

Suzlon Wind Energy South Africa Proprietary Limited
(Registration number 2010/017784/07)
Annual Financial Statements
for the year ended 31 March 2022

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Maintenance of renewable energy assets and wind turbines
Director	T.A. Parmar
Registered office	Cookhouse Wind Farm The Farms, Zure Kop (1&2) Arolsen Cookhouse 5820
Postal address	Private Bag 6 Somerset East 5850
Ultimate holding company	Suzlon Energy Limited incorporated in Mauritius
Bankers	Standard Bank of South Africa
Auditor	PKF (PE) Inc. Chartered Accountants (SA) Registered Auditors
Company registration number	2010/017784/07
Tax reference number	9718521157
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	These annual financial statements were prepared under the supervision of: Mark C. Daverin CA (SA)

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Director's Responsibilities and Approval

The director is required by the Companies Act of South Africa, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is his responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The director acknowledges that he is ultimately responsible for the system of internal financial control established by the company and places considerable importance on maintaining a strong control environment. To enable the director to meet these responsibilities, the director sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The director is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The director has reviewed the company's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, he is satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditor and the report is presented on pages 4 to 6.

The annual financial statements set out on pages 7 to 23, which have been prepared on the going concern basis, were approved and signed by the director on 12 May 2022.



T.A. Parmar

Independent Auditor's Report

To the shareholders of Suzlon Wind Energy South Africa Proprietary Limited

Opinion

We have audited the financial statements of Suzlon Wind Energy South Africa Proprietary Limited set out on pages 9 to 23, which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Suzlon Wind Energy South Africa Proprietary Limited as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 24 in the financial statements, which indicates that the company had accumulated losses of R546 850 011 at 31 March 2022, and as of that date, the company's liabilities exceeded its total assets by R59 442 627. These conditions give rise to a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The director is responsible for the other information. The other information comprises the information included in the document titled "Suzlon Wind Energy South Africa Proprietary Limited Annual Financial Statements for the year ended 31 March 2022" which includes the Director's Report as required by the Companies Act of South Africa and the supplementary information set out on pages 24 and 25. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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B-BBEE Status Level 2 • IRBA Reg No 930709E

PKF (PE) Inc. • Registered Auditors • Chartered Accountants (SA) • A member of PKF International Ltd • Reg No 2002/004678/21
Directors • LD van Goeverden • L Battle • MC Daverin • J du Preez • M Mohamed • DJ Robertson • GP van Zyl
Office Manager • T Botes

PKF (PE) Inc. is a member firm of the PKF South Africa Inc. and PKF International Limited family of legally independent firms. Neither PKF (PE) Inc. nor PKF South Africa Inc. accept any responsibility or liability for the actions or inactions on the part of any other individual member or correspondent firm or firms.

Responsibilities of the director for the financial statements

The director is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 director.
- Conclude on the appropriateness of the director'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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



chartered accountants
& business advisers

We communicate with the director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PKF

PKF (PE) Inc.
Chartered Accountants (SA)
Registered Auditors

Director: Gideon van Zyl CA (SA)
Registered Auditor

Date 12 May 2022
Gqeberha

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Director's Report

The director has pleasure in submitting his report on the annual financial statements of Suzlon Wind Energy South Africa Proprietary Limited for the year ended 31 March 2022.

1. Nature of business

Suzlon Wind Energy South Africa Proprietary Limited was incorporated in South Africa and is engaged in the maintenance of renewable energy assets and wind turbines. The company operates in South Africa.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

3. Share capital

Refer to note 8 of the annual financial statements for detail of the movement in authorised and issued share capital.

4. Dividends

The director does not recommend the declaration of a dividend for the year.

5. Director

The director in office at the date of this report are as follows:

T.A. Parmar

There have been no changes to the directorate for the period under review.

6. Holding company

The company's holding company is Suzlon Energy Limited which holds 80% (2021: 80%) of the company's equity. Suzlon Energy Limited is incorporated in Mauritius.

7. Events after the reporting period

The director is not aware of any material event which occurred after the reporting date and up to the date of this report that requires disclosure.

8. Going concern

We draw attention to the fact that at 31 March 2022, the company had accumulated losses of R 546 850 011 and that the company's total liabilities exceed its assets by R (59 442 627).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

These conditions give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the director continues to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

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Director's Report

9. Auditors

PKF continued in office as auditors for the company for 2022.

10. Secretary

The company had no secretary during the year.

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Statement of Financial Position as at 31 March 2022

	Notes	2022 R	2021 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	76 790	118 620
Current Assets			
Inventories	4	17 186 916	16 989 178
Loans to shareholders	5	62	50
Trade and other receivables	6	61 937 298	73 009 499
Cash and cash equivalents	7	68 347 936	44 443 972
		147 472 212	134 442 699
Total Assets		147 549 002	134 561 319
Equity and Liabilities			
Equity			
Share capital	8	487 407 384	5 000 200
Accumulated loss		(546 850 011)	(543 768 185)
		(59 442 627)	(538 767 985)
Liabilities			
Non-Current Liabilities			
Loans from group companies	9	185 269 971	661 737 007
Current Liabilities			
Trade and other payables	10	21 721 658	10 139 131
Provisions	11	-	1 453 166
		21 721 658	11 592 297
Total Liabilities		206 991 629	673 329 304
Total Equity and Liabilities		147 549 002	134 561 319

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Statement of Comprehensive Income for the year ended 31 March 2022

	Notes	2022 R	2021 R
Revenue	12	48 439 265	51 304 035
Cost of sales	13	(9 825 887)	(8 782 024)
Gross profit		38 613 378	42 522 011
Other income	14	8 542 549	66 800 438
Operating expenses		(38 823 561)	(26 886 649)
Operating profit	15	8 332 366	82 435 800
Investment revenue	16	53 728	137 632
Finance costs	17	(11 467 920)	(14 383 036)
(Loss) profit for the year		(3 081 826)	68 190 396

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Statement of Changes in Equity

	Share capital R	Share premium R	Total share capital R	Accumulated loss R	Total equity R
Balance at 1 April 2020	250	4 999 950	5 000 200	(611 958 581)	(606 958 381)
Profit for the year	-	-	-	68 190 396	68 190 396
Balance at 1 April 2021	250	4 999 950	5 000 200	(543 768 185)	(538 767 985)
Loss for the year	-	-	-	(3 081 826)	(3 081 826)
Issue of shares	60	482 407 124	482 407 184	-	482 407 184
Balance at 31 March 2022	310	487 407 074	487 407 384	(546 850 011)	(59 442 627)
Note	8	8	8		

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Statement of Cash Flows

	Notes	2022 R	2021 R
Cash flows from operating activities			
Cash generated from (used in) operations	20	24 352 149	(3 077 288)
Interest income		53 728	137 632
Finance costs		(968)	-
Net cash from operating activities		24 404 909	(2 939 656)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(21 094)	(30 758)
Loans to group companies repaid		-	30 000
Net cash from investing activities		(21 094)	(758)
Cash flows from financing activities			
Repayment of shareholders loan		(479 851)	-
Net cash from financing activities		(479 851)	-
Total cash movement for the year		23 903 964	(2 940 414)
Cash at the beginning of the year		44 443 972	47 384 386
Total cash at end of the year	7	68 347 936	44 443 972

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Annual Financial Statements for the year ended 31 March 2022

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Companies Act of South Africa. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

Useful lives of property, plant and equipment

The company reviews the estimated useful lives of property, plant and equipment when changing circumstances indicate that they may have changed since the most recent reporting date.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one period.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the period in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Plant and machinery	Straight line	4 years
Furniture and fixtures	Straight line	5 years
IT equipment	Straight line	5 years

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

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Accounting Policies

1.2 Property, plant and equipment (continued)

When indicators are present that the useful lives and residual values of items of property, plant and equipment have changed since the most recent annual reporting date, they are reassessed. Any changes are accounted for prospectively as a change in accounting estimate.

1.3 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest rate method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.4 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

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

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Accounting Policies

1.4 Tax (continued)

Tax expenses

Tax expense is recognised in the same component of total comprehensive income or equity as the transaction or other event that resulted in the tax expense.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Finance leases – lessee

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method.

1.6 Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell, on the first-in, first-out (FIFO) basis.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the year in which they are declared.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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Accounting Policies

1.10 Provisions and contingencies

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

1.11 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excluded amounts collected on behalf of third parties. The company recognises revenue when it has completed its contractual obligations in relation to services rendered to a customer.

Revenue from operation and maintenance contracts are recognised pro rata over the period of the contract as and when the services are rendered. Revenue is stated at the invoice amount and is inclusive of value added taxation.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

All transactions in foreign currencies are initially recorded in Rand, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in profit or loss.

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
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2. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	494 528	(469 471)	25 057	494 528	(432 890)	61 638
Furniture and fixtures	75 271	(48 117)	27 154	54 177	(37 457)	16 720
IT equipment	452 832	(428 253)	24 579	452 832	(412 570)	40 262
Total	1 022 631	(945 841)	76 790	1 001 537	(882 917)	118 620

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	61 638	-	(36 581)	25 057
Furniture and fixtures	16 720	21 094	(10 660)	27 154
IT equipment	40 262	-	(15 683)	24 579
	118 620	21 094	(62 924)	76 790

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Derecognised due to first time adoption of IFRS for SME's	Depreciation	Closing balance
Plant and machinery	72 267	30 758	-	(41 387)	61 638
Furniture and fixtures	27 380	-	-	(10 660)	16 720
Motor vehicles	840 190	-	(840 190)	-	-
IT equipment	93 524	-	-	(53 262)	40 262
	1 033 361	30 758	(840 190)	(105 309)	118 620

Motor vehicles represent right-of-use assets previously capitalised under International Financial Reporting Standards.

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Notes to the Annual Financial Statements

	2022 R	2021 R
3. Deferred tax		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Amounts received in advance	1 840 213	1 888 671
Leave pay accrual	247 010	230 069
Provisions	-	406 886
Deferred tax balance from temporary differences other than unused tax losses	2 087 223	2 525 626
Tax losses available for set off against future taxable income	107 817 624	113 166 257
Valuation allowance of deferred tax assets	(109 904 847)	(115 691 883)
Total deferred tax asset	-	-
Reconciliation of deferred tax asset/(liability)		
Recognised in profit or loss:		
Rate change adjustment - normal tax	(4 131 852)	-
Rate change impact of valuation allowance	4 131 852	-
(Decrease) in tax loss available for set off against future taxable income	(1 306 981)	(995 310)
Right-of-use asset	-	235 253
IFRS 16 Liability	-	(271 446)
Leave pay accrual	25 158	88 792
Amounts received in advance	18 995	109 214
Provisions	(392 341)	406 886
Deferred tax assets utilised (not provided for)	1 655 169	426 611
At end of year	-	-
4. Inventories		
Stores and spares	17 186 916	16 989 178
5. Loan to shareholder		
Suzlon Wind Energy South Africa Employee Empowerment Trust	62	50
The loan is unsecured and interest free.		
6. Trade and other receivables		
Trade receivables	21 509 372	625 973
Prepayments	137 198	100 610
Deposits	147 618	111 908
VAT	-	294 437
Project receivable	40 143 110	40 143 110
Advances	-	31 733 461
	61 937 298	73 009 499
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	21 203	27 421
Bank balances	68 326 733	44 416 551
	68 347 936	44 443 972

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	2022 R	2021 R
8. Share capital		
Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Reconciliation of number of shares issued:		
Reported as at 1 April 2021	250	250
Issue of shares – ordinary shares	60	-
	310	250
 690 unissued ordinary shares are under the control of the director in terms of a resolution of the shareholder passed at the last annual general meeting. This authority remains in force until the next annual general meeting.		
Issued		
Ordinary	310	250
Share premium	487 407 074	4 999 950
	487 407 384	5 000 200
9. Loans from group companies		
Fellow subsidiaries		
A E Rotor Holdings B.V.	(50 591 824)	(527 090 616)
Suzlon Energy B.V. Loan 1	(19 046 447)	(19 014 691)
Suzlon Energy B.V. Loan 2	(115 631 700)	(115 631 700)
	(185 269 971)	(661 737 007)
 These loans are unsecured, bear interest at Euro Libor one year rate plus 300 basis points, but not exceeding the base rate of the country of denominations and have no set terms of repayment. Loan 2 from Suzlon Energy B.V. is interest free. These loans are subject to subordination agreements in favour of the creditors of the company, until the assets of the company, fairly valued, exceed its liabilities. These loans are therefore deemed as long terms as they will not be called for in the next 12 months.		
10. Trade and other payables		
Trade payables	12 766 479	2 058 108
Amounts received in advance	6 815 603	6 745 253
VAT	557 570	-
Accrued leave pay	914 853	821 675
Payroll accrual	307 152	274 095
Accrued assurance remuneration	360 000	240 000
	21 721 657	10 139 131

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Notes to the Annual Financial Statements

	2022 R	2021 R		
11. Provisions				
Reconciliation of provisions - 2022				
	Opening balance	Utilised during the year	Total	
Provision for repairs	1 453 166	(1 453 166)	-	
Reconciliation of provisions - 2021				
	Opening balance	Additions	Utilised during the year	Total
Provision for repairs	-	2 153 666	(700 500)	1 453 166
12. Revenue				
Rendering of services		48 439 265	51 304 035	
13. Cost of sales				
Rendering of services				
Materials consumed		8 939 103	8 223 880	
Consulting		886 784	558 144	
		9 825 887	8 782 024	
14. Other income				
Profit on exchange differences		3 294 309	66 133 498	
Recoveries		442 452	-	
Employee tax incentives		55 838	89 958	
Recoveries		4 749 950	576 982	
		8 542 549	66 800 438	
15. Operating profit				
Operating profit for the year is stated after accounting for the following:				
Impairment on other financial assets		9 903 897	-	
Depreciation on property, plant and equipment		62 924	105 309	
Employee costs		15 955 743	15 268 532	
16. Investment revenue				
Interest revenue				
Bank		53 728	72 321	
Interest charged on trade and other receivables		-	65 311	
		53 728	137 632	

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	2022 R	2021 R
17. Finance costs		
Trade and other payables	56	-
Late payment of tax	912	-
Group companies	11 466 952	14 383 036
	11 467 920	14 383 036
18. Taxation		
Major components of the tax expense		
Deferred taxation		
South African deferred tax - current year	(14)	-
South African deferred tax - prior period (over) under provision	14	-
	-	-
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting (loss) profit	(3 081 826)	68 190 396
Tax at the applicable tax rate of 28% (2021: 28%)	(862 911)	19 093 311
Tax effect of adjustments on taxable income		
Exempt income		
Employee tax incentive	(15 635)	(25 188)
Unrealised (profit) loss on exchange difference to connected persons	(62 115)	(18 517 379)
Learnership allowance	(134 400)	(124 133)
	(212 150)	(18 666 700)
Non-deductible expenses		
Donations	18 200	-
SARS interest	255	-
Capital loss	2 773 091	-
	2 791 546	-
Other		
Prior period (over) under provisions in deferred tax	14	-
Deferred tax asset (utilised) not provided for	(1 716 499)	(426 611)
	(1 716 485)	(426 611)
	-	-
No provision has been made for 2022 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R399 324 535 (2021: R 404 165 204).		
19. Auditor's remuneration		
Fees	360 000	240 000
Adjustment for previous year	-	119 000
	360 000	359 000

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
20. Cash generated from (used in) operations		
(Loss) profit before taxation	(3 081 826)	68 190 396
Adjustments for:		
Depreciation	62 924	105 309
Profit on foreign exchange	(3 294 309)	(66 133 498)
Interest received	(53 728)	(137 632)
Finance costs	11 467 920	14 383 036
Impairment loss	9 903 897	-
Movements in provisions	(1 453 166)	1 453 166
Accrued expenses	-	363 333
Derecognised right-of-use asset	-	840 190
Derecognised lease liability	-	(969 449)
Changes in working capital:		
Inventories	(197 738)	(814 916)
Trade and other receivables	4 614	(776 409)
Trade and other payables	10 993 561	(19 580 814)
	24 352 149	(3 077 288)

21. Related parties

Relationships

Ultimate holding company

Holding company

Shareholder

Fellow subsidiaries

Suzlon Energy Limited (India)
Suzlon Energy Limited (Mauritius)
Suzlon Wind Energy South Africa Employee Empowerment Trust
Suzlon Energy B.V.
Suzlon Energy Australia
Suzlon Energy A/S
Suzlon Global Service Ltd
Suzlon Wind Energy Espana S.L.U.
SuzlonWind Energy Turkey
A E Rotor Holdings B.V.
Suzlon Energy Shipping Ltd

Common directors

Related party balances

Loan accounts - Owing (to) by related parties

A E Rotor Holdings B.V.	(50 591 824)	(527 090 616)
Suzlon Energy B.V. Loan 1	(19 046 447)	(19 014 691)
Suzlon Energy B.V. Loan 2	(115 631 700)	(115 631 700)
Suzlon Wind Energy South Africa Employee Empowerment Trust	62	50

Amounts included in Trade receivable (Trade Payable) regarding related parties

A E Rotor Holdings B.V.	(3 234 244)	(3 234 244)
Suzlon Energy A/S	21 256 471	9 558 442
Suzlon Energy Limited (India)	(6 192 139)	(5 632 088)
Suzlon Global Service Ltd	(97 419)	(93 793)
Suzlon Wind Energy Turkey	146 691	-
Suzlon Wind Energy Espana S.L.U.	(618 926)	(697 184)
Suzlon Energy Shipping Ltd	-	31 733 461

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Annual Financial Statements for the year ended 31 March 2022

Notes to the Annual Financial Statements

	2022 R	2021 R
21. Related parties (continued)		
Related party transactions		
Interest paid to related parties		
A E Rotor Holdings (Pty) Ltd	11 071 905	13 897 701
Suzlon Energy B.V.	395 047	485 335
Purchases from related parties		
Suzlon Energy A/S	454 873	1 323 205
Management fees paid to related parties		
Suzlon Energy A/S	3 691 046	4 874 507
Suzlon Wind Energy Espana S.L.U.	757 093	766 915
Suzlon Energy Australia	1 921 212	-
22. Director's emoluments		
No emoluments were paid to the director or any individuals holding a prescribed office during the year.		
23. Categories of financial instruments		
Financial assets at amortised cost		
Loan to shareholder	62	50
Trade and other receivables	61 800 100	72 614 452
Cash and cash equivalents	68 347 936	44 443 972
	130 148 098	117 058 474
Financial liabilities at amortised cost		
Loans from group companies	185 269 971	661 737 007
Trade and other payables	14 348 481	3 393 878
	199 618 452	665 130 885

24. Going concern

We draw attention to the fact that at 31 March 2022, the company had accumulated losses of R546 850 011 and that the company's total liabilities exceed its assets by R(59 442 627).

These conditions give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the director continues to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

Suzlon Wind Energy South Africa Proprietary Limited

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Detailed Income Statement

	2022 R	2021 R
Revenue		
Sale of goods	48 439 265	51 304 035
Cost of sales		
Purchases	(9 825 887)	(8 782 024)
Gross profit	38 613 378	42 522 011
Other income		
Recoveries	442 452	-
Employee tax incentive	55 838	89 958
Recoveries	4 749 950	576 982
Profit on exchange differences	3 294 309	66 133 498
	8 542 549	66 800 438
Operating expenses		
Accounting fees	579 801	490 179
Administration and management fees	6 369 351	5 641 419
Auditor's remuneration	360 000	359 000
Bank charges	187 644	136 567
Cleaning	77 466	75 865
Computer expenses	641 504	99 959
Depreciation and capital loss	9 966 821	105 309
Donations	65 000	-
Employee costs	15 955 743	15 268 532
Enterprise development expense	-	90 000
Entertainment	30 359	20 351
Forecast services	51 982	58 298
Insurance	368 738	430 457
Legal expenses	79 452	-
Motor vehicle expenses	153 197	83 532
Municipal expenses	-	50 047
Other expenses	40 966	2 830
Printing and stationery	56 059	64 060
Protective clothing	329 064	238 400
Repairs and maintenance	1 565	181 383
Secretarial fees	24 128	34 876
Staff accommodation	1 385 204	1 223 981
Staff welfare	43 629	18 254
Telephone and fax	428 807	444 237
Training	791 284	519 059
Transport and freight	69 807	73 827
Travel - local	765 990	1 176 227
	38 823 561	26 886 649
Operating profit	8 332 366	82 435 800
Investment income	53 728	137 632
Finance costs	(11 467 920)	(14 383 036)
	(11 414 192)	(14 245 404)
(Loss) profit for the year	(3 081 826)	68 190 396

Suzlon Wind Energy South Africa Proprietary Limited

(Taxpayer reference number 9718521157)

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Annual Financial Statements for the year ended 31 March 2022

Tax Computation

	2022 R
Net loss per statement of comprehensive income	(3 081 826)
Permanent differences (Non-deductible/Non taxable items)	
Employee tax incentive	(55 838)
Unrealised exchange loss: connected persons (s 24l(10A))	(221 838)
SARS interest	912
Learnership allowance (s 12H)	(480 000)
Donations	65 000
Capital loss	9 903 897
	9 212 133
Temporary differences	
Amounts received in advance - prior year	(6 745 253)
Amounts received in advance - current year	6 815 603
Provisional for future expenses - prior year	(1 453 166)
Leave pay accrual - current year	914 853
Leave pay accrual - prior year	(821 675)
	(1 289 638)
Calculated tax profit for the year	4 840 669
Assessed loss brought forward	(404 165 204)
Assessed loss for 2022 - carried forward	(399 324 535)
Tax thereon @ 28%	-