

31<sup>st</sup> May 2024.

**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.: Call on Q4 and FY 24 Results.**

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  
Q4 FY’24 Earnings Conference Call”

May 24, 2024



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

**MODERATOR:** **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Suzlon Energy Limited Q4 FY '24 Earnings Conference Call hosted by ICICI Securities. During this call, the company management may make certain statements which reflect their outlook for the future or which could be construed as forward-looking statements. These statements are based on the management's current expectations and are associated with uncertainties and risks as fully detailed in the annual report, which may cause the actual results to differ. Hence, these statements must be reviewed in conjunction with the risks that the company faces.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

**Mohit Kumar:** Thanks, Seema, good evening. On behalf of ICICI Securities Limited, I would like to welcome you all for the Q4 FY '24 and FY '24 Earnings Conference Call of Suzlon Energy Limited. From the management we have with us Mr. J.P. Chalasani, Group CEO; Mr. Himanshu Mody, Group CFO. We'll begin with the opening remarks followed by a Q&A session. To be fair to others request each participant to ask not more than two or three questions. Over to you, sir.

**J. P. Chalasani:** Thank you, Mohit. Good evening to each one of you. Thank you for joining us on our Q4 FY '24 Earnings Call. I hope you had an opportunity to review our results and investor presentation. We will now share with you an overview of the industry and we will walk you through our Q4 FY '24 and full year performance. We will then take your questions.

FY '24 has been a remarkable year with standout performance across financial and operational parameters. Largest ever order book of 3.3-gigawatts, with a strong pipeline provides along with a strong revenue visibility. This includes order book of 2.9-gigawatts as on 31st March '24, plus 402 megawatts of order announced in May. This is a well-diversified and healthy order book. Our endeavor will remain to pursue quality orders with a higher value and better margins.

India's wind installation also saw a quantum jump after years have been impasse. Wind installations for India for FY'24 broke the ceilings to register 3.3-gigawatt installation, the highest post FY'17. Globally India ranks fourth in total in wind installations with 46-gigawatt of installed onshore wind as of March '24.

Suzlon installation registered more than 75% year-on-year growth to 882 megawatt in the year of FY '24. In the current scenario, wind plays a crucial role in energy transition as growth of Indian renewable depends upon wind installations. That's because the industry has seen the transition from hybrid to around the clock and has moved to forming dispatchable renewable energy.

FDRE tenders, whether it is for the peak or the load following tenders is solidifying wind position in India's energy condition. These kinds of tenders require very high share of wind to

meet the generation profile. Our OMS business continues to do well with over 14.7-gigawatt capacity in India.

On SE Forge performance has also been increasing and continuing to grow and continued growth of the wind sector will further promote SE Forge business as the major revenue comes from supply of wind components. With strong fundamentals in 29 years of strong track record, we firmly believe Suzlon is now well positioned to leverage the market opportunity rising from the energy transition.

With this, I now ask Himanshu to take us through the financial performance.

**Himanshu Mody:**

Thank you, J.P. sir, and good evening, ladies and gentlemen. I will be using slide number 16 to 23 of our investor presentation which has now been uploaded on our website, [www.suzlon.com](http://www.suzlon.com). As a reference point for my discussion during this presentation.

FY'24 has seen us registered robust improvement in all our key parameters and our fundamentals have strengthened with a focus on the bottom line. We have made deliveries of 710 megawatts, which is 7% higher as compared to FY '23, despite which an EBITDA growth of 24% as compared to last year has been registered and a PAT before exceptional item has grown to 428% as compared to FY'23. All of this is a result of several initiatives that have been taken the company over the last -- in the last financial year, which include margin improvements, cost optimization and lower interest costs as a result of repayment of the entire debt.

Similarly, on Q4 FY'24 performance, the PAT before exceptional items has seen a Y-o-Y growth to 413% from INR68 crores in FY '23 to INR281 crores in FY '24. On the P&L account, renewed focus on the bottom line has resulted in a revenue of INR6,497 crores with a contribution margin of 36%. EBITDA and PAT before exceptional items have been highest that the company has ever reported in the last seven financial years.

Consolidated EBITDA has been reported at INR1,029 with PAT before exceptional items at INR714 crores for FY'24. We are pleased to report our balance sheet as of March '24 demonstrates a very strong position of strength with a consolidated net worth of INR3,920 crores, whereas the net cash position of the company as of March '24 stands at INR1,148 crores. I would like to summarize that the last 1 year for the company has been a year of financial turnaround.

I would also like to reiterate that Suzlon has never been in such a strong footing as it is today. With a fortified financial position and optimized cost structure, the largest ever order book with a strong pipeline in discussion, a completely geared up supply chain to meet the order book demand, regaining confidence of all our stakeholders and a strong management team with an enthusiastic zeal to deliver on all the performance parameters.

With that, I'd like to conclude my presentation, and we can open the floor for Q&A that the callers may have. Thank you.

**Moderator:**

Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Sumit Kishore from Axis Capital.

**Sumit Kishore:** Good evening, and thanks for taking my questions. The first one is could you spell out the contribution margin in FY '24 for WTG and the fixed expenses in the WTG business for FY '24?

**Himanshu Mody:** The contribution margin, Sumit, for FY '24 in the WTG division is about 19.5% whereas the fixed expenses, as we've been saying earlier, is close to about INR600 crores. So our breakeven point as we've been advising in all our earlier meetings and calls remains pretty much unchanged.

**Sumit Kishore:** 19.5% is a brilliant performance. So is this sort of a sustainable level? Or because we have spoken about maybe 16%, 17% levels earlier?

**Himanshu Mody:** So Sumit, there are two or three factors that we need to keep in mind as we enter this financial year. Number one, we are seeing some early hardening of commodity prices like aluminum, copper. There are certain logistical challenges given the routes in Red Sea. So there might be some slight increases in costs. Also, we are -- as we deliver in FY'25, we are now moving to a completely S144 model, as you guys are aware.

So for FY'25, because even our suppliers have built up capacity recently, there will be certain cost compulsions and therefore, the COGS will be under pressure for us. Having said that, we, of course, continue to maintain mid-teens guidance and the management endeavour would be to deliver an optimized contribution margin. But very difficult to comment whether the 19.5% is sustainable or not. But we should be there and thereabouts in the 15% to 20% region.

**Sumit Kishore:** All right. Given your net cash at the end of fourth quarter at INR11.5 billion, what should we read into the interest expense being higher than the other income?

**Himanshu Mody:** So the interest expense, specifically in Q4, as you know, in late December, we announced financial working capital tie-up with REC Limited. And as a result of the tie-up, there was a one-time processing fee that was paid to REC in early January. So to the tune of about INR11 crores, a one-time processing fee for the working capital tie-up has been booked as expense in this quarter. And of course, in addition to that, a lot of LCs and bank guarantees have been issued to our customers and vendors, which has resulted in increase in the interest cost as compared to Q3.

**Sumit Kishore:** Got it. Last question, for your EPC order book, could you speak about how many footprints for installing wind turbine would you have in control where land and evacuation are in place? And maybe on similar lines for your non-EPC orderbook?

**J. P. Chalasani:** Yes. See, our EPC is currently -- in the current order book split is one-third and two-third; one-third is EPC and two-third is non-EPC. On the EPC portion, evacuation in the sense the grid connectivity, we don't control because that's in the scope of the clients. As far as the land is concerned, obviously, it's a critical area even last year, one of the reasons why as a country we could still do only 3.5 gigawatts is the land challenges.

I'm not going to say it's going to be easy, but the work -- what we have done in the last year, we expect that to be in the H1, it will be a little more easy and then we'll continue to work towards that. And also, as we mentioned earlier, which may not immediately help, but under developmental route what we're taking into other states, which was what we are preparing for

towards the end of this year as well as next year that we want to remove the land issue as far as our EPC projects are concerned.

And in the non-EPC portion, we keep track of what's happening there on a continuous basis. Land would -- let' accept the fact that in the wind sector, land would continue to be a challenge, and it's a question of to be managed from time to time. So with those challenges is what we will deliver.

**Sumit Kishore:** Thank you and wish you all the best.

**Moderator:** The next question is from the line of Parv Jain from Niveshaay Investment Advisory.

**Parv Jain:** Congrats on a good set of numbers. Sir, can you give us a broad idea on expected wind installations for FY'25? And what kind of market share can we expect out of that Suzlon would be holding?

**J. P. Chalasani:** If your guess was as my guess, our expectation -- if you remember in FY'24, we have always been saying anywhere between 3.5 to 4 gigawatts. And our expectation for FY'25 is it could be anywhere up to 5 gigawatts, between 4.5 to 5 gigawatts. And normally, like our always claim was that market share is different figure than what we expect to do it. But we've been always in the range of 25% to 30% is our market share. So if we look at this year, our market share has 27%.

**Parv Jain:** Okay. Sir, thank you so much.

**Himanshu Mody:** Can we move to the next question, please?

**Moderator:** Sure, sir. Next question is from the line of Mr. Rohit Kumar from Motilal Oswal. As there is no response from the current questionnaire's line, we move on to the next question. The next question is from the line of Subhadip Mitra from Nuvama.

**Subhadip Mitra:** So while you have given us a sense of the market share, I just wanted to understand that from an order inflow perspective, assuming that you are maintaining the 25% to 30% market share, where do you see the market size going? Because our understanding is that there is probably 8 to 10 gigawatt of just pure wind projects, including FDRE, RTC, etcetera, which would have probably got bidded out in FY'24. So hopefully, all of those we'll probably start seeing ordering in the next few months. And then there is also on top of that, a large C&I market. So if I have to, let's say, look at the overall TAM for the next 2 to 3 years? How would you look at it?

**J. P. Chalasani:** The engine for the business is the orders and the projects, which will actually drive how much ability. And second thing, as I mentioned in my opening comments, currently because most of the bids are either RTC or FDRE bids, how much wind capacity gets added would decide how much is RTC capacity going to get added in the country? That's the first point.

Yes, you're right. Even if you look at even the current year in the first four months, there's almost about 12 gigawatts of bids awarded. Everything is RTC or hybrid or FDRE, which has an involvement of our calculation is more than 8 gigawatts of that would be the wind capacity. You

can't match the bid capacity or installed capacity because in FDRE you'll be higher. And there is another 5 gigawatts where the bids are submitted and reverse auction has to happen.

Another 10 gigawatts is where bids are announced. There is a huge amount of pipeline, 27 gigawatts what we talk today. And C&I market, and as you know that our share in C&I market is even the current order book is more than 50%, 58%. Our orders would not be a concern.

As a country, how much we're going to do each of the year because market share for me is a little misleading because how much are we prepared is what we should do, but market share might be very high if the country has a smaller capacity and our market share will be between 25 and 30 if country is doing a larger capacity. Expectation this year is that the -- there are figures being talked today in the beginning of the year anywhere between 5 gigawatts and 7 gigawatts. Different people are talking different members even 7-gigawatt number is also out there.

But our expectation is that we feel that looking at on the ground constraints at the beginning of the year obviously we will keep reviewing and revising it quarter-to-quarter basis would be about 5-gigawatts this year. Having said that, now the government has come in, and in fact, the even central government started working towards land issues and ROW issues to be resolved. So they're saying that now we will get in because they are also realizing now unless wind moves RE will not move.

With that, we expect that this 5-gigawatt to 6-gigawatt whatever it happened this year would reach about 7-gigawatts to 8-gigawatts next year FY '26 and we should reasonably assume that 9-gigawatts to 10-gigawatts is what we should reach a level in FY '27. That's our feel.

**Subhadip Mitra:** Understood. So these numbers that you're talking about are in terms of actual execution or installation of capacity, correct?

**J. P. Chalasani:** Additional installation capacity on the ground.

**Subhadip Mitra:** r Additional capacity on the ground. So if I were to look at the numbers that you have just said that by FY '27 we may look at a 9-gigawatt to 10-gigawatt kind of installation on ground then that means that the ordering for that 9-gigawatt to 10-gigawatt will probably happen in the current fiscal in FY '25?

**J. P. Chalasani:** Reasonable to assume that some part of it will also move to next year, but yes.

**Subhadip Mitra:** Understood. And sir, this 9-gigawatt to 10-gigawatt number that you're mentioning would be primarily the auction-based capacity. So the C&I phase will be on top of this?

**J. P. Chalasani:** No, I'm talking about our capacity as a country to commission how much we're going to commission. The respective of C&I or the utility PPA-based one. I'm talking about as a country how much wind capacity we can add. I'm not bifurcating between the two.

**Subhadip Mitra:** I understand. Perfect sir. Thank you for answering my question.

**Moderator:** Thank you. The next question is from the line of Manoj from Virtusa Consulting Private Limited. Please go ahead.

**Manoj:** Good evening everybody. Congratulations on the good set of numbers. It's really good to see the numbers when you see it from now 1,100 negative to the cash flow of 1,100 positive. You have really done the homework great ramp up numbers. I wish all the very best to the team for the upcoming year. I just have one just one question, sir, currently to see the order book we have around 3.3 gigawatts. So when are we expecting to deliver the 3.3 gigawatts.

**J. P. Chalasani:** So the currently, as we just now spoke before this is the orders are now becoming the longer term. This 3.3 currently what we have is meant for FY '25 and FY '26. On paper today what is happening today we also need to realize is that when a contract gets awarded, they get awarded for a particular year, but then things are moving because the connectivity is getting delayed or something else is getting delayed the clients are moving the schedule.

So therefore there is a blur in order versus actual schedule in the order versus in reality what is happening. Therefore, that you will also see this order book keeps increasing in future. That's what Himanshu said that -- we are under discussion with so many orders. These will be for predominantly currently what we have is for FY '25 and FY '26. But having said that, some more orders might come for FY '25 as well even this year and orders which will come in again would be for FY '27.

Because this is -- it's a constantly moving scenario and what we are also doing is looking at this uncertainty of the projects we are actually saying that okay we will build a buffer of 15% to 20% additional order intake for each year compared to our capacity.

**Manoj:** I understand.

**J. P. Chalasani:** That's the reason why last year we could have done more. It was purely because the reason was that some of the clients have moved the deliveries from last year to this year because the connectivity is getting delayed or their transmission line which connects from the Pooling substation to the things are getting delayed.

I think we're still, as a sector struggling to move up the numbers. While we have a 45% growth moving from 2.2-gigawatts to 3.2-gigawatt a year which is a good movement compared to the 25% between FY '22 and FY '23. Some 25% growth rate to be moved to the 45% growth rate and in fact we moved from 10% in FY2023 to 78%. We are all moving forward, but I think there's still work in progress.

**Manoj:** So what are the challenges we have down the line sir to understand about how the organization is going to face that in the upcoming year?

**J. P. Chalasani:** See when you are in business challenges will always remain. The only thing is what we foresee and what you get prepared. Our biggest challenge was the debt which we solved in this year. Second biggest challenge was working capital loan availability. So we saw that issue working capital loan availability now. We never started a year with such of an order book. So we resolve that issue of an order book.

Above all, what is important is organization capability to deliver. So last year we spend significant amount of time of strengthening the organization at the leadership level. So whatever



we could do we have done it, but the challenges on the ground what is going to happen with connectivity, the land and the clients would continue to be there. Those things as and when come, you need to prepare as an organization to respond and then see how best you can mitigate on this.

But internally whatever we could envisage in fact in FY '24 was our year of consolidation of creating a launchpad for the future that we have done it. But having said that, will we not face challenges, we will continue to face challenges in the external world. And another important thing is that we also -- ramp up was important for us was 3-megawatt new turbine we launched. So we smoothly ramped up and turbines are out there supplied more than 100 megawatts and some of these capacity commission, they're all operating well.

So therefore, that initial last year at least we had that new turbine coming, new model coming in ramp-up and how will it behave once it's commissioned. Those things are also over for us today.

**Moderator:** Thank you. The next question is from the line of Ketan Jain from Avendus Spark. Please go ahead.

**Ketan Jain:** Sir, what is your guidance on deliveries in FY '25?

**Management:** Ketan obviously, we cannot provide any guidance and we have followed that practice earlier and we continue to follow that as said J.P. sir earlier, we believe that in FY '25 installations on the ground will be around 5-gigawatts. And Suzlon market share historically has been what it is that's for you to see. Will we be able to continue with our market share, strengthen it, lose it. That is something I think we leave each individual investor to sort of assume and that's the only guidance we can provide.

**Ketan Jain:** Also, my next question is what can the margin difference in EPC order and non-EPC orders?

**Himanshu Mody:** Again, we don't provide yet the split aspect of the margin difference between EPC and non-EPC orders, we're only giving for the consolidated WTG division, as I said earlier on the call.

**Ketan Jain:** Okay. And any improvement we can expect in O&M margin? I think currently it is at 40%.

**Himanshu Mody:** So again, we maintained always that O&M margin will continue around this vicinity, -- of course, a few basis points here and there. But I don't think improvement in O&M margins should be expected. We've always maintained that O&M for the next few years, I would say, 1 or 2 years would be secular growth on the top line because the nature of the business is such that there is a 3-year free O&M period for the free installation. So by the time the revenue really takes off is when sizable fleets only come into billing. It may take another 1 year or 2 for the whole - history to catch up. So I don't think any margin improvement or significant top line improvement on O&M should be expected.

**Ketan Jain:** My last question is, sir, what is the utilization factor we can expect in the 5-megawatt turbine? And all the other lower classes, like how different is it?

**J. P. Chalasani:** We don't have a 5-megawatt turbine.

- Ketan Jain:** Sorry, the 3 megawatts.
- J. P. Chalasani:** So the current order book is significantly for 3-megawatts. And as you look over in the investor presentation, 3-megawatt order book is 83% share.
- Ketan Jain:** I mean, in the wind turbine when the unit PUF plant utilization factor.
- J. P. Chalasani:** But that would vary from side to side. So it's I know wind is very specific to the site. But basically, what we do is that when we offer for the same site, we offer 3 megawatts or 2 megawatts. Obviously, it is an option to them for both. And the cost per kilowatt hours remain the same for both. Because 2 megawatt, if cost out is done as Himanshu was explaining earlier, 3 megawatts is being the first year of operations, the cost would be little higher even for us and for vendors. The rest 2 megawatts is done for quite some time and more are amortized. So regards to the cost per kilowatt hour, I'm not talking about price of a turbine costs per kilowatt per hour today, 2 megawatts and 3 megawatts is same at a given site.
- Ketan Jain:** Understood. Sorry, if I can give you one last question. Sir, is there any challenges in transmission capacity creation in India? And if yes, which area is it.
- J. P. Chalasani:** Challenges with transmission capacity -- not capacity, but coming on time would always remain as the issue, because otherwise, today, the transmission network planning is significantly improved compared to let's say, my younger days of 2 to 3 decade back. The amount of planning were done on the CTU grids. The challenges, what we are facing is the time line shift, like, by 3 months or 6 months, sometimes moving the timeline in terms of when that will be available is what is shifting.
- And the second challenge, what we are seeing, which we've now given the feedback to MNRE is that the solar and wind. The solar, the moment the any CTU is announce. It is easy for solar to go and book the capacity. For wind, you always need 1.5 to 2 years of wind data by particular place. So therefore, by the time wind being potentially established, the CTU capacity is booked for solar.
- So therefore, how do we solve this issue. So there are 2 things which are now being discussed. is that the Ministry agreed in principle to see that we can create a capacity, a grid capacity in exclusively the wind zones and given reserved for the wind capacity. And second, we are also now looking at the probability of wherever the solar is installed. In substations purely the solar.
- Is there a way that we can without the wind capacity there, because transmission exists and we don't need to increase the transmission capacity. Just add the wind capacity in the places where the solar is already there, depending upon land being available there to depending on the wind potential, but there could be some unlocking of the transmission capacity for wind.
- Moderator:** Next question is from the line of Ravi Vadaga an Individual Investor.
- Ravi Vadaga:** Yes. Good evening and congratulations on a remarkable year.
- J. P. Chalasani:** Thank you.

**Ravi Vadaga:**

The first question is, just want to understand our manufacturing paradigm, right, say, our S144 model is for a Client A and Client B, will they be different? I mean, are these engineered-to-order? Configure-to-order? Made-to-order? What kind of a paradigm of this? And the second question is, I mean, so what is the path now we are at around 270 megawatts, right, 170 was last quarter, 270 now.

What is the paths to, say, 750 because that's when our new order intake and your ability to execute, they will start matching and, I mean, I must say the order book looks good, because our rate of execution is lower than that, so we could keep on delivering. So if you can just give a little bit of colour in terms of what would be the core constraints to move from the present run rate to say -- I'm just putting a 750 megawatts.

**J. P. Chalasani:**

Yes. On the first point, each model is specific design and each manufacturer is more of a specific design. But thereafter, that turbine remains constant with respect of which site in India is installing, as long as in India, okay? If this this turbine has to be installed somewhere else in a different wind regime, there could be some re-engineering to be done.

But for India, if you bought a 3 megawatt model, it is the same 3-megawatt for Client A, Client B, Client C, Client D. It won't change. It won't need any modifications client-wise. That's the question number one.

Question number two is that, as I mentioned earlier, the main engine for supply is orders to be there. And secondly is the project segregation, because projects is what will give you how much offtake will happen. Supply is not a constraint, especially now with our working capital and orders were available. The -- how much can we deliver? Is it 750? Is it 500? Is it 300? it all depends upon the readiness of the projects' to take.

And what we are expecting is that to be gradually. It won't happen immediately. We expect that in a couple of quarters, that would improve. It might not happen immediately, but I think offtake of projects would improve. Orders is not an issue, but offtake of project readiness will improve. I don't want to put a number to it, but I can only say it will change in the next few quarters to come.

**Ravi Vadaga:**

Okay. So, I mean just a little follow-up on that. The -- I mean, good that it'll change. The constraints which are in say Suzlon preview right? I'm assuming manufacturing capacity would not be a constraint. So -- but in last quarter call and in the past, you mentioned the whole EPC capacity could be a constraint. So what is in our purview, which is something which you guys are looking at in terms of improving so that when -- as and when the things happen, we are ready?

**J. P. Chalasani:**

Yes. First of all, if you look at current order book, 1/3 is EPC and 2/3 is non-EPC. In case of non-EPC, the project progress, we can't completely control maybe -- our scope is only turbine supply and direction or just the turbine supply and supervision. So we will not have a control on whether their land is available, the provisions are ready, the transmission system is done, the transmission system is now done. We have no control, except we keep tracking because that has an impact on our delivery.

I mean, we can definitely work on EPC where we have the full control. There, your point is absolutely valid. And in fact, right now, our strategy is that because we are seeing these challenges outside we should actually try to improve our EPC, move more towards EPC so that we can control the uncontrollable.

Even today, obviously, having said that, even we have taken some concerns in terms of EPC because advanced action on the land was not taken where it is because of various reasons, what we've done. The difference what we are doing right now, which impact won't come this year fully. Maybe in the last quarter and the next year onwards will come, is we are going for what is called a development contract first with the clients.

So a client says that, totally, I want to develop 500, 700, 1,000 megawatts in this particular area. We say that, okay, let's find it, all the commercial. I will first issue -- I'll issue everything, but I'll give you an NTP for the development. So -- and what we have done first, to help, that is that we have gone ahead in places like Rajasthan and AP, and we are now trying to enlarge to invest into other states.

We have our rights, exclusive rights to developing projects more in geographical area. In Rajasthan we have about 2.7, 2.8 gigawatts, in AP we have more than 3 gigawatts. We have a rights to develop. And once we have the clients who are saying that, okay, I want to set up here, we go and start acquiring the land in advance. And we don't get our working capital gets stuck in the land because they are giving it to us.

And then for them, also projects, transitory, they will go away, because that is being done earlier. That model is what we are working on, but that's more a significant impact you will see in FY '26 onwards, and subsequently maybe every single year. That's what we're working on right now. And which is very, very important, we feel, because the concrete capacity addition. I'm not saying it with arrogance, capacity addition will significantly depend upon how much we do.

When you say FY '17 was the highest we did last time. After that, we did the highest now. FY '17 was our highest. And now this year is after that, we are the highest again, for us. So therefore, when we achieve that, the sector also moves up. So we understand that. And being the leader, we need to shape that, how much wind capacity can get added. So these are some of the steps that we're doing today. But you will see that impact of that maybe in the last quarter but significantly in FY '26 onwards.

- Moderator:** We'll take the next question from the line of Mauli an Individual Investor. Please go ahead sir.
- Mauli:** Is there any plan to increase the holding at this point?
- J. P. Chalasani:** Amount of holding at this point, any plans to increase...
- Himanshu Mody:** As company management, we cannot comment on the same. It is something that the promoters and the family has to decide. But as management, we don't really comment on the same.
- Mauli:** So as far as the merger plan, which you can talk, which is in the proposal at this point, right, so one -- can one point which you mentioned in the proposal is, like, it will -- if you gone up a

criteria to participate in the PSU bids. So are we also planning to participate, going forward, as an individual bidder? Or is it like, even further, executor or a vendor, we need to have certain conditions? How is it?

**J. P. Chalasani:**

This is what we are talking right now is participation in projects, whether it's the supply or projects for the PSUs, not for as an investor in the projects. Like, NTPC develops huge wind capacity. Earlier, we were not getting qualified because of our network issues and this merger would help. And in fact, even today, as we speak as well, that is something that we could get qualified, and we started actually bidding for public sector.

**Mauli:**

Okay. Sir, just one last question from my side. Because in the previous question you have answered that by FY '27, we might tie with around 10 gigawatts of capacity to be commissioned the ground, right? But we are also talking about having just about 100 gigawatts commissioned by FY'30. So is it possible considering we just have 40 at this point and just looking at 10 gigawatts, still, finally after three years or so, so in the last three years, are they going to execute a large number of orders?

Or how is it at this point? Because it doesn't match up with what we are talking because we are talking about the 10 gigawatts for quite some years now year-on-year, execution of 10 gigawatts, commissioning of 10 gigawatts, but it has still not happened, and we are still targeting on it. But in all the PPTs or all of the data points we are talking, we are still targeting our own 100 gigawatts, so how is it planned at this point? If you can provide some details around it, it'll be helpful.

**J. P. Chalasani:**

At the macro level, the Government of India and then especially CEA said that to meet the demand of 2030, the least cost option needs 100 gigawatts of inter banks. So before other country, we are targeting to reach 100 gigawatts of installed capacity by 2030. That's a target which country is working towards.

**Mauli:**

Okay. On a reality, do you think it is possible for considering the current reality on the ground?

**J. P. Chalasani:**

Hey, the question you suppose, let's say that we reached about nine to 10 by '27, FY '27. FY '27, FY '28, FY '29, FY '30, itself can give you anywhere between 35 to 40 gigawatts right? Then we have FY '25 and FY '26. We will not completely hit on it, but it's not something which is not reachable. So let's assume that this year and next year, we do about 10, 11 gigawatts, under 40 gigawatts so 46 plus 50, close to that number.

**Moderator:**

Thank you. We take the next question from the line of Avishek Datta from Anand Rathi Shares and Stock.

**Avishek Datta:**

Sir, I just wanted to know right now that we are net worth positive. What are our plans to enter aggressively for the PSU projects?

**J. P. Chalasani:**

We've already bid, and can re-bid. So there is a no thing called an aggressive bid, but we never called any bid as aggressive. As I mentioned in my opening comments, we are looking at getting the orders which add value to our bottom line, so therefore we will continue to look. It is -- there is sector of public sector here.

Public sector is yet -- it's not on our canvas because of our network issues, but now as we move ahead, that is an area which we will participate. And in fact, we have also been getting requests from large public sectors, asking us to participate as well because, otherwise, their growth is getting cut. I only correct the word aggressive, but started participating.

**Avishek Datta:** And secondly, sir, can you just elaborate on this co-development of projects for the land, to circumvent the land if it's a concern?

**J. P. Chalasani:** It's nothing but in simplistic way, can the land development happen much earlier than actual project schedule, okay. This was a model which Suzlon was known earlier years, where we used to have the land. We're so connected, even it was an STU model, before FY '17.

And therefore, we used -- in fact, those years, we used to get the orders in the same year, complete the orders in the same year, deliver the orders in the same year. That situation changed now when we came into the central gate and CTU. And we're also not spending so much money on the land.

What we are now trying to do even -- it's a concern, not just for us, even a concern for the investors because projects are getting delayed, land not being there, whether PE to EPC or they're to EPC themselves, taking the activity from us. So therefore, there are a large number of the investors, on our long-term plans, are saying that can we work in a manner that we will decide with the execution of orders much in advance when an order will be placed.

Let us start with an NTP for the development first. So that we can acquire the land, keep it ready. Land -- in a sense, when we talk about land, land with the pathway. If it's ready and then projects can be delivered much faster. Even it's good for them because their IDC gets saved and it's good for everybody, and certainly it will come down. That's a model which is a win-win for both us as well as a win-win for them. Here, we are generating that by actually having these exclusive rights in some of the states.

**Avishek Datta:** And you mentioned about you have access in Rajasthan of 2.7 gigawatts to AP of 3 gigawatts.

**J. P. Chalasani:** Yes. There we have an authorization from the government. In this development area, you have an exclusive rights to developing projects. Nobody else can develop.

**Avishek Datta:** And when you say land...

**J. P. Chalasani:** That is because they are not giving us anything. They are giving us, because looking at the possibility that during -- we are setting up manufacturing, we have a manufacturing facilities in these states, and those are getting revised, so there is an employment there. The project states there is employment.

And second thing is we -- every single project we do, we do the service business for 25 years of the project. So there is an employment potential that they've there. So therefore, that is what they're looking at and they're trying to give these exclusive rights. It's win-win for both the state and us.

- Avishek Datta:** Sir, right. And when you say land, does it also come with pre-planned evacuation facilities?
- J. P. Chalasani:** We are actually looking -- see, obviously, when you ask for a rights or a geographical area, then we need to define which is that area. Obviously, we do that based on historical land and wind data, what we have. Otherwise, why we can't go for any land. And second is based on the plan of CTUs, which the grid substations or power grid has announced and on the pipeline turnarounds. That is the basis. It's done based on that.
- Avishek Datta:** Okay. And sir, can you just elaborate once more on the, like, just the transmission access that the solar project, because they are commission faster, they have faster access to the grid. Whereas for wind, you need 1.5 years of data to get access. So what is government thinking about that?
- J. P. Chalasani:** See, the once, let's say, a substation is announced in a location, solar doesn't need to think much. They can say that we ask for the connectivity, because solar can be set up in most parts of the country. It doesn't need to be site-specific. Whereas for wind, to set up in the area, we have to have a wind data, whether that site is suitable for wind or not.
- So by the time you have the data, that's substation is full. So therefore, there is an issue becoming that by the time we say that this particular area has a good wind potential, whatever the CTUs are -- they're in the -- they are getting filled up the fast. So now the government has asked us to say, as the players, to say that where is the highest wind potential site.
- We will plan the CTU there, and we're also thinking of payment of fee in these areas, we would basically try to restrict the connectivity for wind. That is, indeed -- that is in the work-in-progress with the Government of India.
- And the second one, what I said is that wherever the solar is already connected today, commissioned today, the same areas are going to open up under the same substation, because substation and the transmission capacity is already there. They are thinking of -- to get a discussion between the parties and the MNRE, even in the latest meeting of our Secretary.
- They are open to the idea of coming up with a bid connected to those substations. I mean, everybody wants to come and set up a wind capacity here because we don't need to develop grid and we don't need to develop a substation. How much of it is feasible? There may not in every single solar place it will be feasible because the wind is affected but this will unlock that in transmission capacity for wind.
- Avishek Datta:** Okay. And sir, secondly, on the time lines, like, we have 2/3 non-EPC projects and 1/3 is EPC. What kind of execution time lines you are looking for in both of them?
- J. P. Chalasani:** We don't refer anything. Basically, we look at what is on the table and what is -- could we take it. We see if there is more demand for EPC, we'll take more. In the case of EPC, the time lines are different because it also includes the land where we're working. In case of input supplies, we can do it in a short time period and the rest will vary. But the time periods will match with respect to the project execution schedule.

In case of a non-EPC, they will say that, the project going to get ready by this time. This is how I want the supplies. Then obviously, we look at our manufacturing timelines, what we committed to various people then we said this is how we can supply, then there's a match-making happens, and we sign as a contract with respect this city. In case of EPC, obviously because we know how this project is going to shape up in terms of the land and BOP because it will control and then schedule, saying this is how we can develop this product. And there are discussions that happen. Basically, the EPC schedules are longer than the supply schedule.

**Avishek Datta:** For these EPC projects, they will also, like, tghem to be in the state of where you have already got this access?

**J. P. Chalasani:** No. Not necessarily. any where we can do.

**Moderator:** Thank you. The next question is from the line of Rajesh V C an Individual investor. Please go ahead.

**Rajesh V C:** I think the results for Q4 are quite good compared to previous years, so congratulations to that. Yes. So just a couple of questions. One is how about the offshore wind projects? So is it coming in? And how you can show some perspective on that part compared to the regular wind projects that you're already getting? And that will be the first part.

And the second question will be on the green hydrogen machine, so how that is going on? For the green hydrogen, how you see as on the future part, how it is getting implanted from your end? Thank you. Yes, these are the 2 questions.

**J. P. Chalasani:** Yes. On offshore, the government of India is working towards developing offshore projects. But as I said earlier, that there are challenges with respect the tariff for offshore in India, because the -- our generation difference between onshore to offshore is not significant. PLFs don't go up that high, but the cost goes up. So therefore, the cost of generation is very high.

But still, to get into an offshore, the Government of India announced the first 1,000 megawatts, they will do with VGF, Tamil Nadu and Gujarat. And they have also now come up with a bid for the offshore, the seabed allocation, where bidders, can go and do the exploration and see if it is feasible and then go on with the project.

But there, at this stage, with the seabed, they have -- the policy is that they don't give a PPAs. They will only give you the rights to develop the project. And thereafter, they will also provide direction after the underground, and thereafter, wherever you want to take the power to using the centre grid and where -- whom you want to sell, like, what, where do you want to sell. It's all to you. There are some differences.

Offshore would happen at some point of time, but I don't think it's going to be a significant needle-mover immediately, because any offshore project, even today, to start, it won't be -- not for the next 5 years to 6 years before we execute the project I lost the second question. What was the question?

**Rajesh V C:** Green hydrogen.



**J. P. Chalasani:** Green hydrogen, our expectation is that as we said that today, the C&I segment is significantly increasing to change their capital requirement to green renewability. That would continue for the next 2 years to 3 years. Our expectation is that green hydrogen demand for renewable, it would pick up in the next 2 years to 3 years -- not an immediate one.

There are projects being announced, but too early to take up on the ground, financial and everything, not in the next 2 years to 3 years. So by the time the current C&I demand which is a captive requirement for the existing industry, it starts seeing downward trend is where we expect that hydrogen would pick up. Actually, the relevancy that the C&I demand will continue to be there for the next 5 years to 6 years.

**Rajesh V C:** So just one -- I had a question on the same thing. So do you feel that you have enough capacity, suppose that the hydrogen comes in or kicks in, the project kicks in? Because, I think, that is going to be a huge change around for that. Yes, please thoughts on -- give some thoughts on that?

**J. P. Chalasani:** Green hydrogen is -- as far as we are concerned, we will only supply as a new -- green hydrogen project will also have a renewable energy project. Green Hydrogen t is nothing but producing the hydrogen using renewable energy. Wherever green hydrogen is there, they would also ask for these certain portion of renewable energy to be wind in order to meet that round the clock requirement.

So we will actually supply the wind turbines like whatever we are supplying today for the C&I customers for the capital consumption. It's what it will be for the green hydrogen. It's no different. And the volumes, whenever we come in, it will -- we actually foresee the volumes for the 2 years to 3 years ahead would be significantly higher. We'll ramp up our manufacturing capacity required to meet the demand.

**Rajesh V C:** Thank you very much, sir, yes, and all the best.

**Moderator:** Thank you. Will take your next question from the line of Subhadip Mitra from Nuvama. Please go ahead.

**Subhadip Mitra:** My first question is with regard to the EPC opportunity that exists. So you did mentioned that, hopefully, by FY'27, we may look at the overall TAM growing to about 9-10 gigawatts. Within that, how much do you foresee being the EPC part? What proportion of it?

**J. P. Chalasani:** First of all, where I said 9-10 gigawatts is a sector. It is not Suzlon. I hope I'm clear on that.

**Subhadip Mitra:** Of course, sir. That is the overall market size, correct?

**J. P. Chalasani:** So our -- obviously, entire 9-10 gigawatt has to be EPC-rendered. It could be straight EPC. It could be Non EPC. It all depends upon the investors' need whether they want to give 10 EPC to somebody like us or they will say that we will do our own development and then do the BOP ourselves and -- or to give it to some third-party that question will give only the supply and supervision.

We don't know how the shape, what will happen. I can only comment upon current order book, what we have. As I said, that 1/3 in EPC, 2/3 is non-EPC. But how it will shape up as moving ahead -- but I said our aim and objective is to keep increasing EPC. Because if you have a land our EPC will improve. So to this developmental route, we are trying to increase the EPC portion of our order book, because then we have a control on the project.

**Subhadip Mitra:** Just if I may rephrase my question in a different way. What I was trying to get to is that my understanding is a large portion of the TAM today is either C&A market or probably PSUs or other players who probably don't have their own EPC capabilities. So clearly, that portion of the market will need a turnkey service provider like yourself. So I was just trying to get a guesstimate of how large that piece of the pie can be.

**J. P. Chalasani:** Even if you look at today's current year, when we have commissioned 3.2 gigawatts, 3.25 to be precise, our market share 27%, there are other people who are actually developed and commissioned those projects. So there are capabilities available today, may not be a turnkey OEM. Turnkey OEM doesn't exist today other than us.

But the people are trying to do is that -- create different packages, give electrical to somebody, give land to somebody. But there are problems in integrating the project. Those issues are facing, that's one of the reasons why capacity addition is not happening to the extent it should happen. Based on our experience, how the market -- it all depends upon how -- what the investor wants to do. If he says that it's just one, give a turnkey to Suzlon because there are nobody who takes turnkey today other than us.

**Subhadip Mitra:** And then secondly, in terms of competition, do you see a lot of competitive intensity coming in from some of the larger MNC players, whether it's Vestas, Envision or otherwise? And can that become a threat for us later on in terms of them trying to eat into our market share?

**J. P. Chalasani:** I don't think so when the pie is increasing to 9 to 10 gigawatts. Obviously, I don't think we are even dreaming that we can deliver 9 to 10 gigawatts in FY'27. There is going to be a significant capacity for everybody. And then the -- on the price point of it, I think we are definitely cheaper than the European suppliers.

And whatever is there, with Envision or others that even today, they're there in the market, existing, but you can see our market share in terms of orders. We have our own set of customers, especially in the C&I segment. So simplest way to answer, we don't see a competition pressure in the next 2 years.

**Subhadip Mitra:** Thank you so much. That answers my question.

**Moderator:** Thank you. We'll take the next question from the line of Ravi Vadaga an Individual Investor. Please go ahead, sir.

**Ravi Vadaga:** Yes. Just a follow-up on the competition intensity. What would be our market share on OMS side? I understand from the installation side, it's 27%, 28%. What would be on the OMS side? And the second question is I understand, from your support, that Siemens Gamesa is on the block. Any colour, we do not want to talk about a specific competitor, but just what would the

impact be on -- for us to get new business in OMS side, which we are handling or anything that you might want to comment?

**J. P. Chalasani:**

As far as the market share of OMS is concerned, fundamentally, every single machine we sell, we only sell with the condition that there's a service packaged contract. So therefore, whatever we are delivering is what keeps on increasing our number. So therefore, whatever is our market share in terms of COD, let's say, 27% market share. That much would keep increasing in our OMS business.

And OMS business, today, obviously, we have the largest market share that is -- because otherwise, everybody is a much lesser capacity, even 15 gigawatts of, what we are operating. And as far as the Siemens Gamesa, I really don't want to comment. But on the multi-brand acquisition, not commenting in a specific manufacturer, that we started getting into that area, but we're going in a very cautious manner.

Today, we have about 220 megawatts we are operating today. Most part of it is we acquired during this year. But we want to take, look at them, stabilize before we actually expand in a significant way as far as creating acquisition is concerned. Let's see how things shape up and transition in the future. But multi-brand is definitely, yes, is one which is a way for us to increase our market share in OMS.

**Moderator:**

Thank you, sir. Ladies and gentlemen, we take that as the last question for the day. I would now like to hand the conference over to the management for closing comments.

**Himanshu Mody:**

Thank you, everyone, for participating in today's call. Of course, our latest detailed results and our presentation are available on our website. And our Investor Relations team is available for any further follow-up queries and interactions that you may have. Thank you for joining, and have a great weekend. Bye.

**J. P. Chalasani:**

Thank you.

**Moderator:**

Thank you. On behalf of ICICI Securities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.