

**Walker Chandiok & Co LLP**

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**Independent Auditor's Report**

**To the Members of Suzlon Global Services Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the accompanying financial statements of **Suzlon Global Services Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the Financial Statements and Auditor's Report thereon**

3. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

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



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**Independent Auditor's Report on the Audit of the Financial Statements as on 31 March 2023**

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

**Responsibilities of Management for the Financial Statements**

4. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act 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 of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



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- Obtain an understanding of internal 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 with reference to financial statements 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 management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
9. 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.

**Other Matter**

10. The financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 20 October 2022.

**Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying financial statements;
  - 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;



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Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
- g) 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, as detailed in note 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 44(e) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



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- v. The Company has not declared or paid any dividend during the year ended 31 March 2023;
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797



**UDIN: 23101797BGXFAO5424**

**Place:** Pune  
**Date:** 30 May 2023

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**Annexure I referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Suzlon Global Services Limited on the financial statements for the year ended 31 March 2023**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in Note 6 to the financial statements are held in the name of the Company, except for the following properties:

Description of property	Gross carrying value (₹ in Cr.)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
15 freehold lands located at various locations admeasuring 57.3 acres	10.50	Suzlon Windfarm Services Private Limited ('SWSPL')	NA	9 years	The title deeds are in the name of SWSPL, erstwhile SEL – OMS division, which was merged with the Company w.e.f. March 29, 2014.
1 freehold land admeasuring 4.7 acres	0.64	Suzlon Energy Limited ('SEL')	NA	9 years	The title deeds are in the name of SEL - OMS Division which was merged with the Company w.e.f. March 29, 2014.
2 freehold lands located at multiple locations admeasuring 4.4 acres	0.48	Suzlon Power Infrastructure Limited ('SPIL')	NA	3 years	The title deeds are in the name of SPIL which was merged with the Company w.e.f. April 01, 2020



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- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets at any point of time during the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)
- (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, to any entity during the year. The Company has provided security to others during the year, as disclosed in Note 18.2 of the financial statements.
  - (b) The Company has not made any investment or granted any loans or advances in the nature of loans or provided any guarantee during the year. In our opinion, and according to the information and explanations given to us, the security given during the year by the Company are not prejudicial to the Company's interest.
  - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal amount including interest is not due for repayment currently.
  - (d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
  - (e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.
  - (f) The Company has not granted any loan which is repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.



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- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in Crores)	Amount paid under Protest (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Customs Act, 1962	Custom duty	0.05	-	FY 2021-22	CESTAT, Mumbai	-
Madhya Pradesh Buildings and Other Construction Workers ('BOCW') Rules, 2002	BOCW Cess	1.78	-	FY 2018-19	Madhya Pradesh High Court, Indore Bench	-

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix)
- (a) According to the information and explanations given to us, pursuant to receiving the approvals for rescheduling its loan from the lender, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us including confirmations received from banks/ financial institution and other lenders and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.



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- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loan (obtained from entity other than banks/ financial institutions) were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, *prima facie*, not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.



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- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response received by us pursuant to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

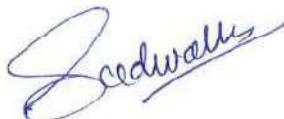


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(xxi) The reporting under clause 3(XXI) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiock & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797



UDIN - 23101797BGXFAO5424

**Place:** Pune  
**Date:** 30 May 2023

**Suzlon Global Services Limited**  
**Independent Auditor's Report on the Audit of the Financial Statements as on 31 March 2023**

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**Annexure II to the Independent Auditor's Report of even date to the members of Suzlon Global Services Limited on the financial statements for the year ended 31 March 2023**

**Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Suzlon Global Services Limited** ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by Institute of Chartered Accountants of India ('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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.



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**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the criteria for internal financial controls with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

For **Walker Chandiock & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Shashi Tadwalkar**  
Partner  
Membership No.: 101797



**UDIN: 23101797BGXFAO5424**

**Place:** Pune  
**Report Date:** 30 May 2023

Page 13 of 13

**Suzlon Global Services Limited**  
**Balance sheet as at March 31, 2023**  
All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	86.09	79.56
Right-of-use asset	34	11.39	17.09
Capital work-in-progress	7	1.12	7.19
Goodwill	8	-	363.57
Other intangible assets	8	0.96	1.74
Financial assets			
Investments	9	0.00*	0.00*
Trade receivables	10	-	-
Loans	11	562.99	498.22
Other financial assets	12	17.81	2.59
Other non-current assets	13	22.59	16.14
		<b>702.95</b>	<b>986.20</b>
<b>Current assets</b>			
Inventories	14	830.80	726.47
Financial assets			
Trade receivables	10	650.94	576.77
Cash and cash equivalents	15	47.39	27.05
Bank balance other than above	15	-	1.35
Loans	11	-	0.03
Other financial assets	12	112.84	103.17
Other current assets	13	138.38	176.17
		<b>1,786.41</b>	<b>1,611.01</b>
<b>Total assets</b>		<b>2,489.36</b>	<b>2,597.21</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	29.37	29.37
Other equity	17	(3.11)	(1,538.17)
		<b>26.26</b>	<b>(1,508.00)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	1,614.98	2,681.52
Other financial liabilities	20	0.03	-
Lease liabilities	34	6.99	13.05
Provisions	21	21.41	15.43
Other non-current liabilities	22	14.69	19.63
		<b>1,658.10</b>	<b>2,729.63</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	18	-	473.10
Lease liabilities	34	6.06	5.23
Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		7.30	39.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		421.74	379.19
Other financial liabilities	20	31.91	37.01
Contract liabilities			
Other current liabilities	22	225.52	326.05
Provisions	21	27.45	34.82
		85.02	81.15
		<b>805.00</b>	<b>1,376.38</b>
<b>Total equity and liabilities</b>		<b>2,489.36</b>	<b>2,597.21</b>

\*Less than ₹ 0.01 Crore

**Summary of significant accounting policies**

2.3

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

In terms of our report attached.

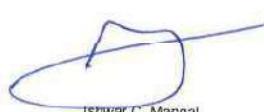
For Walker Chandok & Co LLP  
Chartered Accountants  
ICAI Firm registration no.: 001076N/N/500013

  
Shashi Tadwalkar  
Partner  
Membership No: 101797



For and on behalf of the Board of Directors of  
Suzlon Global Services Limited

  
Ranjitsinh A. Patel  
Whole-Time Director  
DIN : 00002613



Ishwar C. Mangal  
Chief Executive Officer

  
Vinod R. Tantil  
Non-Executive Director  
DIN : 00002266



Om Prakash Talwar  
Chief Financial Officer

  
Shivani R. Nigudkar  
Company Secretary  
Membership No: A33098



**Suzlon Global Services Limited**  
 Statement of profit and loss for the year ended March 31, 2023  
 All amounts in ₹ Crore, unless otherwise stated

Particulars	Notes	March 31, 2023	March 31, 2022
<b>Income</b>			
Revenue from contracts with customers	23	1,998.93	2,137.71
Other operating income		0.62	26.82
Other income	24	72.42	88.16
<b>Total income</b>		<b>2,071.97</b>	<b>2,252.69</b>
<b>Expenses</b>			
Cost of raw materials, components consumed and services rendered	25	814.37	957.12
Changes in inventories of finished goods and work-in-progress	25	(1.24)	125.24
Employee benefits expense	26	231.25	185.37
Finance costs	27	190.76	319.48
Depreciation and amortisation expense	28	382.20	379.21
Other expenses	29	253.31	253.48
<b>Total expenses</b>		<b>1,870.65</b>	<b>2,219.90</b>
<b>Profit before exceptional items and tax</b>		<b>201.32</b>	<b>32.79</b>
Exceptional loss/ (gain) (refer Note 18.3)		(503.02)	-
<b>Profit before tax</b>		<b>795.24</b>	<b>32.79</b>
Tax expense	30	-	-
<b>Profit after tax</b>		<b>795.24</b>	<b>32.79</b>
<b>Other comprehensive income</b>			
Item that will not be reclassified to profit or loss:			
Re-measurements of the defined benefit plans	31	(3.79)	1.50
Income tax effect on the above		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(3.79)</b>	<b>1.50</b>
<b>Total comprehensive income for the year</b>		<b>791.45</b>	<b>34.29</b>
<b>Earnings per equity share:</b>			
Basic and Diluted earnings per share [Nominal value of share ₹ 10 (₹ 10)]	32	270.76	11.17
<b>Summary of significant accounting policies</b>	2.3		

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

In terms of our report attached.

For Walker Chandok & Co LLP  
 Chartered Accountants  
 ICAI Firm registration no.: 001076N/N500013

Shashi Tadwalkar  
 Partner  
 Membership No :101797



Place : Pune  
 Date : May 30, 2023

For and on behalf of the Board of Directors of  
 Suzlon Global Services Limited

Ranjitsinh A. Parmar  
 Whole-Time Director  
 DIN: 00002613

Ishwar C. Mangal  
 Chief Executive Officer

Vinod R. Tanti  
 Non-Executive Director  
 DIN: 00002266

Om Prakash Talwar  
 Chief Financial Officer

Shivani R. Nirgudkar  
 Company Secretary  
 Membership No. A33098



Place : Pune  
 Date : May 30, 2023

Suzlon Global Services Limited

Statement of changes in equity for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

a. Equity share capital

	No. in Crore	₹ in Crore
Equity shares of ₹ 10 each, subscribed and fully paid		
At April 01, 2021	2.94	29.37
Movement in share capital (refer Note 16)	-	-
At March 31, 2022	2.94	29.37
Movement in share capital (refer Note 16)	0.00*	0.00*
At March 31, 2023	2.94	29.37

b. Other equity

	Equity component of compound financial instruments	General reserve	Securities premium	Capital contribution	Capital Reserve	Retained earnings	Total
As at April 01, 2021	6.78	3.49	922.20	(611.81)	194.51	(1,863.63)	(1,548.46)
Profit for the year	-	-	-	-	-	32.79	32.79
Other comprehensive income (refer Note 31)	-	-	-	-	-	1.50	1.50
Total comprehensive income	-	-	-	-	-	34.29	34.29
Impairment loss on loan to SGWPL	-	-	-	-	-	(224.00)	(224.00)
As at March 31, 2022	6.78	3.49	922.20	(611.81)	194.51	(2,053.34)	(1,538.17)
As at April 01, 2022	6.78	3.49	922.20	(611.81)	194.51	(2,053.34)	(1,538.17)
Profit for the year	-	-	-	-	-	795.24	795.24
Extinguishment of Cumulative Convertible Preference Share (refer Note 18.3)	-	-	-	743.61	-	-	743.61
Other comprehensive income (refer Note 31)	-	-	-	-	-	(3.79)	(3.79)
Total comprehensive income	-	-	-	743.61	-	791.45	1,535.06
As at March 31, 2023	6.78	3.49	922.20	131.80	194.51	(1,261.89)	(3.11)

Refer Note 17 for nature and purpose of reserves

\*Less than ₹ 0.01 Crore

Summary of significant accounting policies (refer Note 2.3)

The accompanying notes are integral part of financial statements  
in terms of our report attached.

For Walter Chandok & Co LLP

Chartered Accountants

ICAI Firm registration no.: 001076N/N500013

For and on behalf of the Board of Directors of  
Suzlon Global Services Limited

Shashi Tadwalkar  
Partner  
Membership No: 101797



Ranjitsinh A. Parmar  
Whole-Time Director  
DIN: 00002613

Ishwar C. Mangal  
Chief Executive Officer

Om Prakash Talwar  
Chief Financial Officer

Vinod R. Tanti  
Non-Executive Director  
DIN: 0002266

Shivani R. Ningukar  
Company Secretary  
Membership No: A33098

Place: Pune  
Date: May 30, 2023

Place: Pune  
Date: May 30, 2023



**Suzlon Global Services Limited**

**Statement of cash flows for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

Particulars	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before tax	795.24	32.79
Adjustments for:		
Depreciation and amortisation expense	382.20	379.21
Loss on disposal of property, plant and equipment, net	0.31	3.65
Other income	(72.42)	(88.16)
Interest expense	190.13	316.79
Machine availability expenditure	65.11	68.51
Bad debts written off	14.95	17.72
Allowance for doubtful debts and advances, net	7.37	11.84
Impairment allowance/ (reversal)	(0.23)	(0.75)
Exceptional loss/ (gain)	(593.92)	-
<b>Operating profit/ (loss) before working capital changes</b>	<b>788.74</b>	<b>741.60</b>
<b>Movements in working capital</b>		
Decrease/ (increase) in financial assets and other assets	12.99	49.88
Decrease/ (increase) in trade receivable	(96.70)	47.57
Decrease/ (increase) in inventories	(110.38)	147.25
(Decrease)/ Increase in other liabilities, financial liabilities and provisions	(169.15)	(35.02)
<b>Cash (used in)/ generated from operating activities</b>	<b>425.50</b>	<b>951.28</b>
Direct taxes paid (net of refunds)	(5.78)	19.64
<b>Net cash (used in)/ generated from operating activities</b>	<b>A</b>	<b>419.72</b>
		970.92
<b>Cash flow from investing activities</b>		
Payment for purchase of property, plant and equipment including capital, work-in-progress and intangible assets	(12.97)	(18.40)
Proceeds from sale of property, plant and equipment	0.13	0.01
Inter-corporate deposits granted, net	0.03	(1,753.91)
Repayment of loans by parent company	-	1,598.98
Interest received	2.41	25.92
<b>Net cash (used in)/ generated from investing activities</b>	<b>B</b>	<b>(10.40)</b>
		(147.40)
<b>Cash flow from financing activities</b>		
Repayment of short term-borrowings, net	(353.13)	(791.54)
Interest and other borrowing cost paid	(37.20)	(41.90)
<b>Net cash (used in)/ generated from financing activities</b>	<b>C</b>	<b>(390.33)</b>
		(833.44)
<b>Net movement in cash and cash equivalents</b>	<b>A+B+C</b>	<b>18.99</b>
Cash and cash equivalents at the beginning of year		28.40
<b>Cash and cash equivalents at the end of year</b>		<b>47.39</b>
		28.40



Components of cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
Balance with banks	47.23	26.78
Bank balance other than above	-	1.35
Cash on hand	0.16	0.27
<b>Total</b>	<b>47.39</b>	<b>28.40</b>

**Summary of significant accounting policies (refer Note 2.3)**

The figures in brackets represent outflows.

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

In terms of our report attached.

For Walker Chandick & Co LLP  
Chartered Accountants  
ICAI Firm registration no.: 001076N/N500013

Shashi Tadwalkar  
Partner  
Membership No :101797



Place : Pune  
Date : May 30, 2023

For and on behalf of the Board of Directors of  
Suzlon Global Services Limited

Ranjith A. Parmar  
Whole-Time Director  
DIN : 00002613

Ishwar C. Mangal  
Chief Executive Officer

Om Prakash Talwar  
Chief Financial Officer

Vineet R. Tanti  
Non-Executive Director  
DIN : 00002266

Shivani R. Nirgudkar  
Company Secretary  
Membership No :A33098



Place : Pune  
Date : May 30, 2023

# **Suzlon Global Services Limited**

## **Notes to financial statements for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

### **1. Company information**

Suzlon Global Services Limited ('SGSL' or the 'Company') having CIN: U27109GJ2004PLC044170, is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at "Suzlon", 5 Shrimali Society, Near Shree Krishna Complex, Navrangpura, Ahmedabad – 380 009, India. The principal place of business is its headquarters located at One Earth, Hadapsar, Pune – 411 028, India.

The Company is primarily engaged in the business of operation and maintenance service ('OMS') of Wind Turbine Generators (WTG's), project execution and power evacuation (collectively referred to as Project Division) and power generation business.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2023.

### **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 the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments refer 2.3(n)).

The financial statements are presented in Indian Rupees ₹ and all values are rounded to the nearest Crore (INR 0,000,000) up to two decimals, except when otherwise indicated.

#### **2.2. Changes in accounting policies and disclosures**

Few amendments apply for the first time for the year ended March 31, 2023, but do not have an impact on the financial statements of the Company. The Company intends to adopt these standards, if applicable, when they become effective.

#### **2.3. Summary of significant accounting policies**

##### **a. Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The Company classifies all other liabilities as non-current.



# **Suzlon Global Services Limited**

## **Notes to financial statements for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### **b. Foreign currencies**

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

#### **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 statement of profit and 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. Fair value measurement**

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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



## **Suzlon Global Services Limited**

### **Notes to financial statements for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

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

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

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

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

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

#### **d. Revenue from contracts with customers**

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

##### **Operation and maintenance income ('OMS')**

Revenues from operation and maintenance contracts are recognised over the period of the contract and measured using output method because the customer simultaneously receives and consumes the benefits provided to them.

##### **Project execution**

Revenue from project execution, consisting of installation, erection and commissioning of WTG's is recognised on completion of the respective activities identified as per terms of the sales order, net of taxes charged.

##### **Power evacuation infrastructure facilities ('PE')**

Revenue from power evacuation infrastructure facilities is recognised upon commissioning and electrical installation of the WTG to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

##### **Power generation**

Income from power generation is recognised on sale of unit generated and invoiced to respective state electricity board.

##### **Sale of goods**

Revenue from sale of goods is recognised in the statement of profit and loss at the point in time when control of the goods are transferred to the buyer as per the terms of the respective sales order, generally on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### **Payment terms:**

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

#### **i. Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The contracts for sale of services provide customers with a right for penalty for performance shortfall of the guarantee assured.

#### **ii. Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

### **Contract balances**

#### **i. Contract assets**

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

#### **ii. Trade receivables**

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

#### **iii. Contract liabilities**

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

### **e. 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 statement of profit and 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.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 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 ('DTL') are recognised for all taxable temporary differences, except when the DTL arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets ('DTA') are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. DTA are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the DTA relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of DTA 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 DTA to be utilised. Unrecognised DTA 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 DTA to be recovered.

DTA and DTL 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. DTA and DTL 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.

Deferred tax relating to items recognised outside statement of profit and loss is recognised either in other comprehensive income or in equity.

### f. Property, plant and equipment ('PPE')

PPE are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. 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.

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.

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 written down value method ('WDV') based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

Type of asset	Useful lives (years)
Buildings	28-58
Electrifications	20
Plant and machinery	15
Windfarm plant and machinery	22
Computers and office equipments	3 to 5
Servers and networks	6
Furniture & fixtures and vehicles	10



## **Suzlon Global Services Limited**

### **Notes to financial statements for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

Gains or losses arising from de-recognition of PPE 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 PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **g. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

A summary of amortisation policies applied to the Company's intangible assets is as below:

Type of asset	Useful lives (years)
Goodwill	Amortisation as per law or acquired cost less impairment allowance, as applicable
SAP and other software	Straight line basis over a period of five years

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

#### **h. Borrowing costs**

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **i. Leases**

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

##### **Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### **i. Right-of-use assets (ROU assets)**

The Company's lease asset classes primarily consist of leases for land and buildings. The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The ROU assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

### ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. In calculating the present value of lease payments, the Company uses its borrowing rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the lease payments.

### iii. Short-term leases and leases of low-value assets

For the short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset is classified as operating leases.

Assets subject to operating leases other than land and building are included in PPE. 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.

### j. Inventories

#### OMS business

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.

Net realisable value of such materials is determined considering the remaining useful life of the material after repairs based on the technical estimates.

#### Project and PE business

Inventories of raw materials, project materials, stock in trade, work-in-progress ('WIP') and finished goods ('FG') are valued at the lower of the cost and estimated net realisable value.

Cost is determined on a weighted average basis.

The cost of WIP and FG includes the cost of material, labour and a proportion of overheads. WIP includes cost of civil, electrical line, installation of WTG's and portion of non-utilised charges paid for capacity allocation, PE facilities which are in process as at the balance sheet date.

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

### k. 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



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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. 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.

### m. Retirement and other employee benefits

Retirement benefits in the form of provident fund, employee state insurance and superannuation fund are defined contribution schemes.

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

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

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

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

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

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. As the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date, the entire leave is presented as a current liability in the balance sheet and expenses recognised in statement of profit and loss account.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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### n. Financial instruments

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

#### Financial assets

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. In case of extinguishment and settlement of financial assets with Parent as part of restructuring of debt wherein the Lenders of the Company have potential exercisable participative rights pre and post restructuring, the resultant gain or loss arising on restructuring shall be recognised to other equity.

##### *Subsequent measurement*

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

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

##### *Debt instruments at amortised cost*

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

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

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

##### *Debt instrument at FVTOCI*

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss.

On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company has not designated any financial asset as at FVTOCI.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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### ***Debt instrument at FVTPL***

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

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

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### ***Equity investments***

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

### ***Investments in subsidiaries***

Investments in subsidiaries are carried at cost.

### ***De-recognition***

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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### Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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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.

### Financial liabilities

#### *Initial recognition and measurement*

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

### Subsequent measurement

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

#### *Financial liabilities at fair value through profit or loss*

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

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

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

#### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

#### *Reclassification of financial assets*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### Offsetting of financial instruments

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

#### **o. Redeemable cumulative preference shares ("RCPS") and Compulsorily convertible debentures ("CCD")**

RCPS and CCD are separated into liability and equity components based on the terms of the contract.

On issuance of the RCPS and CCD, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not re-measured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the RCPS and CCD based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### **p. Earnings per share**

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

Diluted earnings per share are calculated by dividing the net profit/ (loss) after tax for the year attributable to equity shareholders (as adjusted for dividend, interest and other charges to expense or income, net of attributable taxes) by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

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

#### **q. 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.



# **Suzlon Global Services Limited**

## **Notes to financial statements for the year ended March 31, 2023**

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### **r. 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 Provisions, Contingent Liabilities and Contingent Assets 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.

### **3.1 Significant judgements in applying the Company's accounting policy**

In the process of applying the Company's accounting policies, management has made a judgement on revenue from contracts with customers, which have the most significant effect on the amounts recognised in the financial statements:

The Company applied the judgement of identifying performance obligations that significantly affect the determination of the amount and timing of revenue from contracts with customers. The Company determined that the OMS of the WTG's, project execution activities consisting of civil work, electrical work, erection and commissioning of WTG's and power evacuation activity can be performed distinctly on a stand-alone basis which indicates that the customer can benefit from respective performance obligations on their own. Further, the Company chose output method for measuring the progress of performance obligation.

### **3.2 Significant accounting estimates and assumptions**

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

#### **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 credit loss (ECL). The Company recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. The carrying value of allowance for doubtful debts is ₹ 115.59 Crore (previous year ₹ 115.03 Crore), refer Note 10.

#### **Taxes**

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies. The Company has unabsorbed depreciation and unabsorbed business losses details of which are given in Note 30.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

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### Defined benefit plans (gratuity benefits)

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

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

The estimates of future salary increases take into account the inflation, seniority, promotion and other relevant factors. Further details about gratuity obligations are given in Note 33.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 39 for further disclosures.

### Property, plant and equipment

Refer Note 2.3 (f) for the estimated useful life and Note 6 for carrying value of PPE.

## 4. Implementation of Refinancing Proposal

The Company along with its parent company Suzlon Energy Limited ('SEL'), its fellow subsidiaries Suzlon Power Infrastructure Limited ('SPIL') and Suzlon Gujarat Wind Park Limited ('SGWPL') and a joint venture Suzlon Generators Limited ('SGL') together referred to as Suzlon The Group ("STG") entered into an agreement with the Erstwhile Lenders for refinancing the outstanding restructured facilities ("Refinancing Proposal") based on sanction letters from REC Limited and Indian Renewable Energy Development Agency Limited ("the New Lenders"). On May 24, 2022 ("Effective Date"), the Refinancing Proposal was consummated, and the outstanding obligations of STG under the Restructured Facilities were discharged as follows:

- i. Outstanding Rupee Term Loan along with accrued interest has been paid off in full;
- ii. Limits of non-fund based working capital facilities against cash margin or Letter of Comfort ("LOC") have been released or transferred or replaced;
- iii. Entire outstanding 410,000 number of Optionally Convertible Debentures ("OCD") having face value of ₹ 100,000 each issued by SEL have been converted in full with 57,14,28,572 equity shares having face value of ₹ 2 each of SEL allotted to the Erstwhile Lenders;
- iv. 4,45,301 number of Compulsorily Convertible Preference Shares ("CCPS") having face value of ₹ 100,000 each issued by the Company have been converted into full with 4,454 equity shares having face value of ₹ 10 each of the Company allotted to the Erstwhile Lenders;
- v. The requirement of maintaining the lock-in for 99,71,76,872 equity shares having face value of ₹ 2 each of SEL issued to the Erstwhile Lenders as stipulated in the Framework Restructuring Agreement dated June 30, 2020 was waived and;
- vi. 49,85,88,439 number of convertible warrants issued by SEL to the Erstwhile Lenders were surrendered.

STG till April 07, 2022 includes SEL, SGSL, SPIL, SGPWL and SGL. Post April 07, 2022 STG includes SEL, SGSL, SPIL (since merged with the Company, refer Note 5) and SGWPL.



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## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 5. Approval of Scheme of Amalgamation and Scheme of Arrangement

During the year, the Company and fellow subsidiaries of the Company, Suzlon Power Infrastructure Limited ('SPIL') and Suzlon Gujarat Wind Park Limited ('SGWPL'), have implemented (i) a Scheme of Amalgamation involving merger by absorption ('Scheme 1') of SPIL with the Company and (ii) the Scheme of Arrangement involving transfer and vesting of Project Execution Business ('Demerged Undertaking I') and Power Evacuation Business ('Demerged Undertaking II') ('Scheme 2') of SGWPL into the Company. Certified copy of the Orders in connection with amalgamation and arrangement of SPIL and SGWPL issued by the respective NCLT were filed with the Registrar of Companies on September 29, 2022. The amalgamation and arrangement are in accordance with the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. The amalgamation and arrangement is amongst the entities forming part of the Group under common control and accordingly the accounting of the same is made in accordance with the applicable Ind AS and as prescribed in the Schemes approved by NCLT in the financial statements of the Company. Upon implementation of the merger, SPIL cease to exist. .

### 6. Property, plant and equipment

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2022	Additions	Deduction / adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Deduction / adjustments	As at March 31, 2023	As at March 31, 2023
Freehold land	19.32	0.40	-	19.72	-	-	-	-	19.72
Buildings	40.58	4.57	0.23	44.92	16.56	2.19	0.22	18.53	26.39
Plant and machinery	56.53	6.30	0.16	62.67	31.06	4.10	0.07	35.09	27.58
Windfarm plant and machinery	1.76	-	-	1.76	1.23	0.09	-	1.32	0.44
Computer & office equipments	28.16	6.59	1.27	33.48	19.97	5.11	0.99	24.09	9.39
Furniture and fixtures	6.02	1.15	0.30	6.87	4.12	0.54	0.26	4.40	2.47
Vehicles	0.71	0.01	0.08	0.64	0.58	0.03	0.07	0.54	0.10
<b>Total</b>	<b>153.08</b>	<b>19.02</b>	<b>2.04</b>	<b>170.06</b>	<b>73.52</b>	<b>12.06</b>	<b>1.61</b>	<b>83.97</b>	<b>86.09</b>

Particulars	Gross block			Accumulated depreciation				Net block	
	As at April 1, 2021	Additions	Deduction / adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Deduction / adjustments	As at March 31, 2022	As at March 31, 2022
Freehold land	19.32	-	-	19.32	-	-	-	-	19.32
Buildings	41.01	1.72	2.15	40.58	15.86	1.91	1.21	16.56	24.02
Plant and machinery	54.85	8.08	6.40	56.53	31.18	4.13	4.25	31.06	25.47
Windfarm plant and machinery	1.76	-	-	1.76	1.13	0.10	-	1.23	0.53
Computer & office equipments	24.57	6.66	3.07	28.16	20.35	2.24	2.62	19.97	8.19
Furniture and fixtures	6.07	0.52	0.57	6.02	4.16	0.44	0.48	4.12	1.90
Vehicles	0.79	0.01	0.09	0.71	0.61	0.04	0.07	0.58	0.13
<b>Total</b>	<b>148.37</b>	<b>16.99</b>	<b>12.28</b>	<b>153.08</b>	<b>73.29</b>	<b>8.86</b>	<b>8.63</b>	<b>73.52</b>	<b>79.56</b>

#### Notes:

- Buildings include those constructed on leasehold land.
- For contractual commitment with respect to property, plant and equipment refer Note 35.
- For details of property, plant and equipment given as security to Lenders refer Note 18.2.
- Refer Note 44 (g) for details of immovable properties not held in the name of the Company.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 7. Capital work-in-progress ('CWIP')

CWIP as at March 31, 2023 stood at ₹ 1.12 Crore (previous year: ₹ 7.19 Crore), which primarily includes building and plant and machinery under construction.

#### 7.1 CWIP ageing schedule

As on March 31, 2023	< 1 year	1-2 years	2-3 years	> 3 years	Total
Projects in progress	0.03	-	-	1.09	1.12
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>1.09</b>	<b>1.12</b>
As on March 31, 2022					
Projects in progress	4.01	1.15	0.57	1.09	6.82
Projects temporarily suspended	-	0.37	-	-	0.37
<b>Total</b>	<b>4.01</b>	<b>1.52</b>	<b>0.57</b>	<b>1.09</b>	<b>7.19</b>

The expected completion schedule for amounts lying in CWIP as at the year end is within 1 to 2 years.

### 8. Goodwill and other intangible assets

Particulars	Gross block			Accumulated depreciation			Net block	
	Opening	Additions	Deduction	Closing	Opening	Charge for the year	Deduction	Closing
<b>March 31, 2023</b>								
Goodwill	2,550.66	-	-	2,550.66	2,186.99	363.67	-	2,550.66
SAP and other software	3.17	0.01	-	3.18	1.44	0.78	-	2.22
<b>March 31, 2022</b>								
Goodwill	2,550.66	-	-	2,550.66	1,822.76	364.23	-	2,186.99
SAP and other software	2.07	1.13	0.03	3.17	1.03	0.41	0.01	1.43

For details of intangible assets given as security to Lenders refer Note 18.2.

### 9. Investments

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
<b>9.1 Investment in equity instruments of a subsidiary, at cost</b>		
1,24,59,15,359 (1,24,59,15,359) equity shares of ₹ 10 each of Suzlon Gujarat Wind Park Limited		
Less: Impairment allowance	(191.60)	(191.60)
<b>Total</b>	"	"
<b>9.2 Other investments at fair value through profit or loss</b>		
Investments in government securities	0.00*	0.00*
Aggregate amount of unquoted investments (cost)	191.60	191.60
Aggregate impairment allowance for investment measured at cost	(191.60)	(191.60)

\* Less than ₹ 0.01 Crore.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 10. Trade receivables

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Unsecured, considered good		-
Credit impaired	108.44	104.92
Less: Allowance for doubtful debts	(108.44)	(104.92)
<b>Total</b>	-	-
<b>Current</b>		
Unsecured, considered good	658.09	586.88
Less: Impairment allowance	(7.15)	(10.11)
<b>Total</b>	<b>650.94</b>	<b>576.77</b>

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

For details of trade receivables given as security to Lenders refer Note 18.2.

Trade receivables are disclosed at amortised cost.

#### 10.1 Ageing schedule for trade receivables

As on March 31, 2023	Current but not due	Outstanding from due date of payment					Total
		< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
<b>Undisputed trade receivables,</b>							
Considered good	-	341.66	114.60	62.08	19.97	80.50	618.81
Which have significant increase in credit risk	-	-	3.94	13.72	16.72	45.09	79.47
Credit impaired	-	-	(3.94)	(13.72)	(16.72)	(45.09)	(79.47)
<b>Disputed trade receivables,</b>							
Considered good	-	-	-	-	-	32.13	32.13
Which have significant increase in credit risk	-	-	-	-	-	28.97	28.97
Credit impaired	-	-	-	-	-	(28.97)	(28.97)
<b>Total</b>	-	<b>341.66</b>	<b>114.60</b>	<b>62.08</b>	<b>19.97</b>	<b>112.63</b>	<b>650.94</b>
<b>As on March 31, 2022</b>							
<b>Undisputed trade receivables,</b>							
Considered good	-	304.83	76.31	37.58	67.61	29.05	515.38
Which have significant increase in credit risk	-	-	10.78	19.71	14.45	31.00	75.94
Credit impaired	-	-	(10.78)	(19.71)	(14.45)	(31.00)	(75.94)
<b>Disputed trade receivables,</b>							
Considered good	-	-	-	-	-	61.39	61.39
Which have significant increase in credit risk	-	-	-	-	-	28.98	28.98
Credit impaired	-	-	-	-	-	(28.98)	(28.98)
<b>Total</b>	-	<b>304.83</b>	<b>76.31</b>	<b>37.58</b>	<b>67.61</b>	<b>90.44</b>	<b>576.77</b>



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 10.2 Movement in impairment allowance as per ECL model is as under:

Particulars	March 31, 2023	March 31, 2022
Balance as at beginning of the year	10.11	10.86
Add: Impairment allowance/ (reversal) during the year	(2.96)	(0.75)
<b>Balance as at the end of the year</b>	<b>7.15</b>	<b>10.11</b>

### 10.3 Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Stribog Technologies Private Ltd	Trade receivable	-	0.02	0.02	0.02	
UWE Energy Private Ltd	Trade receivable	-	0.18	-	0.12	None

## 11. Loans

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Receivable towards debt assignment (refer Note 11.1)	562.99	498.22
Inter-corporate deposits to related parties		
Credit impaired	224.00	224.00
Less: Allowance for doubtful loans	(224.00)	(224.00)
<b>Total</b>	<b>562.99</b>	<b>498.22</b>
<b>Current</b>		
Unsecured, considered good		
Loans to employees	-	0.03
<b>Total</b>	<b>-</b>	<b>0.03</b>

Loans are disclosed at amortised cost.

### 11.1 Receivable towards debt assignment

As part of implementation of resolution plan in June 2022, pursuant to the assignment of debt, the Company recognised the amount of ₹ 4,453.01 Crore as loan receivable from SEL.

The loan receivable from SEL was agreed terms at interest rate of 0.0001% and has maturity date of March 31, 2040.

The loan receivable was initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate ('EIR') method at 13.00%. The resultant gain or loss at initial recognition was recognised in other equity.

### 11.2 Loans granted to related parties:

	March 31, 2023		March 31, 2022	
	Amount of loan outstanding	% of total loans	Amount of loan outstanding	% of total loans
Non-current	562.99	100.00%	498.22	100.00%



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 12. Other financial assets

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Bank balances #	15.26	0.03
Security deposits (unsecured, considered good)	2.55	2.56
<b>Total</b>	<b>17.81</b>	<b>2.59</b>
<b>Current</b>		
Income accrued but not due	105.97	87.46
Security deposits (unsecured, considered good)	6.62	6.62
Other assets	0.25	9.09
<b>Total</b>	<b>112.84</b>	<b>103.17</b>

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

For details of financial assets given as security to Lenders refer Note 18.2.

All the financial assets are disclosed at amortised cost.

### 13. Other assets

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Capital advances (unsecured, considered good)	0.80	0.13
Advances recoverable in kind		
Unsecured, considered doubtful	0.85	3.25
Less: Allowance for doubtful advances	(0.85)	(3.25)
Advance income tax (net of provisions)	21.79	16.01
<b>Total</b>	<b>22.59</b>	<b>16.14</b>
<b>Current</b>		
Advances recoverable in kind (unsecured, considered good)	92.21	74.24
Advances to employees	0.28	0.14
Prepaid expenses	2.81	2.84
Balances with government authorities	42.50	98.80
Others	0.58	0.15
<b>Total</b>	<b>138.38</b>	<b>176.17</b>

For details of other assets given as security to Lenders refer Note 18.2.

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

	March 31, 2023	March 31, 2022
Raw materials [including goods in transit ₹ 5.32 Crore (previous year: ₹ 14.17 Crore)]	566.84	465.29
Work-in-progress	183.19	184.95
Finished goods	51.96	48.96
Stores and spares	34.87	27.27
<b>Total</b>	<b>836.86</b>	<b>726.47</b>

For details of inventories given as security to Lenders refer Note 18.2.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 15. Cash and cash equivalents

	March 31, 2023	March 31, 2022
<b>a. Cash and cash equivalents</b>		
Balances with banks	47.23	26.78
Cash on hand	0.16	0.27
	<b>47.39</b>	<b>27.05</b>
<b>b. Bank balance other than mentioned above (earmarked)</b>	-	1.35
<b>Total</b>	<b>47.39</b>	<b>28.40</b>

There are no restrictions with regard to cash and cash equivalents as the end of the financial year and previous year.

### 16. Equity share capital

	March 31, 2023	March 31, 2022
<b>Authorised share-capital</b>		
534,30,00,000 (previous year: 5,146,000,000) equity shares of ₹ 10 each	5,343.00	5,146.00
21,000,000 (previous year: 21,000,000) preference shares of ₹ 100 each	210.00	210.00
450,000 (previous year: 450,000) preference shares of ₹ 100,000 each	4,500.00	4,500.00
<b>Total</b>	<b>10,053.00</b>	<b>9,856.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity Share Capital</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
29,371,254 (previous year: 29,366,800) equity shares of ₹ 10 each fully paid.	29.37	29.37
<b>Total</b>	<b>29.37</b>	<b>29.37</b>
<b>Preference Share Capital</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
1,000,000 (previous year: 1,000,000) 8% Redeemable Cumulative Preference Shares of ₹ 100 each	10.00	10.00
Nil (previous year: 445,301) 0.0001% Compulsorily Convertible Preference Shares of ₹ 1,00,000/- each	Nil	4,453.01
10,000 (previous year: Nil) 0.01% Redeemable Non-Cumulative Preference Shares of ₹ 100 each	0.10	Nil
<b>Total</b>	<b>10.10</b>	<b>4,463.01</b>

#### 16.1 Reconciliation of the equity shares outstanding at the beginning and at the end of the financial year

	March 31, 2023		March 31, 2022	
	Number of shares (Crore)	₹ in Crore	Number of shares (Crore)	₹ in Crore
Opening balance	2.94	29.37	2.94	29.37
Issued during the year (refer Note 18.3)	0.00*	0.00*	-	-
<b>Closing balance</b>	<b>2.94</b>	<b>29.37</b>	<b>2.94</b>	<b>29.37</b>

\*Less than ₹ 0.01 Crore



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 16.2 Terms/ rights attached to equity shares

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

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

### 16.3 Redeemable Cumulative Preference Shares ("RCPS")

1,18,800 and 8,81,200 8% RCPS of ₹ 100/- each fully paid are redeemable at par at the discretion of Board after 20 years from date of allotment, i.e. March 29, 2005 and June 28, 2005 respectively. The Company as well as the preference shareholders shall respectively have the call and put option to redeem preference shares at any time after 1(one) month from the date of allotment subject however to the consent of the preference shareholder and Company, as the case may be.

### 16.4 Details of shares held by promoters and shareholders holding more than 5% in the Company:

SI	Promoter name	Nos. of shares at the beginning of the year	Change during the year	Nos. of shares at the end of the year	% of total shares	% change during the year
<b>As at March 31, 2023</b>						
1	Suzlon Energy Limited	2,93,61,300	4,454	2,93,65,754	99.98	0.00
2	Tulsi R.Tanti J/W. Suzlon Energy Limited	5,000	(5,000)	-	-	(0.02)
3	Rambhaben Ukabhai J/W. Suzlon Energy Ltd	100	(100)	-	-	(0.00)*
4	Gita T.Tanti J/W. Suzlon Energy Ltd	100	(100)	-	-	(0.00)*
5	Sangita V.Tanti J/W. Suzlon Energy Ltd	100	(100)	-	-	(0.00)*
6	Lina J.Tanti J/W. Suzlon Energy Ltd	100	(100)	-	-	(0.00)*
7	Pranav T.Tanti J/W. Suzlon Energy Ltd	100	(100)	-	-	(0.00)*
8	Het Shah J/w. Suzlon Energy Ltd.	-	5,000	5,000	0.02	0.02
9	Manish Jain J/w. Suzlon Energy Ltd.	-	100	100	0.00*	0.00*
10	Anoop Khatry J/w. Suzlon Energy Ltd.	-	100	100	0.00*	0.00*
11	Santosh Mishra J/w. Suzlon Energy Ltd.	-	100	100	0.00*	0.00*
12	Rushiraj Shah J/w. Suzlon Energy Ltd.	-	100	100	0.00*	0.00*
13	Peter John Baptist J/w. Suzlon Energy Ltd.	-	100	100	0.00*	0.00*
<b>Total</b>		<b>2,93,66,800</b>	<b>4,454</b>	<b>2,93,71,254</b>	<b>100.00</b>	<b>-</b>
<b>As at March 31, 2022</b>						
1	Suzlon Energy Limited	2,93,61,300	-	2,93,61,300	99.98	-
2	Tulsi R. Tanti J/W. Suzlon Energy Limited	5,000	-	5,000	0.02	-
3	Rambhaben Ukabhai J/W. Suzlon Energy Ltd	100	-	100	0.00*	-
4	Gita T.Tanti J/W. Suzlon Energy Limited	100	-	100	0.00*	-
5	Sangita V.Tanti J/W. Suzlon Energy Ltd	100	-	100	0.00*	-
6	Lina J.Tanti J/W. Suzlon Energy Ltd.	100	-	100	0.00*	-
7	Pranav T.Tanti J/W. Suzlon Energy Ltd.	100	-	100	0.00*	-
<b>Total</b>		<b>2,93,66,800</b>	<b>-</b>	<b>2,93,66,800</b>	<b>100.00</b>	<b>-</b>

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

\*Less than 0.01%.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 17. Other equity

Refer Statement of Changes in Equity for detailed movement in equity balance.

	March 31, 2023	March 31, 2022
Equity component of compound financial instruments	6.78	6.78
Capital reserve	194.51	194.51
General reserve	3.49	3.49
Securities premium	922.20	922.20
Capital contribution	131.80	(611.81)
Retained earnings	(1,261.89)	(2,053.34)
<b>Total</b>	<b>(3.11)</b>	<b>(1,538.17)</b>

#### Nature and purposes of other reserves:

##### a. Capital reserve

The Company recognises profit or loss on purchase / sale of the equity instruments in case of merger to capital reserve.

##### b. General reserve

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

##### c. Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

##### d. Capital contribution

The resultant gain arising on extinguishment of debt and fair value of financial instruments issued as per the terms of Resolution plan had been transferred to Capital contribution.

### 18. Borrowings

	March 31, 2023	March 31, 2022
<b>Non-current</b>		
Term loans from banks (secured)	-	25.24
Liability component of:		
8% redeemable preference shares (unsecured) (refer Note 16.3)	20.75	18.71
9% compulsorily convertible debentures (unsecured)	375.11	370.37
Compulsory convertible preference shares (secured) (refer Note 4 and 18.3)	-	1,319.32
Loan from related party (unsecured)	1,219.12	947.88
<b>Total</b>	<b>1,614.98</b>	<b>2,681.52</b>
<b>Current</b>		
Current maturities of long-term borrowings	-	5.65
Loans from related parties (unsecured)	-	467.45
<b>Total</b>	<b>-</b>	<b>473.10</b>

Borrowings are disclosed at amortised cost.



# **Suzlon Global Services Limited**

## **Notes to financial statements for the year ended March 31, 2023**

All amounts in ₹ Crore, unless otherwise stated

### **18.1 Implementation of RTL Agreement**

On April 28, 2022, the Company along with its parent company and identified subsidiaries entered into a Rupee Term Loan Agreement ("RTL Agreement") with the New Lenders for refinancing the facilities of the STG. On May 24, 2022 ("Effective Date"), on consummation of refinancing proposal (refer Note 4), STG refinanced their borrowing facilities from Erstwhile Lenders as per the RTL Agreement with the New Lenders. The key features of the RTL Agreement are as follows:

- i. Sanction of facilities (including non-fund based facilities) of ₹ 4,053 Crore from the New Lenders.
- ii. Repayment of fund based Rupee Term Loan in 98 structured monthly instalments commencing from May 2022 to June 2030 at initial interest rate of 9.50% per annum, subject to reset after 1 year;
- iii. Release of LOC on retirement of respective non-fund based working capital facilities by Erstwhile Lenders;
- iv. Reduction of sanctioned facilities (including non-fund based facilities) from REC of ₹ 3,553 Crore to ₹ 2,178 Crore within 1 year from disbursement;
- v. Monetization of specified assets within stipulated timelines.

### **18.2 The details of security for the current and non-current secured loans are as follows:**

Financial facilities by way of RTL from New Lenders in accordance with RTL Agreement aggregating to ₹ Nil classified as long-term borrowings, ₹ Nil classified as current maturities of long term borrowings and non-fund based working capital facilities are secured by first pari-passu charge over all present and future current assets of each Borrower, first pari-passu charge over all fixed assets of Borrowers whether movable or immovable both present and future, first pari-passu charge by way of assignment or creation of security interest in the project contracts, any letter of credit, guarantee provided by, insurance contracts and clearances related to project, first charge over all accounts including Trust and Retention Account ('TRA'), first pari-passu pledge over 100% of fully paid-up equity capital of SPIL (since merged into the Company), SGWPL and the Company by SEL, negative lien over the equity shares held by SEL in SE Forge Limited, Non disposal undertaking or pledge over the 100% of the equity share capital of Suzlon Energy Limited, Mauritius ('SELM') and AE Rotor Holding B.V. ('AERH'), first pari-passu pledge over certain equity shares of SEL held by the promoters and other members of the promoter group, brand image of Suzlon and corporate guarantee provided by each of the Borrowers guaranteeing the obligations of the other Borrowers in compliance with the provisions of Companies Act, 2013.

Financial facilities from Erstwhile Lenders in accordance with Resolution Plan aggregating to ₹ Nil (previous year: ₹ 25.24 Crore) classified as long-term borrowings, ₹ Nil (previous year: ₹ 5.65 Crore) classified as current maturities of long term borrowings and non-fund based working capital facilities are secured by first pari-passu charge over all current assets of each of the Borrowers as on the effective date (except for certain identified assets), present and future current assets under identified orders and in case of SGSL all current assets of both present and future, first pari-passu charge with new PSF Lenders (under liquidation scenario) on current assets of Borrowers (except SGSL) generated from execution of WTG orders pursuant to availment of Assessed Project Specific Facilities ('APSF') where inventory (if any) as on effective date is utilised as per assessment of such orders, second charge on cash flows arising out of such new orders which are funded by APSF with ceding first charge to such new PSF Lender, first pari-passu charge over all fixed assets of Borrowers whether movable or immovable, first charge over Trust and Retention Account ('TRA') and of the Borrowers and DSR account to assenting lenders (excluding IREDA), first pari-passu pledge of equity shares held by SEL in its identified domestic subsidiaries and a joint venture which are forming part of the Borrowers, except SGSL where the pledge is till conversion of CCPS into equity shares of SGSL, negative lien over the equity shares held by SEL in SE Forge Limited, Suzlon Energy Limited, Mauritius ('SELM') and AE Rotor Holding BV held by SEL, first pari-passu pledge of certain equity shares of SEL held by the promoters and other members of the promoter group, brand image of Suzlon, personal guarantee of the chairman and managing director of SEL and corporate guarantee of each Borrower.

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 18.3 Compulsory convertible preference shares ('CCPS')

The CCPS were initially recognised at fair value and subsequently measured at fair value as applicable on respective Exit Options. On May 24, 2022, in terms of the Refinancing Proposal, the Company allotted 4,454 equity shares to erstwhile Lenders having a face value of ₹10/- each pursuant to conversion in full of entire outstanding value of 4,45,301 Compulsorily Convertible Preference Shares having a face value of ₹ 1,00,000/- each aggregating to ₹ 4,453.01 Crore (refer Note 4). On conversion in full, the CCPS's got extinguished and the difference between the carrying value of CCPS and fair value of shares issued on settlement date after adjusting the consideration consistent with the allocation of liability and equity on initial recognition amounting to ₹ 593.92 Crore is disclosed under exceptional items.

### 18.4 Loans from related parties

Loans from related parties comprise of Inter Corporate Deposit from the holding company SEL, which carry interest @ 10% p.a. and used for business operations. As per the terms of the agreement executed during the year between the Company and SEL, the loans are repayable by the Company at the end of the term up to June 30, 2030. The Company has option to make early prepayment of the loans during the term.

### 18.5 The details of repayment of long-term borrowings are as follows:

Particulars	Year	Up to 1 year	2 to 5 years	Above 5 years	Total
Secured loans	March 31, 2023	-	-	-	-
	March 31, 2022	5.65	12.58	12.66	30.89
Unsecured loans	March 31, 2023	569.12	650.00	-	1,219.12
	March 31, 2022	297.88	650.00	-	947.88
<b>Total</b>	<b>March 31, 2023</b>	<b>569.12</b>	<b>650.00</b>	<b>-</b>	<b>1,219.12</b>
	<b>March 31, 2022</b>	<b>303.53</b>	<b>662.58</b>	<b>12.66</b>	<b>978.77</b>

18.6 The rate of interest on term loan from banks 9.00% until repayment during the year (previous year: 9.00% p.a.)

### 19. Trade payables

	March 31, 2023	March 31, 2022
Trade payables to micro enterprises and small enterprises	7.30	39.83
Trade payables to related parties	42.73	17.52
Trade payables to others	379.01	361.67
<b>Total</b>	<b>429.04</b>	<b>419.02</b>

Trade payables are disclosed at amortised cost.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 19.1 Ageing schedule for trade payables

As on March 31, 2023	Unbilled dues	Outstanding from due date of payment					Total
		< 1 year	1-2 years	2-3 years	> 3 years		
Total outstanding dues of micro enterprises and small enterprises	-	6.83	0.25	0.20	0.02	7.30	
Total outstanding dues of creditors other than micro enterprises and small enterprises	71.67	315.81	4.64	10.20	19.42	421.74	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>71.67</b>	<b>322.64</b>	<b>4.89</b>	<b>10.40</b>	<b>19.44</b>	<b>429.04</b>	
<b>As on March 31, 2022</b>							
Total outstanding dues of micro enterprises and small enterprises	-	32.88	1.37	3.70	1.88	39.83	
Total outstanding dues of creditors other than micro enterprises and small enterprises	56.49	272.16	9.69	12.26	28.58	379.18	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	0.01	-	-	0.01	
<b>Total</b>	<b>56.49</b>	<b>305.04</b>	<b>11.07</b>	<b>15.96</b>	<b>30.46</b>	<b>419.02</b>	

### 19.2 Details of due to micro and small enterprises as defined under MSMED Act, 2006

Sl.	Particulars	March 31, 2023	March 31, 2022
a.	The principal amount remaining unpaid to any supplier as at the end of the accounting year	7.30	39.83
b.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.33	0.20
c.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	22.81	106.29
d.	The amount of interest due and payable for the year of delay in making payment but without adding the interest specified under this Act	0.74	1.17
e.	The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
f.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	1.07	1.37

The Company has identified small enterprises and micro enterprises, as defined under the MSMED Act, 2006 by requesting confirmation from the vendors through the letters circulated by the Company.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 19.3 Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year ended		Balance outstanding as at		Relationship with the struck off company
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	
Sumitron Exports Pvt Ltd	Purchase of goods	0.06	0.16	0.03	0.03	
Sumitron Exports Pvt Ltd	Advance given	0.06	-	0.03	-	
Avanza Epsilon Elektro Pvt. Ltd	Advances given	-	-	0.10	0.10	
Sunhertz Power & Infrastructures	Payable	-	-	0.00*	0.00*	None
Eleam Engineers Pvt. Ltd.	Advances given	-	-	-	0.06	
Mita- Teknik Technology Pvt Ltd	Advances given	-	-	0.08	-	

\*Less than 0.01 Crore.

### 20. Other financial liabilities

**Non-current:** It consists of security deposit from customers of ₹ 0.03 Crore (previous year: ₹ Nil).

**Current:** It consists of employee payables of ₹ 31.91 Crore (previous year: ₹ 37.01 Crore).

All the financial liabilities are disclosed at amortised cost.

### 21. Provisions

**Non-current:** It consists of provision for employee benefits of ₹ 21.41 Crore (previous year: ₹ 15.43 Crore).

**Current:** It consists of provision for employee benefits of ₹ 17.16 Crore (previous year: ₹ 13.52 Crore) and provision for machine availability of ₹ 67.86 Crore (previous year: ₹ 67.63 Crore).

In pursuance of Ind AS 37 - 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	Machine availability	
	March 31, 2023	March 31, 2022
Opening balance	67.63	77.83
Additions	65.11	91.90
Utilisation	(64.88)	(78.71)
Reversal	-	(23.39)
<b>Closing balance</b>	<b>67.86</b>	<b>67.63</b>

Machine availability provision represents obligation of the Company to compensate the customer in connection with unplanned suspension of operations or the expected outflow of resources against claims for the loss incurred by the customer on account of the wind turbine generator uptime being lower than the specific threshold of the time the grid was available, as defined in the contracts.

### 22. Other liabilities

**Non-current –** It consists of deferred liability\* of ₹ 14.69 Crore (previous year: ₹ 19.63 Crore).

	March 31, 2023	March 31, 2022
<b>Current</b>		
Statutory dues	22.51	29.88
Deferred liability *	4.94	4.94
<b>Total</b>	<b>27.45</b>	<b>34.82</b>

\*Compulsory convertible debentures has been classified as financial liability and are measured at amortised cost.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 23. Revenue from contract with customers

#### 23.1 Disaggregated revenue information

	March 31, 2023	March 31, 2022
<b>Type of revenue</b>		
Income from operating and maintenance service	1,518.44	1,442.29
Project execution income	311.44	330.43
Power evacuation infrastructure services	40.84	168.49
Income from power generation	1.62	1.70
Spare part sales	97.77	169.34
Scrap sales	28.82	25.46
<b>Total</b>	<b>1,998.93</b>	<b>2,137.71</b>
<b>Geography</b>		
India	1,993.79	2,133.01
Outside India	5.14	4.70
<b>Total</b>	<b>1,998.93</b>	<b>2,137.71</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	128.21	196.50
Services transferred at a point in time /over time	1,870.72	1,941.21
<b>Total</b>	<b>1,998.93</b>	<b>2,137.71</b>

#### 23.2 Contract balances

	March 31, 2023	March 31, 2022
Trade receivables	650.94	576.77
Contract liabilities	225.52	326.05

Trade receivables are non-interest bearing and are generally on payment terms of within 30 days from invoice date which is raised as per contractual agreement.

#### 23.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	March 31, 2023	March 31, 2022
Revenue as per contracted price	2,064.04	2,206.22
<b>Less: Variable consideration</b>		
Machine availability (refer Note 21)	(65.11)	(68.51)
<b>Total</b>	<b>1,998.93</b>	<b>2,137.71</b>

#### 23.4 Performance obligation

##### OMS services

The performance obligation is satisfied over-time and payment is due within 30 days from invoice date which is raised as per contractual agreement.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### Project services

Project services includes civil foundation, electrical, installation and commissioning of WTG's. The performance obligation is satisfied over-time and payment is generally due upon completion of milestone.

### Power evacuation infrastructure facilities

The performance obligation is satisfied upon commissioning and electrical installation of the WTG to the said facilities followed by approval for commissioning of WTG from the concerned authorities.

## 24. Other income

	March 31, 2023	March 31, 2022
Interest income on:		
on deposits with banks	0.60	0.23
on other financial assets	71.82	87.93
<b>Total</b>	<b>72.42</b>	<b>88.16</b>

## 25. Cost of raw materials, components and services consumed

	March 31, 2023	March 31, 2022
Opening inventory	465.29	495.92
Add: Purchases (including works contract and services)	677.39	655.01
	<b>1142.68</b>	<b>1,150.93</b>
Less: Closing inventory	566.84	465.29
	<b>575.84</b>	<b>685.64</b>
Cost of project services and infrastructure development expenses	238.53	271.48
<b>Total</b>	<b>814.37</b>	<b>957.12</b>

### Changes in inventories:

Opening inventory		
Work-in-progress	184.95	304.26
Finished goods	48.96	54.89
	<b>(A)</b>	<b>233.91</b>
Closing inventory		
Work-in-progress	183.19	184.95
Finished goods	51.96	48.96
	<b>(B)</b>	<b>235.15</b>
	<b>(C) = (A) - (B)</b>	<b>(1.24)</b>
		<b>125.24</b>

## 26. Employee benefits expense

	March 31, 2023	March 31, 2022
Salaries, wages, allowances and bonus	194.08	155.26
Contribution to provident fund and other funds (refer Note 33)	16.46	13.24
Staff welfare expenses	20.71	16.87
<b>Total</b>	<b>231.25</b>	<b>185.37</b>



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 27. Finance costs

	March 31, 2023	March 31, 2022
Interest expenses on:		
Financial liabilities measured at amortised cost		
on term loans	0.37	2.92
on inter corporate deposits	126.03	167.33
on other financial liabilities	63.73	146.54
Bank charges	0.63	2.69
Dividend on convertible preference shares	-	0.00*
<b>Total</b>	<b>190.76</b>	<b>319.48</b>

\* Less than ₹ 0.01 Crore

### 28. Depreciation and amortisation expense

	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (refer Note 6)	11.98	8.88
Depreciation on right-of-use assets (refer Note 34)	5.69	5.69
Amortisation of goodwill and other intangible assets (refer Note 8)	364.53	364.64
<b>Total</b>	<b>382.20</b>	<b>379.21</b>

### 29. Other expenses

	March 31, 2023	March 31, 2022
Site expenses	22.37	21.07
Repairs and maintenance :		
Plant and machinery	1.83	1.07
Building	1.06	0.74
Others	6.04	3.41
Rent (refer Note 34)	9.91	9.67
Rates and taxes	5.65	4.77
Insurance	8.33	7.81
Advertisement and sales promotion	0.42	0.41
Freight outward and packing expenses	16.80	13.44
Travelling, conveyance and vehicle expenses	57.51	48.56
Communication expenses	3.28	3.37
Auditors' remuneration and expenses (refer Note 29.1)	0.39	0.52
Consultancy charges	46.87	44.21
CSR, charity and donations (refer Note 29.2)	1.95	3.50
Security expenses	44.13	42.41
Miscellaneous expenses	3.88	15.58
Exchange differences, net	0.49	0.48
Impairment allowance	(0.23)	(0.75)
Bad debts written off	14.95	17.72
Allowance for doubtful debts and advances	7.37	11.84
Loss on disposal of property, plant and equipment, net	0.31	3.65
<b>Total</b>	<b>253.31</b>	<b>253.48</b>



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 29.1 Payment to auditors

	March 31, 2023	March 31, 2022
Statutory audit fees	0.37	0.51
Reimbursement of out-of-pocket expenses	0.02	0.01
<b>Total</b>	<b>0.39</b>	<b>0.52</b>

### 29.2 Corporate Social Responsibility ('CSR') disclosure

The Company has spent ₹ 1.95 Crore (previous year: ₹ 3.50 Crore) towards various schemes of CSR as prescribed under section 135 of the Companies Act, 2013. The details are:

- a. Gross amount required to be spent by the Company during the year: ₹ 1.37 Crore (previous year: ₹ 0.70 Crore);
- b. Amount spent in cash for purposes other than construction/ acquisition of any asset during the year is ₹ 1.95 Crore (previous year: ₹ 3.50 Crore) and amount yet to be paid in cash is ₹ Nil (previous year: ₹ Nil);
- c. Above includes a contribution of ₹ 1.86 Crore (previous year: ₹ 1.46 Crore) to Suzlon Foundation, a subsidiary registered under Section 8 of the Companies Act, 2013, with the main objectives of working in the areas of social, economic and environmental issues such as empowerment, health, education, civic amenities, environment, livelihood, transformative, proactive and enable the less privileged segments of the society to improve their livelihood by enhancing their means and capabilities to meet the emerging opportunities.
- d. The Company does not carry any provisions for CSR expenses for current year and previous year.

## 30. Income tax

**30.1 Components of income tax expenses includes current tax charged to statement of profit and loss of ₹ Nil (previous year: ₹ Nil)**

**30.2 Reconciliation of income tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:**

	March 31, 2023	March 31, 2022
Accounting profit before income tax	795.24	32.79
Enacted tax rates in India	25.168%	25.168%
Computed tax expense	200.15	8.25
Non-deductible expenses as per income tax	122.53	141.51
Deductible expenses for tax purpose	(322.68)	(149.76)
Tax expenses as per statement of profit and loss	-	-

**30.3 Details of carry forward losses, material disputes and unused credit on which no deferred tax asset is recognised by the Company are as follows:**

The unabsorbed depreciation is available for offsetting all future taxable profits of the Company and can be carried forward indefinitely. The business loss can be carried forward for 8 years from the year in which losses arose. Business loss, to the extent remaining unutilized will expire in FY 2026-27 and FY 2027-28. The Company has opted for concessional tax regime u/s.115BAA since FY 20-21 and accordingly MAT is not applicable.

	March 31, 2023	March 31, 2022
Unabsorbed depreciation	(794.46)	(797.09)
Business loss	(39.46)	(575.93)
<b>Total</b>	<b>(833.92)</b>	<b>(1,373.02)</b>



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

The Company received notice u/s. 148 of the Act for FY 2015-16 for reassessment against which the Company has preferred a writ which has been admitted by the Hon'ble Gujarat High Court and stay has been granted on passing of any final order.

### 31. Components of other comprehensive income (OCI)

It includes re-measurement losses on defined benefit plans of ₹ 3.79 Crore (previous year: loss of ₹ 1.50 Crore), refer Note 33.

### 32. Earnings per share (EPS)

	March 31, 2023	March 31, 2022
<b>Basic and diluted</b>		
Net profit after tax attributable to equity shareholders	795.24	32.79
Weighted average number of equity shares	2,93,70,607	2,93,66,800
Basic and diluted earnings per share of ₹ 10 each	270.76	11.17

### 33. Post-employment benefit plans

#### Defined contribution plan:

During the year the Company has recognised ₹ 9.62 Crore (previous year ₹ 7.81 Crore) in the statement of profit and loss towards employer contribution to provident fund/ pension fund.

#### Defined benefit plan

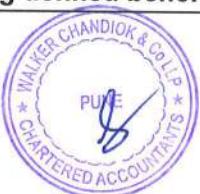
The Company has a defined benefit gratuity plan. Every employee who has completed five or more years of service is eligible for gratuity. Gratuity is computed based on 15 days salary based on last drawn salary for each completed year of service. The scheme is partially funded with an insurance company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

#### 33.1 Net employee benefits expense recognised in statement of profit and loss and in other comprehensive income:

	March 31, 2023	March 31, 2022
Current service cost	3.68	3.11
Net interest cost	1.06	0.93
<b>Total expense recognised in statement of profit and loss – A</b>	<b>4.74</b>	<b>4.04</b>
Re-measurement for the period - obligation (gain) / loss	4.11	(1.51)
Re-measurement for the period – plan assets (gain) / loss	(0.32)	0.02
<b>Total expense recognised in OCI – B</b>	<b>3.79</b>	<b>(1.49)</b>
<b>Grand total – C (A+B)</b>	<b>8.53</b>	<b>2.55</b>

#### 33.2 Changes in the defined benefit obligation:

	March 31, 2023	March 31, 2022
Opening defined benefit obligation	29.04	27.76
Add: Adjustments on account of merger	(4.76)	-
Current service cost	3.68	3.11
Interest cost	1.95	1.80
Benefits paid	(2.15)	(2.44)
Acquisition adjustments/ settlement cost	4.48	0.32
<b>Re-measurement adjustments:</b>		
Actuarial changes arising from changes in demographic assumptions	0.42	(0.11)
Actuarial changes arising from changes in financial assumptions	1.12	(1.06)
Experience variance (i.e. actual experience vs assumptions)	2.57	(0.34)
<b>Closing defined benefit obligation</b>	<b>36.35</b>	<b>29.04</b>



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 33.3 Changes in the fair value of plan assets:

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	14.50	13.39
Add: Additions on account of merger	(2.91)	-
Interest income	0.89	0.86
Contributions by employer towards approved fund	2.20	2.39
Benefits paid	(2.15)	(2.44)
Acquisition adjustments/ settlement cost	2.94	0.32
Mortality charges and taxes	-	-
<b>Re-measurement adjustments:</b>		
Return on plan assets, excluding amount recognised in interest expense	0.32	(0.02)
<b>Closing fair value of plan assets</b>	<b>15.79</b>	<b>14.50</b>

33.4 Funds managed by insurer is 100% for March 31, 2023 (previous year: 100%).

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

	March 31, 2023	March 31, 2022
Current portion of the above	3.25	3.08
Non-current portion of the above	33.10	25.96
Present value of defined benefit obligation as at the end of the year	<b>36.35</b>	<b>29.04</b>
Fair value of plan assets as at the end of the year	15.79	14.50
<b>Net asset/ (liability) recognised in the balance sheet</b>	<b>(20.56)</b>	<b>(14.54)</b>

### 33.6 Principal assumptions used in determining gratuity and post-employment medical benefit obligations:

	March 31, 2023	March 31, 2022
Discount rate (in %)	7.40	6.80
Future salary increases (in %)	9%	8%
Life expectation (in years)	6.55	6.22
Attrition rate	25.60% at younger ages and reducing to 6.20% at older ages according to graduated scale	21.50% at younger ages and reducing to 6.80% at older ages according to graduated scale

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

### 33.7 Quantitative sensitivity analysis for significant assumptions:

	March 31, 2023		March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	3.74	(3.22)	1.39	0.70
Future salary increases (- / + 1%)	(3.21)	3.65	0.71	1.38
Attrition rate (- / + 50% of attrition rates)	1.79	(1.11)	0.83	1.15

For the year ending on March 31, 2024, the Company expects to contribute ₹ 24.81 Crore (previous year: ₹ 17.89 Crore) towards its defined benefit plan.

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



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 34. Leases

The Company has lease contracts for land used in its operations and maintenance services. Leases of land have lease terms between 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of premises with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

#### 34.1 Carrying amounts of Right-of-use ('ROU') assets recognised and the movements during the year ended are as follows:

Particulars	March 31, 2023	March 31, 2022
Opening balance	17.09	0.03
Additions	-	22.75
Depreciation expense	(5.69)	(5.69)
<b>Closing balance</b>	<b>11.39</b>	<b>17.09</b>

#### 34.2 The movement in lease liabilities during the year ended are as follows:

Particulars	March 31, 2023	March 31, 2022
Opening balance	18.28	-
Additions	-	22.75
Finance cost accrued during the year	1.47	1.91
Payment of lease liabilities	(6.70)	(6.38)
<b>Closing balance</b>	<b>13.05</b>	<b>18.28</b>

The effective interest rate for lease liabilities is 9% with maturity between 2023 and 2025.

#### 34.3 The following are the amounts recognised in statement of profit and loss:

Particulars	March 31, 2023	March 31, 2022
Depreciation expense on right-of-use assets	5.69	5.69
Interest expense on lease liabilities	1.47	1.91
Rental expense for short-term leases (included in other expenses)	6.70	5.77
<b>Total</b>	<b>12.39</b>	<b>13.37</b>

During the year, the Company had total cash outflows for leases of ₹ 16.61 Crore (previous year ₹ 16.06 Crore).

#### 34.4 Details of contractual maturities of lease liabilities on an undiscounted basis are as follows:

Particulars	March 31, 2023	March 31, 2022
Not later than one year	6.06	5.23
Later than one year and not later than five years	6.99	13.05
Later than five years	-	-
<b>Total</b>	<b>13.05</b>	<b>18.28</b>

### 35. Capital and other commitments

Estimated amount of contract remaining to be executed on capital accounts and not provided for, net of advances ₹ 5.36 Crore (previous year: ₹ 3.21 Crore).



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 36. Contingent liabilities

Nature	March 31, 2023	March 31, 2022
Claims against the Company by employees	0.20	0.28
State levies	14.12	14.51
Custom duty and service tax pending in appeal	0.05	0.02
Interest payable under MSMED Act, 2006	1.07	1.37
<b>Total</b>	<b>15.44</b>	<b>16.18</b>

The Company has stood as co-borrower and guarantor for loans granted to SEL and its identified domestic subsidiaries for which certain securities defined in Note 18.2 are provided, the amount of liability of each of the parties is not ascertainable.

### 37. Segment information

Particulars	April 1, 2022 to March 31, 2023				April 1, 2021 to March 31, 2022			
	OMS	Project division	Power generation division	Total	OMS	Project division	Power generation division	Total
Segment revenue	1,640.17	357.14	1.62	1,998.93	1,615.76	520.25	1.70	2,137.71
Segment results	333.57	(15.33)	1.42	319.66	427.05	(164.39)	1.45	264.11
<b>Add / (less) items to reconcile with profit as per statement of profit and loss</b>								
Add: Other income				72.42				88.16
Less: Finance costs				(190.76)				(319.48)
<b>Profit before exceptional items and tax</b>				<b>201.32</b>				<b>32.79</b>
Add: Exceptional loss/ (gain)				(593.92)				-
Less: Tax expense				-				-
<b>Profit after tax</b>				<b>795.24</b>				<b>32.79</b>
Segment assets	1,223.03	617.79	0.86	1,841.68	1,352.74	697.14	1.04	2,050.92
Common assets				647.68				546.29
Enterprise assets				2,489.36				2,597.21
Segment liabilities	432.46	415.66	-	848.12	501.97	449.42	-	951.39
Common liabilities				1,614.98				3,154.62
Enterprise liabilities				2,463.10				4,106.01
Depreciation	381.23	0.88	0.09	382.20	378.20	0.91	0.10	379.21



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 38. Related party transactions

#### 38.1 List of related parties

Sr. No.	Name of the entity	Nature of relationship
1	Suzlon Energy Limited	Holding company
2	Suzlon Gujarat Wind Park Limited	Subsidiary
3	Suzlon Wind Energy (Lanka) Pvt. Limited	Fellow subsidiary
4	Suzlon Energy Australia Pty. Ltd	Fellow subsidiary
5	Suzlon Wind Energy Equipment Trading (Shanghai) Co.	Fellow subsidiary
6	SE Forge Limited	Fellow subsidiary
7	Suzlon Energy A/S	Fellow subsidiary
8	Suzlon Generators Limited <sup>(i)</sup>	Joint venture
9	Vayudoot Solarfarms Limited <sup>(ii)</sup>	Joint venture
10	Aalok Solarfarms Limited	Associate company
11	Abha Solarfarms Limited	Associate company
12	Heramba Renewables Limited	Associate company
13	Shreyas Solarfarms Limited	Associate company
14	Mrs. Priti Kaur Budhraja <sup>(iii)</sup>	Key Management Personnel (KMP)
15	Mrs. Shivani R. Nirgudkar <sup>(iv)</sup>	Key Management Personnel (KMP)
16	Mr. Vinod R. Tanti	Key Management Personnel (KMP)
17	Mr. Ranjitsinh A. Parmar <sup>(v)</sup>	Key Management Personnel (KMP)
17	Mr. Ajay Mathur <sup>(vi)</sup>	Key Management Personnel (KMP)
18	Mr. Vaidhyanathan Raghuraman	Key Management Personnel (KMP)
19	Mr. Per Hornung Pederson	Key Management Personnel (KMP)
20	Mr. Ishwar Chand Mangal	Key Management Personnel (KMP)
21	Mr. Om Prakash Talwar	Key Management Personnel (KMP)
22	Mr. Tulsi R. Tanti <sup>(vii)</sup>	Relatives of Key Management Personnel (RKMP)
23	Mr. Jitendra R. Tanti	Relatives of Key Management Personnel (RKMP)
24	Mr. Girish R. Tanti	Relatives of Key Management Personnel (RKMP)
25	Rambhaben Ukabai	Relatives of Key Management Personnel (RKMP)
26	Suzlon Foundation	Entities where KMP/ RKMP have significant influence
27	Shubh Realty (South) Private Limited	Entities where KMP/ RKMP have significant influence
28	SE Freight and Logistics India Pvt Ltd	Entities where KMP/ RKMP have significant influence
29	Sarjan Realities Private Limited	Entities where KMP/ RKMP have significant influence
30	Tanti Holdings Private Limited	Entities where KMP/ RKMP have significant influence
31	Samiran Realties Limited	Entities where KMP/ RKMP have significant influence
32	Samanvaya Holdings Private Limited	Entities where KMP/ RKMP have significant influence
33	Pujaa Shree Green Power Pvt Ltd	Entities where KMP/ RKMP have significant influence
34	Pujaa Shree Green Renewable Won Pvt Ltd	Entities where KMP/ RKMP have significant influence
35	Suzlon Global Services Limited- Gratuity Fund	Employee fund

(i) Ceased w.e.f April 07, 2022.

(ii) Ceased w.e.f December 03, 2022.

(iii) Resigned w.e.f April 30, 2022.

(iv) Appointed w.e.f April 30, 2022.

(v) Appointed w.e.f. August 09, 2022

(vi) Appointed w.e.f. September 12, 2022

(vii) Ceased w.e.f October 01, 2022.



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 38.2 Transactions between the Company and related parties during the year and the status of outstanding balances as at March 31, 2023:

Particulars	Holding company	Fellow subsidiary	Joint ventures	Entities where KMP/RKMP have significant influence	KMP	RKMP	Employee fund
Purchase of property, plant and equipment	-	-	-	-	-	-	-
Purchase of goods and services	44.89	-	-	-	-	-	-
(68.03)	(0.04)	(6.69)	(1.11)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Sale of goods and services	204.56	4.26	0.71	2.14	0.34	0.85	-
(245.18)	(2.49)	(1.26)	(15.89)	(0.19)	(0.99)	(-) (-)	(-) (-)
Interest expense	169.20	0.04	-	-	-	-	-
(209.45)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Domestic consultancy charges	40.00	-	-	-	-	-	-
(40.00)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Interest income	69.72	0.06	-	-	-	-	-
(86.13)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
	4.06	-	-	-	-	-	-
Reimbursement of amount receivable	(23.06)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Rent paid	0.66	0.12	-	6.86	-	-	-
(1.39)	(0.03)	(-) (-)	(-) (-)	(6.38) (-)	(-) (-)	(-) (-)	(-) (-)
Donation given	-	-	-	2.39	-	-	-
(-) (-)	(-) (-)	(-) (-)	(1.46) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Managerial remuneration	-	-	-	-	3.66	-	-
(-) (-)	(-) (-)	(-) (-)	(-) (-)	(3.74) (-)	(-) (-)	(-) (-)	(-) (-)
Director sitting fees	-	-	-	-	0.04	-	-
(-) (-)	(-) (-)	(-) (-)	(-) (-)	(0.02) (-)	(-) (-)	(-) (-)	(-) (-)
Loans taken	253.46	-	-	-	-	-	-
(188.07)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Contribution to gratuity fund	-	-	-	-	-	-	2.80
(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(2.01)
Loans given	-	-	-	-	-	-	-
(1,529.89)	(224.00)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Machine availability expenditure	-	-	-	0.13	-	-	-
(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(0.11) (-)	(-) (-)	(-) (-)
Advances received	-	-	-	-	-	-	-
(166.25)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Repayment of loan taken	-	-	-	-	-	-	-
(604.21)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Realisation of loan given	575.63	-	-	-	-	-	-
(1,914.46)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)
Reimbursement of expenses payable	22.98	-	-	-	-	-	-
(16.44)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)	(-) (-)

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### Outstanding balances:

Particulars	Holding company	Fellow subsidiary	Joint venture	Associate	Entities where KMP/ RKMP have significant influence	KMP	RKMP
Advance to supplier and other receivables	-	(-)	(-)	(-)	(0.01)	(-)	(-)
Director sitting fees payable	-	(-)	(-)	(-)	(-)	0.00*	(-)
Loans given outstanding (including interest)	562.99 (498.22)	224.00 (224.00)	-	-	-	(-)	(-)
Contract liabilities	90.75 (-)	-	(-)	(-)	-	(-)	(-)
Trade receivables	136.59 (5.89)	2.70 (1.56)	- (3.64)	0.20 (0.20)	1.17 (1.04)	0.09 (0.08)	0.27 (0.57)
Trade payables	33.63 (10.01)	7.70 (7.20)	- (0.14)	- (-)	1.40 (0.17)	- (-)	- (-)
Compulsorily convertible debentures	375.10 (370.37)	- (-)	- (-)	- (-)	-	- (-)	- (-)
Preference shares	20.75 (18.61)	- (-)	- (-)	- (-)	-	- (-)	- (-)
Unsecured loan outstanding (including interest)	1,219.12 (1,415.33)	- (-)	- (-)	- (-)	-	- (-)	- (-)
Impairment allowance on loans	-	224.00 (224.00)	-	-	-	-	-
Income accrued but not due	19.02 (28.50)	- (-)	- (-)	- (-)	-	(-) (-)	(-) (-)
Equity portion of CCD	19.63 (24.57)	- (-)	- (-)	- (-)	-	- (-)	- (-)

Figures in the bracket are in respect of previous year.



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

### 38.3 Disclosure of significant transactions with related parties

Type of the transaction	Type of relationship	Name of the entity / person	Year ended March 31,	
			2023	2022
Purchase of property plant and equipment	Holding company	Suzlon Energy Limited	-	0.06
Purchase of goods and services	Holding company	Suzlon Energy Limited	44.89	68.03
Sale of goods and services	Holding company	Suzlon Energy Limited	204.56	245.18
Managerial remuneration	KMP	Mr. Ishwar Chand Mangal	2.49	2.64
	KMP	Mr. Om Prakash Talwar	1.05	1.05
Rent paid	Entities where KMP/ RKMP have significant influence	Sarjan Realities Limited	6.70	6.38
Interest expense	Holding company	Suzlon Energy Limited	169.20	209.45
Domestic consultancy charges	Holding company	Suzlon Energy Limited	40.00	40.00
Interest income	Holding company	Suzlon Energy Limited	69.72	86.13
	KMP	Mr. Per Hornung Pedersen	0.01	0.01
Director sitting fees	KMP	Ms. Seemantinee Khot	0.00*	-
	KMP	Mr. Vaidhyanathan Raghuraman	0.02	0.01
Donation	Entities where KMP/ RKMP have significant influence	Suzlon Foundation	2.39	1.46
Machine availability expenditure	RKMP	Rambhaben Ukabhai	-	0.11
	Entities where KMP/RKMP have significant influence	Tanti Holdings Private Limited	0.13	-
Contribution to gratuity fund	Employee funds	Suzlon Energy Limited-Employee Group Gratuity Scheme	2.80	2.01
Loans taken	Holding company	Suzlon Energy Limited	253.46	188.07
Loans given	Subsidiary company	Suzlon Gujarat Wind Park Limited	-	224.00
	Holding company	Suzlon Energy Limited	-	1,529.89
Reimbursement of expenses payable	Holding company	Suzlon Energy Limited	22.98	16.44
Reimbursement of expenses receivable	Holding company	Suzlon Energy Limited	4.06	23.06
Realisation of loan given	Holding company	Suzlon Energy Limited	-	1,914.46
Repayment of loan taken	Holding company	Suzlon Energy Limited	575.63	604.21
Advances received	Holding company	Suzlon Energy Limited	-	166.25

### 38.4 Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 39. Fair value measurements

The fair value of the financial assets and liabilities are considered to be same as their carrying values as on March 31, 2023.

## 40. Fair value hierarchy

There are no transfers between level 1 and level 2 during the year and earlier comparative periods. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

of the financial year. In May 2022, CCPS has been extinguished (refer Note 4 and 18.3). Accordingly, the Company has not disclosed fair value hierarchy.

### 41. 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 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.

#### 41.1 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.

##### a. 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.

##### b. 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. As the Company does not have material exposure to the foreign currency, there is no risk associated with changes in foreign exchange rates.

The Company's exposure to foreign currency risk as at the end of the financial year are:

	March 31, 2023			March 31, 2022		
	USD	Euro	Others	USD	Euro	Others
<b>Financial assets</b>						
Trade receivables	6.96	-	0.74	4.49	-	0.01
Other assets	3.88	7.74	0.05	3.98	4.62	0.61
<b>Total</b>	<b>10.84</b>	<b>7.74</b>	<b>0.79</b>	<b>8.47</b>	<b>4.62</b>	<b>0.62</b>
<b>Financial liabilities</b>						
Trade payables	1.74	10.80	0.04	5.18	17.47	0.05
Other liabilities	0.35	-	-	0.41	-	-
<b>Total</b>	<b>2.09</b>	<b>10.80</b>	<b>0.04</b>	<b>5.59</b>	<b>17.47</b>	<b>0.05</b>

#### Foreign currency sensitivity

The Company's currency exposures in respect of monetary items as at March 31, 2023 and March 31, 2022 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.

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

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

Currency	Change in currency rate	Effect on profit before tax	
		March 31, 2023	March 31, 2022
USD	+5%	(0.15)	0.14
USD	-5%	0.15	(0.14)
EURO	+5%	0.44	(0.64)
EURO	-5%	(0.44)	0.64

### 41.2 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.

#### a. Trade receivables

The Company's exposure to trade receivables is limited due to diversified customer base. 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. For determination of ECL on trade receivable, the Company considers the impact of net credit risk exposure on trade receivable after factoring the payable to customers, if any, by the parent company.

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

#### b. Financial instruments

Financial instruments that are subject to concentrations of credit risk primarily consist of cash and cash equivalents, term deposit with banks and other financial assets. Investments of surplus funds are made only with approved counterparties and within credit limits assigned. The Company's maximum exposure to credit risk as at March 31, 2023 and as at March 31, 2022 is the carrying value of each class of financial assets.

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

### 41.3 Liquidity risk

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

The table below summarises the contractual maturity profile of the Company's financial liabilities based on contractual undiscounted payment:

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

	Up to 1 year	1 - 5 years	> 5 years	Total
<b>March 31, 2023</b>				
Borrowings	-	-	1,219.12	1,219.12
Redeemable cumulative preference shares	-	20.75	-	20.75
Compulsorily convertible debentures	-	375.11	-	375.11
Other financial liabilities	31.91	-	-	31.91
Trade and other payables	429.04	-	-	429.04
<b>Total</b>	<b>460.95</b>	<b>395.86</b>	<b>1,219.12</b>	<b>2075.93</b>
<b>March 31, 2022</b>				
Borrowings	1,420.98	12.58	12.66	1,446.22
Redeemable cumulative preference shares	-	-	18.71	18.71
Compulsorily convertible debentures	-	-	370.37	370.37
Compulsory convertible preference shares	-	-	1,319.32	1,319.32
Other financial liabilities	37.01	-	-	37.01
Trade and other payables	419.02	-	-	419.02
<b>Total</b>	<b>1,877.01</b>	<b>12.58</b>	<b>1,721.06</b>	<b>3,610.65</b>

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

For details of loans and guarantees given to related parties refer Note 11, they are given for the general corporate purpose.

For details of securities provided on behalf of borrowers under the RTL Agreement refer Note 18.2.

For details of investments made refer Note 9.

### 43. Ratios and its elements

Ratio	March 31, 2023	March 31, 2022	% change
<b>Current ratio (ii)</b>			
Current assets/ Current liabilities	2.22	1.17	89.59
<b>Debt - Equity ratio (iii)</b>			
Total debt/ Shareholders equity	61.50	(2.09)	3,041.42
<b>Debt service coverage ratio (ii)</b>			
EBITDA (excluding non-cash expenses)/ Interest + principal repayments	1.40	0.67	107.35
<b>Return on Equity ratio (ii)</b>			
Net profit after tax - Preference dividend (if any)/ Equity shareholder's funds * 100	3,028.33	(2.17)	1,39,455.76
<b>Inventory turnover ratio (i)</b>			
Sales/ average Inventory	2.56	2.67	(4.29)
<b>Trade receivables turnover ratio (i)</b>			
Sales/ average receivables	3.26	3.47	(6.26)
<b>Trade payable turnover ratio (i)</b>			
Net credit purchases/ average payables	2.14	1.78	20.06
<b>Net capital turnover ratio (iv)</b>			
Sales (includes only revenue from operation and other operating income)/ Capital employed = total assets - current liabilities	1.19	1.77	(33.04)



# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

Ratio	March 31, 2023	March 31, 2022	% change
<b>Net profit ratio (ii)</b>			
Net profit / Sales	0.10	0.02	556.63
<b>Return on capital employed (%) (i)</b>			
Earnings before interest and tax (EBIT)/ Capital employed = total assets - current liabilities	18.98%	21.63%	(12.27)
<b>Return on investment (%) (v)</b>			
Finance income/ Investment	12.52%	17.69%	(29.21)

### Reasons for variance

- (i) There is no significant change (i.e. change of more than 25% as compared to the immediately previous financial year) in the key financial ratios.
- (ii) Improved margins, profitability and reduction in debt has resulted in improvement of certain ratios.
- (iii) During the year there was substantial reduction in debt on conversion of CCPS (refer Note 18.3), resulting in increase in Other equity and hence improvement in the ratio.
- (iv) Reduced volume and current borrowings resulted in reduction in ratio.
- (v) The movement in ratio is on account of reduction in interest on loan given arising due to refund of inter-corporate deposit.

\*The % change number is not presentable.

## 44. Other information

- a. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- c. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- e. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- f. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey).
- g. Details of immovable properties classified under property, plant and equipment in balance sheet not held in the name of the Company:

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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

Description of item of property	Gross carrying value (in ₹ crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the Company
15 freehold lands located at various locations admeasuring 57.3 acres	10.50	Suzlon Windfarm Services Private Limited ('SWSPL')	No	9 years	The title deeds are in the name of SWSPL, eastwhile SEL- OMS Division which was merged with the Company w.e.f. March 29, 2014.
1 freehold lands admeasuring 4.7 acres	0.64	Suzlon Energy Limited ('SEL')	No	9 years	The title deeds are in the name of SEL, -OMS Division which was merged with the Company w.e.f. March 29, 2014.
2 freehold lands located at multiple locations admeasuring 4.4 acres	0.48	Suzlon Power Infrastructure Limited ('SPIL')	No	3 years	The title deeds are in the erstwhile name of SPIL which was merged with the company w.e.f April 01, 2020

### 45. Capital management

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

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

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

	March 31, 2023	March 31, 2022
Equity share capital	29.37	29.37
Other equity	(3.11)	(1,538.17)
<b>Total capital</b>	<b>26.26</b>	<b>(1,508.80)</b>



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# Suzlon Global Services Limited

## Notes to financial statements for the year ended March 31, 2023

All amounts in ₹ Crore, unless otherwise stated

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

For Walker Chandiok & Co LLP  
Chartered Accountants  
ICAI Firm registration no.:  
001076N/N500013



Shashi Tadwalkar  
Partner  
Membership No :101797



For and on behalf of the Board of Directors of  
Suzlon Global Services Limited

  
Ranjitsinh A. Parmar  
Whole-Time Director  
DIN :00002613

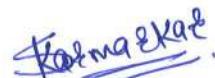
Ishwar C. Mangal  
Chief Executive  
Officer



Om Prakash Talwar  
Chief Financial  
Officer



Vinod R. Tanti  
Non-Executive Director  
DIN : 00002266



Shivani R. Nirgudkar  
Company Secretary  
Membership No  
:A33098



Place: Pune  
Date: May 30, 2023

Place: Pune

Date: May 30, 2023