

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF SUZLON POWER INFRASTRUCTURE LIMITED
Report on the Audit of Special Purpose Financial Statements**

Opinion

We have audited the accompanying special purpose financial statements of **Suzlon Power Infrastructure Limited** ("the Company"), prepared by the Company for the purpose of consolidation by the its Holding Company ("Suzlon Energy Limited") which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose financial statements give a true and fair view on the basis mentioned herein below, in conformity with the Indian Accounting Standards, of the state of affairs of the Company as at March 31, 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2.1 of the special purpose financial statements, which describes that these are prepared solely for the purpose of its consolidation with the Holding Company i.e. Suzlon Energy Limited. Our report is intended solely for the use of management and Board of Directors of the company and its holding company for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the special purpose financial statements in accordance with the Standards on Auditing (SA) issued by Institute of Chartered Accountants of India (ICAI).

Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose financial statements.

Material Uncertainty relating to Going Concern

Attention is invited to note 39 to the financial statements, which indicates that the Company continued to incur losses during the year ended March 31, 2022, and as of that date, the Company's net worth is negative. As stated in the note, certain existing borrowings of the Company along with its Parent Company Suzlon Energy Limited ('SEL'), subsidiary Suzlon Gujarat Wind Park Limited ('SGWPL') and a fellow subsidiary Suzlon Global Services Limited ('SGSL'), (collectively referred as 'Suzlon The Group' or 'STG') as at the balance sheet date have been refinanced subsequently, and the STG will have an obligation, *inter alia*, to bring down the refinanced borrowing from REC Limited from Rs. 3,553 Crores to Rs. 2,178 Crores within a period of one year from the loan disbursement date i.e. May 24, 2022 and fulfil certain conditions including monetisation of specified assets, failing which it could trigger an event of default before March 31, 2023. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said note.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these special purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the special purpose financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose financial statements, including the disclosures, and whether the special purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the special purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the special purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the special purpose financial statements.



**Deloitte
Haskins & Sells LLP**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jayesh Parmar
Partner
(Membership No.106388)
(UDIN: 22106388AJQYKF3840)

Place: Pune
Date: May 25, 2022



Suzlon Power Infrastructure Limited
Special purpose balance sheet as at March 31, 2022
All amounts in ₹ Crore, unless otherwise stated

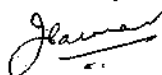
Particulars	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	6	0.10	0.12
Intangible assets	7	0.17	-
Financial assets			
Investments	8	-	-
Trade receivables	9	-	-
Other financial assets	10	0.02	4.07
Other non-current assets	11	0.22	0.93
		0.51	5.12
Current assets			
Inventories	12	112.67	213.70
Financial assets			
Trade receivables	9	68.56	71.12
Cash and cash equivalents	13	1.25	5.20
Bank balance other than above	13	1.35	-
Other financial assets	10	-	0.02
Other current assets	11	15.17	18.12
		199.00	308.16
Total assets		199.51	313.28
Equity and liabilities			
Equity			
Share capital	14	194.61	194.61
Other equity	15	(551.29)	(486.32)
		(356.68)	(291.71)
Non-current liabilities			
Financial liabilities			
Borrowings	16	523.29	521.28
Provisions	20	0.12	0.13
		523.41	521.41
Current liabilities			
Financial liabilities			
Borrowings	16	5.65	3.00
Trade payables			
Total outstanding dues of micro and small enterprises	17	2.76	4.65
Total outstanding dues of creditors other than micro and small enterprises	17	20.40	53.95
Other financial liabilities	18	0.82	0.29
Contract liabilities		1.36	21.19
Other current liabilities	19	1.37	0.14
Provisions	20	0.34	0.36
		32.78	83.58
Total equity and liabilities		199.51	313.28

Summary of significant accounting policies

2.3

The accompanying notes are an integral part of the special purpose financial statements.
in terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/ W-100018



Jayesh Parmar
Partner
Membership No.: 106388

For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited


Balrajsinh A. Parmar
Managing Director
DIN : 00002276


Vinod R. Tanti
Director
DIN : 00002266


Sonali A. Parkar
Company Secretary
Membership No.: A39227


H.V. Prasad
Chief Financial Officer
ICAI Membership No.: 046916

Place : Pune
Date : May 25, 2022

Place : Pune
Date : May 24, 2022



Suzlon Power Infrastructure Limited

Special purpose statement of profit and loss for the year ended March 31, 2022

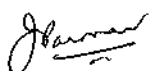
All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	March 31, 2022	March 31, 2021
Income			
Revenue from contract with customers	21	81.56	22.84
Other operating income		14.62	0.35
Other income	22	0.10	0.34
		96.28	23.53
Expenses			
Cost of raw materials consumed and services rendered	23	9.59	16.88
Changes in inventories of work-in-progress and finished goods	23	99.02	(2.38)
Employee benefits expense	24	4.07	3.22
Depreciation expenses	6	0.04	0.06
Finance cost	25	46.89	50.80
Other expenses	26	1.69	3.76
		161.30	72.34
Profit/ (loss) before tax		(65.02)	(48.81)
Tax expenses	26	-	-
Profit/ (loss) after tax		(65.02)	(48.81)
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans	28	0.05	0.02
Income tax effect on the above		-	-
		0.05	0.02
Item that will be reclassified to profit or loss in subsequent years		-	-
Other comprehensive income for the year, net of tax		0.05	0.02
Total comprehensive income for the year		(64.97)	(48.79)
Earnings/ (loss) per equity share:			
Basic and diluted (Nominal value of share ₹10 (₹10))	26	(3.34)	(2.51)
Summary of significant accounting policies	2.3		

The accompanying notes are an integral part of the special purpose financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/ W-100018



Jayesh Parmar
Partner
Membership No.: 106388

For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited



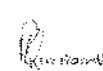
Balrajsinh A. Parmar
Managing Director
DIN : 00002276



Vinod R. Tanti
Director
DIN : 00002266



Sonali Agarkar
Company Secretary
Membership No.: A39227



H.V. Prasad
Chief Financial Officer
ICAI Membership No.: 046916

Place : Pune
Date : May 25, 2022

Place : Pune
Date : May 24, 2022





Suzlon Power Infrastructure Limited

Special purpose statement of changes in equity for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

A. Equity share capital

	No. of shares in Crore	₹ in Crore
Equity shares of ₹ 10 each, issued, subscribed and fully paid		
As at April 01, 2020	19.46	194.61
Issue of share capital (refer Note 14)	-	-
As at March 31, 2021	19.46	194.61
Issue of share capital (refer Note 14)	-	-
As at March 31, 2022	19.46	194.61

B. Other equity

	Reserves and surplus			Total
	General reserve	Capital contribution reserve	Retained earnings	
As at April 01, 2020	0.27	-	(543.10)	(542.83)
Profit/ (loss) for the year	-	-	(48.81)	(48.81)
Other comprehensive income	-	-	0.02	0.02
Gain on extinguishment of debt		105.30		105.30
As at March 31, 2021	0.27	105.30	(591.89)	(486.32)
As at April 1, 2021	0.27	105.30	(591.89)	(486.32)
Profit/ (loss) for the year	-	-	(65.02)	(65.02)
Other comprehensive income (Refer Note 29)	-	-	0.05	0.05
Gain on extinguishment of debt	-	-	-	-
As at March 31, 2022	0.27	105.30	(656.86)	(551.29)

Summary of significant accounting policies

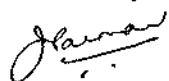
2.3

Refer Note 15 for nature and purpose of reserves.

The accompanying notes are an integral part of the special purpose financial statements.



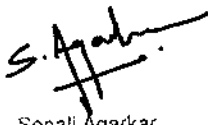
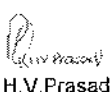
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/ W-100018



Jayesh Parmar
Partner
Membership No.: 106388

For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited


Balrajsinh A. Parmar
Managing Director
DIN : 00002276

Vinod R. Tanti
Director
DIN : 00002266

Sonali Agarkar
Company Secretary
Membership No.: A39227

H.V. Prasad
Chief Financial Officer
ICAI Membership No.: 046916

Place : Pune
Date : May 25, 2022

Place : Pune
Date : May 24, 2022




Suzlon Power Infrastructure Limited
Special purpose statement of cash flow for the year ended March 31, 2022
All amounts in ₹ Crore, unless otherwise stated

Particulars	March 31, 2022	March 31, 2021
Cash flow from operating activities		
Profit/(loss) before tax	(65.02)	(48.81)
Adjustments for:		
Depreciation expense	0.04	0.06
Loss on disposal of property, plant and equipment	0.03	-
Other income	(0.10)	(0.34)
Interest expenses	46.70	50.42
Allowance/(reversal) for doubtful debts and advances, net	(0.06)	1.92
Bad debts written off	0.08	0.02
Impairment allowance	(0.03)	(0.08)
Operating profit/(loss) before working capital changes	(18.36)	3.19
Movements in working capital		
(Increase)/decrease in trade receivables	2.40	5.89
(Increase)/decrease in inventories	101.04	(0.82)
(Increase)/decrease in financial assets and other assets	7.20	(0.43)
(Decrease)/increase in other liabilities, financial liabilities and provisions	(53.43)	17.27
Cash (used in)/ generated from operating activities	38.85	25.10
Direct taxes paid (net of refunds)	0.71	2.82
Net cash (used in)/ generated from operating activities	39.56	27.92
Cash flow from investing activities		
Payment for purchase of property, plant and equipment including capital advances	(0.23)	-
Interest received	0.10	0.34
Net cash (used in)/ generated from investing activities	(0.13)	0.34
Cash flow from financing activities		
Repayment of long term borrowings	(294.60)	(60.83)
Proceeds from long term borrowings	255.91	40.49
Interest paid	(3.33)	(2.44)
Restructuring cost paid	-	(0.58)
Net cash (used in)/ generated from financing activities	(42.02)	(23.36)
Net increase/ (decrease) in cash and cash equivalent	(2.59)	4.90
Cash and cash equivalent at the beginning of year	5.19	0.29
Cash and cash equivalent at the end of year	2.60	5.19
Components of cash and cash equivalent	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.08	0.08
Balance with bank	1.17	5.11
Bank balance other than above	1.35	-
	2.60	5.19

The figures in brackets represent outflows.

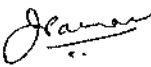
Summary of significant accounting policies

2.3

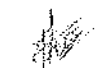
The accompanying notes are an integral part of the special purpose financial statements.


In terms of our report attached


For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Firm Registration Number : 117366W/ W-100018



Jayesh Parmar
Partner
Membership No.: 106388

For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited


Balrajsinh A. Parmar
Managing Director
DIN : 00002276


Vinod R. Tanti
Director
DIN : 00002265


Sonali Agarwal
Company Secretary
Membership No.: A39227


H.V. Prasad
Chief Financial Officer
ICAI Membership No.: 046916

Place : Pune
Date : May 25, 2022

Place : Pune
Date : May 24, 2022





Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

1. Company information

Suzlon Power Infrastructure Limited ('SPIL' or the 'Company') having CIN U45203TZ2004PLC011180 is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 1055/18, 2nd Floor, Gowtham Center, Near Anna Statue, Avinashi Road, Coimbatore-641018, India. The principal place of business is its headquarters located at One Earth, Hadapsar, Pune, India.

The Company is engaged in the business of construction and sale of power evacuation infrastructure facility.

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

These special purpose financial statements are prepared solely for the purpose of its consolidation with the holding Company i.e. Suzlon Energy Limited and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act.

The special purpose financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 24, 2022.

The special purpose financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The special purpose financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Crore (₹ 00,00,000) up to two decimals, except when otherwise indicated.

2.2 Recent accounting developments

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's special purpose financial statements are not applicable as there were no standards issued but not effective at the time of adoption of the financials.

2.3 Summary of significant accounting policies

a. Current versus non-current classification

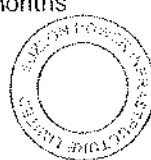
The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- 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.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

The Company classifies all other liabilities as non-current. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet 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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the special purpose financial statements are categorised 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:

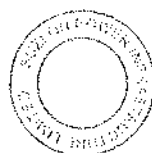
- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the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

For assets and liabilities that are recognised in the special purpose financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company management determines the policies and procedures for recurring and non-recurring fair value measurement. Involvement of external valuers is decided upon annually by the Company management. The management decides after discussion with external valuers, about valuation technique and inputs to use for each case.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

c. Revenue from contract with customers

Revenue from contract with customers is recognised at the point in time when control of the asset is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Power evacuation infrastructure facilities

Revenue from power evacuation infrastructure facilities are recognised upon commissioning and electrical installation of the Wind Turbine Generator (WTG) to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

Payment terms:

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of equipment, the Company considers the effects of variable consideration and consideration payable to the customer (if any).

Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

ii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (I) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities (Advance from customers)

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

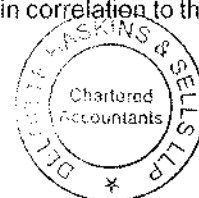
d. Taxes

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.

fnr



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

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, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Depreciation is calculated on the written down value method ('WDV') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013 as per table given below. 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)
Buildings	28 to 58
Computers	3
Office equipments	5
Furniture and fixtures	10
Vehicles	10

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 qualifying 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. 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.

h. Inventories

Inventories of raw materials, work-in-progress and finished goods are valued at the lower of cost and estimated net realisable value. However, raw material and other items held for use in the power evacuation facilities are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average basis.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Cost of work-in-progress and finished goods include the cost of material, labour and attributable overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, 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.

j. Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Lease liabilities are re-measured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

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 subject to operating leases other than land and building are included in property, plant and equipment. 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.

k. Retirement and other employee benefits

Retirement benefits in the form of provident fund, employee state insurance and superannuation fund are defined contribution schemes. The Company has no obligation other than the contribution payable to the funds and the contribution payable to fund is recognised as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognised the following changes in defined benefit obligation as an expense in statement of profit or loss:

- Service cost comprising of current service cost, past service cost gains and loss on entitlements and non-routine settlement.
- Net interest expenses or income.

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. 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. Financial instruments

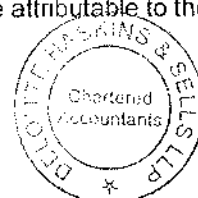
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

The Company has not designated any financial asset as at FVTOCI.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

for



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. The Company has not designated any equity instruments as at FVTOCI.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

Investment in equity shares of subsidiary have been measured at cost less impairment allowance, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the 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.

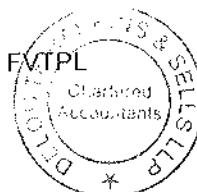
When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115
- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL



Sm

Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For determination of ECL on trade receivable, the Company considers the impact of net credit risk exposure on trade receivable after factoring the payables if any by the parent and fellow subsidiaries.

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 month 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 entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivables balance and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- *Financial assets measured as at amortised cost and contractual revenue receivables:* ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- *Loan commitments and financial guarantee contracts:* ECL is presented as a provision in the balance sheet, i.e. as a liability.
- *Debt instruments measured at FVTOCI:* Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

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.

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, at fair value through other equity, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. In case of extinguishment of financial liabilities with Parent or of restructuring of the existing debt and financial liabilities of Lenders wherein the Lenders of the Company have potential exercisable participative rights pre and post restructuring, the resultant gain or loss arising on extinguishment of the existing debt with restructured debt shall be credited through other equity.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

De-recognition

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



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

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 recognised in the statement of profit and loss.

Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m. Earnings/ (loss) per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the special purpose financial statements are approved by the board of directors. For the purpose of calculating diluted earnings/ (loss) per share, the net profit/ (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

n. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on 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.

o. 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.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

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

2.4 Changes in accounting policies and disclosure

Several other amendments apply for the first time for the year ending March 31, 2022, but do not have an impact on the special purpose financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/ notified.

2.5 Estimation of uncertainties relating to the global health pandemic from COVID-19:

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). This pandemic has resulted in possible future uncertainties in the global economic conditions. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, receivables, other assets and liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic and impact of the same on future performance, the Company has used available information from internal and external sources including likely impact on the industry. The Company based on the current estimates, expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's special purpose financial statements may differ from that estimated as at the date of approval of these special purpose financial statements. However, the Company believes that the difference should not be significant.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's special purpose 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 judgement, which have the most significant effect on the amounts recognised in the special purpose financial statements:

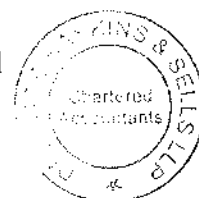
Revenue from contract with customers

The Company is engaged in sale or right to use of power infrastructure facilities to its customers for setting up of wind park. The Company determined that the construction activity can be performed distinctly on a stand-alone basis which indicates that the customer can benefit from respective performance obligations on their own.

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.

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

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. The carrying value of allowance for doubtful debts is ₹ 3.67 Crore and ₹ 3.58 Crore as of March 31, 2022 and March 31, 2021 respectively. Refer Note 9.

Taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies. The Company has unabsorbed depreciation which can be carried forward indefinitely and unabsorbed business losses which can be carried forward for 8 years. Majority of business losses will expire in between March 2024 to March 2031. As there are not certain taxable temporary differences or tax planning operations, the Company has not recognised deferred tax assets on conservative basis. Refer Note 27.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors. Further details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.

Property, plant and equipment

Refer Note 2.3 (e) for the estimated useful life of property, plant and equipment. The carrying value of property, plant and equipment has been disclosed in Note 6.

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

4. Implementation of Refinancing Proposal

As REC Limited and Indian Renewable Energy Development Agency Limited ("New Lenders") have specialized knowledge in relation to the power sector in India and would be better placed to address the specific needs of the Suzlon Group and allow adequate operational flexibility for efficient running of business, the Company along with its parent company and its identified subsidiaries and a joint venture ("STG") had submitted a proposal to the existing lenders for refinancing the outstanding restructured facilities ("Refinancing Proposal") on the basis of sanction letters from REC Limited and Indian Renewable Energy Development Agency Limited ("the New Lenders"). As part of the Refinancing Proposal, an agreement was entered on March 31, 2022 between STG and existing lenders ("Agreement"). The key features of the refinancing proposal are as follows:

- Full repayment of outstanding Rupee Term Loan along with accrued interest;
- Release or transfer or replacement of limits of non-fund based working capital facilities against cash margin or Letter of Comfort ("LOC");
- Conversion of entire outstanding value of 410,000 number of Optionally Convertible Debentures ("OCD") having face value of ₹ 100,000 each issued by Suzlon Energy Limited ("SEL") into 57,14,28,572 equity shares of SEL to be allotted to the Existing Lenders;
- Conversion of 4,46,301 number of Compulsorily Convertible Preference Shares ("CCPS") having face value of ₹ 100,000 each issued by Suzlon Global Services Limited ("SGSL") into 4,454 equity shares of SGSL to be allotted to the Existing Lenders;
- Payment of applicable coupon / interest payable to the Existing Lenders on the outstanding OCD and dividends payable on CCPSs;
- Waiver of the requirement of maintaining the lock-in for 99,71,76,872 equity shares having face value of ₹ 2 each of SEL issued to the Existing Lenders as stipulated in the Framework Restructuring Agreement dated June 30, 2020; and
- 49,85,88,439 number of warrants issued by SEL to the Existing Lenders shall stand surrendered.

On April 28, 2022, the Company along with SEL, SGWPL and SGSL ("STG") and the New Lenders entered into a Rupee Term Loan Agreement ("RTL Agreement") for recording the terms and conditions on which the New Lenders would make available the refinancing amount to the STG.

On May 24, 2022 ("Effective Date"), the Refinancing Proposal was consummated. Pursuant to the same, the Restructured Facilities of STG are refinanced and the outstanding obligations of STG under the Restructured Facilities stand discharged as stated in paragraphs i to vii above. The key features of the RTL Agreement are as follows:

Disbursement of Fund Based Rupee Term Loan of ₹ 2,960.96 Crore and LOC ₹ 981.28 Crore by New Lenders in accordance with the RTL Agreement; key features of which are as follows:

- Disbursement of Fund Based Rupee Term Loan and LOC by REC Limited ("REC Loan") and Fund Based Rupee Term Loan by Indian Renewable Energy Development Agency Limited.
- Repayment of Fund Based Rupee Term Loan in 97 structured monthly instalments commencing from June 2022 to June 2030 at initial interest rate of 9.50% per annum, subject to reset after 1 year;
- Release of LOC on retirement of respective non-fund based working capital facilities by Existing Lenders;
- Reduction of REC Loan to ₹ 2,178 Crore within 1 year from disbursement;
- Monetization of specified assets within stipulated dates;

The existing borrowing liabilities including OCDs and CCPS issued by SEL and SGSL respectively, are carried in the books as on March 31, 2022 without taking cognisance of the Refinancing Proposal. The OCD issued by SEL and CCPS issued by SGSL to the Existing Lenders stands extinguished as on the Effective Date and impact of the refinancing will be recorded in the books of account on Effective Date.

Sanu



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

5. Proposed merger

The Board of Directors of the Company, at its meeting held on February 03, 2021 has approved the Scheme of Amalgamation involving merger by absorption ('Scheme') of the Company with Suzlon Global Services Limited ('SGSL'). The proposed Scheme is filed with the Honourable National Company Law Tribunal, Chennai and Ahmedabad Bench ('NCLTs') for their respective approvals. The amalgamation shall be in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. The Merger of the Company with SGSL has been proposed from the appointed date of April 01, 2020. Pursuant to the Scheme becoming effective, the Company shall be dissolved without winding up pursuant to an order passed by NCLTs under Section 232 of the Companies Act, 2013.

Significant progress has happened in these matters, however, the final orders are not yet in place. Pending orders, the effect of the Scheme has not been considered in the special purpose financial statements of the Company for the year ended March 31, 2022.

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

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2021	Additions	Deduction/ adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Deduction/ adjustments	As at March 31, 2022	As at March 31, 2022
Buildings	0.02	-	-	0.02	0.01	0.00*	-	0.01	0.01
Furniture and fixtures	0.02	-	0.01	0.01	0.01	0.00*	0.01	0.00*	0.01
Computer and office equipments	0.69	0.05	0.17	0.57	0.59	0.03	0.13	0.49	0.08
Vehicles	0.00*	-	-	0.00*	0.00*	0.00*	-	0.00*	0.00*
Total	0.73	0.05	0.18	0.60	0.61	0.03	0.14	0.50	0.10

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2020	Additions	Deduction/ adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deduction/ adjustments	As at March 31, 2021	As at March 31, 2021
Buildings	0.02	-	-	0.02	0.01	0.00*	-	0.01	0.01
Furniture and fixtures	0.02	-	-	0.02	0.01	0.00*	-	0.01	0.01
Computer and office equipments	0.69	-	-	0.69	0.53	0.06	-	0.59	0.10
Vehicles	0.00*	-	-	0.00*	0.00*	0.00*	-	0.00*	0.00*
Total	0.73	-	-	0.73	0.55	0.06	-	0.61	0.12

Notes:

- For contractual commitment with respect to property, plant and equipment refer Note 31.
- For details of property, plant and equipment given as security to Lenders refer Note 16(c).

San

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

7. Other intangible assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2021	Additions	Deduction/ adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	As at March 31, 2022	As at March 31, 2022
SAP and other softwares	-	0.18	-	0.18	-	0.01	0.01	0.17
Total	-	0.18	-	0.18	-	0.01	0.01	0.17

Particulars	Gross block			Accumulated depreciation			Net block	
	As at April 1, 2020	Additions	Deduction/ adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	As at March 31, 2021	As at March 31, 2021
SAP and other softwares	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

* Less than ₹ 0.01 Crore

c. For contractual commitment with respect to property, plant and equipment refer Note 31.

d. For details of property, plant and equipment given as security to Lenders refer Note 16(c).

8. Investments

Non-current investments at cost

Investment in equity instruments of subsidiaries

1,24,59,15,359 (previous year: 1,24,59,15,359) equity shares of ₹ 10 each of Suzlon Gujarat Wind Park Limited

Less : Impairment allowance

Total

March 31, 2022 March 31, 2021

191.60 191.60

(191.60) (191.60)

- -

Aggregate amount of unquoted investments (cost)

191.60 191.60

Aggregate impairment allowance for investment measured at cost

(191.60) (191.60)

9. Trade receivables

Non-current

Credit impaired

2.98 2.86

Less : Allowance for doubtful debts

(2.98) (2.86)

Total

- -

Current

Unsecured, considered good

69.25 71.84

Less : Impairment allowance

(0.69) (0.72)

Total

68.56 71.12

Sanu



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

The movement in impairment allowance as per ECL model is as under:

	March 31, 2022	March 31, 2021
Balance as at the beginning of the year	0.72	0.80
Impairment allowance during the year	(0.03)	(0.08)
Balance as at the end of the year	0.69	0.72

Ageing schedule for trade receivables

As on March 31, 2022	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables,							
Considered good	-	12.34	0.01	-	39.94	11.97	64.26
Which have significant increase in credit risk	-	-	-	-	-	2.98	2.98
Credit impaired	-	-	-	-	-	(2.98)	(2.98)
Disputed trade receivables,							
Considered good	-	-	-	-	-	4.30	4.30
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	12.34	0.01	-	39.94	16.27	68.56

As on March 31, 2021	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
Undisputed trade receivables,							
Considered good	-	5.39	0.40	39.94	6.59	14.50	66.82
Which have significant increase in credit risk	-	-	-	-	0.02	2.84	2.86
Credit impaired	-	-	-	-	(0.02)	(2.84)	(2.86)
Disputed trade receivables,							
Considered good	-	-	-	-	-	4.30	4.30
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	-	5.39	0.40	39.94	6.59	18.80	71.12

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

For details of trade receivables given as security to Lenders refer Note 16(c).

Signature

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

10. Other financial assets

	March 31, 2022	March 31, 2021
Non-current		
Bank balance	-	3.63 [#]
Security deposits (unsecured, considered good)	0.02	0.44
Total	0.02	4.07
Current		
Interest accrued on deposits	-	0.02
Total	-	0.02

[#] Bank balances represents margin money deposits, which are subject to first charge towards non-fund based facilities from Lenders.

All the financial assets are disclosed at amortised cost. For details of financial assets given as security to Lenders refer Note 16(c).

11. Other assets

	March 31, 2022	March 31, 2021
Non-current		
Advances recoverable in kind		
Unsecured, considered doubtful	-	0.19
Less : Allowance for doubtful debts	-	(0.19)
	-	-
Advance income tax (net of provisions)	0.22	0.93
Total	0.22	0.93
Current		
Advances recoverable in kind (unsecured, considered good)	4.22	5.27
Advances to employees	-	0.00*
Prepaid expenses	0.17	0.31
Balances with government authorities	10.74	12.52
Others	0.04	0.03
Total	15.17	18.13

* Less than ₹ 0.01 Crore.

For details of other assets given as security to Lenders refer Note 16(c).

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

	March 31, 2022	March 31, 2021
Raw materials [including goods-in-transit ₹ Nil (previous year: ₹ Nil)]	9.59	11.60
Work-in-progress	66.62	151.92
Finished goods	36.46	50.18
Total	112.67	213.70

For details of inventories given as security to Lenders refer Note 16(c).

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

13. Cash and cash equivalents

	March 31, 2022	March 31, 2021
a. Cash and cash equivalents		
Balances with banks	1.17	5.11
Cash on hand	0.08	0.08
	1.25	5.19
b. Bank balance other than (a) above (earmarked)	1.35	-
Total	2.60	5.19

There are no restrictions with regard to cash and cash equivalent at the end of the reporting period and previous period.

14. Equity share capital

	March 31, 2022	March 31, 2021
Authorised share capital		
197,000,000 (previous year: 197,000,000) equity shares of ₹ 10/- each	197.00	197.00
	197.00	197.00
Issued, subscribed and paid up capital		
194,610,000 (previous year: 194,610,000) equity shares of ₹ 10/- each	194.61	194.61
	194.61	194.61

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the financial year

Particulars	March 31, 2022		March 31, 2021	
	Number of shares (Crore)	₹ in Crore	Number of shares (Crore)	₹ in Crore
At the beginning of the year	19.46	194.61	19.46	194.61
Issued during the year	-	-	-	-
Outstanding at the end of the year	19.46	194.61	19.46	194.61

b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees (₹). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to /receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Sm

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

c. Details of shares held by holding company, promoters and shareholders holding more than 5% in the Company:

Sl. No	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at March 31, 2022						
1	Suzlon Energy Limited	194,609,400	-	194,609,400	100	-
2	Gita T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
3	Sangita V. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
4	Lina J. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
5	Pranav T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
6	Nidhi T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
7	Vinod R. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
	Total	194,610,000		194,610,000	100	

Sl. No	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
As at March 31, 2021						
1	Suzlon Energy Limited	194,609,400	-	194,609,400	100	-
2	Gita T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
3	Sangita V. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
4	Lina J. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
5	Pranav T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
6	Nidhi T. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
7	Vinod R. Tanti J/w. Suzlon Energy Limited	100	-	100	0*	-
	Total	194,610,000		194,610,000	100	

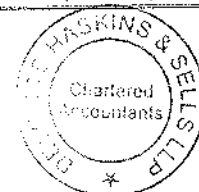
Note: As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

15. Other equity

Refer statement of changes in equity for detailed movement in equity balance:

	March 31, 2022	March 31, 2021
General reserve	0.27	0.27
Capital contribution (Refer Note 4 and 16 (a))	105.30	105.30
Retained earnings	(656.86)	(591.89)
Total	(551.29)	(486.32)

for



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Nature and purposes of other reserves:

a. General reserve

The Company has transferred a portion of the net profit of the company before declaring dividend or a portion of net profit kept separately for future purpose is disclosed as general reserve.

b. Capital contribution

The resultant gain arising on extinguishment of existing debt and fair value of financial instruments issued as per the terms of Resolution plan is transferred to Capital contribution since the Lenders have potential exercisable participative rights.

16. Borrowings

	March 31, 2022	March 31, 2021
Non-current		
Term loan from banks (secured)	25.24	30.89
Loans from related party (unsecured)	498.05	490.39
Total	523.29	521.28
Current		
Term loan from banks (secured)	5.65	3.00
Total	5.65	3.00

a. Implementation of Resolution Plan

On June 30, 2020, the Resolution Plan was implemented between STG and consortium lenders upon completion of compliance of all conditions precedent to the satisfaction of the consortium lenders and the Resolution Plan is effective from June 30, 2020 (Effective date).

The existing facilities of STG are restructured in following manner and divided into 3 parts:

Part A – Existing facilities to the extent of ₹ 5,188.41 Crore is restructured as follows:

- Repayment of Rupee Term Loan of ₹ 3,600.00 Crore in 40 structured quarterly instalments commencing from September 2020 to June 2031 at the rate of interest of 9.00% per annum, (RTL-II). The Lenders have restructured RTL of ₹ 3,500.99 Crore in SEL, ₹ 63.69 Crore in SGWPL and ₹ 35.32 Crore in the Company,
- Repayment of Rupee Term Loan of SEL under Project Specific Facility ('PSF') of ₹ 261.00 Crore (RTL – III),
- Continuation of existing non-fund based ('NFB') working capital facilities of ₹ 1,300.00 Crore of STG.

Part B – Existing facilities to the extent of ₹ 4,100 Crore is converted in to 410,000 fully paid up 0.01% Secured Optionally Convertible Debentures ('OCD') of face value of ₹ 100,000 each of SEL issued to Lenders.

Part C – Existing facilities to the extent of ₹ 4,453.01 Crore is converted into 4,45,301, 0.0001% Unsecured Compulsorily Convertible Preference Shares ('CCPS') of face value of ₹ 100,000 each of SGSL (subsidiary of SEL) to the Lenders and 99,71,76,872 equity shares of face value of ₹ 2 each of SEL for an aggregated consideration of ₹ 1 per Lender.

- Issuance of 49,85,88,439 warrants of SEL to the Lenders as a security towards achieving upgrade of the account on or before March 31, 2022.⁵
- Restructuring of foreign currency convertible bonds (FCCB) with bondholders i.e. roll over / conversion into equity shares of the Company.



Signature

Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

- iii. Waiver of existing defaults, events of defaults and penal interest and charges and waiver of right to recompense in accordance with Master Restructuring Agreement (MRA) dated March 28, 2013.
- iv. Capital raising exercise by way of rights issue / preferential allotment or convertible instruments or unsecured loans from Promoters or Investors of upto ₹ 375 Crore, which was implemented by equity infusion of ₹ 342.16 Crore and issue of compulsory convertible debentures of ₹ 49.98 Crore by promoters and investors in the SEL.

* Post March 31, 2022 and in terms of the Refinancing Proposal, 49,85,88,439 convertible warrants allotted on June 27, 2020 to the Existing Lenders stands cancelled with effect from May 24, 2022.

- b. Loans from related parties comprise of Inter Corporate Deposit from the holding Company SEL, which carries interest @ 9% p.a. and used for business operations. As per the terms of the agreement between the Company and lender (SEL), the lender consents that it will not raise any demand on the Borrower to make any prepayment of the loan provided under the agreement during the term up to March 31, 2023.

The effective rate of interest on the long term and short term borrowing is at 9% p.a. during the year.

- c. The details of security for the current and non-current secured loans are as follows:

Financial facilities by way of RTL II from Lenders in accordance with Resolution Plan aggregating to ₹ 30.89 Crore (previous year: ₹ 33.88 Crore) of which ₹ 25.24 Crore (previous year: ₹ 30.89 Crore) classified as long-term borrowings and ₹ 5.65 Crore (previous year: 3.00 Crore) classified as current maturities of long term borrowing and non-fund based working capital facilities are secured by first pari-passu charge over all current assets of the Company, SEL, SGWPL and SGL (except for certain identified assets), first pari-passu charge over all current assets generated under identified orders both present and future, first pari-passu charge over all current assets of SGSL both present and future, first pari-passu charge with new PSF Lenders on current assets generated under identified orders of Borrowers except SGSL in certain scenario, second charge on cash flows of Borrowers except SGSL arising out of identified orders which are funded by new PSF Lenders, first pari-passu charge over all fixed assets of Borrowers whether movable or immovable, first charge over Trust and Retention Account ('TRA'), first charge on DSR Accounts, , first pari-passu pledge over 100% of fully paid-up equity capital of SGWPL and the Company and 75% of SGL by SEL, first pari-passu pledge over 100% of fully paid-up equity capital of SGSL till conversion of CCPS into equity shares of SGSL, negative lien over the equity shares held by SEL in SE Forge Limited, non-disposal undertaking or pledge over the 100% of the equity share capital of Suzlon Energy Limited, Mauritius ('SELM') and AE Rotor Holding B.V. ('AERH'), first pari-passu pledge over certain equity shares of SEL held by the promoters and other members of the SEL promotor group, brand image of Suzlon and personal guarantee of Mr. Tulsi R. Tanti.

- d. The Company has non-fund based facilities from banks on the basis of security of current assets. The quarterly statements of current assets filed by the Company with banks are in complete agreement with the books of accounts.

- e. The details of repayment of long-term borrowings are as follows:

Particulars	Year	Up to 1 year	2 to 5 years	Above 5 years	Total
Secured loans	March 31, 2022	5.65	12.58	12.66	30.89
	March 31, 2021	3.00	18.24	12.65	33.89
Unsecured loans	March 31, 2022	498.05	-	-	498.05
	March 31, 2021	490.39	-	-	490.39
Total	March 31, 2022	503.70	12.58	12.66	528.94
	March 31, 2021	493.39	18.24	12.65	524.20

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

17. Trade payable

	March 31, 2022	March 31, 2021
Trade payables to micro enterprises and small enterprises (refer Note below)	2.76	4.65
Trade payables to related parties	0.02	-
Trade payables to others	20.46	53.95
Total	23.24	58.60

Ageing schedule for trade payables

As on March 31, 2022	Unbilled dues	Outstanding from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	1.33	0.50	0.24	0.69	2.76
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	5.19	3.26	0.84	11.19	20.48
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	-	6.52	3.76	1.08	11.88	23.24

As on March 31, 2021	Unbilled dues	Outstanding from due date of payment				Total
		< 1 year	1-2 years	2-3 years	> 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	2.24	0.25	1.42	0.74	4.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	48.99	1.46	1.02	2.48	53.95
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	-	51.23	1.71	2.44	3.22	58.60

Relationship with struck off companies

Name of struck off company	Nature of transactions	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	
Sneha Transmissions Private Limited	Purchase	-	0.09	-	-	External vendors

Sm

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Sl. No.	Particulars	March 31, 2022	March 31, 2021
a.	The principal amount remaining unpaid to any supplier as at the end of the accounting year	2.76	4.65
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.02	0.02
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	5.19	0.22
d.	The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act	Nil	Nil
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	0.04	0.02

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act by requesting confirmation from the vendors to the letters circulated by the Company.

18. Other financial liabilities

	March 31, 2022	March 31, 2021
Current		
Other liabilities	0.82	0.29
Total	0.82	0.29

* Primarily includes provision for employee payables.

All the financial liabilities are disclosed at amortised cost.

19. Other current liabilities

It consists of statutory dues of ₹ 1.37 Crore (previous year: ₹ 0.14 Crore).

20. Provisions

Non-current: It consists of provision for employee benefits of ₹ 0.12 Crore (previous year: ₹ 0.13 Crore).

Current: It consists of provision for employee benefits of ₹ 0.34 Crore (previous year: ₹ 0.36 Crore).

21. Revenue from contract with customers

21.1 Disaggregated revenue information

	March 31, 2022	March 31, 2021
Type of goods and services		
Power evacuation infrastructure services	78.42	15.64
Sale of goods	3.14	7.20
Total	81.56	22.84
Timing of revenue recognition		
Services transferred over time	78.42	15.64
Goods transferred at a point in time	3.14	7.20
Total	81.56	22.84

The above revenue from contract with customers is received from India

Signature



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

21.2 Contract balances

	March 31, 2022	March 31, 2021
Trade receivables	68.56	71.12
Contract liabilities	1.36	21.19

Contract liabilities include short-term advances received to deliver goods and to render services.

21.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.

	March 31, 2022	March 31, 2021
Revenue as per contracted price	81.56	22.84
Less: Variable consideration	-	-
Total	81.56	22.84

21.4 Performance obligation

The performance obligation for power evacuation infrastructure facilities is satisfied upon commissioning and electrical installation of the Wind Turbine Generator (WTG) to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

22. Other income

	March 31, 2022	March 31, 2021
Interest income on:		
Financial assets measured at amortised cost		
on deposits with banks	0.08	0.01
on other financial assets	0.02	0.33
Total	0.10	0.34

23. Cost of raw materials consumed and services rendered

	March 31, 2022	March 31, 2021
Consumption of raw material		
Opening inventory	11.60	13.16
Add : Purchases (including work contract and services)	7.58	15.32
	19.18	28.48
Less : Closing inventory	9.59	11.60
	9.59	16.88
Changes in inventories		
Opening inventory		
Work-in-progress	151.92	154.02
Finished goods	50.18	45.70
(A)	202.10	199.72
Closing inventory		
Work-in-progress	66.62	151.92
Finished goods	36.46	50.18
(B)	103.08	202.10
Changes in inventory	(C) = (A) - (B)	99.02 (2.38)

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

24. Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages, allowances and bonus	3.82	2.96
Contribution to provident fund and other funds	0.25	0.26
Staff welfare expenses	0.00*	0.00*
Total	4.07	3.22

* Less than ₹ 0.01 Crore

25. Finance cost

	March 31, 2022	March 31, 2021
Interest expenses on:		
Financial liabilities measured at amortised cost		
on term loans	2.92	5.09
on inter corporate deposits	43.37	44.10
on other financial liabilities	0.41	1.23
Bank charges	0.19	0.38
Total	46.89	50.80

26. Other expenses

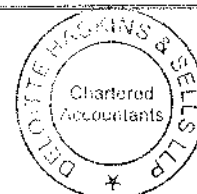
	March 31, 2022	March 31, 2021
Site expenses	0.08	0.06
Repairs and maintenance-computers	0.08	0.04
Rent (refer Note 29)	0.54	0.82
Rates and taxes	0.03	0.12
Insurance	0.26	0.25
Advertisement and sales promotion	0.03	0.00*
Travelling, conveyance and vehicle expenses	0.18	0.10
Communication expenses	0.00*	0.00*
Auditors' remuneration and expenses (refer Note below)	0.10	0.13
Consultancy charges	0.18	0.16
Charity and donations	0.10	-
Miscellaneous expenses	0.09	0.23
Exchange differences, net	0.00*	0.00*
Bad debts written off	0.08	0.01
Impairment allowance	(0.03)	(0.08)
Allowance/ (reversal) for doubtful debts and advances, net	(0.06)	1.92
Loss on disposal of property, plant and equipment	0.03	-
Total	1.69	3.76

* Less than ₹ 0.01 Crore.

Note: Payment to auditors

	March 31, 2022	March 31, 2021
As auditor:		
Statutory audit fees	0.10	0.10
Certification services	-	0.03
Total	0.10	0.13

Signature



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

27. Income tax

- As the Company has tax losses, there is no income tax expense to statement of profit and loss for the year ended March 31, 2022.
- Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

	March 31, 2022	March 31, 2021
Accounting profit before income tax	(65.02)	(48.81)
Enacted tax rates	25.168%	29.120%
Computed tax expense	(16.36)	(14.21)
Non-deductible expenses as per income tax	-	-
Current year losses on which deferred tax assets not recognised	16.36	14.21
Tax expense as per statement of profit and loss	-	-

- The following is the details of carry forward losses and unused credit on which no deferred tax asset is recognised by the Company. Unabsorbed depreciation is available for offsetting all future taxable profits of the Company. Business losses are available for offsetting future taxable profits of the Company for 8 years from the year in which losses arose. Majority of the business losses will expire between March 2024 to March 2031.

Carried forward losses

	March 31, 2022	March 31, 2021
Business loss	300.16	242.25
Unabsorbed depreciation	2.07	1.96
MAT credit	-	1.73
Total	302.23	245.94

28. Earnings per share (EPS)

	March 31, 2022	March 31, 2021
Basic and diluted		
Profit/ (loss) after tax	(65.02)	(48.81)
Weighted average number of equity shares	19,46,10,000	19,46,10,000
Basic and diluted* earnings/ (loss) per share of ₹ 10/- each	(3.34)*	(2.51)*

*Since the earnings per share computation based on diluted weighted average number of shares is anti-dilutive, the basic and diluted earnings per share is the same.

29. Post-employment benefit plans

Defined contribution plan:

During the year the Company has recognised employer contribution towards provident fund/ pension fund in the statement of profit or loss of ₹ 0.16 Crore (previous year: 0.16 Crore).

The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is partially funded with an insurance Company in the form of a qualifying insurance policy.



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Net employees benefit expense recognised in statement of profit and loss and in other comprehensive income:

	March 31, 2022	March 31, 2021
Current service cost	0.07	0.08
Net interest cost	0.01	0.00*
Net defined benefit cost recognised in profit and loss	0.08	0.08

Other comprehensive income

Re-measurement for the period - obligation (gain)/ loss	(0.07)	(0.02)
Re-measurement for the period - plan assets (gain)/ loss	0.02	0.00*
Total defined benefit cost recognised in OCI	(0.05)	(0.02)
Total	0.03	0.06

Changes in the defined benefit obligation:

	March 31, 2022	March 31, 2021
Opening defined benefit obligation	0.77	0.84
Current service cost	0.07	0.08
Interest cost	0.05	0.05
Benefits paid	(0.01)	(0.18)
Transfer in/(out)	0.05	-
Re-measurement adjustment:		
Experience adjustments	(0.08)	(0.01)
Actuarial changes arising from changes in demographic assumptions	(0.00*)	0.02
Actuarial changes arising from changes in financial assumptions	0.01	(0.03)
Closing defined benefit obligation	0.86	0.77

Changes in the fair value of plan assets:

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	0.65	0.77
Interest income	0.04	0.05
Contributions by employer towards approved fund	0.03	0.02
Benefits paid	(0.01)	(0.18)
Transfer in /(out)	0.05	-
Re-measurement-return on plan asset, excluding amount recognised in net interest expenses	(0.02)	(0.00)*
Closing fair value of plan assets	0.74	0.65
Actual return on plan assets	0.02	0.05

* Less than ₹ 0.01 Crore.

Major categories of plan assets of the fair value of total plan assets:

Funds managed by insurer is 100% (previous year: 100%)

The composition of investments in respect of funded defined benefit plans are not available with the Company, the same has not been disclosed.

Signature

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Net asset/ (liability) recognised in the balance sheet:

	March 31, 2022	March 31, 2021
Current portion	0.09	0.07
Non-current portion	0.77	0.70
Present value of defined benefit obligation as at the end of the financial year	0.86	0.77
Fair value of plan assets as at the end of the financial year	0.74	0.65
Net asset/ (liability) recognised in the balance sheet	(0.12)	(0.12)

Principal assumptions used in determining gratuity obligations:

	March 31, 2022	March 31, 2021
Discount rate (in %)	6.80	6.40
Future salary increases (in %)	8%	3% for first year and 8% thereafter
Life expectation (in years)	7.73	8.38
Attrition rate	21.50% at younger age and reducing to 6.80% at older ages according to graduated scale	13.20% at younger age and reducing to 7.40% at older ages according to graduated scale

During the year, the Company has reassessed the actuarial assumption for attrition rate based on trend of attrition.

Quantitative sensitivity analysis for significant assumption:

Particulars	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	0.09	(0.07)	0.08	(0.07)
Future salary increases (- / + 1%)	(0.07)	0.08	(0.07)	0.08
Attrition rate (- / + 50% of attrition rates)	0.03	(0.02)	0.04	(0.03)

For the year ending on March 31, 2022 the Company expects to contribute ₹ 0.19 Crore (previous year: ₹ 0.19 Crore) towards its defined benefit plan.

The average duration of the defined benefit plan obligation at the end of the reporting period is 9 years (previous year: 10 years).

30. Leases

The Company has taken certain premises under short-term leases. The rent expenses includes rent paid to SEL for few workstations taken on lease at Suzlon One Earth, Magarpatta Pune. The implications of IND AS 116 is not applicable as the lease agreements are entered for one year and covered under short term leases.

31. Capital and other commitments – ₹ Nil (previous year: ₹ Nil).

32. Contingent liabilities

- Interest payable under MSMED Act, 2006 of ₹ 0.04 Crore (previous year: ₹ 0.02 Crore).
- The Company has stood as co-borrower and guarantor for loans granted to SEL and its subsidiaries for which certain securities are provided, the amount of which is not ascertainable.

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

33. Disclosure required under Sec 186(4) of the Companies Act, 2013

For details of securities provided on behalf of borrowers under the Resolution Plan refer Note 16(c).

For details of investments made refer Note 8.

34. Segment information

The Company provides facilities related to wind power business and has a single reportable segment as defined in Ind AS 108 – Operating Segment. The Company provides these facilities only in India and hence the entire amount of revenue is from external customers based in India and all non-current assets are also located in India.

35. Related party transactions

A. List of related parties and nature of relationships where control exists :

Sl. No.	Name of the party	Nature of relationship
1	Suzlon Energy Limited	Holding company
2	Suzlon Gujarat Wind Park Limited	Subsidiary company
3	Suzlon Global Services Limited	Fellow subsidiary
4	Mr. Balrajsinh A. Parmar	Key managerial personnel (KMP)
5	Ms. Gita T. Tanti	Key managerial personnel (KMP)
6	Mr. Vaidhyanathan Raghuraman	Key managerial personnel (KMP)
7	Mr. Vinod R. Tanti	Key managerial personnel (KMP)
8	Mr. Per Hornung Pedersen	Key managerial personnel (KMP)
9	Mr. Hariharan Venkiteshwaran Prasad	Key managerial personnel (KMP)
10	Ms. Sonali Agarkar	Key managerial personnel (KMP)
11	Sarjan Realities Private Limited	Entities where KMP have significant influence
12	Suzlon Foundation	Entities where KMP have significant influence
13	Samanvaya Holdings Private Limited	Entities where KMP have significant influence
14	Suzlon Power Infrastructure Limited – Gratuity fund	Employee funds
15	Suzlon Power Infrastructure Limited – Superannuation fund	Employee funds

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

B. Transactions between the Company and related parties during the year and the status of outstanding balances as at March 31, 2022:

Particulars	Holding company	Subsidiary company	Fellow subsidiaries	Entities where KMP has significant influence	KMP	Employee funds
Loans received	55.91 (40.49)	- (-)	200.00 (-)	- (-)	- (-)	- (-)
Repayment of loan taken	291.61 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Sale of goods and services	6.23 (4.51)	18.11 (5.43)	0.02 (0.04)	- (-)	- (-)	- (-)
Purchase of goods and services	6.40 (-)	- (-)	- (0.01)	- (-)	- (-)	- (-)
Interest expense	43.20 (44.10)	- (-)	0.17 (-)	- (-)	- (-)	- (-)
Rent expense	0.52 (0.81)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement for amount payable	0.12 (0.16)	- (-)	- (-)	- (-)	- (-)	- (-)
Remuneration	- (-)	- (-)	- (-)	- (-)	0.34 (0.17)	- (-)
Corporate social welfare expense	- (-)	- (-)	- (-)	0.10 (-)	- (-)	- (-)
Director sitting fees	- (-)	- (-)	- (-)	- (-)	0.01 (0.01)	- (-)
Debt given pursuant to assignment of debt	- (14.63)	- (-)	- (-)	- (-)	- (-)	- (-)
Contribution to gratuity fund	- (-)	- (-)	- (-)	- (-)	- (-)	0.01 (0.02)

Outstanding balances:

Particulars	Holding company	Subsidiary company	Fellow subsidiaries	Entities where KMP has significant influence	KMP	Employee funds
Investments in equity shares	- (-)	191.60 (191.60)	- (-)	- (-)	- (-)	- (-)
Impairment allowance on investments	- (-)	191.60 (191.60)	- (-)	- (-)	- (-)	- (-)
Trade receivables	- (0.01)	- (-)	- (-)	- (0.41)	- (-)	- (-)
Trade payables	0.02 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Director sitting fees payable	- (-)	- (-)	- (-)	- (-)	- (0.00*)	- (-)
Remuneration payable	- (-)	- (-)	- (-)	- (-)	- (0.02)	- (-)
Unsecured borrowing	297.88 (490.39)	- (-)	200.17 (-)	- (-)	- (-)	- (-)

Figures in the brackets are in respect of the previous year.

* Less than ₹ 0.01 Crore.

Signature



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

C. Disclosure of significant transactions with related parties:

Type of transaction	Type of relationship	Name of the entity/ person	March 31, 2022	March 31, 2021
Sales of goods and services	Holding company	Suzlon Energy Limited	6.23	4.51
	Subsidiary	Suzlon Gujarat Wind Park Limited	18.11	5.43
	Fellow subsidiary	Suzlon Global Services Limited	0.02	0.04
Purchase of goods and services	Holding company	Suzlon Energy Limited	6.40	-
	Fellow subsidiary	Suzlon Global Services Limited	-	0.01
Interest expenses	Holding company	Suzlon Energy Limited	43.20	44.10
	Fellow subsidiary	Suzlon Global Services Limited	0.17	-
Rent expenses	Holding company	Suzlon Energy Limited	0.52	0.81
Reimbursement for amount payable	Holding company	Suzlon Energy Limited	0.12	0.16
Director sitting fees	KMP	Mr. Vaidhyathan Raghuraman	0.01	0.01
		Ms. Gita T. Tanti	0.00*	0.00*
		Mr. Per Hornung Pedersen	0.00*	0.00*
Debt given pursuant to assignment of debt	Holding company	Suzlon Energy Limited	-	14.63
Loans received	Holding company	Suzlon Energy Limited	55.91	40.49
	Fellow subsidiary	Suzlon Global Services Limited	200.00	-
Repayment of loan taken	Holding company	Suzlon Energy Limited	291.61	-
Corporate social welfare expense	Entities where KMP has significant influence	Suzlon Foundation	0.10	-
Remuneration	KMP	Mr. Devendra Golchha	-	0.04
		Ms. Sharvari A. Deshpande	-	0.00*
		Mr. H V Prasad	0.31	0.12
		Ms. Sonali Agarkar	0.03	0.01
Contribution to gratuity fund	Employee fund	Suzlon Power Infrastructure Limited – Gratuity Fund	0.01	0.02

* Less than ₹ 0.01 Crore.

Compensation of key management personnel recognised as an expenses during the financial year:

	March 31, 2022	March 31, 2021
Short-term employee benefits	0.03	0.01
Post-employment benefits	0.31	0.16
Total	0.34	0.17

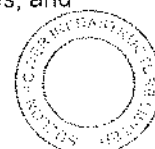
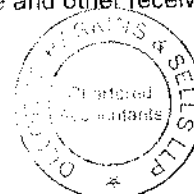
36. Fair value measurements and fair value hierarchy

The fair value of the financial assets and liabilities are considered to be same as their carrying values. In case of investment in subsidiary it is being carried at deemed cost. Accordingly the Company has not disclosed fair value hierarchy.

37. 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 its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

Signature



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

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 other price risk. Financial instruments affected by market risk include loans and borrowings and deposits.

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) Price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase of electrical items for power evacuation which are affected by the commodity price. The Company has a risk management strategy and planning regarding commodity price risk and its mitigation.

b. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. 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, progress under its contracts and sales proceeds are being realized as per the milestone payment terms agreed to minimize 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. The Company consistently monitors the financial health of its customers, progress under its contracts 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. For determination of ECL on trade receivable, the Company considers the impact of net credit risk exposure on trade receivable after factoring the payable to customers, if any, by the parent company and subsidiary company.

The Company is in the process of settlement of old outstanding trade receivables against which parent company is having payable/ provisions. Since, there are liabilities held by parent company, the Company does not foresee any risk over such receivable balance from customers.

Refer Note 2.3(f) for accounting policy on financial instruments.

[THIS PLACE IS INTENTIONALLY LEFT BLANK]



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

ii) Financial instruments

Financial instruments that are subject to concentrations of credit risk primarily consist of cash and cash equivalents, term deposit with banks and other financial assets. Investments of surplus funds are made only with approved counterparties and within credit limits assigned.

The Company's maximum exposure to credit risk as at March 31, 2022 and as at March 31, 2021 is the carrying value of each class of financial assets.

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. The Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower volumes, impairment losses and finance costs which has resulted in negative net worth during the year and as at March 31, 2022.

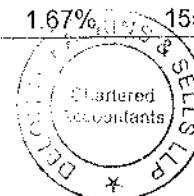
Maturity profile of companies borrowing is disclosed in Note 16(e).

All other financial liability is repayable within 12 months.

38. Ratios and its elements

Ratio	March 31, 2022	March 31, 2021	% change
Current ratio @			
Current assets/ Current liabilities	6.07	3.69	64.68
Debt - Equity ratio *			
Total debt/ Shareholders equity	(1.48)	(1.80)	(17.48)
Debt service coverage ratio §			
EBITDA/ Interest + principal repayments	(0.21)	0.05	(523.97)
Return on equity ratio *			
Net profit after tax - Preference dividend (if any)/ Equity shareholder's funds * 100	0.18	0.17	(8.24)
Inventory turnover ratio @			
Sales/ average inventory	0.50	0.11	366.74
Trade receivables turnover ratio @			
Sales/ average receivables	1.17	0.30	283.45
Trade payable turnover ratio *			
Net credit purchases/ average payables	0.23	0.30	(24.18)
Net capital turnover ratio @			
Sales (includes only revenue from operation and other operating income)/ Capital employed = total assets - current liabilities	0.58	0.10	471.36
Net profit ratio @			
Net profit / Sales	(0.80)	(2.15)	62.94
Return on capital employed (%) §			
Earnings before interest and tax (EBIT)/ Capital employed = total assets - current liabilities	(10.93)%	0.72%	(1,622.58)
Return on investment (%) ^			
Finance income/ Investment	4.25%	1.67%	155.42

Sm



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

Reasons for variance

* There is no significant change (i.e. change of more than 25% as compared to the immediately previous financial year) in the key financial ratios.

@ Revenue growth along with improved liquidity and efficiency in working capital has resulted in improvement of ratio.

§ Due to under absorption of cost, the performance of the Company was lower resulting in weakening of ratios.

^ Due to placement of fixed deposits there has been increase in interest income.

39. Going concern

Though there are sign of improvements, the Company continued to incur losses during the year ended March 31, 2022, and the net worth of the Company remains negative at ₹ 356.67 Crore as at March 31, 2022. Subsequent to the year end, as a part of refinancing arrangement, the Company along Suzlon Energy Ltd ('SEL'), Suzlon Global Services Limited ('SGSL'), and Suzlon Gujarat Wind Park Limited ('SGWPL'), (collectively referred as 'Suzlon The Group' or 'STG' or 'the borrower') has entered into an agreement with new lenders (REC Limited and Indian Renewable Energy Development Agency Limited). As per the terms of the said agreement STG is obliged to facilitate down-selling or achieve reduction of REC loan (including non-fund based facility) from ₹ 3,553 Crore to ₹ 2,178 Crore within a period of one year from the loan disbursement date and fulfil certain conditions including monetisation of certain assets, failing which it could trigger an event of default before March 31, 2023. These events and conditions cast a significant doubt on the Group's ability to continue as a going concern.

The Management has plans to meet the financial obligations in the foreseeable future through various options including refinancing of part of loan with other lenders, execution of the pipeline of orders in hand, future business plans, realisation of trade receivables and financial assets, capital raising, monetisation of specified assets. Having regard to the above, the special purpose financial statements for the year ended March 31, 2022 have been prepared on a going concern basis.

40. Other information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey).



Suzlon Power Infrastructure Limited

Notes to special purpose financial statements for the year ended March 31, 2022

All amounts in ₹ Crore, unless otherwise stated

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard its ability to reduce the cost of capital and to maximise shareholder value.


The capital structure of the Company is based on the management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.


The calculation of the capital for the purpose of capital management is as below.


	March 31, 2022	March 31, 2021
Equity share capital	194.61	194.61
Other equity	(551.29)	(486.32)
Total	(356.68)	(291.71)


42. Prior year amounts have been reclassified wherever necessary to confirm with current year presentation.

For and on behalf of the Board of Directors of
Suzlon Power Infrastructure Limited


Balrajsinh A. Parmar
Managing Director
DIN : 00002276


Vinod R. Tanti
Director
DIN : 00002266


Sonali Agarkar
Company Secretary
Membership No.: A39227


H. V. Prasad
Chief Financial Officer
ICAI Membership No.: 046916

Place : Pune
Date : May 24, 2022



