

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com



Report of Independent Accountants

To the Stockholder of Suzlon Wind Energy Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of **Suzlon Wind Energy Corporation** (referred to as "the Company") as at March 31, 2019 and 2018 and the related statements of profit and loss and change in stockholder's equity for the years then ended, and related notes to financial statement (collectively referred to as the "financials statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and March 31, 2018 and the results of its operations for the years then ended in conformity with accounting principles generally accepted in India.

Basis of Opinion

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

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

Emphasis of Matter

We draw attention to Note 33 of the financial statements, which indicates that the Company incurred a loss of \$ 11.85 million during the year ended 31 March 2019 (2018: Loss of \$ 18.64 million), and as of that date, the Company had an accumulated deficit of \$ 102.87 million (2018: \$ 91.02 million). The Company has continued to incur losses in FY19, which has resulted in a net asset deficiency of \$ 20.55 million. These factors indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. The Company sought and obtained a letter of support from Suzlon Energy Limited ("the Group"), the ultimate parent to continue to provide financial support to Suzlon Energy Limited (Mauritius) and its subsidiaries to enable it to continue operations through at least 12 months from the date of the directors' report.

Our opinion is not modified in respect of this matter.



Corporate / Regd. Office : B-30, Connaught Place, Kuthiala Building, New Delhi – 110001
Phone : 43259900, Fax : 43259930, E-mail : delhi@trchadha.com

Branches at: ♦ AHMEDABAD ♦ BENGALURU ♦ CHENNAI ♦ GURGAON ♦ HYDERABAD ♦ PUNE ♦ TIRUPATI

T R Chadha & Co LLP

Chartered Accountants

502, Marathon Icon,
Off. Ganpatrao Kadam Marg
Opp. Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Tel.: 022-49669000
Fax.: 022-49669023
Email:mumbai@trchadha.com



Restriction of Use

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

For T R Chadha & Co LLP

T R Chadha & Co LLP

Chartered Accountants

Date: 20th May, 2019

Place: Mumbai



Suzlon Wind Energy Corporation
Consolidated Balance sheet as at March 31, 2019
All amounts in US Dollars, unless otherwise stated

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	1,488,744	1,937,719
Financial assets			
Trade receivables	7	25,065,975	41,992,090
Other financial assets	8	2,746,188	10,006,182
		29,300,887	53,934,991
Current assets			
Inventories	9	10,901,854	13,792,325
Financial assets			
Trade receivables	7	11,862,973	7,496,815
Cash and cash equivalents	10	2,547,388	6,960,737
Other financial assets	8	108,619	108,183
Current Tax Assets		110,669	300,988
Other current assets	11	445,064	467,655
		25,976,568	29,124,722
Total assets		55,277,455	83,059,713
Equity and liabilities			
Equity			
Equity share capital	12	1,000	1,000
Other equity			
Share premium	13	82,314,746	82,314,746
Retained earnings		(102,869,834)	(91,020,181)
		(20,554,088)	(8,704,435)
Non-current liabilities			
Financial liabilities			
Borrowings	14	4,000,000	12,000,000
Other financial liabilities	15	40,376,338	47,826,531
		44,376,338	59,826,531
Current liabilities			
Financial liabilities			
Trade payables	18	8,781,806	9,630,893
Other financial liabilities	15	11,824,054	12,026,512
Other liabilities	16	8,115,516	7,528,735
Provisions	17	2,734,030	2,751,677
		31,455,206	31,937,817
Total equity and liabilities		55,277,455	83,059,713

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

Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date: 20 May 2019

For Suzlon Wind Energy Corporation

Andy Cukurs
CEO
Jesse Campbell
CFO

Place: Chicago, IL
Date: May 20, 2019



Suzlon Wind Energy Corporation

Consolidated Statement of profit and loss for the year ended March 31, 2019

All amounts in US Dollars, unless otherwise stated

Particulars	Notes	March 31, 2019	March 31, 2018
Income			
Revenue from operations	19	53,657,830	52,755,848
Other operating income	20	344,041	263,033
Other Income	21	3,931,486	392,882
		57,833,358	53,411,762
Expenses			
Consumption of raw materials		20,621,132	23,309,704
Changes in inventories of finished goods, work-in-progress and stock-in-trade		2,890,470	4,190,634
Employee benefits expense	22	28,759,009	28,611,120
Depreciation / amortisation (including impairment losses)	6	578,763	1,472,472
Finance costs	23	3,164,238	3,592,670
Other expenses	24	13,542,914	10,870,803
		69,556,526	72,047,412
Profit/ (loss) before tax		(11,723,168)	(18,635,650)
Tax expense		126,484	-
Profit/ (loss) after tax		(11,849,652)	(18,635,650)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		(11,849,652)	(18,635,650)

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

Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date: 20 May 2019



For Suzlon Wind Energy Corporation

Andy Cukurs
CEO

Jesse Campbell
CFO

Place: Chicago, IL
Date: May 20, 2019

Suzion Wind Energy Corporation
Consolidated Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital

	US Dollars
Equity shares of US Dollar 1 each, subscribed and fully paid	
At April 1, 2017	500,000
Issue of share capital	-
At March 31, 2018	500,000
Issue of share capital	-
At March 31, 2019	<u>500,000</u>

b. Other equity, attributable to the equity holders

	Retained earnings	Share premium	Total equity
As at April 1, 2018			
Profit/ (loss) for the year	(91,020,181)	82,314,746	(8,705,435)
Other comprehensive income	(11,849,652)	-	(11,849,652)
Total comprehensive income	<u>(102,869,833)</u>	<u>82,314,746</u>	<u>(20,555,087)</u>
Other movements	-	-	-
As at March 31, 2019	<u>(102,869,833)</u>	<u>82,314,746</u>	<u>(20,555,087)</u>
As at April 1, 2017			
Profit/ (loss) for the year	(72,384,531)	82,314,746	8,930,215
Other comprehensive income	(18,635,650)	-	(18,635,650)
Total comprehensive income	<u>(91,020,181)</u>	<u>82,314,746</u>	<u>(8,705,435)</u>
Other movements	-	-	-
As at March 31, 2018	<u>(91,020,181)</u>	<u>82,314,746</u>	<u>(8,705,435)</u>

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

Vikas Kumar
Partner
Membership No. 75363

Mumbai
Date:

20 May 2019



For Suzion Wind Energy Corporation

Andy Cukurs
CEO

Jesse Campbell
CFO

Place: Chicago, IL
Date: May 20, 2019

1. Company information

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

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

2. Basis of preparation and significant accounting policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for the following:
• certain financial assets and liabilities that is measured at fair value.

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

Basis of Consolidation

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

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

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

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

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



*ar
ATC*

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

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

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

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

Particulars	Country of Incorporation	% of Voting Power As at March 31, 2019	% of Voting Power As at March 31, 2018
Subsidiary Company - Direct			
Suzlon Project VIII LLC	United States of America	100	100

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

The Company classifies all other liabilities as non-current.

b. Foreign currencies

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



A handwritten signature in black ink, appearing to read "D. JPL".

Transactions and balances

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

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

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

c. Revenue recognition

We determine revenue recognition through the following steps:

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

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

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

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

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

Revenue from operations and maintenance service

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

Revenue from sale of components

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



[Handwritten signature]

Interest income

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

d. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

f. Borrowing costs

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

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

g. Leases

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

Company as a lessee

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



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

Company as a lessor

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

h. Impairment of non-financial assets

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

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

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

i. Inventories

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

j. Provisions

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

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



k. Retirement and other employee benefits

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

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

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

l. Cash and cash equivalents

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

m. Contingent liabilities

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

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

3. Significant accounting judgements, estimates and assumptions

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

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

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

Revenue recognition and presentation

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

b. Significant accounting estimates and assumptions



202

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

Allowance for trade receivables

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

4. Fair value measurements

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

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

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

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

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

5. Financial instrument

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

(a) Financial Assets:

Initial recognition and measurement:

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



Subsequent measurement:

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

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

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

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

i. Financial assets measured at amortized cost:

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

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

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

ii. Financial assets measured at FVTOCI:

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

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

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

However, the Company recognizes dividend income from such instruments in the Statement of Profit and Loss.

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

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

iii. Financial assets measured at FVTPL:

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



DR
002

De-recognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

(b) Financial Liabilities:

Initial recognition and measurement

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

Subsequent measurement

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



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

De-recognition

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

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

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

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

Vikas Kumar
Partner
Membership No.: 75363

20 May 2019

For Suzlon Wind Energy Corporation

Andy Cukurs
CEO

Jesse Campbell
CFO

Place: Chicago, IL
Date: May 20, 2019



Suzlon Wind Energy Corporation

8 Property, plant and equipment

Particulars	Gross block				Depreciation / amortisation			Net block		
	As at April 1, 2018	Additions	Disposals	As at March 31, 2018	As at April 1, 2018	For the year	Disposals	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Freehold land	-	-	-	635,525	223,941	87,197	-	311,138	224,387	311,584
Leasehold improvements	535,525	-	-	535,525	223,941	87,197	-	311,138	224,387	311,584
Plant and Machinery	4,824,443	123,237	2,493,543	2,454,137	3,344,153	438,148	2,493,543	1,288,758	1,165,380	1,460,230
Computer and office equipments	295,520	6,650	38,596	286,476	176,769	46,503	35,696	109,768	76,708	118,751
Furniture and fixtures	40,848	-	-	40,848	13,753	4,825	-	18,576	22,269	27,094
Vehicles	8,610	-	3,500	5,010	8,510	-	3,600	6,010	(0)	(0)
Total	6,704,846	129,787	2,632,638	3,301,994	3,767,126	678,763	2,632,638	1,813,251	1,488,744	1,937,719
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Grand Total	6,704,846	129,787	2,632,638	3,301,994	3,767,126	678,763	2,632,638	1,813,251	1,488,744	1,937,719

Particulars	Gross block				Depreciation / amortisation			Net block		
	As at April 1, 2017	Additions	Disposals	As at March 31, 2018	As at April 1, 2017	For the year	Disposals	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Freehold land	9,800	-	9,800	-	-	-	-	-	-	9,800
Leasehold improvements	570,875	14,850	50,200	536,525	164,689	87,631	28,270	223,941	311,584	400,100
Plant and Machinery	4,598,462	268,371	30,390	4,824,443	2,917,143	457,400	30,390	3,344,153	1,460,230	1,681,310
Computer and office equipments	245,870	49,650	-	286,520	125,318	51,451	-	176,769	118,751	120,562
Furniture and fixtures	40,848	-	-	40,848	8,766	4,997	-	13,753	27,094	32,090
Vehicles	8,610	-	-	8,510	8,610	-	-	8,610	(0)	(0)
Total	5,474,364	320,871	80,390	6,704,846	3,224,416	801,379	58,669	3,767,126	1,937,719	2,249,948
Capital Work in Progress	26,629	844,464	-	871,093	-	-	-	871,093	-	26,028
Grand Total	5,600,993	1,165,336	90,390	6,676,938	3,224,416	801,379	58,669	4,638,219	1,937,719	2,276,577



AR
202

Suzlon Wind Energy Corporation

Notes to consolidated financial statements for the year ended March 31, 2019

7 Trade receivables

	March 31, 2019	March 31, 2018
Non-current		
Unsecured		
Considered good from related parties	25,065,975	41,992,090
Considered doubtful from related parties	72,711	2,055,202
	<u>25,138,686</u>	<u>44,047,292</u>
Less : Provision for doubtful receivables (Expected Credit Loss)	<u>(72,711)</u>	<u>(2,055,202)</u>
Total	<u>25,065,975</u>	<u>41,992,090</u>
Current		
Unsecured, considered good from 3rd parties	1,748,271	1,025,558
Unsecured, considered good from related parties	10,114,702	6,471,257
Total	<u>11,862,973</u>	<u>7,496,815</u>

8 Other financial assets

	March 31, 2019	March 31, 2018
Non-current		
Non-current bank balances *	741,232	820,487
Security deposits	2,800	2,800
Loans and advances to employees	80,000	160,002
Loans and Advances recoverable from related parties	12,208,359	9,021,892
	<u>13,032,382</u>	<u>10,005,182</u>
Less : Provision for doubtful receivables	<u>(10,286,224)</u>	<u>-</u>
Total	<u>2,746,158</u>	<u>10,005,182</u>

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

Current

Advances recoverable in cash	28,619	26,193
Loans and advances to employees	80,000	80,000
Total	<u>108,619</u>	<u>106,193</u>

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

	March 31, 2019	March 31, 2018
Finished goods, semi-finished goods and work-in-progress	2,169,745	3,314,225
Stores and spares	8,732,110	10,478,099
Total	<u>10,901,854</u>	<u>13,792,325</u>

10 Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks: In current accounts	2,547,388	6,959,354
Cash on hand	-	1,383
Total	<u>2,547,388</u>	<u>6,960,737</u>

11 Other current assets

	March 31, 2019	March 31, 2018
Prepaid expenses	228,057	324,624
Advance for Goods	217,007	143,031
Total	<u>445,064</u>	<u>467,655</u>

12 Share capital

	March 31, 2019	March 31, 2018
Authorised shares		
500,000 equity shares of US dollar 1 each	500,000	500,000
Issued, subscribed & paid-up		
1000 equity shares of US dollar 1 each fully paid up.	1,000	1,000
Total	<u>1,000</u>	<u>1,000</u>

Terms/ rights attached to equity shares

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



✓
202

Suzlon Wind Energy Corporation

Notes to consolidated financial statements for the year ended March 31, 2019

13 Other equity

	March 31, 2019	March 31, 2018
Securitites premium	82,314,748	82,314,746
Retained earnings	(102,869,833)	(91,020,181)

14 Borrowings

	March 31, 2019	March 31, 2018
Non-current		
Term loan from banks/ financial institutions	4,000,000	12,000,000
Total	4,000,000	12,000,000
Current		
Current maturity of long-term borrowings	8,000,000	8,000,000
Total	8,000,000	8,000,000

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

The security for the facility is given as follows:

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

15 Other financial liabilities

	March 31, 2019	March 31, 2018
Non-current		
Loans from related parties (Repayable after two years and rate of interest between 2-4% p.a.)	39,576,338	46,226,531
Liquidated Damages due to third party	800,000	1,600,000
Total	40,376,338	47,826,531
Current		
Current maturity of long-term borrowings	8,000,000	8,000,000
Statutory dues	1,089,675	454,265
Liquidated Damages due to third party	600,000	800,000
Others	1,934,479	2,772,247
Total	11,624,054	12,226,512

16 Other current liabilities

	March 31, 2019	March 31, 2018
Advance from customer	500,000	10,000
Income received in advance	7,615,516	7,516,735
Total	8,115,616	7,526,735

17 Provisions

	March 31, 2019	March 31, 2018
Current		
Provision for leave benefits	1,185,300	1,104,732
Provision for performance guarantee	1,128,311	305,299
Provision for warranty	420,419	1,341,646
Total	2,734,030	2,751,677

18 Trade Payables

	March 31, 2019	March 31, 2018
Current		
Trade Payables due to Non-related Parties	7,223,824	8,808,826
Trade Payables due to Related Parties	1,557,761	1,021,867
Total	8,781,606	9,830,693



A
JDR

Suzion Wind Energy Corporation

Notes to consolidated financial statements for the year ended March 31, 2019

19 Revenue from operations

	March 31, 2019	March 31, 2018
Sale of finished goods/spare parts	10,598,692	10,140,782
Service income	42,959,138	42,615,066
Total	53,557,830	52,755,846

Details of finished goods sold:
Spares parts and others

10,598,692	10,140,782
10,598,692	10,140,782

Details of services rendered:
Operation and maintenance services
Extended warranty services
Total

39,870,356	39,594,901
3,088,782	3,020,165
42,959,138	42,615,066

20 Other operating Income

	March 31, 2019	March 31, 2018
Other miscellaneous income	344,041	263,033
Total	344,041	263,033

21 Other Income

	March 31, 2019	March 31, 2018
Interest income on:		
Bank deposits	6,410	2,878
Exchange differences (net)	3,620,666	-
Others	304,410	390,003
Total	3,931,486	392,882

22 Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries, wages, allowances and bonus	22,668,362	23,074,991
Social security cost	5,964,388	5,435,367
Staff welfare expenses	125,260	100,751
Total	28,758,009	28,511,129

23 Finance costs

	March 31, 2019	March 31, 2018
Interest	3,106,472	3,522,807
Bank charges	57,765	69,863
Total	3,164,238	3,592,670

24 Other expenses

	March 31, 2019	March 31, 2018
Rent	925,337	688,297
Rates and taxes	43,866	150,265
Provision for performance guarantee	681,378	
Repairs and maintenance		
Building	5,930	2,358
Others	12,537	18,514
Insurance	74,824	66,846
Advertisement and sales promotion	250,899	262,000
Travelling and conveyance	571,131	586,120
Vehicle hire charges	1,478,368	1,537,287
Communication expenses	225,031	269,844
Auditors' remuneration and expenses	15,000	12,500
Consultancy charges	227,041	255,732
Other selling and administrative expenses	498,167	446,278
IT related costs	229,454	202,314
Exchange differences (net)	-	5,041,929
Provision for doubtful debts and advances	8,303,733	1,133,499
Total	13,642,914	10,870,803



✓
DPC

Suzlon Wind Energy Corporation, USA

26. Related Party Disclosures

3/31/2019

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

b. Ultimate parent company

1. Suzlon Energy Limited

b. Holding company

1. Suzlon Energy A/S, Denmark (Parent)

2. Suzlon Energy Limited, Mauritius (Parent of Parent)

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

1. AE Rotor Holding B.V., Netherlands (AERH)

2. SE Drive Technik GmbH, Germany (SEDT)

3. Sevenus LLC, USA (Sevenus)

4. Suzlon Energy B.V., Netherlands (SEBV)

5. Suzlon Generators Limited, India (SGL)

6. Suzlon Global Services Limited (formerly Suzlon Structures Limited), India (SGSL)

7. Suzlon Wind Energy Nicaragua (SWENI)

d. Key Management Personnel of Suzlon Wind Energy Corporation

1. Andy Cukurs - Chief Executive Officer

2. Jesse Campbell - Chief Financial Officer

3. Hope Whittley - Legal Counsel

4. Scott Bryan - VP Operations and Maintenance Service

5. Todd Karasek - VP - Health, Safety and Environment

6. Tulsi R. Tanti - Director

All In USD

B Transactions between the Group and related parties during the period 1st Apr 2018 to 31st March 2019

Particulars	2019				2018			
	Ultimate parent company	Holding company	Fellow Subsidiary companies	KMP	Ultimate parent company	Holding company	Fellow Subsidiary companies	KMP
Loan given*	-	1,865,256	6,006,819	-	-	-	2,050,602	-
Loan Received	-	-	1,325,450	-	-	10,091,530	1,400,098	-
Provision for Loan Given*	-	-	10,286,224	-	-	-	-	-
Sale of goods and services	-	58,761	255,124	-	54,316	5,141	1,908,200	-
Interest income	-	-	304,410	-	-	14,440	192,285	-
Miscellaneous income	-	-	-	-	-	-	516	-
Purchase of goods and services	804,888	-	1,032,275	-	1,980,735	26,406	960,179	-
Interest expense	-	159,327	1,445,480	-	-	20,492	1,403,510	-
Other expenses	-	13,858	-	-	-	17,054	(98,480)	-
Managerial Remuneration	-	-	-	1,475,258	-	-	-	2,253,498

C Outstanding balances

Particulars	2019				2018			
	Ultimate parent company	Holding company	Subsidiary companies	KMP	Ultimate parent company	Holding company	Subsidiary companies	KMP
Trade receivables	32,961,233	58,761	114,702	-	45,977,713	5,141	2,480,074	-
Other receivables	-	-	-	-	-	-	516	-
Loans given outstanding*	-	-	11,387,435	-	-	-	8,605,378	-
Loans taken outstanding	-	4,398,895	32,177,173	-	-	6,256,116	38,402,747	-
Interest receivable	-	-	820,924	-	-	-	516,514	-
Interest payable	-	204,757	2,785,712	-	-	45,429	1,520,239	-
Advances given	-	-	-	-	-	-	110,786	-
Trade payables	-	-	1,657,781	-	-	-	1,021,867	-

The company as on March 31, 2019 has to recover loan amount due from Sevenus LLC of \$ 10,286,224 including \$ 4,207,609 given as loan during the year itself. Considering the financial position of Sevenus LLC, the Company has treated this total amount as doubtful of recovery and provided against the same during the year 2018-19 by debiting to Statement of Profit and Loss. (Please refer Note No.8 also in this regard).



Annotations to Note 25

Name of the Entity: SWECCO
 Certificate on Transactions and balances with Group Companies
 Reporting Currency: USD
 Date: 31-Mar-18



Suzlon Wind Energy Corporation
Notes to Consolidated financial statements for the year ended March 31, 2019

26 Contingent Liability - NIL

27 Capital Commitment - NIL

28 Segment Reporting

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

29 Fair value Measurement

Financial Instruments by category

Particulars	3/31/2019			3/31/2018		
	FVPL	FVOCL	Amortised Cost	FVPL	FVOCL	Amortised Cost
Financial Assets						
Trade Receivable			38,926,049			49,488,905
Other financial assets	-		2,854,787	-		10,111,375
Cash and Cash equivalents	-		2,547,388	-		8,980,737
Total financial assets	-	-	42,331,124	-	-	68,581,017
Financial Liabilities						
Trade payables	-	-	8,781,606	-	-	9,630,683
Borrowings	-	-	12,000,000	-	-	20,000,000
Other financial liability			44,200,392			51,853,043
Total financial liabilities	-	-	64,981,997	-	-	81,483,736

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

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

30 Capital management

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

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

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

33 Going Concern

The Company incurred a loss of \$ 11.65 million during the year ended 31 March 2019 (2018: Loss of \$ 18.64 million), and as of that date, the Company had an accumulated deficit of \$ 102.07 million (2018: \$ 81.02 million). The Company's position as at 31 March 2019 included cash and cash equivalents of \$ 2.65 million.

The Company sought and obtained a letter of support from Suzlon Energy Limited ("the Group"), the ultimate parent which states: Suzlon Energy Limited will, subject to applicable Indian Law, endeavour to continue to provide financial support to Suzlon Energy Limited (Mauritius) and its subsidiaries to enable it to continue operations through at least 12 months from the date of the directors' report, and obligations under this letter ceases once the Company ceases to be a subsidiary. Suzlon Energy Limited (Mauritius) is the holding company of Suzlon Energy A/S which holds 100% of SWECCO.

The Company has continued to incur losses in FY19, which has resulted in a net asset deficiency of \$ 20.55 million. These factors indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company as well as the Group is working on various measures including but not limited to the sale of a business line, raising of equity capital and refinancing of certain debt, and based thereon, the Company and Group Management is confident of raising adequate resources to meet its financial obligations in the foreseeable future.

Accordingly, the financial statements have been prepared on the basis that the Company will continue as a going concern.



BBZ

34 Revenue from contract with customer

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

	31 st March 2019	31 st March 2018
Revenue from contract with customer	53,557,830	52,755,848
Revenue from other sources	344,041	263,033

The disaggregation of revenue from contracts with customers is as under

	31 st March 2019	31 st March 2018
Sale of finished goods/spare parts (At point in Time)	10,598,692	10,140,782
Service income (At point in Time)	42,958,198	42,616,066

	31 st March 2019	31 st March 2018
Contract Liability	8,115,616	7,528,735

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

35 Financial risk management

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

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

a. Market risk

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

i) Interest rate risk

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

ii) Foreign currency risk and sensitivity

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

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

	31-Mar-19	
	Euro	Others
Financial assets		
Trade receivables	-	-
Total	-	-
Financial liabilities		
Borrowings	34.67	-
Trade payables	0.08	-
Total	34.73	-



R
DR

Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2019 and March 31, 2018 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and Euro exchange rates and US Dollar and Canadian Dollar exchange rates.

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

	% Change in Currency	Effect on Profit Before Tax (Million USD)
March 31, 2019		
Euro	+5%	-2
Euro	-5%	2
CAD	+5%	0.06
CAD	-5%	-0.06
March 31, 2018		(Million USD)
Euro	+5%	-2
Euro	-5%	2
CAD	+5%	0.08
CAD	-5%	-0.08

b. Credit risk

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

i) Trade receivables

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

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

c. Liquidity risk

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

36 . IND AS 116 – LEASES – STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 *Leases* was notified and it replaces Ind AS 17 *Leases*, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its financial statements.

For T R Chadha & Co LLP
Chartered Accountants
Firm Reg. No. 006711NAN500028

Vikas Kumar
Partner
Membership No. 75383
Mumbai
Dated : 20 May 2019



For Sunrun Wind Energy Corporation

Andy Culver
CEO

Jesse Campbell
CFO

Place: Chicago, IL
Date: May 20, 2019