,132
Changes in inventories of finished goods, work-in-progress and stock-in-trade		2,601,459	2,890,470
Employee benefits expense	22	26,948,988	28,759,009
Depreciation / amortisation (including impairment losses)	6	592,264	578,763
Finance costs	23	2,472,065	3,164,238
Other expenses	24	6,425,165	13,542,914
		56,425,214	69,556,526
Profit/ (loss) before tax		(4,227,952)	(11,723,168)
Tax expense		34,074	126,484
Profit/ (loss) after tax		(4,262,026)	(11,849,652)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		(4,262,026)	(11,849,652)

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg.No.006711N/N500028

VIKAS
KUMAR

Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date:

For Suzlon Wind Energy Corporation


Andy Cukurs
CEO

Place: *Chicago, IL*
Date: *JUNE 22, 2020*

Suzlon Wind Energy Corporation

Consolidated Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital

	US Dollars
Equity shares of US Dollar 1 each, subscribed and fully paid	
At April 1, 2018	1,000
Issue of share capital	-
At March 31, 2019	1,000
Issue of share capital	-
At March 31, 2020	1,000

b. Other equity, attributable to the equity holders

	Retained earnings	Share premium	Total equity
As at April 1, 2019	(102,869,833)	82,314,746	(20,555,087)
Profit/ (loss) for the year	(4,262,026)	-	(4,262,026)
Other comprehensive income	-	-	-
Total comprehensive income	(107,131,859)	82,314,746	(24,817,113)
Other movements	-	-	-
As at March 31, 2020	(107,131,859)	82,314,746	(24,817,113)
As at April 1, 2018	(91,020,181)	82,314,746	(8,705,435)
Profit/ (loss) for the year	(11,849,652)	-	(11,849,652)
Other comprehensive income	-	-	-
Total comprehensive income	(102,869,833)	82,314,746	(20,555,087)
Other movements	-	-	-
As at March 31, 2019	(102,869,833)	82,314,746	(20,555,087)

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg.No.006711N/N500020

VIKAS
KUMAR

Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date:

For Suzlon Wind Energy Corporation


Andy Cukurs
CEO

Place: *Chicago, IL*
Date: *JUNE 22, 2020*

1. Company information

Suzlon Wind Energy Corporation ('the Company' or 'SWECO') was incorporated on October 1, 2001 to market wind energy generators. SWECO provides turnkey solutions along with operations and maintenance services to the wind energy industry. Suzlon Wind Energy Corporation is the wholly owned United States Subsidiary of Suzlon Energy A/S, Denmark ('Parent'). Suzlon Energy A/S is a wholly owned subsidiary of Suzlon Energy Limited Mauritius, which is a wholly owned subsidiary of Suzlon Energy Limited incorporated in India.

The Consolidated financial statement relates to parents and its subsidiary companies namely i.e. Suzlon Project VIII LLC (collectively referred to as "the Group")

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that is measured at fair value.

The financial statements are presented in USD and all values are rounded off to the nearest full number except when otherwise indicated.

Basis of Consolidation

The Company consolidate entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries ("the Group"). Control exists when the Parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- a) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- b) potential voting rights held by the Company, other vote holders or other parties;
- c) rights arising from other contractual arrangements; and
- d) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a

subsidiary acquired or disposed of during the year are included in the consolidated Profit or Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Particulars	Country of Incorporation	% of Voting Power As at March 31, 2020	% of Voting Power As at March 31, 2019
Subsidiary Company - Direct			
Suzlon Project VIII LLC	United States of America	100	100

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

The Company classifies all other liabilities as non-current.

b. Foreign currencies

The Company's financial statements are presented in USD, which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Revenue recognition

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Revenue for all businesses is recognised when the performance obligation has been satisfied, which happens upon the transfer of control to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for the goods and services.

Revenue is recognised when or as performance obligations are satisfied by transferring the promised goods or services to the customer, i.e. at a point in time or over time provided that the stage of completion can be measured reliably.

Revenue comprises of service income from rendering operation and maintenance services, sale of components, income from wind power generation and interest income.

Revenue is recognised, net of trade discounts, and any other applicable taxes.

Revenue from operations and maintenance service

Revenues from operation and maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Revenue from sale of components

Revenue from sale of components is recognised in the statement of profit and loss when the significant risks and rewards in respect of ownership of goods has been transferred to the buyer as per the terms of the respective sales order, and the income can be measured reliably and is expected to be received.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable. Interest income is included in other income in the statement of profit and loss.

d. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

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

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

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

Depreciation is calculated on the straight line method ('SLM') based on the useful lives and residual values estimated by the management. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Type of asset	Useful lives (years)
Leasehold Improvements	25 Years, the rate based on lease period
Plant and machinery	3 to 7 years
Computers and Office Equipments	3 to 5 years
Furniture and fixtures	3 to 7 years
Vehicles	3 to 5 years

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

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

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

f. Borrowing costs

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

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

g. Leases

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

Company as a lessee

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

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costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Company as a lessor

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

h. Impairment of non-financial assets

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

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

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

i. Inventories

Inventories comprise of components, stores and spares and are valued at lower of cost and estimated net realisable value. Inventories include some materials that are repaired as well as repairable as at the balance sheet date. Cost of inventory is determined on a weighted average basis.

j. Provisions

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

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

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k. Retirement and other employee benefits

The company recognized its liability towards Social Security contributions in Profit & Loss account.

The company contributes to 401(k) program and recognized its contribution towards the fund in Profit & Loss account.

Short-term compensated absences are provided based on estimates. The entire leave is presented as a current liability in the balance sheet, since the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

l. Cash and cash equivalents

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

m. Contingent liabilities

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

The Company does not recognise a contingent liability but discloses it as per Ind AS 37 in the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

3. Significant accounting judgements, estimates and assumptions

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

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

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

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as principal or as an agent. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Company and its business partners are reviewed to determine each party's respective role in the transaction.

b. Significant accounting estimates and assumptions

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

Allowance for trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

4. Fair value measurements

The company measures financial instruments at fair value in accordance with accounting policies at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company

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

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

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

5. Financial instrument

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

(a) Financial Assets:

Initial recognition and measurement:

The company measures its financial assets at fair value. In this context, quoted investments are fair valued adopting the techniques defined in Level 1 of fair value hierarchy of Ind-AS 113 "Fair Value Measurement" and unquoted investments, where the observable input is not readily available, are fair valued adopting the techniques defined in Level 3 of fair value hierarchy of Ind-AS 113 and securing the valuation report from the certified valuer. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

- i. Financial assets measured at amortized cost
- ii. Financial assets measured at fair value through other comprehensive income (FVTOCI)
- iii. Financial assets measured at fair value through profit or loss (FVTPL)

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

- (a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash receipts are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial asset over the relevant period of the financial asset to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest income over the relevant period of the financial asset. The same is included under other income in the Statement of Profit and Loss.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

- (a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to Investments in Equity and Convertible Warrants. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Other Comprehensive Income (OCI). These equity instruments are neither held for trading nor are contingent consideration recognized under a business combination. Pursuant to such irrevocable election, subsequent changes in the fair value of such equity instruments are recognized in OCI. However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

On De-recognition of such financial assets, cumulative gain or loss previously recognized in OCI is not reclassified from the equity to Statement of Profit and Loss.

However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above. This is a residual category applied to all other investments of the Company. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss.

De-recognition

Financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's balance sheet) when:

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

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

On De-recognition of a financial asset, (except as mentioned in (ii) above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

Impairment of financial assets

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income (FVTOCI)
- Financial assets measure at fair value through profit and loss (FVTPL)

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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

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

(b) Financial Liabilities:

Initial recognition and measurement

The Company recognizes a financial liability in its Balance Sheet when it becomes party to the contractual provisions of the instrument. Financial liabilities are initially measured at Fair value.

Subsequent measurement

All non-current financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are

exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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

For T R Chadha & Co LLP
Chartered Accountants
ICAI Firm Registration Number :
006711N/N500028

VIKAS
KUMAR

Vikas Kumar
Partner
Membership No.: 75363

For Suzlon Wind Energy Corporation



Andy Cukurs
CEO

Place: *Chennai, IN*
Date: *JUNE 2, 2020*



Suzlon Wind Energy Corporation
6 Property, plant and equipment

Particulars	Gross block				Depreciation / amortisation				Net block	
	As at April 1, 2019	Additions	Disposals	As at March 31, 2020	As at April 1, 2019	For the year	Disposals	As at March 31, 2020	As at March 31, 2020	As at April 1, 2019
Freehold land	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	535,525	-	-	535,525	311,138	87,197	-	398,335	137,190	224,387
Plant and Machinery	2,454,137	19,033	7,075	2,466,096	1,288,758	450,367	7,075	1,732,050	734,046	1,165,380
Computer and office equipments	286,476	7,539	-	274,014	189,768	51,764	-	241,531	32,483	76,708
Furniture and fixtures	40,846	-	-	40,846	18,578	2,936	-	21,514	19,333	22,269
Vehicles	5,010	-	-	5,010	5,010	-	-	5,010	(0)	(0)
Total	3,301,994	26,572	7,075	3,321,491	1,813,251	592,264	7,075	2,398,439	923,052	1,488,744
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Grand Total	3,301,994	26,572	7,075	3,321,491	1,813,251	592,264	7,075	2,398,439	923,052	1,488,744

Particulars	Gross block				Depreciation / amortisation				Net block	
	As at April 1, 2018	Additions	Disposals	As at March 31, 2019	As at April 1, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Freehold land	-	-	-	-	-	-	-	-	-	-
Leasehold improvements	535,525	-	-	535,525	223,941	87,197	-	311,138	224,387	311,584
Plant and Machinery	4,824,443	123,237	2,493,543	2,454,137	3,344,153	438,148	2,493,543	1,288,758	1,165,380	1,480,290
Computer and office equipments	295,520	6,550	35,595	266,476	176,769	48,593	35,595	189,768	76,708	118,751
Furniture and fixtures	40,846	-	-	40,846	13,753	4,825	-	18,578	22,269	27,094
Vehicles	8,510	-	3,500	5,010	8,510	-	3,500	5,010	(0)	(0)
Total	5,704,845	129,787	2,532,638	3,301,994	3,767,126	578,763	2,532,638	1,813,251	1,488,744	1,937,719
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Grand Total	5,704,845	129,787	2,532,638	3,301,994	3,767,126	578,763	2,532,638	1,813,251	1,488,744	1,937,719

Suzlon Wind Energy Corporation
Notes to consolidated financial statements for the year ended March 31, 2020
7 Trade receivables

	March 31, 2020	March 31, 2019
Non-current		
Unsecured		
Considered good from related parties	3,197,740	25,065,975
Considered doubtful from related parties	72,711	72,711
	<u>3,270,451</u>	<u>25,138,686</u>
Less : Provision for doubtful receivables (Expected Credit Loss)	(72,711)	(72,711)
Total	<u>3,197,740</u>	<u>25,065,975</u>
Current		
Unsecured, considered good from 3rd parties	538,714	1,748,271
Unsecured, considered good from related parties	31,834,405	10,114,702
Total	<u>32,373,119</u>	<u>11,862,973</u>

8 Other financial assets

	March 31, 2020	March 31, 2019
Non-current		
Non-current bank balances *	650,172	741,232
Security deposits	2,800	2,800
Loans and advances to employees	-	80,000
Loans and Advances recoverable from related parties	12,421,722	12,208,359
	<u>13,074,694</u>	<u>13,032,392</u>
Less : Provision for doubtful receivables	(11,011,734)	(10,286,224)
Total	<u>2,062,960</u>	<u>2,746,168</u>

* This balance represents Commercial Deposits on which third parties have lien (Rental, Credit Card and Insurance purposes) and these are non-current in nature since the company do not, within one year, intend to terminate the programs for which the commercial deposits are held

Current		
Advances recoverable in cash	13,268	28,620
Loans and advances to employees	80,101	80,000
	<u>93,369</u>	<u>108,620</u>

9 Inventories (valued at lower of cost and net realisable value)

	March 31, 2020	March 31, 2019
Finished goods, semi-finished goods and work-in-progress	329,492	2,169,745
Stores and spares	7,970,804	8,732,110
Total	<u>8,300,396</u>	<u>10,901,854</u>

10 Cash and cash equivalents

	March 31, 2020	March 31, 2019
Balances with banks in current accounts	627,140	2,547,388
Cash on hand	-	-
Total	<u>627,140</u>	<u>2,547,388</u>

11 Other current assets

	March 31, 2020	March 31, 2019
Prepaid expenses	126,276	228,057
Advance for Goods	343,242	217,006
Total	<u>469,518</u>	<u>445,063</u>

12 Share capital

	March 31, 2020	March 31, 2019
Authorised shares		
500,000 (PY 500,000) equity shares of US dollar 1 each	500,000	500,000
Issued, subscribed & paid-up		
1000 (PY 1000) equity shares of US dollar 1 each fully paid up.	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of US Dollar 1 per share. Each holder of equity shares is entitled to one vote per share. Suzlon Wind Energy Corporation is the wholly owned United States Subsidiary of Suzlon Energy A/S, Denmark

Suzlon Wind Energy Corporation
Notes to consolidated financial statements for the year ended March 31, 2019
13 Other equity

	March 31, 2020	March 31, 2019
Securities premium	82,314,746	82,314,746
Retained earnings	(107,131,859)	(102,869,833)

14 Borrowings

	March 31, 2020	March 31, 2019
Non-current		
Term loan from banks/ financial institutions	0	4,000,000
Total	0	4,000,000
Current		
Current maturity of long-term borrowings	6,000,000	8,000,000
Total	6,000,000	8,000,000

The Company has obtained a long term loan from Exim Bank of India - London Branch. Loan carries interest at USD LIBOR (6 months) + 575 bps p.a payable quarterly. The loan carries a moratorium period of 2 years and 3 months. The first instalment was paid on December 17, 2015. The loan is payable in 20 quarterly instalments ending on 18 Sep 2020. Loan taken is fully secured against receivables. The loan is guaranteed by AE Rotor Holding and Suzlon Energy Limited. AE Rotor Holding is the ultimate guarantor of the loan.

The security for the facility is given as follows:

- Exclusive charge on the receivables arising out of all Operations and Maintenance Services [OMS] contracts of SWECO, with a minimum cover of 1.50 times during the currency of loan.
- Exclusive charge over the TRA/Escrow account(s) capturing the entire receivables arising out of all OMS contracts of SWECO.
- Undertaking from SWECO to route all payments received under OMS contracts through the Escrow/TRA accounts.
- Confirmation from the Project Owners for remittance of OMS proceeds in the designated TRA/Escrow account.
- Corporate Guarantee of AE Rotor Holdings, Netherlands
- Pledge of entire shareholding of SWECO

Company has paid interest and principal due during the year on this loan with delay of 60-90 days. A moratorium of 3 month has been provided for principal of USD 2 Mn due on 18 March 2020 by the bank under relief available in RBI regulatory COVID 19 package at the request of the company. Further, the company has approached EXIM Bank of India for restructuring of loan. This is worth noting that Suzlon Energy Limited (the ultimate parent company) has also approached its lenders for restructuring of its loans. As on signing date, the restructuring for SWECO has not been approved by EXIM Bank. For the purpose of the financials, the principal balance of \$ 6 million has been shown in current maturity of long term borrowings, however, if the loan gets restructured, the current maturity would be only \$ 20,000 which is required to be paid by March, 2021 as per the restructuring proposal submitted.

15 Other financial liabilities

	March 31, 2020	March 31, 2019
Non-current		
Loans from related parties (Repayable after March 2021 and Rate of interest between 1-4% p.a.)	7,124,684	39,576,338
Liquidated Damages due to third party	-	800,000
Total	7,124,684	40,376,338
Current		
Current maturity of long-term borrowings	6,000,000	8,000,000
Loans from related parties (Rate of interest between 4% p.a.)	36,476,607	-
Statutory dues	908,386	1,089,575
Liquidated Damages due to third party	1,450,000	800,000
Others	1,728,104	1,934,479
Total	46,563,097	11,824,054

16 Other current liabilities

	March 31, 2020	March 31, 2019
Advance from customer	-	500,000
Income received in advance	2,539,013	7,815,516
Total	2,539,013	8,115,516

17 Provisions

	March 31, 2020	March 31, 2019
Current		
Provision for leave benefits	920,384	1,185,300
Provision for performance guarantee	1,048,595	1,128,311
Provision for warranty	7,148	420,419
Total	1,976,128	2,734,030

18 Trade Payables

	March 31, 2020	March 31, 2019
Current		
Trade Payables due to Non-related Parties	10,010,690	4,013,293
Trade Payables due to Related Parties	4,768,313	4,768,313
Total	14,779,003	8,781,606

Suzlon Wind Energy Corporation
Notes to consolidated financial statements for the year ended March 31, 2019
19 Revenue from operations

	March 31, 2020	March 31, 2019
Sale of finished goods/spare parts	10,107,787	10,598,692
Service income	40,636,681	42,959,138
Total	50,744,468	53,557,830
Details of finished goods sold:		
Spares parts and others	10,107,787	10,598,692
	10,107,787	10,598,692
Details of services rendered:		
Operation and maintenance services	37,629,898	39,870,356
Extended warranty services	3,006,782	3,088,782
Total	40,636,681	42,959,138

20 Other operating income

	March 31, 2020	March 31, 2019
Other miscellaneous income	276,612	344,041
Total	276,612	344,041

21 Other income

	March 31, 2020	March 31, 2019
Interest income on		
Bank deposits	9,240	6,410
Exchange differences (net)	903,207	3,620,666
Others	263,736	304,410
Total	1,176,183	3,931,486

22 Employee benefits expense

	March 31, 2020	March 31, 2019
Salaries, wages, allowances and bonus	21,377,165	22,669,362
Social security cost	5,519,202	5,964,388
Staff welfare expenses	52,621	125,260
Total	26,948,988	28,759,009

23 Finance costs

	March 31, 2020	March 31, 2019
Interest	2,405,529	3,106,472
Bank charges	66,535	57,765
Total	2,472,065	3,164,238

24 Other expenses

	March 31, 2020	March 31, 2019
Rent	956,175	925,337
Rates and taxes	14,246	43,686
Provision for performance guarantee	1,620,438	661,378
Repairs and maintenance		
Building	2,593	5,930
Others	25,076	12,537
Insurance	65,473	74,824
Advertisement and sales promotion	49,725	250,699
Travelling and conveyance	323,527	571,131
Vehicle hire charges	1,589,575	1,478,368
Communication expenses	227,276	225,631
Auditors' remuneration and expenses	18,250	15,000
Consultancy charges	149,304	227,041
Other selling and administrative expenses	545,352	498,167
IT related costs	212,646	229,454
Exchange differences (net)	-	-
Provision for doubtful debts and advances	725,510	8,303,733
Total	6,425,165	13,542,914

Suzlon Wind Energy Corporation, USA
25. Related Party Disclosures
31/3/2020

A. Related parties with whom transactions have taken place during the year

a. Ultimate parent company

1. Suzlon Energy Limited

b. Holding company

1. Suzlon Energy A/S, Denmark (Parent)
2. Suzlon Energy Limited, Mauritius (Parent of Parent)

c. Fellow Subsidiary companies with whom transactions were entered during the year

1. AE Rotor Holding B.V., Netherlands (AERH)
2. SE Drive Technik GmbH, Germany (SEDT)
3. Sevens LLC, USA (Sevens)
4. Suzlon Energy B.V. Netherlands (SEBV)
5. Suzlon Generators Limited, India (SGL)
6. Suzlon Global Services Limited (formerly Suzlon Structures Limited), India (SGSL)
7. Suzlon Wind Energy Nicaragua (SWEN)

d. Key Management Personnel of Suzlon Wind Energy Corporation

1. Andy Cukurs - Chief Executive Officer
2. Jesse Campbell - Chief Financial Officer (upto 13 March 2020)
3. Hope Whitfield - Legal Counsel (upto 22 May 2020)
4. Scott Bryan - VP Operations and Maintenance Service
5. Todd Karasek - VP - Health, Safety and Environment
6. Tuls R. Tanti - Director (up to 19 November 2019)
7. Manish Patel - Director (wef 19 November 2019)

Note: Jesse Campbell, CFO and Tuls R Tanti, Director resigned during the year 2019-20. Hope Whitfield, Legal Counsel resigned during May, 2020 before the audit was concluded. Positions of CFO and Legal Counsel has not been fulfilled at the time of signing off of financials.

All in USD

B Transactions between the Group and related parties during the period 1st Apr 2019 to 31st March 2020

Particulars	2020				2019			
	Ultimate parent company	Holding company	fellow Subsidiary companies	KMP	Ultimate parent company	Holding company	fellow Subsidiary companies	KMP
Loan given*	-	35,000	513,627	-	-	1,865,258	6,038,919	-
Loan Received	-	1,531,539	2,485,086	-	-	-	1,325,450	-
Provision for Loan Given*	-	-	725,510	-	-	-	10,286,224	-
Sale of goods and services	-	72,741	309,995	-	-	58,761	255,124	-
Interest income	-	-	263,736	-	-	-	304,410	-
Miscellaneous income	-	-	-	-	-	-	-	-
Purchase of goods and services	1,104,286	12,378	49,007	-	804,689	-	1,032,275	-
Interest expense	-	144,571	1,424,018	-	-	159,327	1,445,480	-
Other expenses	-	13,569	-	-	-	13,838	-	-
Managerial Remuneration	-	-	-	1,526,523	-	-	-	1,475,258

C Outstanding balances

Particulars	2020				2019			
	Ultimate parent company	Holding company	Subsidiary companies	KMP	Ultimate parent company	Holding company	Subsidiary companies	KMP
Trade receivables	35,078,520	72,741	-	-	35,078,520	58,761	114,702	-
Other receivables	-	-	-	-	-	-	-	-
Loans given outstanding*	-	-	11,337,062	-	-	-	11,387,435	-
Provision for Loan Given*	-	-	11,011,734	-	-	-	10,286,224	-
Loans taken outstanding	-	5,908,283	33,211,334	-	-	4,388,695	32,177,173	-
Interest receivable	-	-	1,084,660	-	-	-	820,824	-
Interest payable	-	349,322	4,130,183	-	-	204,757	2,795,712	-
Advances given	-	-	-	-	-	-	-	-
Advances received	-	-	48,573	-	-	-	-	-
Trade payables	3,167,074	-	1,601,239	-	2,117,287	-	1,567,781	-

The company as on March 31, 2020 has to recover loan amount due from Sevens LLC of \$ 11,011,734 including \$ 513,627 given as loan during the year itself. Considering the financial position of Sevens LLC, the Company has treated this total amount as doubtful of recovery and provided against the same during the year 2019-20 by debiting to Statement of Profit and Loss. (Please refer Note No.8 also in this regard).

Annexure to Note 25

Name of the Entity **SWECO**
 Certificate on Transactions and balances with Group Comp **31-Mar-20**
 Reporting Currency **USD**

Sr.No.	Particulars	Transaction / Original Currency	SEL Ultimate Parent	SELM Holding	SEBV Fellow sub	SGL Fellow sub	SGSL Fellow sub	Seventus Fellow sub	SEDT (SEG) Fellow sub	AERN Fellow sub	SEAS (Euro) Holding	SEAS (USD) Holding	SWEN Fellow sub
	Transactions												
1	Loans/Deposits Given	USD	-	35,000	(552,450)	-	-	513,627	(564,000)	(1,349,237)	(219,300)	(1,312,239)	-
2	Loans/Deposits Given	EUR	-	-	-	-	-	-	-	(1,203,220)	(200,000)	-	-
3	Sale of Goods/Services	USD	-	-	-	-	-	-	-	-	-	72,741	309,995
4	Purchase of Goods & Services	USD	1,104,288	-	-	-	49,007	-	-	-	-	-	12,378
5	Interest Received/Receivable (Income)	USD	-	-	-	-	-	211,883	51,852	-	-	-	-
6	Interest Paid/Payable	USD	-	44,531	10,445	-	-	-	-	1,413,573	573	99,467	-
7	Interest Paid/Payable	EUR	-	-	-	-	-	-	-	1,275,682	519	-	-
8	Other Selling & Distribution Expenses	USD	-	-	-	-	-	-	-	-	-	13,569	-
	Outstanding Balances												
1	Sundry Debtors		35,078,520	-	-	-	-	-	-	-	-	72,741	(48,573)
2	Loans/Deposits Outstanding	USD	-	(2,209,700)	(792,925)	-	-	10,464,802	872,260	(32,418,410)	(218,780)	(3,479,803)	-
3	Loans/Deposits Outstanding	EUR	-	-	-	-	-	-	-	(29,835,625)	(200,000)	-	-
4	Interest Receivable	USD	-	-	-	-	-	546,932	537,728	-	-	-	-
5	Sundry Creditors/Other Current Liability purchase	USD	3,187,074	-	-	1,406,330	133,068	-	-	61,823	-	-	-
6	Sundry Creditors/Other Current Liability purchase	EUR	-	-	-	-	-	-	-	56,516	-	-	-
7	Share Capital	USD	-	-	-	-	-	-	-	-	-	82,315,746	-
8	Int. Payable	USD	-	104,018	71,995	-	-	-	-	4,058,197	567	244,737	-
9	Int. Payable	EUR	-	-	-	-	-	-	-	3,709,843	519	-	-

Suzlon Wind Energy Corporation
Notes to Consolidated financial statements for the year ended March 31, 2020

26 Contingent Liability - NIL

Claims not acknowledged by company - Vendor has claimed USD 225,643 for different reason like finance charge, payment and bills not considered etc. which is not acknowledged by the Company.

27 Capital Commitment - NIL

28 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO of the Company. The Company operates only in one Business Segment i.e. Operations and Maintenance services for wind turbines and the activities incidental thereto within United States of America and Canada, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

29 Fair value Measurement
Financial Instruments by category

Particulars	3/31/2020			3/31/2019		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets						
Trade Receivable			35,570,859			36,928,949
Other financials assets	-		2,156,329	-		2,854,788
Cash and Cash equivalents	-	-	627,140	-	-	2,547,388
Total financial assets	-	-	38,354,328	-	-	42,331,124
Financial liabilities						
Trade payables	-	-	14,779,003	-	-	8,781,606
Borrowings	-	-	6,000,000	-	-	10,000,000
Other financials liability			47,687,781			44,200,392
Total financial liabilities	-	-	68,466,784	-	-	62,981,997

The carrying amounts of cash and cash equivalent including other current bank balances, Trade Receivable, other financials assets and other liabilities including borrowings and other financials liability etc. are considered to be the same as their fair values, due to current and short term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

30 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

31 Balances grouped under Non-Current and Current Liabilities and Non-Current and Current Assets in certain cases are subject to confirmation and reconciliation from respective parties. Impact of the same, if any, shall be accounted as and when determined. However, the same are not expected to be material.

32 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

33 Going Concern

The Company incurred a loss of \$ 4.2 million during the year ended 31 March 2020 (2019: Loss of \$ 11.849 million), and as of that date, the Company had net asset deficiency of \$ 24.816 million (2019: \$ 20.55 million). The Company's position as at 31 March 2020 included cash and cash equivalents of \$ 0.627 million. These factors indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is in advanced stage of discussions with EXIM loan and vendors for restructuring of loan / deferment of payments. Management is confident of getting the required restructuring / deferment done. Further, The Company as well as the Group is working on various measures including but not limited to the sale of a business line, raising of equity capital and refinancing/ Restructuring of certain debt, and based thereon, the Company and Group Management is confident of raising adequate resources to meet its financial obligations in the foreseeable future. Further, the company has received Support letter from Ultimate parent received stating that they shall provide financial support to the company and its subsidiaries to enable it to continue its operation through until atleast 30 June 2021. Accordingly, the financial statements have been prepared on the basis that the Company will continue as a going concern.

a

34 Revenue from contract with customer

The revenue from contracts with customers to the amounts disclosed as total revenue is as under

	31 st March 2020	31 st March 2019
Revenue from contract with customer	50,744,468	53,557,830
Revenue from other sources	276,612	344,041

The disaggregation of revenue from contracts with customers is as under

	31 st March 2020	31 st March 2019
Sale of finished goods/spare parts (At point in Time)	10,107,787	10,598,692
Service income (At point in Time)	40,636,681	42,959,138

Contract Liability	31 st March 2020	31 st March 2019
Advance received from customer	2,539,013	8,115,516

Contract liabilities in the balance sheet constitutes advance payments and billings in excess of revenue recognised, the company expects to recognise such revenue in the next financial year.

35 Financial risk management

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

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

a. Market risk

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

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

ii) Foreign currency risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

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

	31-Mar-20	
	Euro	Others
Financial assets		
Trade receivables	-	-
Total	-	-
Financial liabilities		
Borrowings	36.48	-
Trade payables	0.06	-
Total	36.54	-

Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2020 and March 31, 2019 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and Euro exchange rates and US Dollar and Canadian Dollar exchange rates.

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

	% Change in Currency	Effect on Profit Before Tax (Million USD)
March 31, 2019		
Euro	+5%	-2
Euro	-5%	2
CAD	+5%	0.06
CAD		-0.06
March 31, 2018		(Million USD)
Euro	+5%	-2
Euro	-5%	2
CAD	+5%	0.06
CAD	-5%	-0.06

b. Credit risk

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

i) Trade receivables

The Company's exposure to trade receivables is limited due to diversified customer base other than related entity. The Company consistently monitors progress under its contracts with customers and sales proceeds are being realised as per the milestone payment terms agreed to minimise the loss due to defaults or insolvency of the customer.

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

c. Liquidity risk

Liquidity risk refers to that risk where the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirement. In doing this, management considers both normal and stressed conditions. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flow forecast and by matching the maturity profiles of financial assets and liabilities.

36. STANDARDS ISSUED BUT NOT YET EFFECTIVE - No recent standards issued / notified

37. Subsequent Event - Assignment arrangement for loan payable to AERH and Trade receivable from Suzlon Energy Limited

Company has entered into arrangement with Suzlon Energy Limited and AE Rotor Holding B.V., Netherlands (AERH) wherein the Trade receivable from Suzlon Energy limited shall be assigned to AERH with effect from 29 April 2020. Under assignment arrangement USD 31,834,405 Trade receivable of Suzlon Energy Limited has been assigned towards full settlement of USD 36,476,607 of Loan payable (including interest of USD 4,058,197) to AERH. The same is treated as non adjusting event as on end of the financial statement since the arrangement in this regard has been entered subsequent to the date of financial statements and the same is effective from 29th April 2020

38. Covid -19 Impact -

The company being service provider of one of the "Essential Services - Repair, Maintenance and operation of wind turbine" was able to operate under normal course of business during the period of Lockdown at the location of operation with minimal impact and the scale of operation was usual with respect to the OMS contract upto the date of adoption of financial statement. The company was also able to get required services from its vendors, employees etc. as per normal course of business except for certain disruptions which are not material to the conduct of the operations. The company has analysed various factors related to impact of COVID 19 on its financial reporting and is of the view that COVID 19 is not adversely impacting the financial reporting/operation of the Company.

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg.No.006711N/N500028

VIKAS KUMAR
Vikas Kumar
Partner
Membership No.75363
Mumbai
Dated :

For Suzlon Wind Energy Corporation

Andy Cukurs
CEO

Place: CHICAGO, IL
Date: JUNE 22, 2020