

# STANDALONE FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Suzlon Energy Limited Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Suzlon Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Germany and the Netherlands.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors on financial information of the branches referred to in the Other Matters section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Material uncertainty related to Going Concern

We draw attention to note 5 in the standalone financial statements regarding the continued losses incurred during the current year, the negative net worth, the negative working capital in standalone financial statements as at March 31, 2020 and the various defaults, notices and insolvency proceedings mentioned in the said note that indicate a material uncertainty about the Company's ability to continue as a going concern that existed on the balance sheet date. However, having regard to the restructuring of borrowings, waiver of all the events of default, infusion of additional equity, and commitment of bond holders to restructure their debt, subsequent to the year end and the Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realisation of trade receivables, the standalone financial statements of the Company for the year ended March 31, 2020 have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

#### Emphasis of Matter

We draw attention to note 2.5 (b) of the standalone financial statements, which describes the undetermined circumstances relating to the COVID 19 pandemic and its implications on the management's assessment of the Company's ability to generate sufficient cash flows to meet its financial obligations in the foreseeable future under such undetermined circumstances.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment of investment in equity shares in and Inter Corporate Deposits given to SE Forge Limited, Suzlon Gujarat Wind Park Limited and Suzlon Power Infrastructure Limited. Refer to Notes 11,13 and 33 to the standalone financial statements.</b></p> <p>As at March 31, 2020, the carrying amount of investment in equity shares and Inter Corporate Deposits given to SE Forge Limited, Suzlon Gujarat Wind Park Limited and Suzlon Power Infrastructure Limited ("subsidiaries") amounted to Rs. 729 crore net off impairment losses of Rs. 2,865 crore. The management at each reporting date assesses if there are any indicators that the investment in and inter corporate deposits given to the subsidiaries are impaired and, if indicators exist, performs an impairment test on these investments and Inter corporate deposits by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use.</p>	<p>We performed the following principal audit procedures in relation to management's estimation of recoverable amount of investments in and inter corporate deposits given to Subsidiaries:</p> <ol style="list-style-type: none"> <li>Evaluation of design and implementation of the control relating to management's estimation of recoverable amount of investments in and inter corporate deposits given to these subsidiaries.</li> <li>Tested the operating and effectiveness of controls relating to management's estimation of such recoverable amount;</li> <li>Evaluated the information based on which the impairment indicators are identified such as financial conditions, order in hands, market condition in which the subsidiaries operates.</li> </ol>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>The recoverable amount of the investment in and Inter corporate deposits given to subsidiaries are assessed based on complex assumptions that require the management to exercise their judgment such as future expected revenue, future expected revenue growth rate, gross margins, future cash flow, determination of historical trends, the most appropriate discount rate. As a result, the Company recorded a total impairment charge of Rs. 539 crore against these investments and Inter corporate deposits in the Statement of Profit &amp; Loss of the Company for the year then ended.</p> <p>We focused on this area due to significant carrying amount of the investments in and inter corporate deposits given to subsidiaries and the significant management judgement and estimates involved in recoverable amount.</p>	<p>d) Involved valuation experts to assist in</p> <ul style="list-style-type: none"> <li>• Evaluation of the appropriateness of the model adopted for impairment assessment;</li> <li>• Assessment on the reasonableness of key assumptions;</li> <li>• Assessment on the discount rates used, by making reference to comparable companies within the same industry, input data to supporting evidence, such as business forecast, strategic plans and market data; and</li> <li>• Evaluation of management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would be required for the investments in and Inter corporate deposits given to these subsidiaries to be impaired.</li> </ul>
2	<p><b>Impairment of Property, Plant and Equipment and intangible assets- Refer to Notes 6 and 7 to the standalone financial statements.</b></p> <p>As at March 31, 2020, the carrying amounts of Property Plant and equipment and intangible assets amounted to Rs. 508 crore and 271 crore respectively.</p> <p>As at March 31, 2020, certain Property, plant and equipment ("PP&amp;E") and intangible assets has impairment indicators on account of challenging industry conditions existing in India and financial condition of the Company. The Company performance and prospects have been impacted increasing the risk that the PP&amp;E and intangible assets may be impaired. For cash generation units ("CGU") to which these PP&amp;E belong and contains, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use requires judgment on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts are based on management's view of variables, such as future expected revenue, future expected revenue growth rate, gross margins, future cash flow, determination of historical trends, and the most appropriate discount rate, weighted average cost of capital.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the recoverable amount with regard to the impairment assessment of PP&amp;E and intangible assets of the Company.</p>	<p>We performed the following principal audit procedures in relation to management's assessment of impairment of PP&amp;E and intangible assets: (to be read in the context of the management's assessment of the appropriateness of the going concern assumption as more fully described in the Material Uncertainty Related to Going Concern section above):</p> <ol style="list-style-type: none"> <li>a) Evaluation of design and implementation of the control relating to management's assessment of impairment of PP&amp;E and intangible assets.</li> <li>b) Tested the operating and effectiveness of controls relating to management's assessment of impairment of PP&amp;E and intangible assets.</li> <li>c) Evaluated the appropriateness of management's grouping of these PP&amp;E with the relevant CGUs.</li> <li>d) Compared the input data used in the cash flow forecasts against the historical figures and the business forecasts.</li> <li>e) Involved valuation experts to assist in:- <ul style="list-style-type: none"> <li>• Evaluation of the appropriateness of the model adopted for impairment assessment;</li> <li>• Assessment on the reasonableness of key assumptions such as future expected revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses;</li> <li>• Assessment on the discount rates and weighted average cost of capital used, by making reference to comparable companies within the same industry, input data to supporting evidence, such as business forecast, inflation rates, strategic plans and market data; and</li> <li>• Evaluation of management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would be required for PP&amp;E and intangible assets to be impaired.</li> </ul> </li> </ol>
3	<p><b>Refer to Notes 5 to the standalone financial statements and the Material Uncertainty Related to Going Concern section of this report</b></p> <p>The Company had losses during the previous year and has continued to incur losses during the year, primarily due to lower volumes, high finance cost, and certain provision of impairment and the negative net worth of the Company as at March 31, 2020 is Rs. 10,278 Crore.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the material uncertainties related to going concern.</p>	<p>We performed the following principal audit procedures in relation to management's assessment of going concern:-</p> <ol style="list-style-type: none"> <li>a) Evaluation of design and implementation of the control relating to management's assessment of going concern.</li> <li>b) Tested the operating and effectiveness of controls relating to management's assessment of going concern.</li> <li>c) Evaluation of the appropriateness of identification of material uncertainties.</li> <li>d) Analysed and discussed cash flow, profits and other relevant forecasts with management.</li> <li>e) Assessed the sensitivities and stress testing on the future cash flows that management has considered for the going concern assessment.</li> <li>f) Read the minutes of the meeting held between the Lenders, FCCB holders and the Company.</li> <li>g) Visit the lead bankers to validate the minutes of meetings of the core committee and the joint lenders to confirm the reliability of the minutes.</li> <li>h) Request balance confirmation letters to the lenders to ensure the correct classification of the debt.</li> <li>i) Obtain and read copy of the restructuring plan and evaluate if the terms stated in the restructuring plan is appropriately factored in the estimation of future cash flows.</li> <li>j) Independently verify Framework restructuring agreement signed by the Company and the Lenders.</li> <li>k) Communicate with the appropriate authority of the lead bankers involved in the restructuring plan to validate and confirm the conditions precedent to the restructuring plan are completed.</li> <li>l) Evaluated disclosures in the standalone financial statements for the Material Uncertainty Related to Going Concern and the related compliance with the requirements of the Standards on Auditing and the applicable financial reporting standards.</li> </ol>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management discussion and analysis, Business responsibility Report, Corporate Governance report and Directors' Report including Annexures thereof but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information, compare with the financial information of the branches, audited by the branch auditors, to the extent it relates to these branches, and, in doing so, place reliance on the work of the branch auditors and consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other Information so far as it relates to the branches is traced from the financial information audited by the branch auditors.
- 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.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its branches to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the standalone financial statements of which we are the independent auditors. For the other entities or business activities included in the standalone financial statements, which have been audited by the branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial information of two branches included in the standalone financial statements of the Company whose financial information reflect total assets of Rs. 203.97 crore as at 31 March 2020 and total revenue of Rs. 162.98 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors on the financial information of the branches, referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account and with the returns received from the branches not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - f) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
  - g) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
 

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Saira Nainar

Partner

(Membership No. 040081)

(UDIN: 20040081AAAABE2634)

Place : Mumbai

Date : July 06, 2020

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1(h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Suzlon Energy Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Mumbai  
Date : July 06, 2020

**Saira Nainar**  
Partner  
(Membership No. 040081)  
(UDIN: 20040081AAAABE2634)

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders / parties.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right-of-Use assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement except for the following:

Particulars	Gross block (Rs. in crore)	Net Block (Rs. in crore)	Remarks
Factory building constructed on land admeasuring 34.5 acre at Coimbatore.	44.47	17.36	The Company is in process of obtaining approval from local town planning committee

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans or provided guarantees under Section 185 of the Act and hence reporting under clause 3 (iv) of the Order is not applicable. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. Accordingly, provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Customs Duty, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Customs Duty and Service Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in crore)	Amount paid under protest (Rs. in crore)
Customs Act, 1962	Customs Duty	The Customs Excise and Service Tax Appellate Tribunal	2014-15	0.49	Nil
Finance Act, 1994	Service Tax	The Customs Excise and Service Tax Appellate Tribunal	2012-13 and 2014-15	22.75	
			2010-11 to 2013-14	5.28	
		The Supreme Court of India	2007-08 to 2011-12	84.72	

There are no dues of Income-tax, Sales Tax, Value Added Tax, Excise Duty and Goods and Services Tax as on March 31, 2020 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks, except as under:

Particulars	Amount of default of repayment (Rs in crores)		Period of default
	Principal	Interest	
<b>Dues to banks (including working Capital Loans):</b>			The Company is having a continuing default during the year for a period from 1 day to 365 days.
Axis Bank Limited	104.01	8.65	
Bank of Baroda	280.24	29.58	
Bank of India	61.48	4.16	
Central Bank of India	285.99	40.92	
Corporation Bank	34.74	1.36	
ICICI Bank Limited	224.38	-	
IDBI Bank	956.21	113.74	
Indian Overseas Bank	480.76	-	
Punjab National Bank	591.84	42.74	
Oriental bank of Commerce	150.18	1.55	
Union Bank of India	50.42	8.02	
Saraswat Co-operative Bank Limited	6.90	4.45	
EXIM Bank	27.08	13.83	
State Bank of India	3432.08	225.39	
Yes Bank Limited	96.53	0.32	
Bank of Maharashtra	111.34	10.53	
<b>Dues to financial institutions:</b>			
Life Insurance Corporation of India	82.80	39.05	
Power Finance Corporation Limited	224.72	109.85	

The Company does not have any borrowing from government.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Saira Nainar**  
Partner

(Membership No. 040081)  
(UDIN: 20040081AAAABE2634)

Place : Mumbai  
Date : July 06, 2020



# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Suzlon Energy Limited Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Suzlon Energy Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit / loss in its associate and joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the branches of the Group located at Germany and The Netherlands.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the branch auditors and other auditors on separate financial statements of the branches and subsidiaries, associate and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Material uncertainty related to Going Concern

We draw attention to note 5 in the consolidated financial statements regarding the continued losses incurred during the current year, the negative net worth, the negative working capital in consolidated financial statements as at March 31, 2020 and the various defaults, notices and insolvency proceedings mentioned in the said note that indicate a material uncertainty about the Company's ability to continue as a going concern that existed on the balance sheet date. However, having regard to the restructuring of borrowings, waiver of all the events of default, infusion of additional equity, and commitment of bond holders to restructure their debt, subsequent to the year end and the Management's plans to meet financial obligations in foreseeable future out of the cash flows from execution of the pipeline of orders in hand, future business plans, non-fund based facilities, and realization of trade receivables, the consolidated financial statements of the Group for the year ended March 31, 2020 have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

#### Emphasis of Matter

We draw attention to note 2.6(b) of the consolidated financial statements, which describes the undetermined circumstances relating to the COVID 19 pandemic and its implications on the management's assessment of the Group's ability to generate sufficient cash flows to meet its financial obligations in the foreseeable future under such undetermined circumstances.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Impairment of Property, Plant and Equipment and intangible assets - Refer to notes 6 and 8 to the consolidated financial statements</b></p> <p>As at March 31, 2020, the carrying amounts of Property Plant and equipment and intangible assets amounted to Rs. 905 crore and Rs. 267 crore respectively.</p>	<p>We performed the following principal audit procedures in relation to management's assessment of impairment of PP&amp;E and intangible assets: (to be read in the context of the management's assessment of the appropriateness of the going concern assumption as more fully described in the Material Uncertainty Related to Going Concern section above)</p> <p>a) Evaluation of design and implementation of the control relating to management's assessment of impairment of PP&amp;E and intangible assets.</p> <p>b) Tested the operating and effectiveness of controls relating to management's assessment of impairment of PP&amp;E and intangible assets.</p> <p>c) Evaluated the appropriateness of management's grouping of these PP&amp;E with the relevant CGUs.</p> <p>d) Compared the input data used in the cash flow forecasts against the historical figures and the business forecasts.</p>



Sr. No.	Key Audit Matter	Auditor's Response
	<p>As at March 31, 2020, certain Property, plant and equipment ("PP&amp;E") and intangible assets has impairment indicators on account of challenging industry conditions existing in India and financial condition of the group. The group performance and prospects have impacted increasing the risk that the PP&amp;E and intangible assets are impaired. For cash generation units ("CGU") to which these PP&amp;E and intangibles assets belong and contains, the determination of recoverable amount, being the higher of fair value less costs to sell and value in use requires judgment on the part of management in both identifying and then valuing the relevant CGUs. Recoverable amounts are based on management's view of variables such as future expected revenue, future expected revenue growth rate, gross margins, future cash flow, determination of historical trends, and the most appropriate discount rate, weighted average cost of capital.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the recoverable amount with regard to the impairment assessment of PP&amp;E and intangible assets of the group.</p>	<p>e) Involved valuation experts to assist in:-</p> <ul style="list-style-type: none"> <li>• Evaluation of the appropriateness of the model adopted for impairment assessment;</li> <li>• Assessment on the reasonableness of key assumptions such as future expected revenue growth rates and gross margin by comparing to commercial contracts and historical trend analyses;</li> <li>• Assessment on the discount rates and weighted average cost of capital used, by making reference to comparable companies within the same industry, input data to supporting evidence, such as business forecast, inflation rates, strategic plans and market data; and</li> <li>• Evaluation of management's sensitivity analysis around the key assumptions, to ascertain the extent of change in those assumptions that either individually or collectively would be required for PP&amp;E and intangible assets to be impaired.</li> </ul>
2	<p><b>Refer to Notes 5 to the Consolidated financial statements and the Material Uncertainty Related to Going Concern section of this report.</b></p> <p>The Group had losses during the previous year and has continued to incur losses during the year, primarily due to lower volumes, high finance cost, and certain provision of impairment and the negative net worth of the Group as at March 31, 2020 is Rs. 11,042 Crore.</p> <p>We focused on this area due to the significance of management judgements adopted in assessing the material uncertainties related to going concern.</p>	<p>We performed the following principal audit procedures in relation to management's assessment of going concern:-</p> <ol style="list-style-type: none"> <li>a) Evaluation of design and implementation of the control relating to management's assessment of going concern.</li> <li>b) Tested the operating and effectiveness of controls relating to management's assessment of going concern.</li> <li>c) Evaluation of the appropriateness of identification of material uncertainties.</li> <li>d) Analysed and discussed cash flow, profits and other relevant forecasts with management.</li> <li>e) Assessed the sensitivities and stress testing on the future cash flows that management has considered for the going concern assessment.</li> <li>f) Read the minutes the meeting held between the lenders, FCCB holders and the Parent.</li> <li>g) Visit the lead bankers to validate the minutes of meetings of the core committee and the joint lenders to confirm the reliability of the minutes.</li> <li>h) Request balance confirmation letters to the lenders to ensure the correct classification of the debt.</li> <li>i) Obtain and read copy of the Framework restructuring plan and evaluate if the terms stated in the restructuring plan is appropriately factored in the estimation of future cash flows.</li> <li>j) Independently verify Framework restructuring agreement signed by the Parent and the Lenders.</li> <li>k) Communicate with the appropriate authority of the lead bankers involved in the restructuring plan to validate and confirm the conditions precedent to the restructuring plan are completed.</li> <li>l) Evaluated disclosures in the consolidated financial statements for the Material Uncertainty Related to Going Concern and the related compliance with the requirements of the Standards on Auditing and the applicable financial reporting standards.</li> </ol>

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Chairman's letter, Group CEO's Letter, Management discussion and analysis, Business responsibility Report, Corporate Governance report and Directors' Report including Annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the branches, subsidiaries, joint ventures and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the branches, subsidiaries, joint ventures and associate, is traced from their financial statements audited by the branch auditors and other auditors.
- 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.

#### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its joint ventures and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

#### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint ventures 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 consolidated 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 Group and its associate and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branches, entities or business activities within the Group and its associate and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other branches or entities or business activities included in the consolidated financial statements, which have been audited by the branch auditors or other auditors, such branch auditors and other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements of two branches included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of Rs. 204 crore as at March 31, 2020 and total revenue of Rs. 163 crore for the year ended on that date, as considered in the respective standalone financial statements of the companies included in the Group. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, is based solely on the report of such branch auditors.

- (b) We did not audit the financial statements of twenty one subsidiaries, whose financial statements reflect total assets of Rs. 1,426 crore as at March 31, 2020, total revenues of Rs. 478 crore and net cash outflows amounting to Rs. 25 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associate is based solely on the reports of the other auditors.
- (c) We did not audit the financial statements of sixteen subsidiaries, whose financial statements reflect total assets of Rs. 463 crore as at March 31, 2020, total revenues of Rs. 88 crore and net cash outflows amounting to Rs.6 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the branch auditors and other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements of the branches, subsidiaries, associate and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept and proper returns adequate for the purposes of our audit have been received from the branches not visited so far as it appears from our examination of those books, returns and the reports of the other auditors.
  - c) The reports on the accounts of the branch offices of the Companies included in the Group audited under Section 143(8) of the Act by branch auditors have been sent to us other auditors and have been properly dealt with by us in preparing this report.
  - d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements and with the returns received by us and the other auditors from the branches not visited by us.
  - e) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - f) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.
  - g) On the basis of the written representations received from the directors of the Parent as on 31st March, 2020 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate and joint ventures incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent company, subsidiary companies, associate and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
 

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint ventures;
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiaries, associate and joint ventures incorporated in India.

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

**Saira Nainar**  
(Partner)

(Membership No. 040081)  
(UDIN:20040081AAAABF4068)

Place : Mumbai  
Date : July 06, 2020

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (h) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Suzlon Energy Limited (hereinafter referred to as “Parent”) and its subsidiaries, which includes internal financial controls over financial reporting of the Company’s branches and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiaries and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiaries and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors and other auditors of the subsidiaries and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiaries and its joint ventures, which are companies incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiaries and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two branches, twelve subsidiaries and ten joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

Place : Mumbai  
Date : July 06, 2020

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

**Saira Nainar**  
(Partner)

(Membership No. 040081)  
(UDIN:20040081AAAAABF4068)