



28TH
Annual
Report
2021-22



SunEdison Infrastructure Limited

The New Journey Begins...

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Kalpesh Kumar

Managing Director

Mr. Shailesh Rajagopalan

Non-Executive & Non-Independent Director

Mr. Anil Jain

Non-Executive & Non-Independent Director

Ms. Jamuna

Non-Executive & Independent Director

Mr. Pillappan Amalanathan

Non-Executive & Independent Director

AUDIT COMMITTEE

Mr. Pillappan Amalanathan

Chairman

Ms. Jamuna

Member

Mr. Shailesh Rajagopalan

Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Pillappan Amalanathan

Chairman

Ms. Jamuna

Member

Mr. Shailesh Rajagopalan

Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Pillappan Amalanathan

Chairman

Ms. Jamuna

Member

Mr. Anil Jain

Member

Mr. Dinesh Kumar Agarwal

Chief Financial Officer

Mr. R.V.Suresh Babu (Upto December 10, 2021)

Company Secretary & Compliance Officer

Mr. Vinay Aggarwal (w.e.f. May 30, 2022)

Company Secretary & Compliance Officer

Registered Office, E-mail & Website

11th Floor, Bascon Futura, New No: 10/2,
Old No: 56L, Venkatanarayana Road, T Nagar,
Chennai – 600 017 Tamil Nadu

Ph: 044-4340 5950

cscompliance@sunedisoninfra.com

www.sunedisoninfra.com

CIN

L40100TN1994PLC028263

Auditors

M/s.V K A N & Associates

Chartered Accountants

#16/23, APN Building, 2nd Floor, TTK Road,
1st Cross Street, Alwarpet, Chennai – 600 018.

Secretarial Auditor

Mohan Kumar & Associates

Flat F-1, Sudarshan Apartment, VGP Selva Nagar,
2nd Main Road, Velachery, Chennai – 600 042.

Internal Auditor

M/s. ASDS & Associates

Chartered Accountants

Old No: 843/2, New No: 2/1561, 8th Street,
Mahalakshmi Nagar, Madipakkam,
Chennai – 600 091.

Bankers

HDFC Bank Limited

State Bank of India

Axis Finance Limited

Indian Renewable Energy Development Agency Limited

Registrar and Share Transfer Agent

GNSA INFOTECH LIMITED

Nelson Chambers, 4th Floor, F Block, No:115,
Nelson Manickam Road, Aminjikarai,
Chennai – 600 029.

Ph: 044-4296 2025

email: sta@gnsaindia.com

Listed on: BSE Limited

Scrip Code: 531260

ISIN: INE332F01018

CONTENTS

01	Management Discussion and Analysis Report	1-6
02	Directors' Report	7-35
03	Independent Auditor's Report	36-47
04	Balance Sheet	48
05	Statement of Profit & Loss	49
06	Cash Flow Statement	50
07	Statement of Changes in Equity	51
08	Notes to Financial Statements	52-80
09	Consolidated Independent Auditors' Report	81-90
10	Consolidated Balance Sheet	91
11	Consolidated Statement of Profit and Loss	92
12	Consolidated Cash Flow Statement	93
13	Consolidated Statement of Changes in Equity	94
14	Notes to Consolidated Financial Statements	95-130
15	Statement in Form AOC-1	131
16	Notice of 28 th Annual General Meeting	132-165

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

Global Scenario

Post Covid-19 Pandemic degrowth, the world economy witnessed a strong recovery with the growth rate of 5.7% in CY21.

Electricity demand also bounced back in proportion to the opening in the global economy and normalizing of mobility. This spike in electricity demand along with unforeseen weather patterns stressed the limited inventory of coal and natural gas.

This scenario of the energy crisis got further worse with the geopolitical tensions between Ukraine and Russia. All this intensified the need for sustainable energy solutions that assure availability, affordability, and predictability.

A Resilient Indian Economy

India's economy continued its positive growth trajectory, with regional economies coming back into full function. India's nominal GDP increase of ~49% in the last five years is an encouraging development.

In FY22, GDP growth is expected to be 8.7%, reiterating the country's status as one of the fastest-growing major economies in the world.

RBI has also projected inflation to be at 6.7% in FY 2022-23, which is in the upper band of the RBI's target level of 6%. Rural inflation was higher than urban inflation, where the former was at 7.6% in March and later at 6.12%.

India's consumption expenditure is also anticipated to double from \$1.56 in 2020 to \$3 trillion in 2030, resting on the growth of the Indian middle class as a key positive driver of the growth.

Further, the Country is prepared for policy tightening across the world, in 2022, due to its favorable debt position in comparison to other emerging markets.

The recent budget also focused on infrastructure capital expenditure and it is likely to enhance economic growth in the days ahead. Increased investment and consumption in FY23 are expected to further improve the economic prospects of the Country.

OUTLOOK

Despite the difficulties posed by the pandemic, India is the only nation to resiliently expand in all three-quarters of FY22 and is estimated to grow at 7.2% in FY23.

Widespread vaccine coverage, sustained export growth, supply-side advantages, regulatory reforms, and growing impetus for capital spending are estimated to contribute to economic growth in FY23.

Following the economic revival, power demand increased by 8% in FY22, with peak demand crossing the 200 GW mark, majorly driven by the commercial and industrial sectors.

With India's energy supply largely dependent on coal-powered thermal power generation, the country stared at the prospect of blackouts with minimal coal inventory and surging prices. However, with the timely intervention of the government, the situation was salvaged.

With a population of 1.4 billion and one of the world's fastest-growing major economies, India will be vital for the future of the global energy markets.

The Government of India has made impressive progress in recent years in increasing citizens' access to electricity and clean cooking. It has also successfully implemented a range of energy market reforms and carried out a huge amount of renewable electricity deployment, notably solar energy.

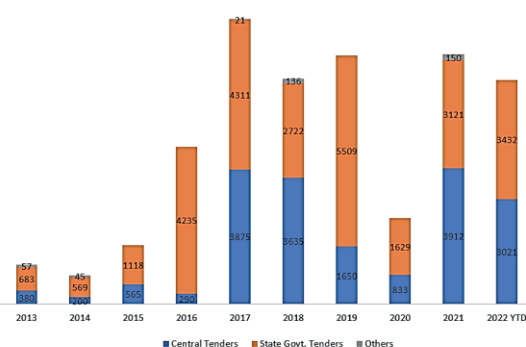
Looking ahead, the Government has laid out an ambitious vision to bring secure, affordable, and sustainable energy to all its citizens. This in-depth review aims to assist the government in meeting its energy policy objectives by setting out a range of recommendations in each area, with a focus on energy system transformation, energy security, and energy affordability.

Rising electricity demand, India's push to manufacture solar photovoltaic modules, government support schemes aimed at boosting Indian manufacturers' competitiveness and attracting investment (Production Linked Incentive Schemes), and the waiver of transmission charges for renewable energy are the key drivers of India's renewable energy growth right now.

In the last calendar year 2021, annual capacity addition in utility-scale solar reached to pre-Covid level.

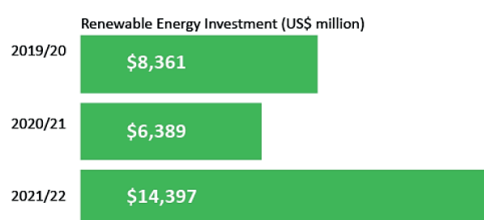
In the current calendar year 2022, already ~6.5 GW of capacity addition done in the first two quarters. India's seminal commitment at COP26 is to have 500 GW of non-fossil capacity by 2030.

Capacity Addition in Utility Scale Solar over the last 10 calendar years, MW



A total of \$14.5 billion was invested in renewable energy, up by 125% compared with the financial year 2020-21 and 72% higher than in the pre-pandemic period of the 2019-20 financial year.

Figure 1: Renewable Energy Investment Since FY2019/20



Source: JMK Research.

COMPANY OVERVIEW

A. Industry Structure and Developments

Your Company is continuously focused on the development of renewable energy in terms of Solar Power Generation and also by participating in Solar Rooftop Projects.

Your Company is focusing on the Government initiative for providing a better opportunity to the small player and to provide a contribution to the development of the nation in the renewable sector to become the largest renewable energy-producing nation.

Operations & Management (O&M)

O&M team is managing assets over 59.81 MW currently, spread across 9+ states, which includes ground mount MW sized projects to kW sized roof top projects. All these sites are monitored remotely with advanced asset monitoring portal.

Additional 70 MW of projects across India is being added in the current financial year.

Highly trained manpower ensures the minimum plant down time and improved power generation by meticulously following predictive and preventive maintenance plans as per Solar Industry standards. We are a preferred renewable energy partner for Indian Railways.

Diwana-2.5MW Project is the 1st solar project in the Country evacuating to the Traction Sub-Station of Indian Railway, feeding to traction load. The Project is constructed on both sides of railway track in Diwana Railway Station near Panipat, Haryana.

Our solar Roof top portfolio with Indian Railways has the capacity of 6.2 MW.

FY	O&M	
	No. of Sites	Capacity-MW DC
2018-19	13	20.96
2019-20	41	30.36
2020-21	55	37.76
2021-22	83	59.81

B. Opportunities:

The various policy initiatives taken by the government, particularly the ones directed toward promoting domestic manufacturing are expected to generate a long-term sustainable demand for components, which will enable the creation of a robust value chain in the near future. Initiatives like "Atmanirbhar Bharat" are also changing sentiments to give preference to local supplies.

The Geo-political situation with China has already become a key decision point for the drive to reduce dependence on imports by various stakeholders in the value chain, and this sentiment is not just in India but also internationally, where there is a concerted effort to diversify their sources of solar glass.

It is expected that the global installations will be significantly higher in the current and the following years as all the major economies are placing an increased focus on renewables. This will drive up the demand for all components.

Power demand has once again started to grow and the solar power outlook in India remains very strong. Solar installations account for a major portion of all new power capacity added in India. This robust installation activity also made solar the single largest source of new power capacity additions consecutively in the last 5 years.

C. Threats:

India continues to meet a significant portion of its demand for solar cells and modules for the utility scale sector through imports, which come largely from China, Taiwan, Malaysia etc. Unless the country establishes the entire value chain by backward integration into Polysilicon, ingots and wafer manufacturing, the entire program is vulnerable to disruptions in supply chain.

This situation may change gradually as the levy of Basic Custom Duty and the Production Link Incentive scheme takes effect. Uncertainty in the geo-political environment, Covid-19 variants and supply chain logistics are other pertinent threats to cause business disruptions.

D. Segment-wise or Product wise Performance:

During FY 2021-22, the revenue from the operations declined by 26% from ₹7,190 Lakhs to ₹5,350 Lakhs in the corresponding previous year owing to slower recovery in rural areas. In the Commercial and Industrial segment, revenue from the operations increased by 36% from ₹3,140 Lakhs to ₹4,261 Lakhs in the corresponding previous year.

Particulars	FY22 (₹ lakhs)	FY21 (₹ lakhs)
	Segment revenue	
1. Rural	757	3,591
2. Commercial & Industrial	4,261	3,140
3. Others	332	459
Total revenue from operations	5,350	7,190

The rural segment comprises the supply, installation, commissioning, and maintenance of solar water pumps and home systems. Commercial and Industrial comprise supply, installation, commissioning and maintenance of ground mount solar power plants and rooftop and sale of electricity.

E. Risk and Concerns:

While the Company faces traditional business risks such as unanticipated labor costs, market risks such as interest rates, operational risks such as 'supplier/ distributor problems and execution challenges, and changes in government regulations, no major risks are foreseen.

One of the known risks is high variability in module price. Since mid-2020, solar module prices have become increasingly unpredictable and volatile. In a complete reversal of the previous trend, solar module prices (Mono PERC) in the global market increased from August 2020 to November 2021 by ~42%.

On similar lines, solar module prices (Mono PERC) in India also increased from August 2020 to November 2021 by ~40%.

Your Company is continuously monitoring module prices and taking scientific decision based on industry insights and data analysis.



Additionally, the Company continuously monitors business and operational risks through an efficient risk management system.

All key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as production, insurance, legal and other issues like health, safety, and environment.

F. Internal Control Systems and their Adequacy:

The SunEdison Group has established exceptional internal control systems and procedures to steer all its business processes.

The Company has distinctly defined roles and responsibilities for all managerial positions.

The financial parameters are effectively monitored and controlled. The Company's internal control system is commensurate with the size, scale, and complexities of its operations. The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

The Company has a robust Management Information System and strives to align all its processes and controls with best practices. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and informs major observations to the board of directors periodically.

The Company has appointed an independent firm of chartered accountants to monitor the internal audit of its activities, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee.

The Company has identified inherent reporting risks for major elements in the financial statements and established controls to prevent the same.

These risks and the prevention controls are revisited periodically considering the changes in business, IT systems, regulations, and internal policies, based on evaluations of the audit, as per Section 177 of the Companies Act 2013, the Audit Committee has concluded that as March 31, 2022, internal financial controls were adequate and operating effectively.

G. Outlook

With growing market demand, the Company continues to enhance its foray into a dynamic industry. It is consistently improving generation from solar assets and fulfilling short as well as long-term targets.

The Company considers product efficiency and technological improvements core competencies for cementing its position as a leader.

The Company undertakes effective strategies to enhance its current capabilities and improve contributions toward "Atmanirbhar Bharat".

The Company is ideally positioned to capitalize on growth prospects in Indian and international markets and further strengthen its performances in the days ahead.

H. Discussion on Financial Performance with Respect to Operational Performance:

That said, FY22 also came with its fair share of challenges, with headwinds emanating from elevated commodity prices, residual effects and variants of COVID-19, geopolitical conflicts, and erratic weather patterns.

These events affected our financial performance, with revenue at ₹ 6,263 Lacs, EBITDA at ₹ (3,244) Lacs and PAT at ₹ (3,696) Lacs.

I. Material Development in Human Resources, Industrial Relations and Number of People Employed:

A key area of focus for your Company is to create a performance driven workforce while ensuring the health and well-being of employees and their families. Many policies and benefits were implemented to maximize employee engagement and welfare.

Your Company also continues to endeavor to create a work environment which is collaborative and learning and growth oriented to enable employees to perform at their full potential.

After getting back to work post-pandemic, our Human Resources function has ensured that employees' well-being remains the topmost priority in business sustenance.

All safety protocols were strictly followed.

Your Company is confident that its employees are the best differentiators in providing the best-in-class services and products to the customers.

Throughout the year under observation, the Company has put in a complete employee life cycle management program that aims to give a positive employee experience across the association.

The number of permanent employees on the rolls of the Company as on March 31, 2022 were 79.

Employee Development:

In the scenario of changing technologies and rapid enhancement of processes, your company improvised its investment in solidifying the abilities of employees.

The approach is structured and based on career oriented and career development plans. The Company is evolving its attitude by introducing a competency-based management system and various assessment centers.

The Company gives a learning platform providing self-nominated and manager-nominated learning programs through a hybrid model, which includes online classes and on-the-job trainings.

MANAGEMENT'S RESPONSIBILITY STATEMENT

The management is responsible for making the Company's standalone and consolidated financial statements and related information mentioned in this Annual Report.

It believes that these financial statements fairly reflect the form and substance of transactions, and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles/ Indian Accounting Standards.

CAUTIONARY STATEMENT

Some of the statements in this Annual Report that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions, and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly competitive market for the types of services that we offer, market conditions that could affect our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market fluctuations in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to any industry.

FINANCIAL OVERVIEW

Details of Key Financial Ratios (Standalone)

RATIO ANALYSIS								
S. No.	Ratios	Formula	FY22		FY21		Variance	Reason for variance above 25%
			Amount (₹ '000)	Ratio	Amount (₹ '000)	Ratio		
a)	Current ratio	Current Asset	6,80,309	0.69	8,03,011	0.82	-16%	-
		Current Liability	9,84,628		9,79,360			
b)	Debt-Equity ratio	Total Liabilities	6,08,087	-2.47	4,24,059	-2.30	7%	-
		Shareholders' Equity	-2,46,315		-1,84,141			
c)	Debt service coverage ratio (DSCR)	EBITDA	-42,519.85	-0.10	-72,441.69	-0.38	-74%	Decline on account of increase in borrowings
		Principal + Interest	4,20,044.42		1,88,274.81			
d)	Return on equity ratio	Net Profit	-62,186	-138.50%	-97,587	-217.35%	-36%	Improvement in the ratio is on account of increase in gross margins and decrease in the other operating expenses.
		Shareholders' Equity	44,899		44,899			
e)	Inventory turnover ratio	Net Sales	8,39,704	214.48	6,51,062	31.75	576%	Variance is on account of decrease in the inventory balances as at year end.
		Average Inventory	3,915		20,508			
f)	Trade receivables turnover ratio	Net Credit Sales	8,39,704	7.08	6,51,062	2.97	139%	Increase is on account of completion of more projects and increase in sales in the current year.
		Average Trade Receivables	1,18,594		2,19,577			
g)	Trade payables turnover ratio	Net Credit Purchase	7,86,605	4.86	5,49,537	1.00	386%	Increase is on account of completion of more projects and increase in purchases and other cost of goods sold in the current year
		Average Trade Payables	1,61,786		5,49,537			
h)	Net capital turnover ratio	Turnover	8,39,704	-2.76	6,51,062	-3.69	-25%	-
		Working Capital	-3,04,319		-1,76,349			
i)	Net profit ratio	Net Profit	-62,186	-7.41%	-97,587	-14.99%	-51%	Improvement in the ratio is on account of increase in gross margins and decrease in the other operating expenses.
		Turnover	8,39,704		6,51,062			
j)	Return on capital employed	EBIT	-46,705	716.31%	-72,442	-54.47%	-1415%	Improvement in return on capital employed ratio owing to the decrease in current year losses.
		Capital Employed	-6,520		1,32,998			
k)	Return on investment	EBIT	-46,705.06	-4.78%	-72,441.69	-6.51%	-27%	Improvement in return-on-Investment ratio owing to the decrease in current year losses.
		Total Assets	9,78,108.00		11,12,358.00			

DIRECTORS' REPORT

Dear Members,

Your Board of Directors has pleasure in presenting the 28th (twenty-eighth) Annual Report of your Company together with the Audited Financial Statements (standalone & consolidated) for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS

The key financial highlights for the financial year 2021-22 ("FY22") are as follows:

(₹ in 000's)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations (Net)	8,39,704	6,51,062	5,34,973	7,19,014
Other Income	55,166	98,115	91,329	1,24,621
Total Income	8,94,870	7,49,177	6,26,302	8,43,635
Expenditure (other than Tax)	957,055	846,763	10,66,811	12,59,573
Exceptional Items	-	-	1,16,114	-
Profit / (Loss) before Tax	(62,185)	(97,586)	(3,24,395)	(4,15,938)
Provision for Income Tax	-	-	(1,874)	32,410
Provision for Deferred Tax	-	-	46,806	(1,80,886)
Profit / (Loss) after Tax	(62,185)	(97,586)	(3,69,327)	(2,67,462)
Earnings Per Share (₹) (Basic & Diluted)	(13.85)	(21.35)	(82.31)	(59.17)
Net Fixed Assets	13,480	16,109	3,618	1,591
EBITDA Margins (%)	-5.06%	-11.13%	-14.02%	-17.70%
PAT Margins (%)	-7.41%	-14.99%	-69.04%	-37.20%
ROE (%)	-138.50%	-217.35%	-822.57%	-595.70%
ROCE (%)	716.31%	-54.47%	-3.29%	-8.42%
D/E Ratio (In times)	-2.47	-2.30	5.46	0.81

COMPANY PERFORMANCE

The financial statements have been prepared as per the Indian Accounting Standards (IND-AS) prescribed by the Institute of Chartered Accountants of India (ICAI).

During the year under review, the Company achieved a standalone turnover of ₹8,397.04/- lakh as against ₹6,510.62/- lakh during previous year registering an increase of ~29%.

The Company has achieved a consolidated turnover of ₹5,349.73/- lakh as against ₹7,190.14/- lakh during previous year registering a decline of ~26%.

The Company has reported a loss of ₹621.86/- lakh as against a loss of ₹975.87/- lakh during previous year with a reduction in loss of ₹354.01 lakh over the previous year on standalone basis.

The Company has reported a loss of ₹3,693.27/- lakh as against a loss of ₹2,674.62/- lakh during previous year with an increase in loss of ₹1,018.65 lakh over the previous year, on consolidated basis.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of Section 129 read with Schedule III to the Companies Act, 2013 (hereinafter referred to as the "Act") and the Companies (Accounts) Rules, 2014, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") and applicable Indian Accounting Standards, the Audited Consolidated Financial Statements of the Company for the FY22, together with the Auditors' Report form part of this Annual Report.