

11th August 2023.

National Stock Exchange of India Limited,
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (East),
Mumbai-400051.

BSE Limited,
P.J. Towers,
Dalal Street,
Mumbai-400001.

Dear Sirs,

Sub.: Suzlon Energy Limited – Report of the Monitoring Agency for the quarter ended 30th June 2023.

Pursuant to the Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 enclosed please find Report of the Monitoring Agency for the quarter ended 30th June 2023 issued by CRISIL Ratings Limited, Monitoring Agency appointed to monitor the utilisation of the proceeds of the Rights Issue of the Company.

We confirm that there is no variation or deviation in the actual utilisation of the funds and hence the provisions of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable.

This is for your information as also for the information of your members and the public at large.

Thanking you,

Yours faithfully,
For Suzlon Energy Limited

Geetanjali S.Vaidya,
Company Secretary.

Encl.: As above.

Monitoring Agency Report
for
Suzlon Energy Limited
for the quarter ended June 30, 2023

CRL/MAR/SUZENEG/2023-24/1027

August 10, 2023

To

Suzlon Energy Limited

5, Shrimali Society Near Shri Krishna Complex,
Navrangpura, Ahmedabad, Gujarat- 380009

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2023 - in relation to the Rights Issue of Suzlon Energy Limited ("the Company")

Pursuant to Regulation 82 of the SEBI (Issue of Capital and Disclosure Requirement) Regulations ("ICDR Regulations") and Monitoring Agency Agreement dated September 26, 2022, we hereby enclose the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of net proceeds of the rights issue for the quarter ended June 30, 2023.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Report of the Monitoring Agency ('MA')

Name of the issuer: Suzlon Energy Limited

For quarter ended: June 30, 2023

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/certifications/statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Signature: 

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer: Suzlon Energy Limited

Names of the promoter: A. Gita T. Tanti
B. Tulsi Ranchhodbhai HUF
C. Ranchhodbhai Ramjibhai HUF
D. Ranchhodbhai Ramjibhai Family Trust
E. Tanti Holding Private limited

Industry/sector to which it belongs: Heavy Electrical Equipment

2) Issue Details

Issue Period: Tuesday, October 11,2022 to Thursday, October 20,2022

Type of issue (public/rights): Rights Issue

Type of specified securities: Equity Shares (partly paid-up)

Issue Size: up to Rs 1,200.00 crore (including net proceeds of Rs 1,183.50*) - assuming full subscription and receipt of all call money with respect to rights equity shares

**CRISIL Ratings shall be monitoring the net proceeds amount*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|--|-------|---|-----------------------------------|------------------------------------|
| Whether all utilization is as per the disclosures in the Offer Document? | Yes | Management undertaking, Independent Chartered Accountant Certificate [^] , Final Offer Document, Bank Statements | No Comments | - |
| Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document? | NA | Management undertaking, Independent Chartered Accountant Certificate [^] | No Comments | - |
| Whether the means of finance for the disclosed objects of the issue has changed? | NA | | No Comments | - |
| Is there any major deviation observed over the earlier monitoring agency reports? | NA | | No Comments | - |

Ratings

| Particulars | Reply | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of the Monitoring Agency | Comments of the Board of Directors |
|--|-------|--|-----------------------------------|------------------------------------|
| Whether all Government/statutory approvals related to the object(s) have been obtained? | NA | Management undertaking, Independent Chartered Accountant Certificate [^] | No Comments | - |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation? | NA | | No Comments | - |
| Are there any unfavorable events affecting the viability of the object(s)? | NA | | No Comments | - |
| Is there any other relevant information that may materially affect the decision making of the investors? | NA | | No Comments | - |

NA represents Not Applicable

[^]Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN - 109176W).

4) Details of object(s) to be monitored:

i. Cost of the object(s):

| Sr. No. | Item Head | Source of information/certification considered by MA for preparation of report | Original cost (as per the Offer Document) (Rs in crore) | Revised Cost (Rs in crore) | Comment of the MA | Comments of the Board of Directors | | |
|---------|--|--|---|----------------------------|-------------------|------------------------------------|---------------------------|---------------------------------------|
| | | | | | | Reason of Cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Repayment or prepayment of a portion of certain outstanding borrowings availed by the Company and its Subsidiaries | Management undertaking, Independent Chartered Accountant Certificate [^] , Offer document | 900.00 | - | No revision | - | - | - |
| 2 | General Corporate Purpose [#] | | 283.50 | - | No revision | - | - | - |
| | | | 1,183.50 | | | | | |

[^]Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN - 109176W).

[#]The amount utilised for general corporate purposes does not exceed 25% (Rs 300 crore) of the Gross Proceeds from the fresh Issue.

ii. Progress in the object(s):

| Sr. No. | Item Head# | Source of information / certifications considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document (Rs in crore) | Amount utilized (Rs in crore) | | | Total unutilized amount (Rs in crore) | Comments of the Monitoring Agency | Comments of the Board of Directors | |
|--------------|---|---|--|-------------------------------|--------------------|---------------------------|---------------------------------------|-----------------------------------|------------------------------------|---------------------------|
| | | | | At beginning of the quarter | During the quarter | At the end of the quarter | | | Reasons for idle funds | Proposed course of action |
| 1 | Repayment or pre-payment of a portion of certain outstanding borrowings availed by our Company and its Subsidiaries | Management undertaking, Independent Chartered Accountant Certificate [^] , Offer document, Bank Statements | Upto 900 | 900.00 | - | 900.00 | - | Refer Note 1 | - | - |
| 2 | General Corporate Purposes | Management undertaking, Independent Chartered Accountant Certificate [^] , Offer document, Bank Statement | Upto 283.5 of net issue proceed | 50.44 | 171.04 | 221.48 | 49.99 | Refer Note 2 and Note 3 | - | - |
| Total | | | 1,183.50 | 950.44 | 171.04 | 1,121.48 | 49.99 | Refer Note 3 | | |

[^]Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN – 109176W).

Note 1- Out of net proceeds disclosed in the offer document, a total of Rs 900 crore was utilized towards repayment of borrowings availed by the Company: Rs. 583.5 crore during the quarter ended December 31, 2023, Rs 316.5 crore during the quarter ended March 31, 2023.

Note 2- Rs. 89.55 crore was received by the Company during the quarter ended June 30, 2023, out of which Rs. 88.51 crore was towards Rights Issue Proceeds against which allotment of fully paid shares was done by the Company. The balance of Rs. 1.04 crore was the amount of interest received due to delay in payments by shareholders or excess received against which no allotment was required. The Company has passed resolutions at the meetings of the Securities Issues Committee of the Board of Directors of Suzlon on May 08, 2023, May 25, 2023, June 12, 2023 and July 07, 2023 for the aggregate amount received towards Rights Issue Proceeds during the quarter ended June 30, 2023 and approval for conversion of partly paid up shares to fully paid up shares.

For operational ease, Rs. 130 crore was transferred from the Company's Right Issue Allotment Account to the company's

IndusInd overdraft account on April 3, 2023, for deployment towards GCP and parking funds temporarily in FDs.

Note 3- For the Balance Call Money of Rs.12.03 crore, the Company plan to send further reminder notices in Q3 FY24.

#Brief description of objects:

| Object of the Issue | Description of objects as per the offer document filed by the issuer |
|---|--|
| Repayment or pre-payment of a portion of certain outstanding borrowings availed by the Company and its Subsidiaries | In addition to ensuring compliance with the terms of the RTL Agreement, repayment or pre-payment of company outstanding borrowings from the Net Proceeds will help company to reduce their outstanding indebtedness, debt servicing costs and enable utilization of our internal accruals for the business. Additionally, such reduction of the outstanding indebtedness will improve company ability to raise further resources in the future to fund activities related to our business. |
| General Corporate Purposes | <p>The general corporate purposes for which the Company proposes to utilize Net Proceeds include, but are not restricted to:</p> <ul style="list-style-type: none"> • Acquiring tangible and intangible assets, such as plant and machinery, repairs and maintenance and meeting other capital expenditure requirements, • funding growth opportunities, including strategic initiatives, • meeting any expenses incurred in the ordinary course of business by Company and Subsidiaries, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, • meeting our working capital requirements including payment of interest on borrowings, • renovation and upgradation of existing facilities, leasehold improvements, • meeting any exigencies which Company may face in course of business, • brand building and other marketing expenses and • any other purpose as permitted by applicable laws, subject to meeting regulatory requirements and obtaining necessary approvals or consents, as applicable and other purpose as permitted by applicable laws and as approved by Board or a duly appointed committee thereof from time to time. |

iii. Deployment of unutilised Rights Issue proceeds[^]:

(Rs in crore)

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested* | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter |
|---------|---|------------------|---------------|---------|--------------------------|---------------------------------------|
| 1 | Fixed Deposit in IndusInd Bank (30061631054) | 31.47 | July 15, 2023 | 0.08 | 6.3 | 31.47 |

[^]Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN – 109176W).

*This amount includes 0.63 crore of interest earned on the principal amount.

Note: As on quarter ended June 30, 2023, Rs. 19.13 crore was in the Right allotment account and Rs.0.02 crore was in the overdraft account. Unutilized Issue expenses of Rs. 0.04 Crores were also in the Rights Issue Allotment Account.

iv. Delay in implementation of the object(s)^:

| Object(s) | Completion date | | Delay (No. of days/ months) | Comments of Board of directors | |
|--|-----------------------|---|--|---|--|
| | As per offer document | Actual | | Reason of delay | Proposed course of action |
| Repayment or prepayment, in full or in part, of all or certain borrowings availed by the Company | Fiscal 23 | 28 th March, 2023 | NA | - | - |
| Generate Corporate Purpose | Fiscal 23 | GCP is a continuing object and issuer will utilize in FY24. | As communicated, the issuer will gradually deploy GCP for meeting Critical business requirements | GCP is being gradually deployed for meeting critical business requirements towards working capital and expenses. Balance net proceeds of Rs 12.03 crore, will also be received in FY24. | The unutilised amount will be utilised in the subsequent Fiscal i.e. FY 24 |

^Basis Management Undertaking and Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN -109176W).

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

| Sr. No. | Particulars | Amount utilized during the quarter (Rs in crore) | Supporting documents referred by MA | Comments of the Monitoring Agency |
|---------|---|--|--|-----------------------------------|
| 1. | Payment to vendors for working capital requirement | 166.6 | Management undertaking, Independent Chartered Accountant Certificate ^ | No Comments |
| 2. | Payment to vendors for expenses incurred in the ordinary course of business | 0.07 | | |
| 3 | Payment towards financial liability (Foreign Currency Convertible Bonds) | 4.37 | | |
| | Total | 171.04 | | |

^Certificate dated July 20, 2023 issued by SNK & Co, Chartered Accountants (Certificate no-2023-24/P/049 FRN - 109176W).

Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms), appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
- d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*
- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
- g) *Access or use of this report does not create a client relationship between CRL and the user.*
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