

**Suzlon Energy Ltd.**

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Mumbai - 400 021, India

**SUZLON**

POWERING A GREENER TOMORROW

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14<sup>th</sup> November 2019.

**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.: Outcome of the Board Meeting dated 14<sup>th</sup> November 2019.**

**Ref.: Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”).**

This is to inform that the Board of Directors of the Company (the “Board”), at its Meeting held on 14<sup>th</sup> November 2019 (which commenced at 11.30 a.m. and concluded at 5.30 p.m.), has, inter alia, approved the Unaudited Limited Reviewed Financial Results of the Company on standalone and consolidated basis for the quarter ended 30<sup>th</sup> September 2019. Enclosed please find copy of the said results and a copy of the Limited Review Reports (standalone and consolidated) dated 14<sup>th</sup> November 2019. Also find enclosed the copy of the press release and the copy of the presentation in this regard, which are also available on the website of the Company ([www.suzlon.com](http://www.suzlon.com)).

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**

*H.A. Kanuga*  
**Hemal A. Kanuga,**  
**Company Secretary.**



Encl.: As above.

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from operations</b>						
a) Revenue from operations	803.09	833.15	1,194.99	1,636.24	2,466.59	4,978.46
b) Other operating income	5.92	10.07	9.87	15.99	15.76	46.23
Other income	8.44	7.87	17.03	16.31	29.48	49.95
<b>Total income from operations</b>	<b>817.45</b>	<b>851.09</b>	<b>1,221.89</b>	<b>1,668.54</b>	<b>2,511.83</b>	<b>5,074.64</b>
<b>2 Expenses</b>						
a) Consumption of raw materials, components consumed and services rendered	378.12	299.34	716.06	677.46	1,378.28	2,956.50
b) Purchase of stock-in-trade	-	-	-	-	-	-
c) Changes in inventories of finished goods, semi-finished goods and work-in-progress	291.80	96.79	(59.95)	388.59	60.42	41.85
d) Employee benefits expense	209.12	208.27	212.74	417.39	406.70	874.16
e) Finance cost	300.07	303.45	324.84	603.52	652.79	1,269.91
f) Depreciation and amortisation expense	75.84	73.41	88.09	149.25	172.08	341.85
g) Foreign exchange loss / (gain)	123.34	19.81	347.52	143.15	601.16	288.28
h) Other expenses	172.87	177.32	220.98	350.19	444.89	872.65
<b>Total expenses</b>	<b>1,551.16</b>	<b>1,178.39</b>	<b>1,850.28</b>	<b>2,729.55</b>	<b>3,716.32</b>	<b>6,645.20</b>
<b>3 Profit / (loss) before exceptional items and tax (1 - 2)</b>	<b>(733.71)</b>	<b>(327.30)</b>	<b>(628.39)</b>	<b>(1,061.01)</b>	<b>(1,204.49)</b>	<b>(1,570.56)</b>
4 Exceptional items (refer Note 3a)	44.12	7.98	-	52.10	-	(27.57)
<b>5 Profit / (loss) before tax (3 - 4)</b>	<b>(777.83)</b>	<b>(335.28)</b>	<b>(628.39)</b>	<b>(1,113.11)</b>	<b>(1,204.49)</b>	<b>(1,542.99)</b>
<b>6 Tax expenses</b>						
a) Current tax	(0.31)	1.42	(2.63)	1.11	(0.73)	3.09
b) Deferred tax	-	-	-	-	(4.71)	(14.99)
<b>7 Net profit / (loss) after tax (5 - 6)</b>	<b>(777.52)</b>	<b>(336.70)</b>	<b>(625.76)</b>	<b>(1,114.22)</b>	<b>(1,199.05)</b>	<b>(1,531.09)</b>
8 Share of profit/ (loss) of associate and joint ventures	(0.31)	(0.18)	(1.62)	(0.49)	(3.43)	(6.10)
<b>9 Net profit / (loss) for the period (7 + 8)</b>	<b>(777.83)</b>	<b>(336.88)</b>	<b>(627.38)</b>	<b>(1,114.71)</b>	<b>(1,202.48)</b>	<b>(1,537.19)</b>
10 Other comprehensive income/ (loss), net of tax						
a) items that will not be reclassified to profit and loss	(0.20)	(2.12)	1.23	(2.32)	4.30	0.56
b) items that will be reclassified to profit and loss	(15.05)	13.36	78.95	(1.69)	39.37	(40.34)
<b>11 Total comprehensive income/ (loss), net of tax (9+10)</b>	<b>(793.08)</b>	<b>(325.64)</b>	<b>(547.20)</b>	<b>(1,118.72)</b>	<b>(1,158.81)</b>	<b>(1,576.97)</b>
<b>12 Net profit/ (loss) for the period attributable to:</b>						
Owners of the Company	(747.15)	(335.11)	(623.96)	(1,082.26)	(1,196.82)	(1,527.18)
Non-controlling interest	(30.68)	(1.77)	(3.42)	(32.45)	(5.66)	(10.01)
<b>Other comprehensive income/ (loss) for the period attributable to:</b>						
Owners of the Company	(15.25)	11.24	80.18	(4.01)	43.67	(39.78)
Non-controlling interest	-	-	-	-	-	-
<b>Total comprehensive income for the period attributable to:</b>						
Owners of the Company	(762.40)	(323.87)	(543.78)	(1,086.27)	(1,153.15)	(1,566.96)
Non-controlling interest	(30.68)	(1.77)	(3.42)	(32.45)	(5.66)	(10.01)
13 Paid up equity share capital (Face value of ₹ 2/- each)	1,063.95	1,063.95	1,063.95	1,063.95	1,063.95	1,063.95
14 Other equity (excluding revaluation reserve)	-	-	-	-	-	(9,561.56)
15 Earnings / (loss) per equity share (EPS) (*not annualised)						
- Basic (₹)	*(1.40)	*(0.63)	*(1.17)	*(2.03)	*(2.25)	(2.87)
- Diluted (₹)	*(1.40)	*(0.63)	*(1.17)	*(2.03)	*(2.25)	(2.87)

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Income from operations</b>						
a) Revenue from operations	90.14	141.54	625.15	231.68	1,387.13	2,471.08
b) Other operating income	16.66	20.30	6.64	36.96	11.62	72.42
Other income	76.34	112.28	137.98	188.62	228.80	435.98
<b>Total income from operations</b>	<b>183.14</b>	<b>274.12</b>	<b>769.77</b>	<b>457.26</b>	<b>1,627.56</b>	<b>2,979.48</b>
<b>2 Expenses</b>						
a) Consumption of raw materials, components consumed and services rendered	56.58	56.47	356.65	113.05	792.04	1,517.92
b) Purchase of stock-in-trade	-	-	-	-	-	5.81
c) Changes in inventories of finished goods, semi-finished goods and work-in-progress	85.40	47.20	46.21	132.60	176.92	196.00
d) Employee benefits expense	70.17	70.01	70.61	140.18	138.76	326.54
e) Finance cost	200.90	244.15	262.53	445.05	498.90	943.65
f) Depreciation and amortisation expense (refer Note 3b)	315.43	98.81	92.83	414.24	182.95	438.91
g) Foreign exchange loss / (gain)	132.57	15.50	81.34	148.07	139.14	112.73
h) Other expenses	102.30	106.12	143.90	208.42	305.37	568.52
<b>Total expenses</b>	<b>963.35</b>	<b>638.26</b>	<b>1,054.07</b>	<b>1,601.61</b>	<b>2,234.08</b>	<b>4,110.08</b>
<b>3 Profit / (loss) before exceptional items and tax (1 - 2)</b>	<b>(780.21)</b>	<b>(364.14)</b>	<b>(284.30)</b>	<b>(1,144.35)</b>	<b>(606.52)</b>	<b>(1,130.60)</b>
4 Exceptional items (refer Note 3c)	178.71	33.18	15.46	211.89	27.52	6,281.38
<b>5 Profit / (loss) before tax (3 - 4)</b>	<b>(958.92)</b>	<b>(397.32)</b>	<b>(299.76)</b>	<b>(1,356.24)</b>	<b>(634.04)</b>	<b>(7,411.98)</b>
<b>6 Tax expenses</b>						
a) Current tax	-	-	0.20	-	0.20	1.35
b) Deferred tax	-	-	-	-	-	-
<b>7 Net profit / (loss) after tax (5 - 6)</b>	<b>(958.92)</b>	<b>(397.32)</b>	<b>(299.96)</b>	<b>(1,356.24)</b>	<b>(634.24)</b>	<b>(7,413.33)</b>
8 Other comprehensive income/ (loss), net of tax						
a) items that will not be reclassified to profit and loss	(0.95)	(0.16)	0.67	(1.11)	2.71	0.54
b) items that will be reclassified to profit and loss	-	-	-	-	-	-
<b>9 Total comprehensive income/ (loss), net of tax (7 + 8)</b>	<b>(959.87)</b>	<b>(397.48)</b>	<b>(299.29)</b>	<b>(1,357.35)</b>	<b>(631.53)</b>	<b>(7,412.79)</b>
10 Paid up equity share capital (Face value of ₹ 2/- each)	1,063.95	1,063.95	1,063.95	1,063.95	1,063.95	1,063.95
11 Other equity (excluding revaluation reserve)	-	-	-	-	-	(8,086.93)
12 Earnings / (loss) per equity share (EPS) (*not annualised)						
- Basic (₹)	*(1.80)	*(0.75)	*(0.56)	*(2.55)	*(1.19)	(13.94)
- Diluted (₹)	*(1.80)	*(0.75)	*(0.56)	*(2.55)	*(1.19)	(13.94)



**Notes:**

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 14, 2019. The statutory auditors of the Company have carried out a limited review of the above results for the quarter and half year ended September 30, 2019.
- 2 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the quarter and half year ended September 30, 2018 and year ended March 31, 2019 have not been, retrospectively adjusted. The effect of this adoption is not material on the loss for the period and earnings per share.
- 3a Exceptional items in consolidated financial results includes transaction cost towards restructuring plan of ₹ 35 crores for the quarter and half year ended September 30, 2019, loss on sale of a subsidiary of ₹ 9 crores for the quarter and half year ended September 30, 2019.
- 3b Depreciation and amortisation expense in standalone financial results for the quarter and half year ended September 30, 2019 includes provision for impairment of goodwill of ₹ 214 crores.
- 3c Exceptional items in standalone financial results includes transaction cost towards restructuring plan of ₹ 35 crores for the quarter and half year ended September 30, 2019, provision for interest towards invocation of SBLFC facility of ₹ 52 crores for the quarter and half year ended September 30, 2019, impairment of advances and investments of ₹ 92 crores and of ₹ 125 crores for the quarter and half year ended September 30, 2019 respectively, loss on sale of asset classified as held for sale of ₹ 0.01 crores for the previous quarter and half year ended September 30, 2019.
- 4 The Group has continued to incur losses during for the current period, primarily due to lower volumes and finance costs and the negative net worth of the Group is ₹ 9,606 crores as at September 30, 2019. The net current liabilities in standalone and consolidated financial results were ₹ 10,858 crores and ₹ 9,677 crores, respectively, as at September 30, 2019. Suzlon Energy Limited ("the Parent") and certain subsidiaries have defaulted in repayment of loans (including Foreign Currency Convertible Bonds ("FCCB") of ₹ 1,254 crores) and interest aggregating to ₹ 3,141 crores, as at September 30, 2019. Further, the lenders of a subsidiary have recalled loans of ₹ 4,088 crores which were backed by Standby Letters of Credit from certain lenders of the Parent subsequent to September 30, 2019. The Group has also defaulted in making payments to most of the trade creditors out of total outstanding of ₹ 1,394 crores as at September 30, 2019. Certain overdue creditors have issued notices to the Parent and certain subsidiaries under the Indian Bankruptcy Code and few have filed insolvency proceedings against the Parent with the National Company Law Tribunal (NCLT). The One-time settlements (OTS) filed with the Joint Lenders Committee on June 24, 2019 and August 05, 2019 have been withdrawn as the potential investors supporting the OTS plan have withdrawn their non-binding offers. The aforesaid conditions indicate severe liquidity stress, and consequentially, existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern. During the period, the lenders of the Group (excluding the FCCB holders and lenders of certain subsidiaries mentioned hereinafter) have entered into an Inter-Creditor Agreement (ICA) on July 01, 2019 (which is valid for 180 days) under the Reserve Bank of India (Prudential Framework for resolution of stressed assets) Direction, 2019 issued by Reserve Bank of India (RBI) for resolution on June 07, 2019. The borrowings repayable after 12 months from the balance sheet date have been classified as 'non-current', based on confirmations / repayment schedule received from lenders post respective defaults and the lenders have not accelerated the repayments. The Board of directors continue to evaluate these conditions and have advised the management to explore all possibilities to improve liquidity condition of the Group and to address these concerns. The Parent is continuously working on a resolution plan with the lenders and has submitted a Restructuring Plan to the lenders, which envisages segregating total debt into sustainable debt and unsustainable debt. The Parent is also in discussion with the FCCB holders for settlement of FCCB borrowing which includes a waiver of considerable amount. The borrowings pertaining to certain subsidiaries amounting to ₹ 601 crores are not included in proposed Restructuring Plan and these will be dealt separately. The proposed Restructuring Plan is under consideration by the lenders. The lenders have appointed process advisors, rating agencies and other professionals for conducting Techno Economic Viability (TEV) study and ratings. The improvement of liquidity condition of the Group is contingent upon acceptance and implementation of the proposed Restructuring Plan by the lenders before expiry of the period allowed under the ICA, settlement with FCCB holders and the lenders of aforesaid subsidiaries. Such events are not within the control of the Group. Considering the above, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. The Group's ability to continue as a going concern is currently dependent on successful outcome of the aforesaid Restructuring Plan and settlement with other lenders. The Management is reasonably confident about fructification of the above referred measures and consequently, continuation and strengthening of the business operations. Accordingly, the standalone and consolidated financial results have been prepared on the basis that the Group will continue as a going concern, and no adjustments have been made to the carrying amounts of the assets.
- 5 Consolidated segment reporting:

Particulars	(₹ in crores)					
	Quarter ended			Half year ended		
	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited)	Year ended March 31, 2019 (Audited)
<b>Segment Revenue</b>						
a) Wind Turbine Generator	195.77	249.78	689.98	445.55	1,464.98	2,849.10
b) Foundry & Forging	117.27	110.42	83.48	227.69	141.68	356.61
c) Operation & Maintenance Service	515.34	501.13	467.79	1,016.47	924.50	1,906.73
d) Others	6.25	2.42	14.69	8.67	41.76	88.15
<b>Total</b>	<b>834.63</b>	<b>863.75</b>	<b>1,255.94</b>	<b>1,698.38</b>	<b>2,572.92</b>	<b>5,200.60</b>
Less: Inter segment revenue	31.54	30.60	60.95	62.14	106.33	222.14
<b>Income from operations</b>	<b>803.09</b>	<b>833.15</b>	<b>1,194.99</b>	<b>1,636.24</b>	<b>2,466.59</b>	<b>4,978.46</b>
<b>Segment Results</b>						
a) Wind Turbine Generator	(639.35)	(210.58)	(426.47)	(849.93)	(811.29)	(798.32)
b) Foundry & Forging	4.47	(2.42)	1.62	2.05	(0.40)	(11.24)
c) Operation & Maintenance Service	188.89	180.35	110.14	369.24	241.81	428.70
d) Others	3.91	0.93	(5.87)	4.84	(11.30)	30.26
Adjusted for:						
a. Other income	(8.44)	(7.87)	(17.03)	(16.31)	(29.48)	(49.95)
b. Finance cost	300.07	303.45	324.84	603.52	652.79	1,269.91
c. Exceptional items	44.12	7.98	-	52.10	-	(27.57)
<b>Profit / (loss) before tax</b>	<b>(777.83)</b>	<b>(335.28)</b>	<b>(628.39)</b>	<b>(1,113.11)</b>	<b>(1,204.49)</b>	<b>(1,542.99)</b>
<b>Segment assets</b>						
a) Wind Turbine Generator	5,541.21	6,105.37	7,080.68	5,541.21	7,080.68	6,443.01
b) Foundry & Forging	692.60	697.28	730.62	692.60	730.62	730.16
c) Operation & Maintenance service	1,135.49	1,108.02	1,147.54	1,135.49	1,147.54	1,008.25
d) Others	31.51	31.73	502.78	31.51	502.78	73.12
e) Unallocable	486.55	587.64	988.00	486.55	988.00	616.37
<b>Total assets</b>	<b>7,887.36</b>	<b>8,530.04</b>	<b>10,449.62</b>	<b>7,887.36</b>	<b>10,449.62</b>	<b>8,870.91</b>
<b>Segment liabilities</b>						
a) Wind Turbine Generator	3,077.03	3,489.06	4,445.11	3,077.03	4,445.11	4,168.12
b) Foundry & Forging	104.98	115.01	97.62	104.98	97.62	132.40
c) Operation & Maintenance service	747.72	714.19	700.93	747.72	700.93	666.83
d) Others	-	-	90.69	-	90.69	31.46
e) Unallocable	13,563.72	13,024.26	13,232.37	13,563.72	13,232.37	12,375.19
<b>Total liabilities</b>	<b>17,493.45</b>	<b>17,342.52</b>	<b>18,566.72</b>	<b>17,493.45</b>	<b>18,566.72</b>	<b>17,374.00</b>



6 Statement of assets and liabilities :

Particulars	(₹ in crores)			
	Standalone		Consolidated	
	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)	As at September 30, 2019 (Unaudited)	As at March 31, 2019 (Audited)
<b>A. Assets</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	679.71	736.91	1,064.72	1,147.32
(b) Right-of-use assets	98.59	-	159.82	-
(c) Capital work-in-progress	118.89	129.74	173.37	218.33
(d) Investment property	35.94	37.36	35.94	37.36
(e) Goodwill	-	300.24	7.63	7.63
(f) Other intangible assets	304.05	329.77	301.12	327.44
(g) Intangible assets under development	8.19	10.41	8.19	10.41
(h) Investments in an associate and joint ventures	27.16	57.21	19.82	20.30
(i) Financial assets				
(i) Investments	1,961.29	1,951.37	0.13	0.13
(ii) Loans	648.83	659.92	-	-
(iii) Other financial assets	312.48	417.69	375.36	483.81
(j) Other non-current assets	17.00	18.67	45.47	103.84
<b>Total non-current assets</b>	<b>4,212.13</b>	<b>4,649.29</b>	<b>2,191.57</b>	<b>2,356.57</b>
<b>Current assets</b>				
(a) Inventories	988.04	1,180.34	2,357.25	2,913.93
(b) Financial assets				
(i) Trade receivables	758.90	1,090.61	1,727.58	1,880.59
(ii) Cash and cash equivalents	21.94	16.20	70.38	74.62
(iii) Loans	512.56	732.86	26.11	11.52
(iv) Other financial assets	453.53	275.81	354.03	316.31
(c) Current tax asset, net	4.18	4.27	17.17	16.08
(d) Other current assets	482.30	499.56	1,092.27	1,211.93
<b>Total current assets</b>	<b>3,221.45</b>	<b>3,799.65</b>	<b>5,644.79</b>	<b>6,424.98</b>
<b>Assets classified as held for sale</b>	<b>43.44</b>	<b>73.83</b>	<b>51.00</b>	<b>89.36</b>
<b>Total assets</b>	<b>7,477.02</b>	<b>8,522.77</b>	<b>7,887.36</b>	<b>8,870.91</b>
<b>B. Equity and liabilities</b>				
<b>Equity</b>				
(a) Share capital	1,063.95	1,063.95	1,063.95	1,063.95
(b) Other equity	(9,428.09)	(8,086.93)	(10,631.60)	(9,561.56)
(c) Non-controlling interest	-	-	(38.44)	(5.48)
<b>Total equity</b>	<b>(8,364.14)</b>	<b>(7,022.98)</b>	<b>(9,606.09)</b>	<b>(8,503.09)</b>
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	1,546.01	1,842.53	1,905.25	6,244.14
(ii) Lease liabilities	57.00	-	57.00	-
(iii) Other financial liabilities	7.26	6.49	29.13	50.49
(b) Provisions	95.35	4,034.06	116.61	118.46
(c) Other non-current liabilities	13.11	11.70	13.11	11.70
<b>Total non-current liabilities</b>	<b>1,718.73</b>	<b>5,894.78</b>	<b>2,121.10</b>	<b>6,424.79</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	4,098.16	3,257.98	4,279.94	3,379.79
(ii) Trade payables	-	-	1,394.19	2,175.19
Total outstanding dues of micro enterprises and small enterprises	28.34	33.99	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,232.21	1,759.35	-	-
(iii) Lease liabilities	14.54	-	14.54	-
(iv) Other financial liabilities	7,606.65	2,691.20	8,133.92	3,060.65
(b) Contract liabilities	421.09	1,211.41	595.70	1,478.08
(c) Other current liabilities	69.21	63.52	185.66	115.98
(d) Provisions	652.23	633.52	768.40	739.52
<b>Total current liabilities</b>	<b>14,122.43</b>	<b>9,650.97</b>	<b>15,372.35</b>	<b>10,949.21</b>
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>7,477.02</b>	<b>8,522.77</b>	<b>7,887.36</b>	<b>8,870.91</b>



7 Statement of cashflows:

Particulars	(* in crores)			
	Standalone		Consolidated	
	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) refer Note 8	September 30, 2019 (Unaudited)	September 30, 2018 (Unaudited) refer Note 8
<b>Cash flow from operating activities</b>				
Profit/ (loss) before tax	(1,356.24)	(634.04)	(1,113.11)	(1,204.49)
<b>Adjustments for:</b>				
Depreciation and amortisation expense	414.24	182.95	149.25	172.08
Exceptional items	176.60	27.52	16.81	-
(Gain) / loss on disposal of property, plant and equipment and investment property, net	10.40	0.05	10.40	(0.38)
Other income	(202.65)	(238.54)	(30.34)	(39.22)
Interest expenses and other borrowing cost	412.93	423.63	566.06	596.72
Gain on sale of mutual funds	-	(0.01)	-	(0.01)
Operation, maintenance and warranty expenditure	2.88	38.90	(0.75)	15.73
Liquidated damages expenditure	30.75	80.69	30.75	80.69
Performance guarantee expenditure	8.85	21.59	27.34	33.02
Bad debts written off	-	0.23	4.46	5.91
Impairment allowance	(3.35)	(4.30)	(0.37)	(5.37)
Allowance / (reversal) for doubtful debts and advances, net	10.20	(1.80)	18.63	(5.24)
Adjustments for consolidation*	-	-	12.35	75.92
Exchange differences, net	144.43	56.02	135.15	517.02
<b>Operating profit before working capital changes</b>	<b>(350.96)</b>	<b>(47.11)</b>	<b>(173.37)</b>	<b>242.45</b>
<b>Movements in working capital</b>				
(Increase) / decrease in financial assets and other assets	64.12	(182.26)	158.37	(332.95)
(Increase) / decrease in trade receivables	334.39	434.73	152.84	699.27
(Increase) / decrease in inventories	192.30	159.92	556.68	(124.29)
(Decrease) / increase in other liabilities, financial liabilities and provisions	(1,011.69)	94.49	(1,209.47)	352.98
<b>Cash (used in) / generated from operating activities</b>	<b>(771.84)</b>	<b>459.77</b>	<b>(514.95)</b>	<b>837.46</b>
Direct taxes paid (net of refunds)	(0.06)	4.32	(0.45)	(4.42)
<b>Net cash (used in)/ generated from operating activities - A</b>	<b>(771.90)</b>	<b>464.09</b>	<b>(515.40)</b>	<b>833.04</b>
<b>Cash flow from investing activities</b>				
Payments for purchase of property, plant and equipment including capital work-in-progress and capital advances	(49.23)	(134.86)	(63.41)	(171.30)
Purchase of units of mutual fund	-	(1.00)	-	(1.00)
Proceeds from sale of property, plant and equipment and investment property	0.13	0.70	0.19	1.53
Proceeds from sale of stake in subsidiaries and joint ventures	30.38	-	30.38	-
Income from investment property	14.03	9.75	14.03	9.75
Inter-corporate deposits repaid / (granted), net	170.14	137.86	(14.59)	10.08
Interest received	10.75	14.73	13.41	17.31
<b>Net cash (used in)/ generated from investing activities - B</b>	<b>176.20</b>	<b>27.18</b>	<b>(19.99)</b>	<b>(133.63)</b>
<b>Cash flow from financing activities</b>				
Repayment of long-term borrowings	(21.31)	(79.57)	(49.86)	(132.55)
Proceeds from long-term borrowings	-	-	-	18.30
Proceeds / (repayment) from short term-borrowings, net	840.19	(462.10)	900.15	(494.34)
Interest and other borrowing cost paid	(217.44)	(367.01)	(319.11)	(551.27)
<b>Net cash (used in)/ generated from financing activities - C</b>	<b>601.44</b>	<b>(908.68)</b>	<b>531.18</b>	<b>(1,159.86)</b>
<b>Net increase in cash and cash equivalents - A+B+C</b>	<b>5.74</b>	<b>(417.41)</b>	<b>(4.21)</b>	<b>(460.45)</b>
Less: Cash and bank balances adjusted on sale of subsidiaries	-	-	(0.03)	-
Cash and cash equivalents at the beginning of period	16.20	446.70	74.62	581.07
Cash and cash equivalents at the end of period	21.94	29.29	70.38	120.62

\*Primarily includes impact of foreign currency translation in non-integral operations

- 8 The statement of cash flows for the corresponding half year ended September 30, 2018 have been approved by the Board of Directors, but have not been subjected to review by auditors.
- 9 Figures for the previous periods have been regrouped/re-classified to conform to the classification of the current period.

For and on behalf of the Board of Directors

Tulsi R.Tanti  
Chairman & Managing Director  
DIN No: 00002283



Place: Mumbai  
Date: November 14, 2019

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
SUZLON ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Suzlon Energy Limited** ("the Company"), which includes branches located at The Netherlands and Germany for the quarter and six months ended 30 September 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 8 of the Statement which states that the statement of cash flows for the corresponding six months ended 30 September 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review conducted as stated in paragraph 3 above, and read with the management's assessment of going concern and the reasons for not making any adjustments to the carrying amounts of the assets as more fully explained in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Attention is invited to Note 4 of the Statement regarding preparation of the results of the Company on a going concern basis notwithstanding the fact that the Company has continued to incur losses during the current period, primarily due to lower volumes, and finance costs, and the negative net worth of the Company is ₹ 8,364 crores as at 30 September 2019.

## **Deloitte Haskins & Sells LLP**

The net current liabilities in standalone financial results were ₹ 10,858 crores as at 30 September 2019.

The Company has defaulted in repayment of loans (including Foreign Currency Convertible Bonds (FCCB) of ₹ 1,254 crores) and interest aggregating to ₹ 2,979 crores, as at 30 September 2019. Further, the lenders of a subsidiary have recalled loans of ₹ 4,088 crores which were backed by Standby Letters of Credit from certain lenders of the Company subsequent to 30 September 2019.

The Company has also defaulted in making payments to most of the trade creditors out of total outstanding of ₹ 1,261 crores as at 30 September 2019. Certain overdue creditors have issued notices to the Company under the Indian Bankruptcy Code and few have filed insolvency proceedings against the Company with the National Company Law Tribunal (NCLT).

The One-time settlements (OTS) filed with the Joint Lenders Committee on 24 June 2019 and 05 August 2019 have been withdrawn as the potential investors supporting the OTS plan have withdrawn their non-binding offers.

The aforesaid conditions indicate severe liquidity stress, and consequentially, existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

During the period, the lenders of the Company (excluding the FCCB holders) have entered into an Inter-Creditor Agreement (ICA) on 01 July 2019 (which is valid for 180 days) under the Reserve Bank of India (Prudential Framework for resolution of stressed assets) Direction, 2019 issued by Reserve Bank of India (RBI) for resolution on 07 June 2019.

The borrowings repayable after 12 months from the balance sheet date have been classified as 'non-current', based on confirmations / repayment schedule received from lenders post respective defaults, and the lenders have not accelerated the repayments.

The Board of directors continue to evaluate these conditions and have advised the management to explore all possibilities to improve liquidity condition of the Company and to address these concerns.

The Company is continuously working on a resolution plan with the lenders and has submitted a Restructuring Plan to the lenders, which envisages segregating total debt into sustainable debt and unsustainable debt. The Company is also in discussion with the FCCB holders for settlement of FCCB borrowing which includes a waiver of considerable amount.

The proposed Restructuring Plan is under consideration by the lenders. The lenders have appointed process advisors, rating agencies and other professionals for conducting Techno Economic Viability (TEV) study and ratings.

The improvement of liquidity condition of the Company is contingent upon acceptance and implementation of the proposed Restructuring Plan by the lenders before expiry of the period allowed under the ICA and settlement with FCCB holders.

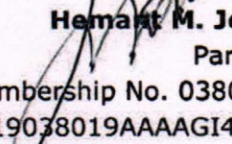
Such events are not within the control of the Company. Considering the above, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is currently dependent on successful outcome of the aforesaid Restructuring Plan and settlement with other lenders. The Management is reasonably confident about fructification of the above referred measures and consequently, continuation and strengthening of the business operations.

Accordingly, the standalone financial results have been prepared on the basis that the Company will continue as a going concern, and no adjustments have been made to the carrying amounts of the assets.

**Deloitte  
Haskins & Sells LLP**

Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Hemant M. Joshi**  
Partner  
(Membership No. 038019)  
UDIN: 19038019AAAAGI4925

Pune, 14 November 2019



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM  
CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
SUZLON ENERGY LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Suzlon Energy Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income / (loss) of its joint venture for the quarter and six months ended 30 September 2019 ("the Statement") which includes the branches of the Group located at The Netherlands and Germany being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Attention is drawn to Note 8 of the Statement which states that the statement of consolidated cash flows for the corresponding six months ended 30 September 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

4. The Statement includes the results of entities as per Annexure to this report.

**Deloitte  
Haskins & Sells LLP**

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and read with the management's assessment of going concern and the reasons for not making any adjustments to the carrying amounts of the assets as more fully explained in paragraph 6 below and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Attention is invited to Note 4 of the Statement regarding preparation of the results of the Group on a going concern basis notwithstanding the fact that the Group has continued to incur losses during the current period, primarily due to lower volumes, and finance costs, and the negative net worth of the Group is ₹ 9,606 crores as at 30 September 2019. The net current liabilities in consolidated financial results were ₹ 9,677 crores as at 30 September 2019.

The Parent and certain subsidiaries have defaulted in repayment of loans (including Foreign Currency Convertible Bonds ('FCCB') of ₹ 1,254 crores) and interest aggregating to ₹ 3,141 crores, as at 30 September 2019. Further, the lenders of a subsidiary have recalled loans of ₹ 4,088 crores which were backed by Standby Letters of Credit from certain lenders of the Parent subsequent to 30 September 2019.

The Group has also defaulted in making payments to most of the trade creditors out of total outstanding of ₹ 1,394 crores as at 30 September 2019. Certain overdue creditors have issued notices to the Parent and certain subsidiaries under the Indian Bankruptcy Code and few have filed insolvency proceedings against the Parent with the National Company Law Tribunal (NCLT).

The One-time settlements (OTS) filed with the Joint Lenders Committee on 24 June 2019 and 05 August 2019 have been withdrawn as the potential investors supporting the OTS plan have withdrawn their non-binding offers.

The aforesaid conditions indicate severe liquidity stress, and consequentially, existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern.

During the period, the lenders of the Group (excluding the FCCB holders and lenders of certain subsidiaries mentioned hereinafter) have entered into an Inter-Creditor Agreement (ICA) on 01 July 2019 (which is valid for 180 days) under the Reserve Bank of India (Prudential Framework for resolution of stressed assets) Direction, 2019 issued by Reserve Bank of India (RBI) for resolution on 07 June 2019.

The borrowings repayable after 12 months from the balance sheet date have been classified as 'non-current', based on confirmations / repayment schedule received from lenders post respective defaults, and the lenders have not accelerated the repayments.

The Board of directors continue to evaluate these conditions and have advised the management to explore all possibilities to improve liquidity condition of the Group and to address these concerns.

## **Deloitte Haskins & Sells LLP**

The Parent is continuously working on a resolution plan with the lenders and has submitted a Restructuring Plan to the lenders, which envisages segregating total debt into sustainable debt and unsustainable debt. The Parent is also in discussion with the FCCB holders for settlement of FCCB borrowing which includes a waiver of considerable amount. The borrowings pertaining to certain subsidiaries amounting to ₹ 601 crores are not included in proposed Restructuring Plan and these will be dealt separately.

The proposed Restructuring Plan is under consideration by the lenders. The lenders have appointed process advisors, rating agencies and other professionals for conducting Techno Economic Viability (TEV) study and ratings.

The improvement of liquidity condition of the Group is contingent upon acceptance and implementation of the proposed Restructuring Plan by the lenders before expiry of the period allowed under the ICA and settlement with FCCB holders and the lenders of aforesaid subsidiaries.

Such events are not within the control of the Group. Considering the above, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. The Group's ability to continue as a going concern is currently dependent on successful outcome of the aforesaid Restructuring Plan and settlement with other lenders. The Management is reasonably confident about fructification of the above referred measures and consequently, continuation and strengthening of the business operations.

Accordingly, the consolidated financial results have been prepared on the basis that the Group will continue as a going concern, and no adjustments have been made to the carrying amounts of the assets.

Our conclusion on the Statement is not modified in respect of this matter.

7. We did not review the interim financial information of three subsidiaries included in the consolidated unaudited financial results, whose interim financial information reflect total assets of ₹ 1,013 crores as at 30 September 2019, total revenues of ₹ 95 crores and ₹ 183 crores for the quarter and six months ended 30 September 2019 respectively, total loss after tax of ₹ 379 crores and ₹ 418 crores for the quarter and six months ended 30 September 2019 respectively and total comprehensive loss of ₹ 379 crores and ₹ 418 crores for the quarter and six months ended 30 September 2019 respectively and net cash inflows of ₹ 0.23 crores for the six months ended 30 September 2019, as considered in the Statement. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

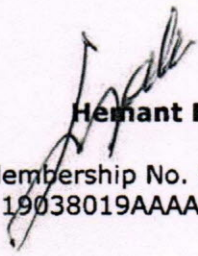
Our conclusion on the Statement is not modified in respect of this matter.

8. The consolidated unaudited financial results includes the interim financial information of forty subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of ₹ 1,077 crores as at 30 September 2019, total revenue of ₹ 53 crores and ₹ 110 crores for the quarter and six months ended 30 September 2019 respectively, total loss after tax of ₹ 16 crores and ₹ 17 crores for the quarter and six months ended 30 September 2019 respectively and Total comprehensive loss of ₹ 16 crores and ₹ 17 crores for the quarter and six months ended 30 September 2019 respectively and net cash outflows of ₹ 23 crores for the six months ended 30 September 2019, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

**Deloitte  
Haskins & Sells LLP**

Our conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Hemant M. Joshi**  
Partner

(Membership No. 038019)  
UDIN: 19038019AAAAGH2891

Pune, 14 November 2019

**Deloitte  
Haskins & Sells LLP**

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REVIEW REPORT**  
(Referred to in paragraph 4 of our report of even date)

Following is the list of subsidiaries, joint ventures and an associate whose results are included in the Statement of Suzlon Energy Limited:

#	Name of the company	Country	Relationship
1	AE Rotor Holding B.V.	The Netherlands	Subsidiary
2	SWE Renewables Ltd (formerly known as Anshuman Renewables Limited)	India	Subsidiary
3	Avind Desenvolvimento De Projetos De Energia Ltda*	Brazil	Subsidiary
4	Manas Renewables Limited	India	Subsidiary
5	Parque Eolico El Almendro S.L.\$	Spain	Subsidiary
6	SE Drive Technik GmbH	Germany	Subsidiary
7	SE Forge Ltd.	India	Subsidiary
8	SWE Wind Project Services Limited (formerly known as Sharanya Renewables Limited)	India	Subsidiary
9	Sirocco Renewables Limited	India	Subsidiary
10	Suryoday Renewables Limited	India	Subsidiary
11	SE Blades Technology B.V.	The Netherlands	Subsidiary
12	Suzlon Energia Eolica do Brasil Ltda*	Brazil	Subsidiary
13	Suzlon Energy A/S	Denmark	Subsidiary
14	Suzlon Energy Australia Pty. Ltd.	Australia	Subsidiary
15	Suzlon Energy B.V.	The Netherlands	Subsidiary
16	Suzlon Energy Korea Co. Ltd.	Republic of South Korea	Subsidiary
17	Suzlon Energy Limited, Mauritius	Mauritius	Subsidiary
18	Suzlon Energy Portugal Energia Elocia Unipessoal Lda	Portugal	Subsidiary
19	Suzlon Global Services Ltd.	India	Subsidiary
20	Suzlon Gujarat Wind Park Ltd.	India	Subsidiary
21	Suzlon Power Infrastructure Ltd.	India	Subsidiary
22	Suzlon Rotor Corporation	USA	Subsidiary
23	Suzlon Wind Energy (Lanka) Pvt. Ltd.	Sri-Lanka	Subsidiary
24	Suzlon Wind Energy BH, Bosnia & Herzegovina	Bosnia	Subsidiary
25	Suzlon Wind Energy Corp.	USA	Subsidiary
26	Suzlon Wind Energy Equipment Trading (Shanghai) Co., Ltd	China	Subsidiary
27	Suzlon Wind Energy Espana, S.L	Spain	Subsidiary
28	Suzlon Wind Energy Ltd.	United Kingdom	Subsidiary
29	Suzlon Wind Energy Nicaragua, Sociedad Anónima	Nicaragua	Subsidiary
30	Suzlon Wind Energy Romania SRL	Romania	Subsidiary
31	Suzlon Wind Energy Uruguay SA	Uruguay	Subsidiary
32	Suzlon Wind Enerji Sanayi VE Ticaret Limited Sirketi	Turkey	Subsidiary
33	Tarilo Holding B.V.	The Netherlands	Subsidiary
34	Vakratunda Renewables Limited	India	Subsidiary
35	Valum Holding B.V.	The Netherlands	Subsidiary

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#	Name of the company	Country	Relationship
36	Varadvinayak Renewables Limited	India	Subsidiary
37	Vignaharta Renewable Energy Limited	India	Subsidiary
38	Wharton Wind LLC	USA	Subsidiary
39	Suzlon Project VIII, LLC	USA	Subsidiary
40	Suzlon Wind Energy South-Africa (PTY) Limited	South-Africa	Subsidiary
41	Seventus LLC USA	USA	Subsidiary
42	Gale Green Urja Limited	India	Subsidiary
43	Suyash Renewables Limited	India	Subsidiary
44	Jawbone Holding LLC	USA	Subsidiary
45	Seventus Development Holdings LLC	USA	Subsidiary
46	Lane City Wind LLC	USA	Subsidiary
47	Lacy Creek Windpower, LLC	USA	Subsidiary
48	Consortium Suzlon Padgreen Co Ltd	Mauritius	Joint venture
49	Suzlon Generators Limited	India	Joint venture
50	Aalok Solarfarms Limited#	India	Joint venture
51	Abha Solarfarms Limited#	India	Joint venture
52	Heramba Renewables Limited#	India	Joint venture
53	Shreyas Solarfarms Limited#	India	Joint venture
54	Vayudoot Solarfarms Limited#	India	Joint venture
55	Suzlon Energy (Tianjin) Ltd.	China	Associate

\*under liquidation

#classified as held for sale

\$ sold during the period

**For Immediate Release**

**14<sup>th</sup> November, 2019**

## **Suzlon announces Q2 FY20 results**

- Concerted efforts on-going towards a holistic debt resolution
- Pre-forex EBITDA loss of Rs. 243 crores in Q2 FY20

**Pune, India:** Suzlon Group, India's largest renewable energy solutions provider, announced its Q2 FY20 results.

**J P Chalasani, Group CEO,** said, *"The sector is witnessing issues on project execution due to some policy issues but there has been some healthy growth in installations over the last year. Wind capacities added in India in H1 FY20 was ~1,304 MW as compared to ~569 MW in H1 FY19. Our operations are at a subdued level with minimal allocation of funding as we are trying to fix our capital structure. In the recently concluded auctions, we have seen the tariffs are stabilizing and there is immense opportunity for the long-term sustainable growth of the wind sector. Our Operation and Maintenance Services (OMS) business continues to deliver strong profitability & high machine performance for the customers, surpassing industry benchmarks. India is expected to be a relatively high volume market once the transitional problems and policy uncertainty are addressed. We continue to work determinedly for a sustainable long term debt resolution plan with our consortium of lenders, to preserve the value of the Company."*

**Swapnil Jain, CFO,** said, *"Our operations are at a sub-optimal level due to liquidity challenges being faced by the Company. We remain focused on cost optimization across the board including cost of goods sold (COGS) and fixed costs. We are committed and tirelessly working along with our lenders towards a holistic debt resolution and fixing the capital structure to align with our earning capability under the new market paradigms."*

### **Suzlon Group Q2 FY20 financial performance at a glance (consolidated):**

- Q2 FY20 revenue at Rs. 803 crores
- **Operating Performance (Pre-forex)**
  - **EBIDTA : loss of** Rs. 243 crores in Q2 FY20
- **Reported Net Loss** of Rs. 778 crores in Q2 FY20

**Key highlight:**

- Suzlon Global Services Limited (SGSL) won the Global Performance Excellence Award at Asia Pacific Quality Organization (APQO) 2019, in Service Category in September, 2019

**About Suzlon Group:**

Suzlon Group is one of the leading renewable energy solutions provider in the world with a global presence across 18 countries in Asia, Australia, Europe, Africa and Americas. Headquartered at Suzlon One Earth in Pune, India; the Group is comprised of Suzlon Energy Limited (NSE & BSE: SUZLON) and its subsidiaries. A vertically integrated organization, with over two decades of operational track record, the group has a cumulative global installation of over 18 GW of wind energy capacity, over 7,500 employees with diverse nationalities and world-class manufacturing facilities. Suzlon is the only Indian wind energy company with a large in-house Research and Development (R&D) set-up in Germany, the Netherlands, Denmark and India. Group's installation in India, adds upto ~35% of the country's wind installations, making Suzlon the largest player in this sector. The Group is the custodian of over 12.5 GW of wind assets under service in India making it the 2<sup>nd</sup> largest operations and maintenance company (over 8,500 turbines) in Indian power sector. The Group also has around 3 GW of wind assets under service outside India.

Suzlon corporate website: [www.suzlon.com](http://www.suzlon.com) Follow us on Social media:    

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**Suzlon Energy Limited**

Q2 FY 2020

14 November 2019



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## Milestones Achieved

**Annual Market Share  
(FY19)**

**~39%**

*Market share gains for  
4<sup>th</sup> consecutive year*

**Cumulative Market  
Share\***

**~35%**

*Market leadership  
maintained for over two  
decades*

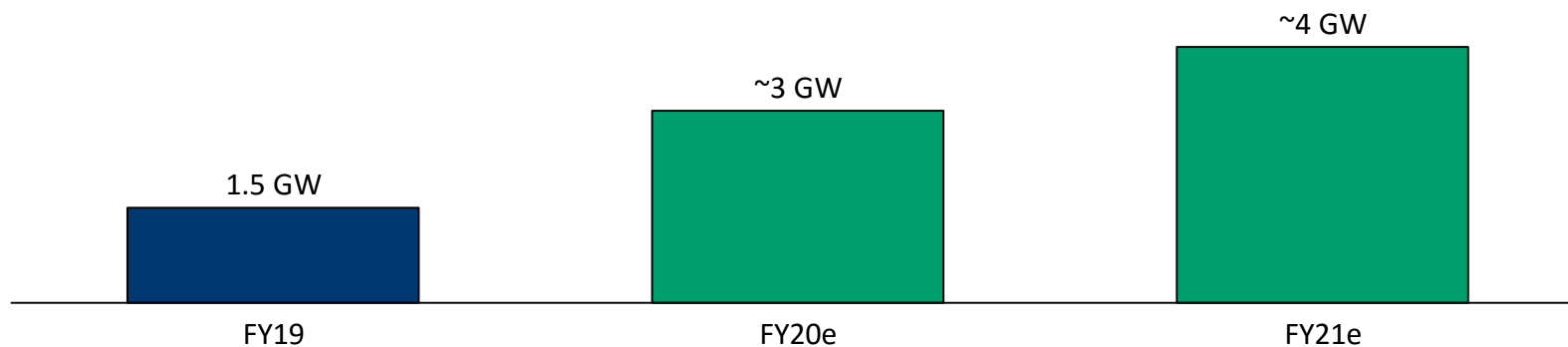
**Largest fleet under  
maintenance\* of**

**12.5 GW** in India

*2<sup>nd</sup> largest O&M  
Company in India Power  
Sector*

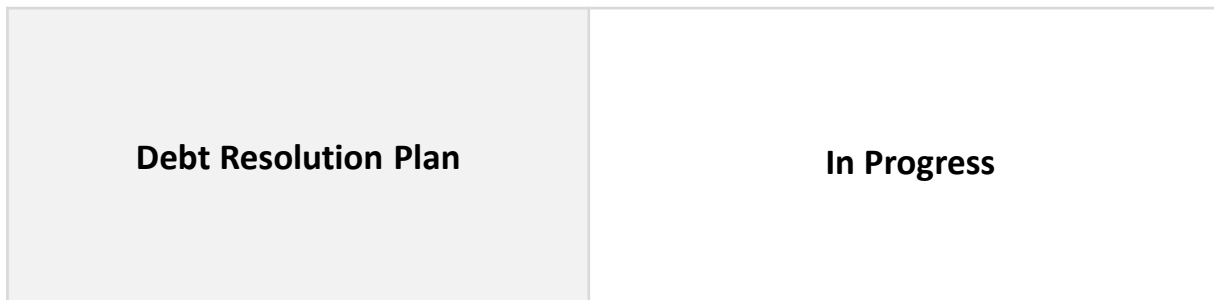
## FY20 & Onwards: Volume Visibility in India

### Visibility for next two years – For India Wind Market



Challenges	Resolution
Delays in evacuation approvals	Evacuation approvals granted most of the auctioned capacity PGCIL working on creation of evacuation infrastructure, Defined roadmap for next two years SECI mandated to apply for connectivity to PGCIL
Delays in land allocation	MNRE directed states to identify and set aside land for development Gujarat framed land policy for renewable energy

# Debt Resolution Plan



## Focus areas:

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- Continues to work on resolution of unsustainable debt levels
- Wholesome approach towards liability management
- Medium to long term outlook for wind continues to remain positive

## Steps Taken:

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- ✓ Lenders\* have entered Intercreditor Agreement (ICA) under the Reserve Bank of India (Prudential Framework for resolution of stressed assets) Direction, 2019 issued by Reserve Bank of India (RBI) for resolution on June 07, 2019
- ✓ Company has submitted restructuring plan to the lenders and is working to achieve a feasible resolution plan, which envisages segregating total debt into sustainable debt and unsustainable debt.

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Committed to correct capital structure to adapt with market reality

**Financial Performance**

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Industry Outlook

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Detailed Financials

## Q2 FY20 Financial Metrics

(₹ Cr.)

Particulars	Q2 FY20 Unaudited	Q2 FY19 Unaudited	Remarks
Net Volumes (MW)	27	126	
Net Revenue	803	1,195	Primarily due to low volume
<b>Gross Profit</b>	<b>133</b>	<b>539</b>	Primarily due to revenue mix and provisions
<b>Gross Margin</b>	<b>16.6%</b>	<b>45.1%</b>	
Employee Expenses	209	213	
Other Expenses (net)	167	211	Includes partly variable cost
<b>EBITDA (Pre FX)</b>	<b>-243</b>	<b>115</b>	Primarily due to lower operating leverage
<b>EBITDA Margin (Pre FX)</b>	<b>-30.2%</b>	<b>9.6%</b>	
Depreciation	76	88	
Net Finance Cost	292	308	
Taxes	-0	-3	
Share of (Profit) / Loss of Associates / JV	0	2	
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>-610</b>	<b>-280</b>	
Exchange Loss / (Gain)	123	348	
Exceptional Loss / (Gain)	44	0	
<b>Reported Net Profit</b>	<b>-778</b>	<b>-627</b>	
Non Controlling Interest	-31	-3	
<b>Net Profit attributable to Shareholders</b>	<b>-747</b>	<b>-624</b>	

Business impact continues due to prolonged debt resolution

# H1 FY20 Financial Metrics

(₹ Cr.)

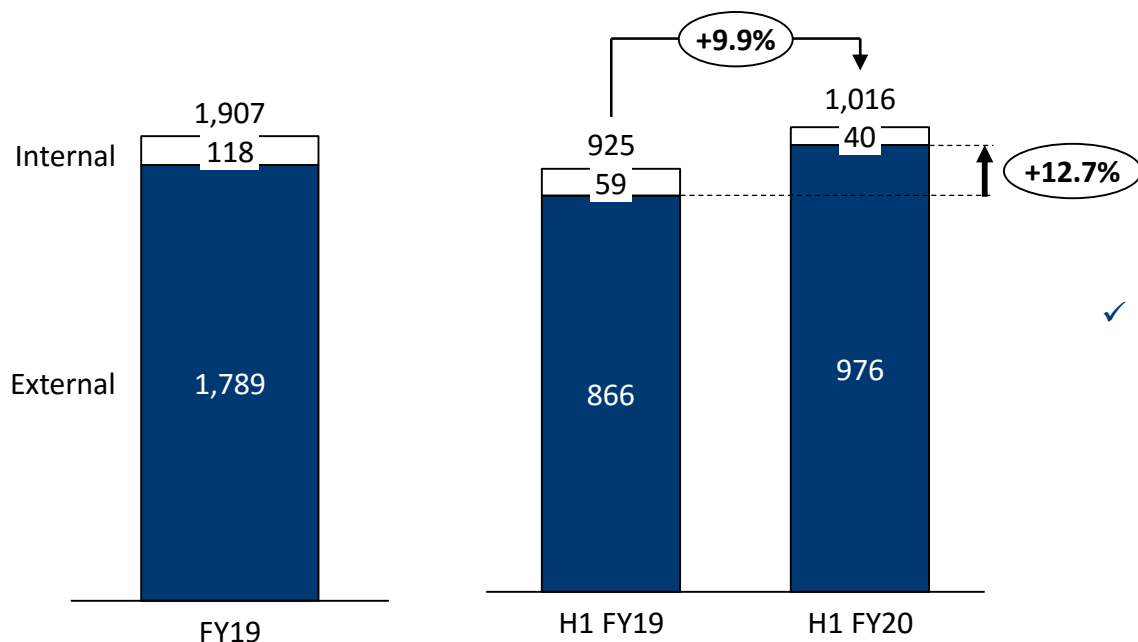
Particulars	H1 FY20 Unaudited	H1 FY19 Unaudited	Remarks
Net Volumes (MW)	47	281	
Net Revenue	1,636	2,467	Primarily due to low volume
<b>Gross Profit</b>	<b>570</b>	<b>1,028</b>	Primarily due to revenue mix and provisions
<b>Gross Margin</b>	<b>34.8%</b>	<b>41.7%</b>	
Employee Expenses	417	407	
Other Expenses (net)	334	429	Includes partly variable cost
<b>EBITDA (Pre FX)</b>	<b>-181</b>	<b>192</b>	Primarily due to lower operating leverage
<b>EBITDA Margin (Pre FX)</b>	<b>-11.1%</b>	<b>7.8%</b>	
Depreciation	149	172	
Net Finance Cost	587	623	
Taxes	1	-5	
Share of (Profit) / Loss of Associates / JV	0	3	
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>-919</b>	<b>-601</b>	
Exchange Loss / (Gain)	143	601	
Exceptional Loss / (Gain)	52	0	
<b>Reported Net Profit</b>	<b>-1,115</b>	<b>-1,202</b>	
Non Controlling Interest	-33	-5	
<b>Net Profit attributable to Shareholders</b>	<b>-1,082</b>	<b>-1,197</b>	

Financial performance impacted due to low volumes



## Stable Service Revenue Insulated From Business Cycles

Operations and Maintenance Revenues (₹ Cr.)



✓ **~15 GW of Assets under Management (AUM)**

- 12+ GW in India; ~3 GW Overseas
- 2<sup>nd</sup> Largest O&M player in India Power Sector, after NTPC


✓ **Nearly 100% renewal track record in India**

- Almost all turbine sold by us in India are under our Service fold
- Custodian of 12+ GW of assets in India
- 23 years of track record in India

✓ **External OMS revenue is ~36% FY19 revenue**

Annuity like business; Steady cash generation

## Order Backlog

Particulars	Capacity*	Remarks
Central Auctions	1,289 MW	All orders backed by signed PPA's
State Auctions	164 MW	
Retail, Captive, PSU & IPP	25 MW	Backed by advance, Not dependent on PPAs
<b>Wind Firm Order Book</b>	<b>1,478 MW</b>	
<b>Value of Order Book</b>	<b>₹ 7,951 Cr.</b>	
 <b>SEFL and Service orders over and above this order book</b>		

1. Order worth 50.4MW to supply 24 units of S111-140m and S120-140m (rated capacity of 2.1 MW each) from Atria Power which was announced on 13<sup>th</sup> December, 2018 has been cancelled by the customer during Q2 FY20 (not included in above)
2. Framework agreement / PPAs of > 700 MW, where ratification is awaited are not considered in above order backlog in view of regulatory uncertainties.
3. While all the above orders are firm orders as on date, Advance Bank Guarantees amounting to Rs. 1,192 crores have been invoked by various customers

**30% of auctioned capacity is yet to be tied up**

Financial Performance

**Debt Overview**

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Detailed Financials

## Debt Profile

	30 <sup>th</sup> Sep'19	30 <sup>th</sup> Jun'19
SBLC Backed AERH Loans	US\$ 569 M (₹ 4,024 Crs.)	US\$ 569 M (₹ 3,917 Crs.)
FCCB	US\$ 172 M (₹ 1,254 Crs.)	US\$ 172 M (₹ 1,219 Crs.)
Other FX Term Debt	US\$ 52 M (₹ 369 Crs.)	US\$ 55 M (₹ 379 Crs.)
Rupee Debt (Term and Working Capital)	₹ 6,913 Cr.	₹ 6,650 Cr.
<b>Gross Debt (Fund based)</b>	<b>₹ 12,560 Cr.</b>	<b>₹ 12,165 Cr.</b>
Net Debt (Fund based)	₹ 12,257 Cr.	₹ 11,751 Cr.

Financial Performance

Debt Overview

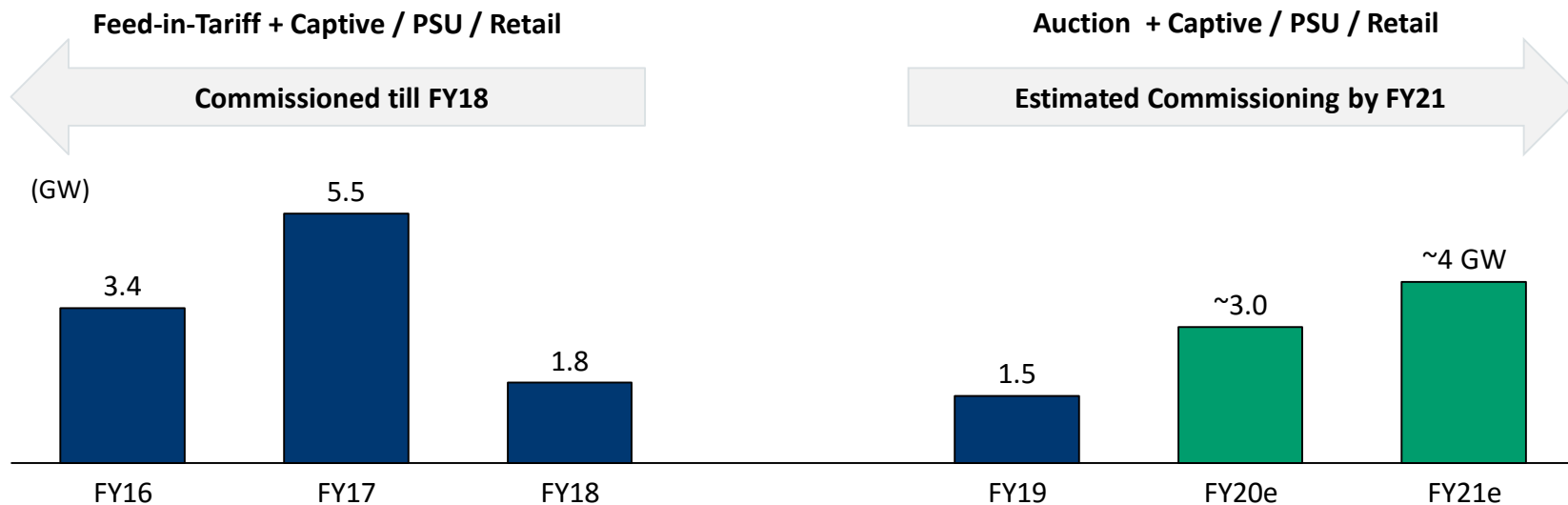
**Industry Outlook**

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Detailed Financials

## Strong Visibility On Growth For India Wind Market



Source: MNRE

Source: Internal Estimates

### Key Challenges:

- X Infrastructure constraints
- X Land allocation delays
- X Delays in permissions from Ministry of Defence
- X Auction delays & sector uncertainties

### Key Drivers:

- ✓ Push for clean, affordable and scalable power source
- ✓ Wind most competitive source of power in India
- ✓ Large untapped potential
- ✓ Auction based procurement
  - Market expanding from 8 wind states to pan India
  - Making wind subsidy free

Financial Performance

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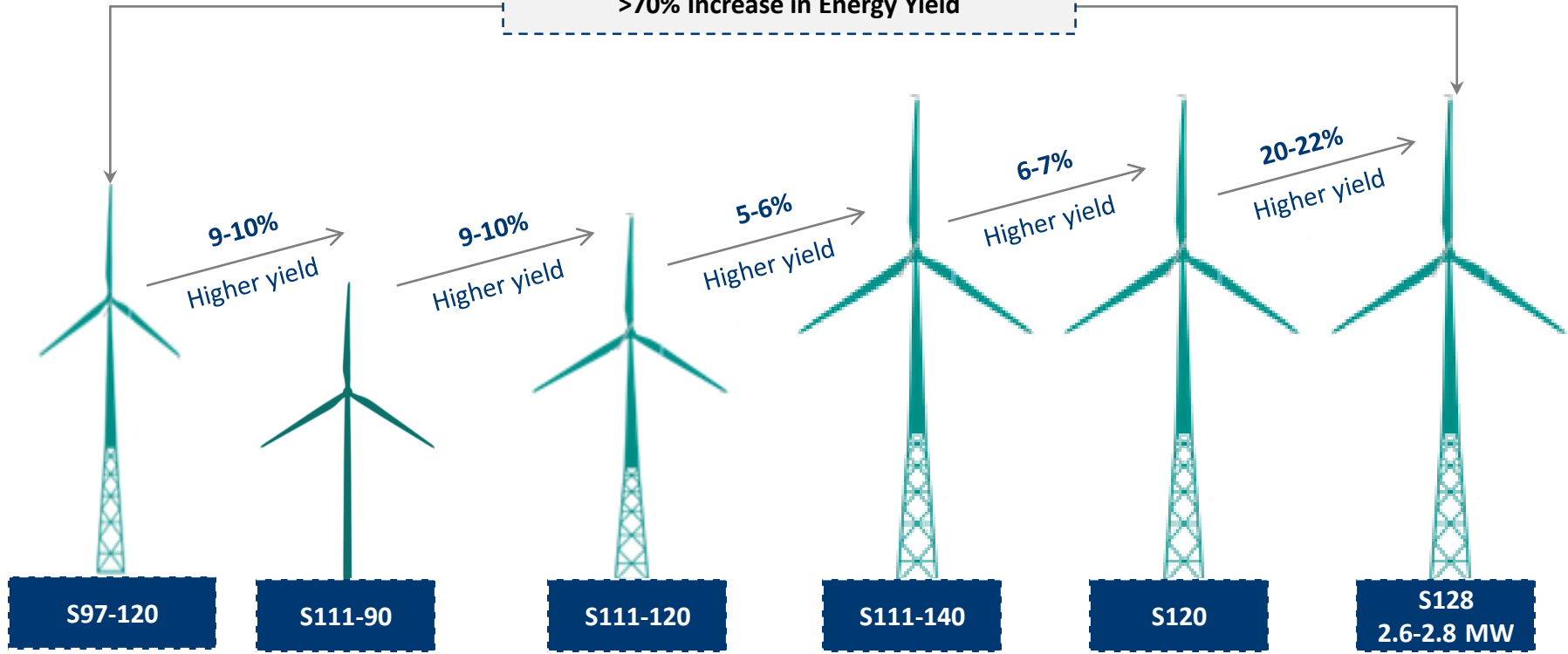
Suzlon Strengths

Detailed Financials

# Focus On Reducing LCOE



>70% Increase in Energy Yield





## S120: Four Variants Launched



**S120 – 105 TT**  
**(Jun '18)**  
Tubular Tower



**S120 – 140 HCT**  
**(Sep '18)**  
Hybrid Concrete Tower



**S120 – 140 HLT**  
**(Dec '18)**  
Hybrid Lattice Tower



**S120 – 120 STT**  
**(Jan '19)**  
Smart Tubular Tower

Reduces LCoE and improves ROI for customers

**>1,100 MW** orders already booked

Continued focus on Value Engineering & readiness for Ramp-Up

# Product Developments

## S128: New Products



**S128 – 140 HLT**



**S128 – 105 TT**

## SB 63 – Won SKOCH award for Corporate Excellence



- ✓ RLMM Listing completed
- ✓ All Testing & Measurement completed
- ✓ Multiple Tower Options (Hybrid Lattice, Steel Tubular)

# Global In-House R&D Capabilities

Suzlon Technology Locations:		
Germany	Hamburg	<ul style="list-style-type: none"> <li>- Development &amp; Integration</li> <li>- Certification</li> </ul>
	Rostock	<ul style="list-style-type: none"> <li>- Development &amp; Integration</li> <li>- Design &amp; Product Engineering</li> <li>- Innovation &amp; Strategic Research</li> </ul>
The Netherlands	Hengelo	<ul style="list-style-type: none"> <li>- Blade Design and Integration</li> </ul>
India	Pune	<ul style="list-style-type: none"> <li>- Design &amp; Product Engineering</li> <li>- Turbine Testing &amp; Measurement</li> <li>- Technical Field Support</li> <li>- Engineering</li> </ul>
	Vadodara	<ul style="list-style-type: none"> <li>- Blade Testing Center</li> </ul>
	Chennai	<ul style="list-style-type: none"> <li>- Design &amp; Product Engineering (Gear Box Team)</li> </ul>
Denmark	Aarhus Vejle	<ul style="list-style-type: none"> <li>- SCADA</li> <li>- Blade Science Center</li> </ul>



Hamburg



Rostock



Hengelo



Pune



Aarhus



Vejle

Best match between skills & location – Efficient leverage of R&D spending

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**Suzlon Strengths**

Detailed Financials

# Suzlon Strengths In India Wind Market

**Full Turnkey Solution  
Provider**

**Pan India Presence**

**Technology Leadership**

**SUZLON**  
POWERING A GREENER TOMORROW

**Strong Customer Relationship**

**Best In Class Service  
Capabilities**

**24+ Years Track Record**

**End-to-end service provider with strong presence across value chain & customer segments**

**SUZLON**  
POWERING A GREENER TOMORROW

# Accolades



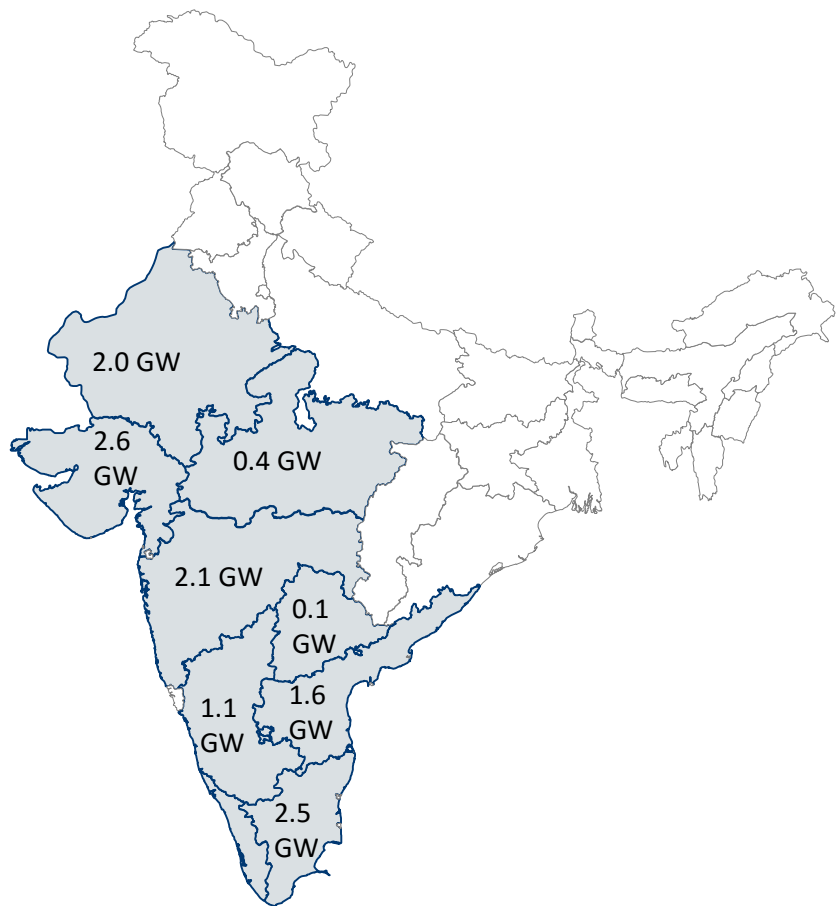
- **World's 1st solar project quality certification for Suzlon's 100 MW project**
  - DNV GL confirms safety features and technical compliance
  - Testament of our commitment to high quality standards
- **Coimbatore Generator Unit wins CII Southern Region 13th Kaizen Competition**
  - For uniform profile of copper bar with higher productivity
- **Suzlon's Generator Unit wins award at Manufacturing Today Summit**
  - Quality Improvement Project competition won on Cost Optimization
  - Evaluated across cost optimization, quality, tech., safety and sustainability
- **SKOCH Corporate Excellence Silver Award**
  - SB63 Full Carbon Girder Blade, Order of Merit certificate for S128
  - Award for Innovative two fold transport system
- **Team Wins IMC RBNQA 2018: Symbol Of Business Excellence**
  - 1st prize for SGSL in service category, recognition of high service standards
  - 360 degree evaluation including interactions with all stakeholders
- **ICERP – JEC Innovation Award as "Outstanding Innovation in Composites"**
  - Awarded by FRP Institute, India and JEC Composites, France
  - Testament of Suzlon's innovation in nacelle cover composites structure
- **Certified as 'Great Place to Work' by the Great Place to Work® Institute**
- **Daman unit won Gold award by International Research Institute for Manufacturing**

## 12.5 GW Wind Energy Installations In India

Ranked **No. 1** in Renewables Sector

Ranked **No. 2** in Power Sector

Largest fleet under Operation and Maintenance fold in India



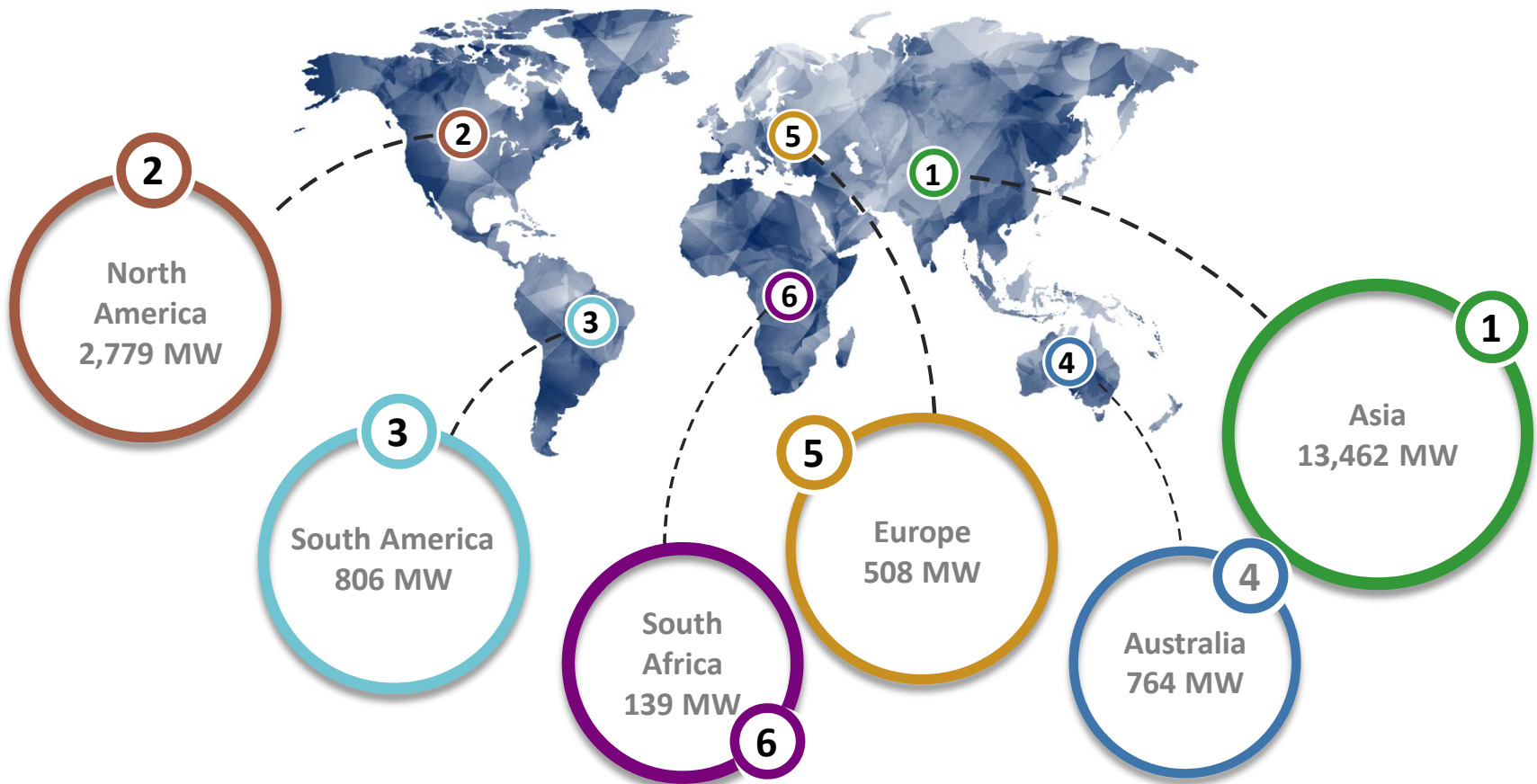
(31 <sup>st</sup> Mar'19)	# of Turbines	MW
<= 1 MW	1,678	777
>1 MW < 2 MW	4,268	5,774
=>2 MW	2,834	5,950
Total	8,780	12,501

- **35% - All India installed wind capacity**
- **~16% - All India installed renewable capacity**
- **~1,800 customer relationships**
- **23 years of operating track record**
- **27 TWh estimated of annual clean energy;**  
 =2,229 mn trees planting p.a.  
 =~20.2 mn tonnes coal avoidance p.a.  
 =~26.7 mn tonnes CO2 emission savings p.a.

Custodian of 2nd highest installed power capacity (from all sources) in India

# Suzlon's Global Presence

As on 31<sup>st</sup> Mar 2019





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**Detailed Financials**

# Consolidated Income Statement

(₹ Cr.)

Particulars	Q2 FY20	Q1 FY20	Q2 FY19	FY19
	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	803	833	1,195	4,978
Less: COGS	670	396	656	2,998
<b>Gross Profit</b>	<b>133</b>	<b>437</b>	<b>539</b>	<b>1,980</b>
<b>Margin %</b>	<b>16.6%</b>	<b>52.5%</b>	<b>45.1%</b>	<b>39.8%</b>
Employee benefits expense	209	208	213	874
Other expenses (net)	167	167	211	826
Exchange Loss / (Gain)	123	20	348	288
<b>EBITDA</b>	<b>-366</b>	<b>42</b>	<b>-232</b>	<b>-9</b>
<b>EBITDA (Pre-FX Gain / Loss)</b>	<b>-243</b>	<b>61</b>	<b>115</b>	<b>280</b>
<b>Margin %</b>	<b>-30.2%</b>	<b>7.4%</b>	<b>9.6%</b>	<b>5.6%</b>
Less: Depreciation	76	73	88	342
<b>EBIT</b>	<b>-442</b>	<b>-32</b>	<b>-321</b>	<b>-351</b>
<b>EBIT (Pre-FX Gain / Loss)</b>	<b>-319</b>	<b>-12</b>	<b>27</b>	<b>-62</b>
<b>Margin %</b>	<b>-39.7%</b>	<b>-1.4%</b>	<b>2.3%</b>	<b>-1.3%</b>
Net Finance costs	292	296	308	1,220
<b>Profit / (Loss) before tax</b>	<b>-734</b>	<b>-327</b>	<b>-628</b>	<b>-1,571</b>
Less: Exceptional Items Loss / (Gain)	44	8	0	-28
Less: Share of (Profit) / Loss of Associates & JV	0	0	2	6
Less: Taxes	-0	1	-3	-12
<b>Net Profit / (Loss) after tax</b>	<b>-778</b>	<b>-337</b>	<b>-627</b>	<b>-1,537</b>
Less: Non-Controlling Interest	-31	-2	-3	-10
<b>Net Profit Attributable to Shareholders</b>	<b>-747</b>	<b>-335</b>	<b>-624</b>	<b>-1,527</b>

# Consolidated Balance Sheet

(₹ Cr.)

Liabilities	Sep-19	Mar-19	Assets	Sep-19	Mar-19
Shareholders' Fund	-9,568	-8,498	<b>Non Current Assets</b>		
Non controlling interest	-38	-5	Property, plant and equipment	1,065	1,147
	<b>-9,606</b>	<b>-8503</b>	Right-of-use assets	160	0
			Capital work-in-progress	173	218
<b>Non-Current Liabilities</b>			Investment property	36	37
<b>(a) Financial Liabilities</b>			Goodwill	8	8
(i) Borrowings*	1,905	6,244	Other intangible assets	301	327
(ii) Lease Liabilities	57	0	Intangible assets under development	9	10
(iii) Other Financial Liabilities	29	50	Investments in asso. and joint ventures	20	20
<b>(b) Provisions</b>	117	119	<b>Financial assets</b>		
<b>(c) Other Non-Current Liabilities</b>	13	12	(i) Other investment	0	0
	<b>2,121</b>	<b>6,425</b>	(ii) Trade receivables	0	0
			(iii) Loans	0	0
<b>Current Liabilities</b>			(iv) Other financial assets	375	484
<b>(a) Financial Liabilities</b>			Other non-current assets	45	104
(i) Borrowings	4,280	3,380		<b>2,192</b>	<b>2,357</b>
(ii) Trade payables	1,394	2,175	<b>Current Assets</b>		
(iii) Other financial liabilities*	8,148	3,061	(a) Inventories	2,357	2,914
(b) Contract Liabilities	596	1,478	<b>(b) Financial assets</b>		
(c) Other cur. liabilities (incl. held for sale)	186	116	(i) Trade receivables	1,728	1,881
(d) Provisions	768	739	(ii) Cash and cash equivalents	70	75
	<b>15,372</b>	<b>10,949</b>	(iii) Loans	26	12
			(iv) Other Financial Assets	354	316
			(c) Current tax asset, net	17	16
			(d) Other curr. assets (incl. held for sale)	1,143	1,301
				<b>5,695</b>	<b>6,514</b>
<b>Total Equity and Liabilities</b>	<b>7,887</b>	<b>8,871</b>	<b>Total Assets</b>	<b>7,887</b>	<b>8,871</b>

\*SBLIC devolved and converted into Other Financial Liabilities

## Consolidated Net Working Capital

(₹ Cr.)

	30-Sep-19	30-Jun-19	30-Sep-18
Inventories	2,357	2,775	3,151
Trade receivables	1,728	1,741	2,297
Loans & Advances and Others	1,676	1,684	1,889
<b>Total (A)</b>	<b>5,761</b>	<b>6,200</b>	<b>7,336</b>
Sundry Creditors	1,394	1,757	2,902
Advances from Customers	1,005	1,041	992
Provisions and other liabilities	1,718	1,562	1,444
<b>Total (B)</b>	<b>4,118</b>	<b>4,361</b>	<b>5,337</b>
<b>Net Working Capital (A-B)</b>	<b>1,643</b>	<b>1,839</b>	<b>1,999</b>



**THANK YOU**