

3<sup>rd</sup> February 2025.

**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.: Q3 FY25 Earnings Conference Call.**

In continuation to our earlier communications in the subject matter, enclosed please find the copy of the Transcript, which is 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**

**Geetanjali S.Vaidya,**  
**Company Secretary.**

Encl.: As above.



# “Suzlon Energy Limited Q3 FY25 Earnings Conference Call”

**January 28, 2025**



**MANAGEMENT: MR. JP CHALASANI – GROUP CHIEF EXECUTIVE OFFICER, SUZLON ENERGY LIMITED  
MR. MR. HIMANSHU MODY – GROUP CHIEF FINANCIAL OFFICER, SUZLON ENERGY LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Suzlon Energy Limited Q3 FY25 Earnings Conference Call.

During this call, the company management may make certain statements that reflect the outlook for the future, which could be constructed as forward-looking statements. The statements are based on management's current expectations and are associated with certain uncertainties and risks, as detailed in the annual report. Actual results may differ, so these statements should be reviewed in conjunction with the risks the company faces.

As a reminder, the all-participants' lines will be in the listen-only mode and if you need assistance during the conference call, please signal an operator by pressing "\*" then "0" on your touchtone phone. Please note that this conference is being recorded.

We will begin with opening remarks followed by a Q&A session. To be fair to others, we kindly request each participant to ask no more than two or three questions.

From the Management, we have with us, Mr. JP Chalasani - Group CEO and Mr. Himanshu Mody - Group CFO.

Over to you, JP Chalasani, sir. Thank you.

**JP Chalasani:** Thank you. Good evening, everyone, and thank you for joining our Earnings Conference Call for Q3 FY25. We are happy to share that our good performance has continued for Q3 FY25, driven by strong growth momentum and the success of key strategic initiatives.

I will now highlight the key points and following that we will open the floor for any questions you may have.

As promised in our last Investor Call, we are pleased that for the current quarter also, our order book is at an all-time high of over 5.5 GW maintaining our leadership across the customer segments. For the very first time in history, we will also enter the new financial year with orders in hand for the entire year. Our focus continues to be on securing high quality orders for period beyond FY26 that offer greater value and better margins.

On the manufacturing front:

We are extremely happy to announce a significant ramp up in capacity to over 4.5 GW with revamped Pondicherry and Nacelle facilities. Additionally, we have added new blade lines in Madhya Pradesh and Rajasthan which will increase our production to meet demand for the future.

The order book for S144 now exceeds 5 GW, a testament to superior technology and strong customer confidence in Suzlon. This achievement reflects our 29 years of proven track record and the 31% market share in the installed base in India. We take pride in stating that the S144 is

truly 'Made in India, Made for India' product with more 85% of its components sourced domestically.

On the execution front, Suzlon has received a record quarterly delivery of 447 MW, marking an outstanding 163% year-on-year growth, up from 170 MW same quarter last year. With 977 MW delivered in the 9 months of FY25, we have already surpassed the entire FY24 total of 710 MW setting in a new benchmark for our performance.

The industry commissioned approximately 2277 MW in the first 9 months of FY25, falling short of expectations, primarily due to transmission delays and land-related challenges. However, we see a sizable number of turbines currently in the pre-commissioning stage to get commissioned in a phased manner.

Talking about Suzlon:

We have commissioned 241 MW in the first 9 months and with an additional 218 MW with a pre-commissioned, bringing the total to over 450 MW. With around 80% of our order book being non-EPC orders, where land availability in customer scope; however, even for non-EPC orders, we have prioritized orders with partial land availability upfront. Notably NTPC, Jindal Renewables and the latest Torrent Power orders come with substantial land availability at the start, which will provide better commissioning visibility for FY26.

Our OMS business continues to do well with 15 GW capacity in India with machine availability ensured beyond 96%. Renom continues to strive for customer fleet acquisition with AUM assets under management crossing 3 GW. We believe India's renewable energy journey is just beginning with the wind sector poised for multi-decade growth, supported by a wind installation target of 400 GW for "Viksit Bharat 2047".

With our ramp up strategy on track and operational preparedness at optimal levels, we are well positioned to sustain momentum creating long-term value for our stakeholders and play a pivotal role in advancing India's renewable energy.

It gives me great pleasure to mention that our efforts on the ESG front is being deeply appreciated and recognized by the external world. Suzlon is now a member of United Nations Global Compact and has aligned to the Decarbonization Goal of Net 0 by 2050. I would now like to invite Himanshu to take you through our financial performance.

**Himanshu Mody:**

Thank you, JPC sir and good evening to all of you, ladies and gentlemen.

As always, I will be using Slide #18-26 of our Investor Presentation as a reference point of my discussion during this conference. The Investor Presentation has now been uploaded on our website.

With an unprecedented order book of 5.5 GW, we are thrilled to have clear and promising revenue visibility. The timeline for executing this order book is approximately 24 months, setting us up for an exciting and transformative period over the next 2 fiscal years.

In Q3 FY25, Suzlon continues its exponential growth trajectory delivering 447 MW with all financial parameters showing a strong surge Y-o-Y and Q-on-Q. In the 9 months of FY25, we have already surpassed all our targets or deliverables that we did for the full year in FY24. On a consolidated basis, Suzlon delivered record performance in Q3 with the revenue of Rs. 2,969 crores which is 91% higher Y-o-Y for the same period. For the WTG segment, our contribution margin has improved to 22.7% for the 9-month period FY25 from 19.4% during the same corresponding period for the prior financial year.

Our EBITDA for Q3 is at about Rs. 500 crores, which is 102% increase Y-o-Y and a 70% jump Q-o-Q with an improvement in the EBITDA margin to 16.8% from 15.9% last year, despite organizational buildup, technological advancements and a substantial ramp up in capacity. This we have been able to achieve largely because of the scale and the leverage that we now have with our suppliers, due to the scale of order book. Quarterly PAT of Rs. 388 crores is 91% higher on a year-on-year basis and 93% higher on quarter-to-quarter basis which gives us confidence that Suzlon has shifted into high gear on the operational growth following a successful financial turnaround on the balance sheet front nearly a year ago. We are also pleased to report that our balance sheet has further fortified as of December 2024, with a net worth of Rs. 4,914 crores and a net cash position of Rs. 1,107 crores.

Our pioneering business model of offering end to end wind energy value chain, fully integrated supply chain, track record of project execution and best in class service cannot be easily replicated which provides us a very strong competitive edge.

With that, I would like to conclude my presentation and open the floor to any queries that the callers may have. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press “\*” and “1” on the touchtone telephone. If you wish to remove yourself from the question queue, you may press “\*” and “2”. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Sumit Kishore from Axis Capital. Please go ahead. Sumit Kishore, please go ahead with your question, your line is unmuted. As there is no response, we will move to the next question, which is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:**

Good evening, sir. And congratulations on a very good quarter and superb last 24 months, sir. My question is about the order inflow inquiry, of course now it has increased 28 months. The question is how has been the order inflow inquiry as of now, are we seeing inquiry as strong as it has been there in the last 18 months?

**JP Chalasani:** Yes, I think it is not last 18 months. What I would say is actually it is increasing from quarter-to-quarter, the other inquiries as we keep seeing it. Therefore, we see a good traction in terms of order inquiries and there are, obviously, you know that there are three types of Order. One is C&I segment which is our strongest point where we have about 58% mark in our order book share. Then PSU is picking up now. You know that we have won already NTPC one order, second the bid is put in already we are expecting results to come out in next 30-45 days. And third is bid project, so we actually and also we are now seeing a traction that where people are talking about 5, it is not immediately to be done, can we do a project development and then we want to do a project, let us say in FY27 starting at end of FY26. So, we are getting interesting proposals and then so we are also getting into discussions with people are saying, can we have a little longer-term pipeline type of discussions rather than just having one-off project. So, I think from that angle, the traction what we are seeing on the order book is very encouraging.

**Mohit Kumar:** My second question on the C&I side, sir given the fact that the transmission charges are supposed to go up by June '25 and then there was expectation that C&I will pick up in the Q4 FY25 and Q1 FY26, are you seeing that momentum?

**JP Chalasani:** Yes, let us understand first of all, two factors which play a role, one is tariff arbitrage compared to what they have today versus what happens with the renewable, second is the transmission front, it is not completely going away in June '25. We are moving from 100% waivers to 75% okay. For one more year, you have 75%, then it goes to 50% then it goes to 25%. So, therefore, while it is less than what it would have been up to 2025, but there still the transmission charges were to the extent of 75% for the next one year, so therefore the people would have preferred the complete as much as possible before June '25, but then it is wherever projects are there, still the traction is happening on that.

**Mohit Kumar:** Sir, my last question is on the financial side. I think on the O&M services, your revenues are increasing Q-o-Q and Y-o-Y, but your EBIT is almost similar at 2 billion. So, can you please explain that and how we should build up for the future?

**Himanshu Mody:** So, Mohit, it is essentially, if you look at any period, there are a certain one-off items that hit the P&L, whether it is relating to insurance services or the insurance claims or the VAP and VAS services that causes this fluctuation, but we are clearly going forward as we have always maintained that the O&M margins at an EBITDA level will be about 40% and we continue to maintain that guidance going forward. There may be aberrations quarter-to-quarter due to, as I said, insurance claim income and the VAP, VAS sales.

**Mohit Kumar:** Understood, sir. Thank you and best of luck. Thank you.

**JP Chalasani:** Thank you, Mohit.

**Moderator:** Thank you. The next question is from the line of Sumit Kishore from Axis Capital. Please go ahead.

**Sumit Kishore:** Thanks. My compliments on a fairly strong set of numbers in Q3. My first question is what are the emerging trends of wind solar sizing in FDRE projects with evolving battery economics?

**JP Chalasani:** It is actually very difficult to predict as I think partly you yourself answered. The changing pricing scenario of storage would keep changing the combination of wind, solar, how much do you want to have it? Having said that what type of an FRDE we are talking is important because are we talking about the load following FDRE because FDRE definition is completely different. If you go ahead and see the bit itself, there are 7 or 8 types of FDRE.

**Sumit Kishore:** Let us say for load following FDRE?

**JP Chalasani:** Load following FDRE. Earlier, it used to be about 200% of the bit capacity is supposed to be wind. Now, people are still talking about 140 tons, 50%. So, therefore it also depends upon the load profile, specific load profile. If you are talking about it let us say a load profile of a Delhi DISCOM. I am looking up because the peak is much higher. So, then we will have a more if wind capacity there. And if you are talking about semi-urban type of an FDRE, then you will have a different combination. It is difficult to explain, but it is changing with respect to the storage spacing, but still, the install capacity required of wind will be more than 100% in any FDRE load following scenario. Whether it would be 150 or it should be 160 or 170, we really don't know depending upon the load profile of that particular retail distribution segment.

**Sumit Kishore:** Just second question is, could you quantify the non-recurring items which may be part of third quarter as part of employee expenses? Also, whether that depreciation and interest cost that we see in Q3, are they the recurring numbers that we should expect would be higher WTG capacity, especially on depreciation?

**Himanshu Mody:** So, depreciation, Sumit, will be a recurring item because with the increased CAPEX as JPC sir mentioned with Pondicherry for the additional Nacelle facility getting mobilized and our additional moulds for the S144 getting commissioned, the increased CAPEX is of course hitting the P&L from a depreciation perspective. So, you should certainly assume that the depreciation of about Rs. 60-Rs. 65 crores a quarter would continue as a normal standard. So, one-off expenses in employee, of course would largely pertain to ESOP charge. Now, the ESOP charges for Q4 would be the similar as you have seen for Q3. As we step into the next financial year, difficult to say, but as of now it looks like that the ESOP charge on account of employee expenses as a one-off would reduce for the full year in FY26 as compared to FY25.

**Sumit Kishore:** What has been the number for Q3 on ESOP expenses?

**Himanshu Mody:** ESOP expenses, Q3 would be about Rs. 32 crores and for the 9 month that expense, of course, you can just simply multiply it by three about Rs. 83 crores is 9-month expense on ESOP. Our estimate is Rs. 116 crores would be the charge for ESOP for the full year FY25 and that Rs. 116 crores would certainly be lower, I can't say by what amount for FY26, but it will certainly be lower.

**Sumit Kishore:** And just one last question. If you could comment on, what strategic steps are you taking for diversifying from your main growth engine of WTG in India right now?

**JP Chalasani:** See, right now, as you see, there is a huge amount of traction within India. What we are now trying to look at is that how do we actually diversify our business within the WTG as a growth is like as what we have been talking earlier. We are increasing our activity of advanced development. So, we are getting into those contracts. As we speak today, we do have a contract which we don't know this is part of WTG contracts for about 1100 MW for advanced development of projects and then furthermore, we are entering into. So, therefore what we are trying to do is diversify, I don't know whether you call it as diversification, you call it as a different action, is that what do we need to do that this growth engine would further grow, so because one of the reasons we are saying is that the commissioning is not happening at the required level that has the push back and how much can you supply. So, we are trying to see that push back and it will be removed or not. That is one area which we are significantly concentrating. We started this year that will go big way next year as well, so that we will not have an issue of a push back coming in our supply. That is one area. The second area obviously we are concentrating is in terms of multi-brand acquisition in case of Renom. So, these two are going to be the major things, but then we are looking at any probability of export in case you hit here. But that way in the process of studying, we are not going to say there is going to be the action right now planned for the next year, but then we are looking at it. So, saying that okay, fine, if in India this is what is maximum if we can take then because we have a capacity, is it possible to do it to, let us say, Europe, we don't know what is going to happen in US, I know Europe raised question with us, but I have no answer for that the Europe and other places because there are a lot of European manufacturers are significant exporting from here to Europe. India is the base. Our manufacturing costs are much lower than them, so obviously if they can do it, we can also do it. But that is more of an incremental capacity over and above what we can sell in India is what we are saying. Otherwise, Himanshu, you might be going to have. We don't have any other significant ever since at this day.

**Himanshu Mody:** No, I agree and just to further add to my earlier answer, Sumit and also to Mohit's first question from the depreciation perspective, this quarter is the first quarter where we are fully consolidated Renom as well because in Q2, we consolidated that only for about 25 days. In Q3 it is the first quarter where the entire consolidation has happened and about Rs. 8 crores delta in depreciation that you see is on account of the Renom and also too earlier so much question, when you see the OMS segmental EBIT because Renom as a margin business is lesser than the Suzlon O&M business. So, as Renom keeps growing, although it is very small still, so it doesn't make too much of a difference. But as we see the segmental revenue along with Renom, you might see a percentage shrink, but very minimal.

**Sumit Kishore:** Those are my questions. Thank you and wish you all the best.

**JP Chalasani:** Thank you.

**Moderator:** Thank you. The next question is from the line of Puneet Gulati from HSBC. Please go ahead.



- Puneet Gulati:** Thank you so much for the opportunity and congrats on a great order book. So, how should one think about this 5 GW order book? Or what period would you expect to deploy this?
- Himanshu Mody:** These are some part of it obviously, for current level of equity in Q4 of this year and the large portion is for FY26 and some of them in FY27. Let us be clear that there are these days that you have an order book. When you take the order book, you have a contractual scheduled. That this is what is a delivery. But we all know that there are changes happening with respect to the project schedules, because maybe the substation got shifted or something else is happening. So, there is a constant pressure between us and the client to the extent of keep modifying the schedule, but the simple answer to your question is that most of this order book is for FY26 and FY27.
- Puneet Gulati:** Possible to give some sense of how big?
- Himanshu Mody:** Residual after Q4.
- Puneet Gulati:** Is it possible to get a breakup between 4 and then maybe FY26 and?
- JP Chalasani:** Yes, I can give a contractual breakup that is not going to help because it doesn't give you any number of things that what it is really going to be because the contractual number is different. In reality what is going to happen is different. So, as you keep approaching quarter-to-quarter, we will know what next quarter we are going to deliver. So, what it is like I said in my opening comments, first time in the history of Suzlon, we are starting the next financial year with full order book in position.
- Puneet Gulati:** Right, that is very interesting. And in that context, how are you pricing your product, where there is uncertainty of timing of installation of FY26-27. Is there flexibility in prices that you are keeping or is it a fixed price contract?
- JP Chalasani:** Two things we do, one is that the steel, when we look it as a pass through because that is a major component for us. And secondly, what we say is that our price is valid for X amount of months for the project to get executed. If the supply is for reasons not attributable to Suzlon, if they get delayed contractually, then obviously we need to sit back and we can't really drop in. We will sit back and discuss the pricing. These are two safeguards what we have.
- Himanshu Mody:** So, third one, that we have also done for our large A-Class components with our suppliers. We have entered into a long-term framework agreement, so we know that at least the key critical components also we do have in a way price lease and beyond a certain volume, we in fact have a volume discount.
- Puneet Gulati:** So, there is a volume discount once you reach the number and before that it is a fixed, like have they given any advice, is there a risk that these contracts might get cancelled if the price discussion don't satisfy? Or they are very firm in nature and there is huge advance?

- Himanshu Mody:** We have not given any advance to our suppliers because of the framework agreement. These are mere framework agreement, but we have kept fairly large margin of safety in terms of what we can deliver over the next 12-24 months vis-a-vis our order.
- Puneet Gulati:** Have you received advance from your customers?
- JP Chalasani:** We don't announce any contract unless there is the contract is backed with advance
- Puneet Gulati:** And last one, are these all for S144 or is there a plan for an upgrade built into the order themselves?
- JP Chalasani:** No, all these are for 144 at this stage. And of course, there is a small quantum of 8% out of outstanding order book, 92% S144 and 8% is for S120. And there is no other model other than this two we are offering in the market.
- Puneet Gulati:** Understood. And what is in the pipeline? Any thoughts if you can throw?
- JP Chalasani:** Pipeline always works because the product development cycle is long. So, obviously we are working on the next version of the turbine, but depending upon when is the market ready, what happens to 144, we will launch the turbine.
- Himanshu Mody:** That will be larger than 144, obviously.
- Puneet Gulati:** Got it. Thank you so much. All the best.
- Moderator:** Thank you. The next question is from the line of Vikram Datwani from Nuvana Institutional Equities. Please go ahead.
- Vikram Datwani:** Good evening. Congratulations on a good set of numbers. Two questions from my side. So, first is we have seen order inflow already at 3.5-4 GW in this year, the order book is at roughly 5.5-6 GW. So, at any point do you think we will get choosy with our order inflow or can we maintain this order inflow run rate because you already had visibility for the next 2 to 2-1/2 years, so do you foresee this kind of inflow going forward or will we get a little choosy in order in the next couple of years?
- JP Chalasani:** No, the moment I said choosy, it looks like we have become arrogant, so obviously, we are not that way. The customers have a choice, and we have discussed about these products is that what we look at seriousness of the project is looking at their financial closure. If it is the big PPA is there or not, because all projects what we acquired from the bid, the 21%-22% all of them have PPA. And then if it is a non-EPC requirement supply, it bears a position of land, and the substation is what we look at it. But generally, if you look at it, most players were in the market today, the large equities what we enter into, all of them are good people. And as long as we have our own pricing of at which we want to offer, if that matches and then we have adequate safeguards in terms of if there are delays, then, we just go ahead. I will not use the word that we

are choosy at this stage. But of course, there is a clash of delivery coming in and we being asked for when we can't do it, then. there it is not choosy, but we will tell them we can't do this, this is what my delivery schedule we can adjust to the delivery schedule is fine. Otherwise, they have an option to go somewhere else. Those things can happen.

**Vikram Datwani:** That was majorly talking about from the capacity standpoint, like you have already alluded to...

**JP Chalasani:** That is exactly what I am saying. If the delivery schedule has already were overloaded during that particular period, then we offer a different delivery schedule to them. We don't say no, we offer a different delivery schedule and there are some discussions. Sometimes we agree to a different delivery schedule or sometimes it doesn't meet. So, they say sorry, this time it doesn't meet, then I will go somewhere else. That is again frankly not a word of choosy, but not able to meet the requirement of the client.

**Vikram Datwani:** Time maintained from a capacity point of view, got it, sir?

**JP Chalasani:** You are right. It did happen that way.

**Vikram Datwani:** My second question is on margin sustainability. So, we have had quarter where you have not booked EPC expenses because installations have been weak on a yearly basis. Do you have any sustainable margin guidance or any target mix between product delivery and EPC delivery?

**Himanshu Mody:** On margin, if you look at the contribution margin, for the WTG segment in the 9 month of this year, we have done about 22.7% for the segment as a whole. Now clearly, the commissioning for the reasons we have discussed has been a little lower. But having said that as and when the EPC work and the commissioning completes, that margin may slightly come down. So, whilst earlier, we have always maintained a margin of lead teams, I think safe to say that close to 20% or little over 20% on a consolidated steady state basis would be the contribution margin. So, that is pretty much, I would say, upping the guidance from a contribution margin perspective by a few percentage points.

**Vikram Datwani:** Got it. Thank you. And any reasonable percentage breakup between product versus the EPC that you are targeting?

**Himanshu Mody:** No, we have not yet started giving segmental split of product versus EPC. We are just as you know, reporting WTG as a segment. We are not doing the split as of now.

**Vikram Datwani:** Got it. That is it from my side. Thank you and best of luck going forward. Thank you.

**Moderator:** Thank you. The next question is from the line of Amit Bhide from Morgan Stanley. Please go ahead.

**Amit Bhide:** Hello, congratulations sir, on a great set of numbers. So, my first question is with regards to the realization it comes to around 52 million per MW for this quarter. Now, in this, I understand that

EPC portion was not there, but then is there any pricing pressure that you are experiencing with a few other OEMs getting very active in the market?

**Himanshu Mody:** No, there is no pricing pressure. In fact, when JP sir mentioned earlier, we don't want to be arrogant and saying no to a certain orders, so clearly the kind of traction that you see with our order book, pretty much there for the next 2 years, there is no reason for us to come under pricing pressure neither we are seeing that from the competition perspective. So, this is merely due to slower execution on the EPC front that you are seeing the 52 million which as always we mentioned will be close to about Rs. 6 crores. If you take steady state basis, it is about Rs. 58 million to be precise. I think it is not lowered largely because of the slower EPC execution.

**Amit Bhide:** Right, so 58 million is a good number to work around with, right. And on the contribution margin that you said in the previous question, 20% or a little over it is that sustainable guidance or is it only for FY25?

**Himanshu Mody:** So, as I mentioned, as we move forward, around I would say 20% would be one large component of course is steel. So, depending on where the utility prices move, well, that is a large pass-through item, but consistently, our endeavor would be to deliver a margin of close to 20%, which we have always maintained late teens. So, about 20% is what we get consistently deliver.

**JP Chalasani:** Himanshu, has become confident from late teens to 20%. That is the only change in guidance, yes.

**Amit Bhide:** And on the previous question, you mentioned that there is around 1,100 MW of advanced development projects that you are offering. So, in this, how would that?

**JP Chalasani:** Not offering, executing.

**Amit Bhide:** Yes, executing. So, how would the realization differ versus the 58 million for average?

**JP Chalasani:** No, that is, I think I explained in the previous quarters calls also if the development what happens is that someone wants to do an EPC project with us because the land is an issue, so what they do is that they only give an NTP for the land. And first of all, we are not waiting even for the NTP. We have started developing the projects where we start acquiring the land up to certain extent then we keep offering in the market in this project if you want development. Then, they come in and give an NTP for land and they start paying for the land from then on and at appropriate time, the NTP for EPC would be given and we don't announce those EPCs because they are not being given. So, once the EPC NTP is given, advance is given for that portion. Land, they already given that cost, so we announced to the market. These are second to be converted into EPC contract, but at what stage when it gets converted, we are also demanding.

**Amit Bhide:** And sir, right now is this 1100 a part of your 5.5?

- JP Chalasani:** No, that is what I said that this will as and when gets converted into EPC contract with that one is when we will announce. Right now, it is not part of 5.5.
- Amit Bhinde:** Any indicative timeline, 6 months or 1 year that this can get converted?
- JP Chalasani:** It is reasonable to expect that next 3-4 quarters this get converted into EPC contract will be EPC.
- Amit Bhinde:** Right. And one more question on your delivery timelines. As you mentioned that there is a contractual delivery timeline in each of the projects. So, how is the timeline differing in C&I versus the PSUs? So, PSUs is it 18-24 months, how is it in C&I, especially in PSU?
- JP Chalasani:** You are asking C&I versus PSU or?
- Amit Bhinde:** Yes. So, is it like the C&I would have a lower contractual delivery timeline. Is that the right way to look at it?
- JP Chalasani:** No, C&I normally tends not to revise significantly the contractual schedule because it is meant for their own consumption normally. But there also we see that they get stuck with respect to the land or the evacuation but to lesser extent. PSU, we are yet to see because we are just doing some exhibition of NTPC right now. But on the bid-related projects, obviously we see a big shift.
- Amit Bhinde:** Right. Broadly, would it be like 12-18 months for C&I or lower?
- JP Chalasani:** Means like 12-18 shift, you are talking about a contractual schedule.
- Amit Bhinde:** So, delivery timelines from ordering?
- JP Chalasani:** Yes, that is a reasonable number 12-18 months depending upon the size of the project.
- Amit Bhinde:** Right. And for CAPEX, do you have any guidance revised because now that you are adding new guidelines, etc., so I recollect that you were guiding around Rs. 400 crores of CAPEX for your, is there any revision to that?
- Himanshu Mody:** So, Amit, no revision and request that this be your last question. We can of course connect offline if you want, but to quickly answer your question that no revision and guidance to the same.
- Amit Bhinde:** Sure. Yes, that was my last question. Thank you.
- Himanshu Mody:** Thanks. We can connect offline.
- Amit Bhinde:** Yes, sure. Thank you.
- Moderator:** Thank you. The next question is from the line of Aadesh Mehta from Motilal Oswal AMC. Please go ahead.

**Aadesh Mehta:** Hello.

**JP Chalasani:** We can hear you. Please go ahead.

**Aadesh Mehta:** So, just wanted to understand this margin guidance, this margin aspiration of around 20%, this is on the EBITDA numbers or at the contribution level?

**Himanshu Mody:** Aadesh, it is on the contribution level for WTG. I wish it was EBITDA, definitely not. So, it is on the contribution margin for WTG segment.

**Aadesh Mehta:** Thanks for clarifying. And other thing which I wanted to understand is that so far wind installation have broadly lagged our deliveries, right if you see the country level data, so how long do you think this can continue that even our installations are lagging, we will continue delivering our products to our clients?

**JP Chalasani:** See, obviously, if there is a continuous delay in the land of evacuation, that is what I said sometime back in another question that there could be potentially a push back on supply side, like there could be delays clients can say that these slow down the supplies. That probably can happen. Otherwise, numbers what we are looking at today would have still higher, so what we delivered in Q3. But that is what we need to overcome. That is where I said that we are now being working with one is on the development side, second thing, what is we are looking ahead is that if you look at next year, it is not going to change in a quarter or two quarters, but it will definitely change in FY26 significantly. These are plan coming from development. Second also is that some of the clients what we are now contracted how a land in a position, for example, we just did the Torrent Power contract of 482 MW which is meant for the captive for the distribution business. They already have 50% of land, along with the right of ways. So, plus I said that we are developing ourselves like NTPC, as you know whatever we are now executing, they are getting the land in advance position. Torrent for Karnataka which got delayed EPC project, we are doing EPC, so therefore, we acquired the land almost for about 150 MW, they already out of there and they want. So, these things will result into a better project execution, quicker project execution moving ahead. But do we see a significant change in Q4? No. Are you going to see something in Q1 next year? No. I think gradually starting from Q2 or next year onwards, you will see an improvement push back coming down, FY26 will be definitely better than FY25 because of these reasons. And FY27 onwards, I don't think at least as Suzlon we will see an issue with respect to the land. Evacuation, still of course, we have no control. But on the land, delaying the projects will not happen significantly come down FY26 we can guarantee, then FY27 would practically be not there.

**Aadesh Mehta:** And sir, do we see this being a hiccup over the next 6-12 months, because the execution run rate is very strong from our side, you think given the progress report you are seeing at your client level, you can continue delivering this number of equipments?

**JP Chalasani:** Yes, see what happens is that we have multiple clients. If it is only one project, two projects the country will supply then, there is a saturation point quickly because you have multiple projects

and multiple clients. So, while I do agree that there will be some pushbacks, which is what we talked about contractual schedule getting revised, but then we don't see to that extent impacting our supplies significantly in the next few quarters. And by then we would be ready with even not only we, sector as a whole realize this as an issue, land and ROW. So, most people are actually investing in land merchant advance, like I said the 3 clients which we are working with right now for this 1100 MW, they are spending on land much in advance with us. So, I think things would change. Today, I completely agree that that is not just the land including the evacuation is an issue today. We are nowhere near our ambition of reaching about 8 GW in a year run rate. But I think things would change, expected to change in FY26 and FY27.

**Aadesh Mehta:** All the best, sir. Thank you very much.

**Moderator:** Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all participants, please limit your questions to 2 per participant. If you have a follow up question, you may rejoin the queue. The next question is from the line of Dheeraj Kripalani from Avendus Capital. Please go ahead.

**Dheeraj Kripalani:** Thanks for the opportunity. Sir, my question is on the industry level, if you look at the wind capacity additions in India, so till FY25 only 2 GW has been added. So, my question is that. I just want to know your view at what capacity additions in India you will see in the next 3 years? And what are the challenges, of course, in the capacity additions?

**JP Chalasani:** We are not talking about the industrial, but I also said something that is not just we and other industry players also working towards reducing the risk of land. So, therefore this year, we still see, though we are at 2,277, let us say 2.3 GW in first 9 months, it could be anywhere between 3.5-4 GW is what we see in the large capacity, we also saw, as I said as we speak, it is more than 200 MW pre-commissioned means like you can just get out of the grid any day, so it is available. Other people also have it. So, we are still hopeful that 3.5-4 GW is what we should achieve this year and then next year, I think all the efforts what people are putting should be around 6 GW. And then, we hopefully at least FY27 onwards, we reached 7-8 GW.

**Dheeraj Kripalani:** Thanks for the answer.

**JP Chalasani:** Thank you.

**Moderator:** Thank you. The next question is from the line of Arun Kailasan from Geojit Financial Services. Please go ahead.

**Arun Kailasan:** So, first of all, congratulations on a good set of numbers. And you know, I am still a novice in understanding this industry. So, I just wanted to know that earlier in one of your concalls, you had mentioned that the capacity addition would be somewhere around 5-7 GW in 2026-27 for India in general and then from then on it would be around the range of 10 GW, right? I just wanted to know like what amount of capacity addition, do we see these tariffs go to a range where like it turns less profitable for the developers because is there a concern of oversupply

when it comes to this? So, that is my question because we are seeing solar module prices correcting and corresponding to the tariffs have also come down by huge margin. And if that is the reason, how would we look at negating that?

**JP Chalasani:**

See, first part I agree that in our country the tariff goes up, but the demand will drop. Demand is the function of the tariff. The demand elasticity gets limited, and the tariff goes up. Having said that, I keep saying if you look at the exchange and look at the demand and the price when wind generates is constantly high. The only thing what you are seeing is the tariff during the solar time are coming down because the supply is higher, and the demand is less. So, I think there is enough appetite in the market to meet the current load profile for the wind capacity and the wind tariffs are not going up. I don't think any tariffs are going up because tariffs are only falling even for FDRE because solar price are falling. Only case of solar, the tariffs have gone up because of restrictions of this and tariff significantly gone up, if I remember right, the solar standalone now is almost Rs. 3 because of the domestic content criteria, so that can increase the tariffs, but the wind tariffs are not increasing. Wind tariffs remain the same. So, the demand does exist for around the clock power because as we are growing, the demand is going to keep increasing. To some extent, there is the impact of solar tariffs going up because of domestic content. But I think to that extent the storage space, what are coming down should be able to compensate.

**Arun Kailasan:**

So, this about 10 GW of addition post 2028 that we are factoring in is sustainable, right?

**JP Chalasani:**

Sustainable is different. We always said that in case for us to meet and then we go 2030, these are run rate required and we expected that in fact, even compared to our expectations for this year, it is less of the fact that we thought that we will touch about 4.5-5 GW, which we now reversed to 3.5-4 GW. Next year, I just had some time back 6 then 8 and it is still feasible in FY28 with advanced actions, what everybody is taking.

**Moderator:**

Thank you. The next question is from the line of Jinesh Shah from SK Investment. Please go ahead.

**Jinesh Shah:**

My question would be like, as you mentioned that we have ramped up the capacity from 3.1 GW to 4.5. So, I would just because of which our depreciation also increased, so I would just like to understand that are all the assets operational and live or are we expecting much more CAPEX which will increase the depreciation going forward?

**Himanshu Mody:**

So, as I said earlier, we are looking at close to about Rs. 350-Rs. 400 crores of annual CAPEX for the next 2-3 years, which will all go towards capacity augmentation. Of course, as a result even the older asset base will get depreciated completely. To answer your earlier question whether all the CAPEX that we incur till date is operational, most of it is and some of it is getting operational as we speak. So, for the next few quarters, including, of course, the Renom acquisition charge about Rs. 65 crores of depreciation on a quarterly basis is a steady state that one should assume.



**Jinesh Shah:** Thanks a lot. And my second question would be with respect to the interest income of Rs. 70 Cr, like I would just be validating with respect to, since in our book as of September, we had borrowings of approximately Rs. 232 Cr gross debt. So, I would just like to understand that how do we validate like the interest of Rs. 70 Cr if you can just read it about that?

**Himanshu Mody:** Yes. So, of course the interest cost is largely due to the LC and BG commissions that we have to pay to our lenders. And there is the Rs. 232 crore debt that you are referring to is working capital debt that sits in two subsidiaries which is SE Forge and Renom. They have their cash credit facilities as working capital which attracts a normal interest rate and the other is of course the LC BG charges at the standalone level, which we pay for giving guarantees to our customers and LCs to our suppliers. That of course, naturally gets netted off with the interest income that we are able to generate with the cash balance that we have in the company.

**Jinesh Shah:** Understood. That is it from my side. Thanks.

**Moderator:** Thank you. The next question is from the line of Satpal Singh Khanuja from Ishaan Ventures. Please go ahead

**Satpal Singh Khanuja:** It is always a pleasure to talk to you. You are one of the corporate leaders who deliver their promises quarter-on-quarter.

**JP Chalasani:** Thank you.

**Satpal Singh Khanuja:** Sir, can you help me understand the impact of the Trum Era on the renewable energy sector in India? Do we see a reduction of prices of the product? Is Chinese and European players start dumping in Indian markets?

**JP Chalasani:** Chinese are already there. And Chinese are there not there anyway significantly in US at this stage. So, the US market is mainly with the GE and the Vestas. So, I don't think that would make a difference. European significantly presents today their manufactured used amount of quantities in India, but they are exporting because they are unable to compete in India. So, therefore, either way it does not make a difference. I only look at it is that in case the opportunities for, first of all I have no clue about what is going to be impacted because every day you are reading a clarification. So, suddenly IRA is impacted, next I see a statement which is the IRA is impacted only to the extent of the EVs so it is an evolving situation. And there is a clear view that onshore wind turbines won't get impacted. Only the offshore is going to get impacted. So, therefore be whether you speak, or I speak, it is more of a gossiping between two of us and both of opinion. Before, I think we should wait for few more weeks before we see any impact on India, but if at all there is going to be an impact, in my opinion it will be a positive impact, but not negative impact. But the investment comes down in US, there will be more investment opportunities coming down here, coming in India. So, I can only see the positive side of it. At this stage, I am not seeing anything, significantly negative for us.

**Satpal Singh Khanuja:** Thank you, sir. Thank you very much. My second question would be now, since we have 18-24 months of normal period of conversion of any contract, plus they are usually delayed from the side of the customer. Now that we have an executable capacity of, say 4000 MW, as you mentioned in some other discussions previously, would a number of around 10,000 MW in the order book the right number where we can think of coming at full capacity?

**JP Chalasani:** Come again?

**Satpal Singh Khanuja:** Sir, now we say, when we say that we have installed the 4.5 MW and we are targeting 90 to achieve 90% of that given the 18–24-month conversion period and the delays that normally happen to come at full capacity, an order book of about 10,000 MW would be a right number?

**JP Chalasani:** No, let me let me clarify. Today, we have an outstanding order book of 5.5 GW as we speak and obviously by any point of time, there will be a number of orders which we are negotiating, which will keep getting converted in future. So, this 5.5 GW is in order to confirm orders backedby full advance. Mention will start, somebody asked me the question is that how much of it will be for next year? I said contractually it could be anything but let us wait and see that what happens in terms of reality as a project, so we have not given any guidance with respect to out of this 5.5 GW how much will be done next year, but I only said this 5.5 GW will definitely get executed in FY26 and FY27 together. That was my answer.

**Satpal Singh Khanuja:** No, what I am saying is now that we have a capacity of 4 GW, what we are targeting is an order book of something like 10 GW?

**JP Chalasani:** You are saying that because we have a manufacturing capacity of 4.5 GW?

**Satpal Singh Khanuja:** Yes.

**JP Chalasani:** I might have a manufacturing capacity, but they should be offtake, ready to offtake. So, obviously yes, your point is right that if I load the manufacturing capacity the 90% so then obviously about 4 GW is what we should supply every year. But that capacity comes only when your manufacturing plant is loaded on a consistent basis every month, but that doesn't happen. Your offtakes are different, so your project offtake is what decides how much capacity utilization happens.

**Satpal Singh Khanuja:** Right. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Depesh Kashyap from Invesco. Please go ahead.

**Depesh Kashyap:** Yes. Thank you for taking my questions. Just a clarification on the interest cost of Rs. 70 Cr, I think last quarter you highlighted that there is a Rs. 10-Rs. 11 crores of one-off expenses due to a new contract that you have got, right? So, the normal run rate was Rs. 44-Rs. 45 crore of interest cost, so is this Rs. 70 crores now a new normal that you think or is there any one-off sitting here?

**Himanshu Mody:** No, Rs. 70 crores is not a new normal, Depesh. There is, close to about of course, in this Rs. 15 crores gets added in a quarter because of the one earth lease cost that currently that is there, close to about Rs. 15 crores quarter that will get on a continuous basis, quarter-on-quarter. In addition to that, there is the Renom working capital cost that is getting added as I said Renom has about Rs. 120 crores of working capital facilities with it, which they utilize on a cash credit basis. So, of course, whilst we look at optimizing the cost, we will also look at increased cash balances going forward. So, the net interest costs would probably be in the normal region of around Rs. 40 crores or quarter give or take. But that we will manage through, of course, whether increased interest cost or increased interest income. Both net basis, we should assume about Rs. 40 crores.

**Depesh Kashyap:** Understood. Secondly, when do you expect normal taxation to start hitting your P&L?

**Himanshu Mody:** So, I think that of course, it is very difficult for me to give you any guidance on that but safe to say that I don't see that hitting us in FY26 at least, can't say about FY 27 at this stage.

**Depesh Kashyap:** Understood. And lastly, any plans on utilization of cash, any inorganic opportunities you are looking at or any dividend payments you are thinking about because now you are Rs. 400 crores plus networth, right? That is how?

**Himanshu Mody:** So, inorganic, of course we keep looking out. We will be very selective. We won't go very aggressive any in organic opportunities. Any return or payback to the shareholders will, of course, at the time of annual results will be deliberated and discussed at the board before recommending to the shareholders. We will of course need to see the reserves. So, as you know, there is a scheme which is impending that requires for reclassification of results. So, once that is done is when we can have the dividend paying capabilities. I hope and assume that should be completed, that scheme should go through by June, July. Once that is ready and the business actually if it is permitting any different payout and the board approving, we would then only be able to recommend the same for this to shareholders.

**Depesh Kashyap:** Great, sir. Thank and all the best.

**JP Chalasani:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rohan Vora from Envision Capital. Please go ahead.

**Rohan Vora:** Thank you for the opportunity and congratulations on the numbers. I just wanted to check on the Siemens IO, you look still looking at it and what is the updated on that?

**Moderator:** I am sorry to interrupt you, but can you speak a bit louder, Mr. Rohan Vora?

**Rohan Vora:** So, sir, I just wanted to check around Siemens Gamesa, so what is the update around that? And are we looking at that particular transaction?

**Himanshu Mody:** Siemens company, we will not have an update because that is that company to provide. We are not looking at it, we said earlier also.

**Rohan Vora:** So, are we looking at it is what I am trying to understand?

**Himanshu Mody:** No, we have always been on record. We never changed our stance, so we are not looking that as to.

**Rohan Vora:** Thank you, sir.

**Moderator:** Thank you. Next question is from the line of Deepak Purswani from Svan Investments. Please go ahead.

**Deepak Purswami:** Hi, good evening, sir and congratulations for good set of numbers. Sir, I just wanted to check it out eventually when we would be looking out 4 GW of execution on the year-on-year basis, from the order inflow point of view, at some point of time, we are also considering export market to be tapped going ahead if you can throw some light on that?

**JP Chalasani:** See, our manufacturing capacity is 4.5 GW, so therefore we are in a position to supply 4 GW a year if there is a demand to that extent in India, so on that I really won't be able to answer that because it depends upon various external factors. But we do have a capacity to supply 4 GW a year as we speak today and as far as the international is concerned, sometime back to different question I mentioned that right now there is so much happening in India. However, we are evaluating that what are the opportunities available outside India, if at all today from the evaluation phase. So, in case because we have a capacity that India offtake gets to a certain level, then we actually do an incremental capacity and then sell outside. But right now, there is no solid proposal to that. It is only an evaluation process and by then, we don't know really. All depends upon market evaluation.

**Deepak Purswami:** Thanks a lot.

**Moderator:** Thank you. The next question is from the line of Falguni Dutta from Mansarovar Financials. Please go ahead.

**Falguni Dutta:** Good evening, sir, I just have one question, is it possible to give volume guidance for FY26?

**JP Chalasani:** We have not been providing that volume guidance for not just for FY26, but we are not even providing for the next quarter. So, I think we will maintain that because it depends upon various factors, because we don't give the guidance and then start giving the reasons why it has been achieved or overachieved or underachieved because the market is so dynamic outside in terms of execution.

**Falguni Dutta:** You mean to say because of the execution issue, right understood.

- JP Chalasani:** But you are seeing the growth, so therefore obviously you can get growth continue quarter-on-quarter.
- Falguni Dutta:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, due to the time constraints, this will be the last question which is from the line of Rusmik Oza from 9 Rays EquiResearch. Please go ahead.
- Rusmik Oza:** Am I audible?
- Moderator:** Yes you are. Please go ahead.
- Rusmik Oza:** Sir, I want to check up in next fiscal year, if industry does around 6 GW, can we maintain the market share of 40% which we I think last quarter we were above 40% market share, if you can just give some color on the kind of market share you would retain next year?
- JP Chalasani:** Can you please come again?
- Rusmik Oza:** I just wanted to understand what kind of market share would you be able to retain next year that is FY26 in the industry?
- JP Chalasani:** Market share of what?
- Rusmik Oza:** The wind, WTG?
- JP Chalasani:** WTG, order booking, supply or commissioning?
- Rusmik Oza:** Supply or commissioning of wind energy?
- JP Chalasani:** Yes, right now the publicly available number is only the commissioning. So, there is no data, nobody is monitoring data in terms of order book or in terms of for the supplies. Right now, this year, obviously 45% this is not there at all, we are much more than that at this stage number because we also can't measure. Last time also, I measured the performance of based on the market share of COD for us because as you see in our composition, only around 20%-22% is what is EPC, rest all are non-EPC, where we see we don't have the full control. So, therefore, now the main indicator is in terms of supplies. That is we will decide what is going to be financial performance and the commissioning number.
- Rusmik Oza:** Thank you so much. The second question was on this foundry and forging business, our utilization level right now is around 19%. Just wanted to get a feel how much can this utilization go up next fiscal year and the margins which are say at around 12.5, can they go back to 15%-16%?
- JP Chalasani:** We are working towards that. We are working towards placing our order book in terms of non-wind as well as exports and also. We are trying to see that we can create our mission capacity so

that we don't need to outsource machines so that we increase the margin. You will see the improvements part of the quarter from now onwards.

**Rusmik Oza:** Thanks for the opportunity. Thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question for today. I would now like to hand the conference over to Mr. Himanshu Mody for closing comments.

**Himanshu Mody:** Thank you everyone for joining the call. And I know there is a question queue still pending, my apologies to all those investors, we are unable to take all the questions at this stage. However, I request please do write to us on our e-mail ID [investorrelations@suzlon.com](mailto:investorrelations@suzlon.com) or reach out to my colleagues, Siddharth and Krishna with your questions and we will be happy to answer those, but apologies, we won't be able to take any further questions at this stage. Thank you very much for being patient, hearing us out and look forward to being in touch with you all. Thank you so much.

**Moderator:** Thank you. Ladies and gentlemen, on behalf of Suzlon Energy Limited, that conclude this conference. Thank you for joining us and you may now disconnect your lines.