

# STANDING STRONG

25 years of revolutionizing  
Wind Energy

ANNUAL REPORT 2019-20

**SUZLON**  
POWERING A GREENER TOMORROW

# A 25 YEAR LEGACY

Established in 1995, Suzlon has consistently strived to provide affordable renewable energy and make the world a greener place. Its journey is driven by unyielding determination and belief that led Suzlon, which began as a small and innovative entrepreneurial venture with the vision of sustainable development, to become a global enabler of climate change risk mitigation. The persistence of the Suzlon family led to the provision of continuous energy for industries and the creation of a better environment. Suzlon, since its inception, has been synonymous with green energy. Over the last two decades, it has carved for itself, opportunities and faced challenges head on to achieve many milestones.

## STANDING STRONGER:

For 25 glorious years, we have worked very hard. The biggest waves, the lowest tides, we experienced it all. But we marched on with self-belief and a common goal. This journey has a story of success, achievements, challenges, opportunities, having fun, failures, building relations and creating the future.



# INDEX

## COMPANY OVERVIEW

03-17

COMPANY INFORMATION .....	03
BOARD OF DIRECTORS .....	04
CHAIRMAN'S LETTER .....	06
FINANCIAL HIGHLIGHTS .....	11
KEY HIGHLIGHTS .....	12
SUZLON SERVICES .....	14
SUPPLY CHAIN MANAGEMENT .....	16

## STATUTORY REPORTS

18-88

DIRECTORS' REPORT AND ANNEXURE THERETO .....	18
MANAGEMENT DISCUSSION AND ANALYSIS REPORT .....	50
CORPORATE GOVERNANCE REPORT .....	62
BUSINESS RESPONSIBILITY REPORT .....	81

## FINANCIAL STATEMENTS

89-217

STANDALONE FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS .....	89
BALANCE SHEET .....	96
STATEMENT OF PROFIT AND LOSS .....	97
CASH FLOW STATEMENT .....	100
NOTES TO FINANCIAL STATEMENTS .....	102
FORM AOC-1	
[STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES AS PER COMPANIES ACT, 2013] .....	143
CONSOLIDATED FINANCIAL STATEMENTS	
INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS .....	145
CONSOLIDATED BALANCE SHEET .....	150
STATEMENT OF CONSOLIDATED PROFIT AND LOSS .....	151
CONSOLIDATED CASH FLOW STATEMENT .....	155
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS .....	157
NOTICE .....	204



# COMPANY INFORMATION

**SUZLON ENERGY LIMITED**  
CIN: L40100GJ1995PLC025447

**Mr. Tulsi R. Tanti**  
(DIN: 00002283)  
Chairman & Managing Director

**Mr. Vinod R. Tanti**  
(DIN: 00002266)  
Wholtime Director &  
Chief Operating Officer

**Mr. Girish R. Tanti**  
(DIN: 00002603)  
Non-Executive Director

**Mr. Marc Desaeleer**  
(DIN: 00508623)  
Non-Executive  
Independent Director

**Mr. Per Hornung Pedersen**  
(DIN: 07280323)  
Non-Executive  
Independent Director

**Mr. Rakesh Sharma**  
(DIN: 06695734)  
Non-Executive Director  
A nominee of State Bank of India (appointed as  
an Additional Director w.e.f December 19, 2019)

**Mr. Sameer Shah**  
(DIN: 08702339)  
Non-Executive Independent Director  
(appointed as an Additional Director  
in the capacity of Independent  
Director w.e.f February 27, 2020)

**Mrs. Seemantinee Khot**  
(DIN: 07026548)  
Non-Executive Independent Director  
(appointed as an Additional Director  
in the capacity of Independent Director  
w.e.f March 16, 2020)

**Mr. Gautam Doshi**  
(DIN: 00004612)  
Non-Executive Independent Director  
(appointed as an Additional Director  
in the capacity of Independent Director  
w.e.f May 4, 2020)

**Mr. Hiten Timbadia**  
(DIN: 00210210)  
Non-Executive Director  
Appointed as an Additional Director  
w.e.f August 29, 2020)

**Mrs. Vijaya Sampath**  
(DIN: 00641110)  
Non-Executive Independent Director  
(ceased to be a Director  
w.e.f September 27, 2019)

**Mr. Ravi Uppal**  
Non-Executive Independent Director  
(DIN: 00025970)  
(ceased to be a Director  
w.e.f September 27, 2019)

**Mr. Biju George Kozhipattu**  
(DIN: 02405333)  
Non-Executive Director  
A nominee of IDBI Bank Limited  
(ceased to be a Director  
w.e.f August 28, 2019)

**Mrs. Pratima Ram**  
(DIN: 03518633)  
Non-Executive Director  
A nominee of State Bank of India  
(ceased to be a Director  
w.e.f October 31, 2019)

**Mr. Venkataraman Subramanian**  
(DIN: 00357727)  
Non-Executive Independent Director  
(ceased to be a Director w.e.f  
October 4, 2019)

## GROUP CHIEF EXECUTIVE OFFICER

Mr. J. P. Chalasani  
(ceased to be  
Group CEO  
w.e.f July 7, 2020)

## GROUP CHIEF FINANCIAL OFFICER

Mr. Kirti J. Vagadia  
ICAI Membership No.042833 (ceased to be  
Group CFO w.e.f October 1, 2019)

## CHIEF FINANCIAL OFFICER

Mr. Swapnil Jain  
(appointed as CFO w.e.f June 1, 2019)

## COMPANY SECRETARY

Mr. Hemal A.Kanuga  
ICSI Membership No.F4126 (ceased to be a Company  
Secretary w.e.f December 28, 2019)

Mrs. Geetanjali S.Vaidya  
ICSI Membership No.A18026 (appointed as a Company  
Secretary w.e.f December 28, 2019)

## STATUTORY AUDITOR

Deloitte Haskins & Sells LLP,  
Chartered Accountants,  
Firm Registration No.  
117366W/W-100018  
706, 'B' Wing, 7<sup>th</sup> Floor,  
ICC Trade Tower,  
Senapati Bapat Road,  
Pune-411016, India

## BANKERS / INSTITUTIONS

Axis Bank Limited | Bank of Baroda | Bank of India | Bank of Maharashtra |  
Central Bank of India | Corporation Bank (since merged with Union Bank of India) |  
Export Import Bank of India | ICICI Bank Limited | IDBI Bank Limited | Indian Overseas Bank |  
Life Insurance Corporation of India | Oriental Bank of Commerce (since merged with Punjab  
National Bank) | Power Finance Corporation Limited | Punjab National Bank |  
State Bank of India | The Saraswat Co-operative Bank Limited | Union Bank of India |  
Yes Bank Limited | Indian Renewable Energy Development Agency Limited

## REGISTERED OFFICE

"Suzlon", 5, Shrimali Society,  
Near Shri Krishna Complex, Navrangpura,  
Ahmedabad - 380009, India  
Tel.: +91.79.6604 5000  
Fax: +91.79.2656 5540  
Website: [www.suzlon.com](http://www.suzlon.com)  
Email: [investors@suzlon.com](mailto:investors@suzlon.com)

## CORPORATE OFFICE

One Earth,  
Hadapsar,  
Pune - 411028,  
India  
Tel.: +91.20.6702 2000  
Fax.: +91.20.6702 2100

## REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited  
(Formerly Karvy Fintech Private Limited)  
Selenium, Tower B, Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500032, India  
Toll Free No. 1800-3454-001  
Website: <https://www.kfintech.com>  
Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## BOARD OF DIRECTORS



**Mr. Tulsi R. Tanti**  
Founder, Chairman and  
Managing Director



**Mr. Per Hornung Pederson**  
Independent Director



**Mr. Vinod R Tanti**  
Whole Time Director and COO



**Mr. Marc Desaeleleer**  
Independent Director



**Mr. Girish R Tanti**  
Non-Executive Director



**Mr. Rakesh Sharma**  
Nominee Director



**Mr. Gautam Doshi**  
Independent Director



**Mr. Sameer Shah**  
Independent Director



**Mrs. Seemantinee S. Khot**  
Independent Director



**Mr. Hiten Timbadia**  
Non-Executive Director



# CHAIRMAN'S LETTER

**Dear Stakeholders,**

According to the, Global Trends In Renewable Energy Investment report, the global deployment of wind and solar projects reached a new record level in 2019, as 184 GW of new Renewable energy capacity, excluding hydro, was added in 2019, representing a 12% annual increase. Falling costs and a push to zero emissions energy sources presented new opportunities for the Renewable energy sector which attracted investment to the tune of \$282.2 billion in 2019.

The Global Renewable Energy sector is on the threshold of a revolution, it is expected that the next decade will be the one that shall help renewable energy to grow to its full potential. Moreover, today clean energy is also amongst the most affordable energies, which shall benefit the sector at large and certainly pitches renewable energy to be a mainstream energy source especially in the post pandemic scenario, where there is a focus on sustainable living and reducing emissions.

## **Wind Energy – Global Outlook**

In 2019, 60.4 GW of new wind energy capacity was installed, taking the cumulative global installations to 651 GW at the end of CY19, an increase of 10% compared to 2018. Market-based mechanisms drove this growth with more than 40 GW of wind capacity being auctioned worldwide. China, US, UK, India and Spain continue to be the top five markets accounting for 70% of new capacity.

GWEC's Global Wind Report estimates 355 GW of new capacity will be added in the next five years, taking the global installed capacity to over 1,000 GW by CY24. We could see around 71 GW of wind energy added each year.

## **Wind Energy – India Outlook**

With 2.3 GW installed in CY19, India was the second leading country in the Asia-Pacific region after China, which installed 26.2 GW. India is the world's fourth-largest onshore wind market by installations, with 37.5 GW of wind capacity as of CY19 and has the potential for more than 695 GW at 120 metres. Today, wind energy accounts for 10.1% of overall installed power capacity in India and 44% of renewable energy capacity in the country. The ever-increasing demand for energy in India, can no longer be met through traditional energy sources alone. Renewable energy must be a major part of the solution because it can meet the demand in a cost-effective and sustainable manner, while at the same time achieving broader socio-economic objectives and manage climate change concerns.

Recently, installations of wind power in India has decelerated and the market was greatly constricted last year, with only 2.3



**Tulsi R. Tanti**  
Chairman and  
Managing Director

GW installed in 2019. Several factors have led to the decline in the installation, including issues related to market transition, grid, land availability and payment delays for renewable projects. However, a lot of work has been done by the industry and the government to resolve these issues.

I strongly believe that the worst is behind us not just as a company but as a sector as well. Despite a prolonged transition, wind energy in India is at an inflection point today. Policy issues are being ironed out and the market is now on a path to recovery and tenders from earlier auctions are yet to close making order intake promising. Efforts towards grid infrastructure and land allocation are being strengthened in order to resolve the execution challenges facing India's wind market. The recent announcement by the Power ministry to extend waiver of Inter-State Transmission System (ISTS) charges and losses on supply of power generated from wind sources until 30<sup>th</sup> June 2023 will provide a boost to the sector. The next five years will see a huge positive momentum in the wind industry at a holistic level.

## **Suzlon – FY20 Performance**

Liquidity constraints and the ongoing debt restructuring process impeded Suzlon's operations, and affected our FY20 performance. In spite of the testing times, Suzlon commissioned 350 MW in FY20 which speaks volumes of our strong technical and project execution capabilities built over two decades of experience in the Indian market.

We continued to get orders from marquee customers who demonstrated faith in our products and technology despite of financial challenges faced by the Company.

Our Operation and Maintenance Services (OMS) business continued to deliver strong performance while achieving 96.6%



machine availability for our customers. We were also successful in adding 88 MW of third party business to our OMS fleet. It was heartening to note that all our sites were operational and working despite several challenges for generation of electricity throughout the lockdown period to serve the nation. Today we are the custodians of over 12.8 GW of wind energy assets under service in India making us the 2<sup>nd</sup> largest Operations and Maintenance Company in the Indian power sector. We also have around 2.5 GW of wind assets under service in the international markets.

Our forging and foundry business - SEForge has shown excellent performance by developing sizeable third party business and has achieved significant growth in the export business, reducing its dependence on the parent company for business.

### Key Corporate Initiatives

In FY20, the management was relentlessly working on the Debt Resolution Plan for the Company and has successfully managed to close it with unanimous approval from Lenders and Bondholders. I would like to thank all our Shareholders for having faith in the Company and whole heartedly supporting all the resolutions, clearing the path for completion of our Debt Restructuring process.

This Debt Restructuring has eased the pressure on our cash flows significantly and given us headroom for ramping up business operations. We have reduced our fixed cost steeply and brought down the interest costs by more than 70%. This has resulted in substantial reduction in the break-even point from pre-restructuring levels ensuring a long term sustainable business case. It improves our overall competitiveness in the market place. With fresh equity infusion, the capital structure of the company has improved and creates a stronger balance sheet, allowing us to focus on ramping up execution of our order book of 867 MW (As on quarter ended 30<sup>th</sup> June, 2020) to ensure sustainable growth.

Several initiatives were undertaken alongside the debt restructuring process to revamp the organization for long-term sustainability and profitability. A massive reorganisation of the business and operating models was executed in line with the new market paradigm, to set us up for success and give us the competitive advantage in the coming years. Another critical initiative was the Fixed Cost and resources optimisation across the board, which resulted in massive cost reduction, helping bring down our break-even point further.

### Technology and Innovation: Setting the Standard

At Suzlon, we have always stressed the importance of technology and innovation in the renewable energy sector. We firmly believe that technology and innovation will remain the catalyst that will drive renewable energy growth. Subsequently, Research and Development (R&D) remain the cornerstone of Suzlon's success in its pursuit of harnessing energy through renewable sources.

At Suzlon, we continuously strive to innovate with a focus on reducing the Levelised Cost of Energy (LCoE) year on year. We introduced the 3 MW product series with the S133 turbine in India, with the aim of making more and more low wind sites viable and increasing generation. Turbines of the 3 MW series including the S133 were set up in Tamil Nadu and Gujarat over a year ago and are showing very encouraging performance. The recently launched S133-160 mts is the tallest WTG in India, expected to deliver ~23 - 25% higher generation over the S120 and will be the best product for the next generation of wind energy power plants.

Moreover, to meet the growing demands of digitalization, Suzlon has developed a number of value-added services such as Supervisory Control and Data Acquisition (SCADA) system, Condition Monitoring System (CMS), Preventive Maintenance (PM) mobile app, Drone based inspection, that enable us to maximize turbine efficiency and availability by leveraging big data technologies.

The Group continues to focus on R&D with an aim to develop next generation technologically advanced and innovative products that offer reduced Levelised Cost of Energy (LCoE) for our customers. Our world-class technology and rich experience in the wind sector enables us to have a very strong and diverse customer base making us the preferred partner of choice.

### Suzlon CSR

Suzlon is committed towards achieving the UN Sustainable Development Goals, UN Global Compact Principles and National Voluntary Guidelines (NVGs) from 2008. CSR remains an integral component of our strategy to give back to the communities where we live and operate through dedicated sustainable practices. Through the Suzlon Foundation, Suzlon's CSR arm, we have reached over 900 villages and touched 13,00,000 lives by various initiatives such as providing clean drinking water, medical care, child education programs, self-help groups. This year, the Foundation undertook over 9,000 activities that focussed on Environment, Empowerment, Health, Livelihood, Education and Civic Amenities and impacted over 83,000 lives.

This year Suzlon received multiple awards such as the CII-ITC Sustainability Awards 2019 - Commendation for Significant Achievement in Corporate Social Responsibility and Suz-HOOK got recognised as compelling and promising Innovation under INK@WASH (Innovations and New Knowledge in Water, Sanitation & Hygiene) platform by Centre for Energy, Environment, Urban Governance, and Infrastructure Development, Hyderabad. We are proud of what we have been able to accomplish as we strive to develop resources responsibly and create lasting value for communities.

## Wind Energy to Power Aatmanirbhar Bharat

The Wind energy industry is supporting the Government's vision of 'Make in India' by championing the cause and is truly 'Aatmanirbhar', with over 90% localization and the complete supply chain set up in India. The Indian Wind industry has set up 45 manufacturing units with a scalable annual capacity of 10,000 MW, out of which 6,000 MW is with Suzlon alone. This supply chain is supported by over 4,000 SMEs producing wind turbine components across the value chain. This installed capacity can be easily scaled to not just service India's increasing wind energy requirements but also enable the country to develop an export economy of more than 5,000 MW and become a Global Manufacturing hub for Wind Turbines and O&M services.

### The Future is Bright

India's commitment to Renewable Energy remains intact and we strongly believe that the long-term fundamentals of the wind energy industry are sound. The Government has set a target to achieve 60% of India's installed electricity generation capacity from clean sources and aims to achieve 510 GW of renewable energy capacity by 2030. Today, Wind energy is competitive with other sources of energy and has emerged as a mainstream energy source. Post the Covid-19 crisis, Government will prioritise health and economic recovery, there will also be an opportunity for clean energy transition as part of coping strategies and support measures to revive the economy. Renewable Energy will remain the catalyst to support and stimulate the global economy as we recover from the Covid-19 pandemic.

We need to convert 'crisis into an opportunity' during this time of economic slowdown, any cost-reducing proposition is the smarter alternative and Renewable energy delivers cheaper and cleaner electricity.

With tough times behind us, going forward Suzlon is well positioned to capitalize on the market opportunities with superior technology, project execution experience spanning

over two decades, new generation turbines offering higher energy yield, presence across the entire value chain, vertically integrated operations and best-in-class service capabilities.

Our focus for FY21 remains to maintain our leadership position in India and ensure sustainable growth of the Company in line with the expectations of our stakeholders, while creating a long term asset for our shareholders. I am confident that our vast experience in renewables, technological prowess, and competitive competencies will enable us to consolidate our market leadership.

I would take this opportunity to thank all our stakeholders and especially our shareholders for the unrelenting support and trust you all have bestowed on Suzlon. Our journey towards creating a greener tomorrow would not be possible without you.

We at Suzlon are fully committed towards sustainable, social, economic and ecological development for creating a better world for the future generation and power a greener tomorrow!

**Stay Safe & Healthy.**

**Best wishes,**

**Tulsi R. Tanti**