

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number 2010/017784/07)

Annual Financial Statements
for the year ended 31 March 2024

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

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
Holding company	Suzlon Energy Limited incorporated in Mauritius
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	The annual financial statements were independently compiled by: Mark C. Daverin (CA) SA

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the shareholder:

	Page
Director's Responsibilities and Approval	3
Independent Auditor's Report	4 - 6
Director's Report	7 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 16
Notes to the Annual Financial Statements	17 - 24
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	25 - 26
Tax Computation	27

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

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 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 2025 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 financial statements. The 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 24, which have been prepared on the going concern basis, were approved and signed by the director on 30/04/2024.



T.A. Parmar

Independent Auditor's Report

To the shareholder 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 24, which comprise the statement of financial position as at 31 March 2024, 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 2024, 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 R541 043 047 at 31 March 2024, and as of that date, the company's liabilities exceeded its total assets by R53 645 663. 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 2024" which includes the Director's Report as required by the Companies Act of South Africa and the supplementary information set out on pages 25 to 27. 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.

Registration No. 2002/004678/21 **IRBA Reg No** 930709E **Directors:** LD van Goeverden | L Battle | MC Daverin | J du Preez
M Mohamed | ST Nguyen | DJ Robertson | GP van Zyl **B-BBEE Status:** Level 2

PKF (PE) Inc. is a member of PKF South Africa, the network of member firms of PKF South Africa Inc., and PKF Global, the network of member firms of PKF International Limited. Each member firm is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s) of PKF South Africa or PKF Global.

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.

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.



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 30 April 2024
Gqeberha

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

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 2024.

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

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

As there are no distributable reserves, no dividends were declared or paid for the year under review (2023: R Nil).

5. Director

The director in office at the date of this report is 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% (2023 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

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.

We draw attention to the fact that at 31 March 2024, the company had accumulated losses of R541 053 047 and that the company's total liabilities exceed its total assets by R53 645 663.

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 3 of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

These conditions have given 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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Director's Report

9. Auditors

PKF (PE) Inc continued in office as auditors for the company for 2024.

10. Secretary

The company had no secretary during the year.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position as at 31 March 2024

	Notes	2024 R	2023 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	690 525	431 197
Loan to group company	3	20 125 513	-
		20 816 038	431 197
Current Assets			
Inventories	4	24 218 241	23 718 239
Loan to group company	3	1 386 260	-
Loan to shareholder	5	62	62
Trade and other receivables	6	8 396 776	63 124 208
Cash and cash equivalents	7	96 175 850	58 779 771
		130 177 189	145 622 280
Total Assets		150 993 227	146 053 477
Equity and Liabilities			
Equity			
Share capital	8	487 407 384	487 407 384
Accumulated loss		(541 053 047)	(541 773 606)
		(53 645 663)	(54 366 222)
Liabilities			
Non-Current Liabilities			
Loans from group companies	3	180 132 334	172 050 366
Current Liabilities			
Trade and other payables	9	24 480 097	28 369 333
Current tax payable		26 459	-
		24 506 556	28 369 333
Total Liabilities		204 638 890	200 419 699
Total Equity and Liabilities		150 993 227	146 053 477

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Statement of Comprehensive Income for the year ended 31 March 2024

	Notes	2024 R	2023 R
Revenue	11	59 915 810	50 760 362
Cost of sales	12	(23 132 438)	(16 345 403)
Gross profit		36 783 372	34 414 959
Other income	13	9 437 237	12 152 996
Operating expenses		(43 016 216)	(39 947 661)
Operating profit	14	3 204 393	6 620 294
Investment revenue	15	1 992 207	207 266
Finance costs	16	(3 877 946)	(1 751 156)
Profit before taxation		1 318 654	5 076 404
Taxation	17	(598 095)	-
Profit for the year		720 559	5 076 404

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

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 2022	310	487 407 074	487 407 384	(546 850 010)	(59 442 626)
Profit for the year	-	-	-	5 076 404	5 076 404
Balance at 1 April 2023	310	487 407 074	487 407 384	(541 773 606)	(54 366 222)
Profit for the year	-	-	-	720 559	720 559
Balance at 31 March 2024	310	487 407 074	487 407 384	(541 053 047)	(53 645 663)
Note	8	8	8		

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

	Notes	2024 R	2023 R
Cash flows from operating activities			
Cash generated from operations	19	37 833 839	12 083 749
Interest income		605 947	207 266
Tax paid	20	(571 636)	-
Net cash from operating activities		37 868 150	12 291 015
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(472 071)	(443 652)
Loan advanced to group company		-	(21 415 528)
Net cash from investing activities		(472 071)	(21 859 180)
Total cash movement for the year		37 396 079	(9 568 165)
Cash at the beginning of the year		58 779 771	68 347 936
Total cash at the end of the year	7	96 175 850	58 779 771

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

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.

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	3-5 years

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

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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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. They 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.

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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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 weighted average cost basis.

1.7 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment 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.

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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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 exclusive 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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

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 exclusive 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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
--	-----------	-----------

2. Property, plant and equipment

	2024			2023		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Plant and machinery	1 135 539	(599 233)	536 306	663 474	(490 297)	173 177
Furniture and fixtures	93 391	(68 048)	25 343	93 391	(60 205)	33 186
Motor vehicles	6	-	6	-	-	-
IT equipment	627 052	(498 182)	128 870	643 052	(418 218)	224 834
Total	1 855 988	(1 165 463)	690 525	1 399 917	(968 720)	431 197

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Plant and machinery	173 177	472 065	(108 936)	536 306
Furniture and fixtures	33 186	-	(7 843)	25 343
Motor vehicles	-	6	-	6
IT equipment	224 834	-	(95 964)	128 870
	431 197	472 071	(212 743)	690 525

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Plant and machinery	25 057	168 946	-	(20 826)	173 177
Furniture and fixtures	27 154	18 120	-	(12 088)	33 186
IT equipment	24 579	256 586	(4)	(56 327)	224 834
	76 790	443 652	(4)	(89 241)	431 197

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
3. Loans to (from) group companies		
Fellow subsidiaries		
A E Rotor Holdings B.V. The loan is unsecured, bears interest at Euro Libor one year rate plus 300 basis points, but not exceeding the base rate of the country of denominations and has no set terms of repayment. The A E Rotor Holdings B.V. loan is subject to a subordination agreement in favour of the creditors of the company, until the assets of the company, fairly valued, exceed its liabilities. This loan is therefore deemed as long term as it will not be called for in the next 12 months.	(71 546 614)	(63 464 646)
Suzlon Energy B.V. The loan is unsecured, bears no interest and has no set terms of repayment. The Suzlon Energy B.V. loan is subject to a subordination agreement in favour of the creditors of the company, until the assets of the company, fairly valued, exceed its liabilities. This loan is therefore deemed as long term as it will not be called for in the next 12 months.	(108 585 720)	(108 585 720)
Suzlon Energy A/S (SEAS) The loan is unsecured, bears interest at Euro Libor one year rate plus 100 basis points, considering that the interest will be calculated on a 360-day year base period. The capital portion of the loan is not repayable within the next 12 months; interest is payable quarterly.	21 511 773	-
	(158 620 561)	(172 050 366)
Net loans to (from) group companies		
Non-current assets	20 125 513	-
Current assets	1 386 260	-
Non-current liabilities	(180 132 334)	(172 050 366)
	(158 620 561)	(172 050 366)
4. Inventories		
Stores and spares	24 218 241	23 718 239
5. Loan to shareholder		
Suzlon Wind Energy South Africa Employee Empowerment Trust	62	62
The loan is unsecured and interest free with no fixed terms of repayment.		
6. Trade and other receivables		
Trade receivables	7 819 107	62 254 290
Prepayments	168 875	145 276
Deposits	97 674	163 678
Value added taxation	311 120	560 964
	8 396 776	63 124 208

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	38 478	64 178
Bank balances	96 137 372	58 715 593
	96 175 850	58 779 771
8. Share capital		
Authorised		
1 000 Ordinary shares of R1 each	1 000	1 000
Reconciliation of number of shares issued:		
At the beginning of the year	310	310
Issued		
Ordinary	310	310
Share premium	487 407 074	487 407 074
	487 407 384	487 407 384
9. Trade and other payables		
Trade payables	14 071 697	18 634 574
Provision for leave pay	826 845	875 381
Provision for staff bonus	366 019	-
Payroll accrual	123 163	439 510
Accrued audit fees	360 000	360 000
Amounts received in advance	8 732 373	8 059 868
	24 480 097	28 369 333

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
10. Deferred tax		
The major components of the deferred tax balance are as follows:		
Deferred tax asset		
Arising as a result of temporary differences on:		
Provision for staff bonus	98 825	-
Unrealised forex loss	1 009 822	2 693 042
Amounts received in advance	2 357 741	2 176 165
Provision for leave pay	223 248	236 353
Deferred tax balance from temporary differences other than unused tax losses	3 689 636	5 105 560
Tax losses available for set off against future taxable income	105 342 966	107 735 343
Valuation allowance of deferred tax assets	(108 819 075)	(108 466 222)
Total deferred tax asset	213 527	4 374 681
Deferred tax liability		
Arising as a result of temporary differences on:		
Prepayments	(45 596)	(39 225)
Doubtful debt allowance based on aging	(167 931)	(4 335 456)
Total deferred tax liability	(213 527)	(4 374 681)
Deferred tax asset	213 527	4 374 681
Deferred tax liability	(213 527)	(4 374 681)
Total net deferred tax asset	-	-
Reconciliation of deferred tax asset (liability)		
Recognised in profit or loss:		
Decrease in tax loss available for set off against future taxable income	(2 392 377)	(82 281)
Movement in temporary differences on doubtful debt allowance based on aging	4 167 525	(4 335 456)
Movement in temporary differences on unrealised forex loss	(1 683 220)	2 752 938
Prior period under provision of deferred tax	-	(59 896)
Movement in temporary differences on prepayments	(6 371)	(39 225)
Movement in temporary differences on provision for leave pay	(13 105)	(10 657)
Movement in temporary differences on amounts received in advance	181 576	335 952
Movement in temporary differences on provision for staff bonus	98 825	-
Movement in valuation allowance	(352 853)	1 438 625
	-	-
11. Revenue		
Rendering of services	59 915 810	50 760 362
12. Cost of sales		
Rendering of services		
Materials consumed	22 624 906	15 846 332
Consulting	507 532	499 071
	23 132 438	16 345 403

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
13. Other income		
Employee tax incentive	53 446	-
Insurance proceeds	4 514 447	7 185 715
Interest benefit on debt waiver	-	4 717 774
Recoveries	4 869 344	249 507
	9 437 237	12 152 996
14. Operating profit		
Operating profit for the year is stated after accounting for the following:		
Loss on disposal of assets	-	4
Loss on exchange differences	4 174 276	6 909 741
Depreciation on property, plant and equipment	212 743	89 241
Employee costs	20 623 173	16 708 754
15. Investment revenue		
Interest revenue		
Bank	605 947	207 266
Group companies	1 386 260	-
	1 992 207	207 266
16. Finance costs		
Group companies	3 877 946	1 751 156
17. Taxation		
Major components of the tax expense		
Current taxation		
South African normal tax - year	598 095	-
Reconciliation of the tax expense		
Accounting profit	1 318 654	5 076 404
Tax at the applicable tax rate of 27% (2023: 27%)	356 037	1 370 629
Tax effect of adjustments on taxable income		
Non-deductible expenses (exempt income)		
Donations	8 936	8 100
Employee tax incentive	(14 431)	-
	(5 495)	8 100
Other		
Learnership allowance (s12H)	(105 300)	-
Movement in valuation allowance	352 853	(1 438 625)
Prior period under provisions in deferred tax	-	59 896
	247 553	(1 378 729)
	598 095	-

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
18. Auditor's remuneration		
Fees	360 000	360 000
Prior year over provision	(62 300)	(92 363)
	297 700	267 637
19. Cash generated from operations		
Profit before taxation	1 318 654	358 630
Adjustments for:		
Depreciation	212 743	89 241
Loss on sale of assets	-	4
Loss on foreign exchange	4 174 276	6 909 741
Interest received	(1 992 207)	(207 266)
Finance costs	3 877 946	1 751 156
Changes in working capital:		
Inventories	(500 002)	(6 531 323)
Trade and other receivables	34 584 122	372 590
Trade and other payables	(3 841 693)	9 340 976
	37 833 839	12 083 749
20. Tax paid		
Current tax for the year recognised in profit or loss	(598 095)	-
Balance at end of the year	26 459	-
	(571 636)	-

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
21. Related parties		
Relationships		
Ultimate holding company	Suzlon Energy Limited (India)	
Holding company	Suzlon Energy Limited (Mauritius)	
Shareholder	Suzlon Wind Energy South Africa Employee Empowerment Trust	
Fellow subsidiaries	Suzlon Energy B.V.	
	Suzlon Energy Australia	
	Suzlon Energy A/S	
	Suzlon Global Services Ltd	
	Suzlon Wind Energy Espana S.L.U.	
	Suzlon Wind Energy Turkey	
	A E Rotor Holdings B.V.	
	Suzlon Wind Energy Portugal, L da	
	Suzlon Wind Energy Romania	
Related party balances		
Loan accounts - Owing (to) by related parties		
A E Rotor Holdings B.V.	(71 546 614)	(63 464 646)
Suzlon Energy B.V.	(108 585 720)	(108 585 720)
Suzlon Wind Energy South Africa Employee Empowerment Trust	62	62
Suzlon Energy A/S	21 511 772	-
Amounts included in trade receivables (trade payables) regarding related parties		
A E Rotor Holdings B.V.	(3 234 224)	(3 234 244)
Suzlon Energy A/S	1 359 834	22 083 386
Suzlon Energy A/S	(2 826 339)	-
Suzlon Global Service Ltd	(418 573)	(112 553)
Suzlon Wind Energy Espana S.L.U.	-	(672 204)
Suzlon Energy Limited (India)	(2 912 210)	(6 279 142)
Suzlon Energy Limited (India)	5 632 088	-
Suzlon Wind Energy Portugal, L da	-	(6 205 960)
Suzlon Energy Australia	(44 229)	(1 430 695)
Suzlon Energy Australia	3 837 734	-
Related party transactions		
Interest paid (received) to related parties		
A E Rotor Holdings B.V.	3 877 946	1 541 595
Suzlon Energy B.V.	-	209 561
Suzlon Energy A/S	(1 386 260)	-
Purchases from (sales to) related parties		
Suzlon Energy A/S	1 237 298	-
Suzlon Wind Energy Espana S.L.U.	581 626	-
Suzlon Energy Australia	3 837 734	-
Suzlon Energy Australia	(5 363 282)	-
Suzlon Wind Energy Romania	(255 355)	98 745
Suzlon Global Service Ltd	1 942 120	-
Suzlon Wind Energy Portugal, L da	2 280 945	12 552 967
Management fees paid to related parties		
Suzlon Energy A/S	1 730 480	4 093 092
Suzlon Wind Energy Espana S.L.U.	2 042 974	1 760 615
Suzlon Energy Australia	-	2 273 300
Suzlon Energy Limited (India)	2 222 684	-

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

	2024 R	2023 R
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		
Loans to group companies	21 511 773	-
Loan to shareholder	62	62
Trade and other receivables	7 916 781	62 417 968
Cash and cash equivalents	96 175 850	58 779 771
	125 604 466	121 197 801
Financial liabilities at amortised cost		
Loans from group companies	180 132 334	172 050 366
Trade and other payables	14 554 860	19 434 084
	194 687 194	191 484 450

24. Going concern

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.

We draw attention to the fact that at 31 March 2024, the company had accumulated losses of R541 053 047 and that the company's total liabilities exceed its total assets by R53 645 663.

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 3 of these annual financial statements will remain in force for as long as it takes to restore the solvency of the company.

These conditions have given 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.

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

	Note	2024 R	2023 R
Revenue			
Sale of goods		59 915 810	50 760 362
Cost of sales			
Purchases		(23 132 438)	(16 345 403)
Gross profit		36 783 372	34 414 959
Other income			
Employee tax incentive		53 446	-
Interest benefit on debt waiver		-	4 717 774
Insurance proceeds		4 514 447	7 185 715
Recoveries		4 869 344	249 507
		9 437 237	12 152 996
Expenses (Refer to page 26)		(43 016 216)	(39 947 661)
Operating profit		3 204 393	6 620 294
Investment income		1 992 207	207 266
Finance costs		(3 877 946)	(1 751 156)
		(1 885 739)	(1 543 890)
Profit before taxation		1 318 654	5 076 404
Taxation	17	(598 095)	-
Profit for the year		720 559	5 076 404

Suzlon Wind Energy South Africa Proprietary Limited

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

	2024 R	2023 R
Operating expenses		
Accounting fees	134 633	321 391
Administration and management fees	10 654 968	8 827 075
Advertising	2 500	2 310
Auditor's remuneration	297 700	267 637
Bank charges	94 182	67 152
Cleaning	116 182	94 965
Computer expenses	59 197	159 951
Depreciation	212 743	89 241
Donations	33 100	30 000
Employee costs	20 623 173	16 708 754
Enterprise development expense	775 713	562 000
Entertainment	37 024	55 248
Exhibition costs	-	15 996
Forecast services	63 321	50 172
Insurance	347 846	270 854
Loss on disposal of assets	-	4
Loss on exchange differences	4 174 276	6 909 741
Motor vehicle expenses	184 594	300 499
Other expenses	38 903	20 800
Printing and stationery	31 978	40 466
Protective clothing	426 428	583 456
Repairs and maintenance	4 129	26 678
Secretarial fees	25 576	24 128
Staff accommodation	1 529 883	1 440 401
Staff welfare	178 306	140 666
Subscriptions	19 042	3 008
Telephone and fax	486 993	455 180
Training	1 078 568	534 630
Transport and freight	143 697	362 896
Travel - local	845 508	1 021 986
Travel - overseas	396 053	560 376
	43 016 216	39 947 661

Suzlon Wind Energy South Africa Proprietary Limited

(Taxpayer reference number 9718521157)

(Registration number: 2010/017784/07)

Annual Financial Statements for the year ended 31 March 2024

Tax Computation

	2024 R
Net profit per statement of comprehensive income	1 318 654
Permanent differences (Non-deductible/Non taxable items)	
Donations	33 100
Employee tax incentive income (non taxable)	(53 446)
Learnership allowance (s12H)	(390 000)
	(410 346)
Temporary differences	
Depreciation	212 743
Wear and tear	(212 743)
Unrealised forex gain/(loss) - prior year	(9 974 230)
Unrealised forex gain/(loss) - current year	3 740 080
Prepayments - insurance - prior year	(168 875)
Prepayments - insurance - current year	145 276
Provision for leave pay - prior year	(875 381)
Provision for leave pay - current year	826 845
Provision for bonus - current year	366 019
Doubtful debt allowance (s11(j)) - prior year	16 057 244
Doubtful debt allowance (s11(j)) - current year	(621 968)
Amounts received in advance - current year	8 732 373
Amounts received in advance - prior year	(8 059 868)
	10 167 515
Calculated tax profit for the year	11 075 823
Assessed loss brought forward (limited to 80% of taxable income)	(8 860 658)
Taxable income for 2024	2 215 165
Tax thereon @ 27% in the Rand	598 095
Reconciliation of tax balance	
Tax owing for the current year:	
Normal tax	
Per calculation	598 095
1st provisional payment	(571 636)
2nd provisional payment	-
Other payments	-
	26 459
Amount owing at the end of year	26 459