

Suzlon Energy Limited
Quarter Four and Annual Results and Investor Call – Financial Year 2008
May 20, 2008

Moderator: Good afternoon Ladies and Gentlemen. I am Manjula, the moderator for this conference. Welcome to the Suzlon Energy Conference Call. For the duration of the presentation, all participants' lines will be in the listen-only mode. After the presentation, the question and answer session will be conducted for participants connected to international bridge. After that, the question and answer session will be conducted for participants in India. I would like to hand over to Mr. Tulsi Tanti. Thank you and over to you sir.

Tulsi Tanti: Thanks a lot. Good afternoon everybody. It is my pleasure to welcome you all to the investor call for FY 08 results. I have with me Mr. Andre Horbach, Group CEO, Mr. Toine van Megen and Mr. Kirti Vagadia, both Members of the Group Supervisory Council, and Mr. Anand Bagrecha, Head – Corporate Accounts.

FY 2007-08 has been a very exciting year for the wind industry as well as Suzlon. We saw the industry install 19,791 MW in CY 2007, which is a growth of 32% over CY 2006 and 27% of overall cumulative installation. The US market led the way with 5,244 MW installed, while China had an explosive growth taking it to the second rank with 3,287 MW installed. The Indian market managed to retain its top 5 position, although it did not perform well in terms of growth due to infrastructure and systemic challenges.

Suzlon has supplied 2,311 MW during FY 08 and 2,086 MW during CY 2007, taking its global market share to 10.5% and maintaining its number 5 position. It is noteworthy that the Suzlon's share in the Indian market has grown in absolute and per cent terms despite a market degrowth.

In the past few months, we have seen oil prices break all past records, with tendency to increase further. Other fossil fuel prices have also risen very quickly with growing global demand.

In this scenario, wind energy has become very cost competitive, at current technological levels, and it will remain competitive with oil even at \$60 per barrel.

On the other hand, renewed concerns over global warming, fuelled by mounting evidence of environmental impact, have prompted governments around the world to push up targets for renewable energy penetration in their primary energy mix.

Much publicity has already been given to the EU target of 20% renewable penetration by 2020. 21 major states in the US have renewable portfolio standards from 15-30% to be achieved by 2020.

The US Department of Energy has recently published a report stating that wind energy is capable of providing 20% of all US electricity supply by 2030, which is an achievable target as already demonstrated by Denmark. China has already set a target of installing 100,000 MW of wind power projects by 2020.

Various estimates, such as those by BTM Consult of Denmark, project a 24% CAGR in wind energy installations from CY2008 till CY 2012, taking cumulative capacity to 288 GW from the current 94 GW at the end of CY 2007. We see further visibility of this growth rate continuing for 10 years, supported by the widespread concerns over global warming, energy security and skyrocketing oil prices.

Drastic shifts in the world energy landscape have made energy security a key national agenda for all countries and this is an additional driver for wind energy due to its prominent position among renewable technologies and an abundant natural resource that can meet our needs for many generations.

Against this backdrop, the wind energy industry has faced many challenges, the chief among which is a severely constrained supply chain in key components. Newer challenges that have emerged are a rapid rise in basic commodities that have started to push production costs upwards, and the global economic turmoil that has made various currencies highly volatile.

In this challenging but exciting scenario, the Company has recorded a strong and industry-beating performance in FY 2008 with a 71% growth in turnover and 59% growth in MW supplied over FY 2007.

During the course of the year, the Company achieved many significant landmarks, for example:

- The Company completed a successful bid for the acquisition of REpower Systems AG of Germany, which is a major step forward in enabling both companies to leverage potential synergies and complimentary strengths to drive growth across the world. The rationale for this acquisition has already been shared with you during the earlier communication and there is no change to our strategy in this regard.
- Hansen Transmissions International, NV of Belgium, the Company's step-down subsidiary, raised EUR 440 million

through an IPO and achieved successful listing on the London Stock Exchange. The listing has established Hansen as one of the highest valued companies in the wind component industry, paving its way for rapid growth, apart from unlocking significant value for Suzlon shareholders. Hansen is targeting expansion of its gearbox capacities to 14,300 MW by 2012, of which 7,300 MW has already become available in Belgium. The total capex estimated for Hansen is EUR 650 million, which is funded through the IPO proceeds and long term debt.

- The Company entered into a Joint Venture with REpower for establishment of a Renewable Energy Technology Centre or RETC in Hamburg, Germany. The RETC aims to combine forces and co-operate strategically in the fields of research, innovation, training, validation and technical processes in the wind industry. The intention of the RETC is to implement innovative projects and solutions leading to the development of next generation wind energy technologies.
- The Company has made a major investment in capacity expansion to take advantage of the vast opportunity in the wind energy sector, by initiating the setting up of 3,000 MW of integrated manufacturing capacities, and further backward integration into cast and forged steel components through a 120,000 metric tonne foundry and 70,000 metric tonne forging unit, complete with machining facilities. Work on establishment of these facilities is in advanced stage of execution. We expect production to commence in separate phases beginning from July 2008, and to reach full utilization levels by March 2009. The aggregate investment for the wind business expansion and related facilities is Rs.2,961 crores, which will be funded by long term debt, internal accruals, and proceeds from our secondary equity issuance completed in December 2007. Upon completion, the Company will have an integrated manufacturing capacity of 5,700 MW, which is more than double its current capacity of 2,700 MW.
- As a follow-up to its global expansion strategy, the Company successfully entered new markets such as Spain, Nicaragua and Turkey with substantial orders, and consolidated its position in other important markets such as the US, Australia and Brazil with large and repeat business from existing customers.

The Company reported consolidated revenues of Rs.13,679.43 crores in FY08, with consolidated overseas revenues at Rs.8,107.83 crores. The overseas volume of the wind business

during FY08 was 1335.7 MW against 501.7 MW in FY07, which is a growth of 166%.

In the international market, the Company's realizations improved to Rs.4.41 crores per MW in FY08 from Rs.3.99 crores per MW in FY07, with sales turnover rising by 195% to Rs.5,895 crores from Rs.2,001 crores.

In the Indian market, the Company's realizations improved from Rs.4.33 crores per MW in FY07 to Rs.5.71 crores per MW, due to various factors like product mix changes and inclusion of EPC services into the listed entity's scope of business. As a result, although the Indian market segment saw little growth from 954.6 MW in FY07 to 975.7 MW in FY08, sales turnover increased by 35% from Rs.4,129 crores in FY07 to Rs.5,572 crores in FY08.

During Q4 FY08, consolidated sales revenue grew by 69% to Rs.4,923.75 crores from Rs.2,915.94 crores in Q4 FY07. MW installations in this period grew by 44% from 533.4 MW to 765.4 MW.

COGS / Sales ratio in the wind business has increased from 62.85% in FY07 to 68.21% in FY08 due to inclusion of EPC revenues in India business, impact of currency fluctuations and general cost increases. On a per-MW basis, the COGS has increased from Rs.2.65 crores in FY07 to Rs.3.38 crores in FY08, that is by 27.5%.

In spite of cost increase, Gross Profit in the wind business has improved from Rs.1.56 crores per MW in FY07 to Rs.1.58 crores per MW in FY08 due to the improvement in realizations, thus maintaining the core profitability of our business.

During the year, the total headcount in the Company and its subsidiaries including Hansen increased from 9,673 to 13,639, i.e. by 3,966 people. Of this, international headcount increased from 2,713 to 4,419 (1,706 people), while the Indian company headcount increased from 6,960 to 9,220 (2,260 people).

Most of the Indian headcount increase and a large part of the international headcount increase are due to the ongoing capacity expansion.

The Company has recognized MTM losses of approx. Rs.23 crores during Q4 and FY08 in its standalone financial statements. In determining the MTM losses, any compensating gains on underlying transactions have been netted off. The net loss on account of the foreign currency in Q4 FY08 was Rs.44.52 crores, including Rs.35.25 crores notional loss on the USD 500 million FCCB.

Consolidated EBITDA for the year stood at Rs.1,924.5 crores in FY08 against Rs.1,295.8 crores in FY07, which is a nearly 49% growth with the backdrop of major capacity expansion in the wind and gearbox businesses. During Q4 FY08, the consolidated EBITDA grew by 46% to Rs.724.62 crores from Rs.495.37 crores in Q4 FY07.

Interest charge grew by 111% in FY08 to Rs.532.03 crores from Rs.252.26 crores in FY07, largely as a result of acquisition loans and ongoing capacity expansion. During Q4 FY08, it grew by 33% to Rs.128.98 crores from Rs.97.16 crores in Q4 FY07. This lower growth as compared to the full year is due to replacement of interest bearing acquisition loans with a zero coupon convertible bond issue.

Depreciation charge grew by 68% in FY08 to Rs.289.36 crores from Rs.171.8 crores in FY07 due to the ongoing capacity expansion with a similar trend on a quarter to quarter basis.

The Company had exceptional expenses consisting of Rs.65.46 crores for site restoration, and Rs.121.71 crores for rotor blade retrofit program, affecting the Profit After Tax by Rs.151.17 crores in FY08,.

Profit After Tax but before exceptional items grew by 35% in FY08 to Rs.1,168.32 crores from Rs.864.8 crores in FY07. In Q4 FY08, the PAT before exceptional items grew by 50% to Rs.539.48 crores from Rs.358.98 crores in Q4 FY07.

The Company recorded a 19% growth in its PAT after exceptional items in FY08 to Rs.1030.1 crores from Rs.864.03 crores in FY07. In Q4 FY08, PAT after exceptional items grew by 29% to Rs.464.82 crores, from Rs.359 crores in Q4 FY07.

As a result, the diluted Earnings Per Share after exceptional items in FY08 increased to Rs.6.89 from Rs.5.98 in FY07. Diluted EPS before exceptional items was Rs.8.11 in FY08, up from Rs.5.98 in FY07.

Our consolidated order book continues to be strong with 3,454 MW of confirmed orders as of May 17, 2008, translating to around US Dollars 4.3 billion or Rs.18,309 crores. Of this, the International order book is 3,294 MW with an average realization of Rs.5.29 crores per MW, which is significantly better than our current realizations.

We have recently announced some major orders, such as a 200 MW order extension from Horizon Wind in the US, which we believe gives an indication of customer confidence in light of the current PTC scenario and other concerns. Our international order

book has grown further with inclusion of more orders from Europe and China, for which we will make separate disclosures.

One issue that has found some attention relates to our announcement of a blade retrofit program for mitigating a potential structural weakness issue in a limited set of production supplied to the US, Europe and Brazil. We had earlier announced a total provision of around USD 30 million as a part of a retrofit program that would incorporate structural strengthening of rotor blades already installed and awaiting installation, along with manpower, logistics and capital costs, as well as replacement of certain blades that had cracked.

Looking forward, we see the future for the Company as well as the Industry to be very bright. We have built up our capabilities as a part of our long term strategies, and consider our vertically integrated supply chain and continuous technological progress as a key competitive advantage.

We have a strong order book and excellent customer base to support our growth plans. With our strategic vision and plans, and a professional and strong team, we are aligned to lead the way in powering sustainable development globally with wind energy as its fuel.

With the world waking up to the twin challenges of climate change and energy security, the time is right for wind energy and Suzlon.

Thank you, and I will now be pleased to take any questions you may have. Thanks a lot.

Moderator: Thank you very much sir. At this moment, I would like to hand over the proceedings to international moderator to conduct the Q&A session for participants connected to international bridge. After this, we will have a question and answer session for participants at India bridge. Thank you and over to Lucy.

International Moderator: Thank you Manjula. We will now begin the Q&A session for participants connected to the international bridge. Please press 01 to ask a question. Mr. Robert Clover from HSBC in the UK. Please go ahead.

Robert Clover: Good afternoon gentlemen. Thanks for the opportunity to speak with you. I have three questions please. I was wondering if you could firstly clarify the REpower position. Obviously, there are some comments attributed, perhaps wrongly to you Mr. Tanti today on the news while suggesting that you might now sell down parts of your stake in REpower, and I was wondering if you could just confirm that the date that Areva can put its stakes with you is

the 24th of May and any recent contact you may have had with Areva, just update us generally on the position there. The second question was I wonder if you could kindly confirm that you still plan on taking no further charges for the blade remediation program and wondered if you could just update us as to the progress there and the last question was really just wondering if you would be kind enough to give a little bit more clear guidance in terms of the outlook in terms of margins. Thank you very much indeed.

Tulsi Tanti: Yeah, we appreciate your question. Regarding the first REpower question, during the interaction with the journalists in today's press conference to discuss REpower. On REpower, I would like to clarify that there is no change in our overall strategy and we will proceed as original as per our plan. Regarding the second question...

Andre Horbach: The reservation for the blade retrofit we see no changes in this respect and your third question could you repeat that again please.

Robert Clover: I am just wondering if you would care to give a little bit more precise guidance in financial terms for the next financial year please.

Kirti Vagadia: You are referring to blade provision, we made provision....

Kirti Vagadia: On margin, unfortunately Robert, we don't give guidance on margin.

Robert Clover: Okay, okay no worries. Just if I can follow up on the REpower question, have you spoken to Areva recently and am I right in assuming that the option I have is exercisable from 24th of May.

Tulsi Tanti: Yeah, the Areva has the option opportunity from 24th May onward for one year. So, during that time, we will be able to exercise their options.

Robert Clover: Okay gentlemen, thank you very much for answering my questions.

International Moderator: Thank you. The next question comes from Anirudh Gangahar from Goldman Sachs in London. Please go ahead sir.

Anirudh Gangahar: Yeah, thank you for the opportunity. Sir, two-three questions from my side. First is that on the acquisition of stakes from Areva, you are trying to do it at the end of May and obviously we had a price in mind and given the recent price rise of REpower, are we looking at a potentially higher outlay than what we had estimated before? The second question is if you can just let us know on the retrofit program, what is the status as of now, have blades been starting

to put up and what, if you can just let us know, you already clarified there won't be any further hit as far as provisioning is concerned. And the third is particularly on account raw material margins and the impact on margins. We have seen Gamesa and Vestas probably and the investors suggesting that there will be probably a hit on account of steel cost going up. How many or what proportion of your orders that you place do have a price escalation clause? Thank you very much.

Kirti Vagadia: Anirudh, this is Kirti Vagadia. Regarding your question on Areva put option and potential increase, first of all I would like to highlight here that the market price prevailing right now in respect of REpower is not representative because it is for a very small volume. The understanding we have with Areva is basically to have independent valuation when they want to exercise the option. So, there is a methodology decided according to our agreement in which manner valuation will be done, which is not linked with the market value. So, we don't foresee any potential increase in our funding requirement, which we have provided it for.

Andre Horbach: You see on the blade retrofit as I said before we don't see at this point in time any change in any of the reservations that we have made. The blade retrofit program preparation is in full swing. We are setting up all the facilities in different locations right now and we continue to have a close dialogue with our customers on basically providing any details of information that is necessary. So, I would say at this point in time the whole program is under the start of execution.

Tulsi Tanti: Yeah, your third question based on the commodity prices increasing, in the last financial year, the major increase of the commodities, currently already very high level is there, and some increase may be possible, but most of our contracts is a pass-through and second thing compared to the last financial year to current financial year, now the volume for the business is increasing, the economies of scale will give some benefit, so we can be able to accept those certain cost of the commodity impact, but if there is an abnormal increase of any commodity price then it will affect the bottom line.

Anirudh Gangahar: Thank you very much. I just have one followup question. I also see that the inventory level has gone up quite a bit. Could you tell us what such spillover quantities in MW at the end of March?

Kirti Vagadia: Yeah, the spillover megawatt we have at the end of March is about 32 megawatt.

Anirudh Gangahar: Okay, thank you very much sir.

Kirti Vagadia: The thing is Suzlon plus Hansen combined.

Anirudh Gangahar: Alright, thank you very much.

International Moderator: Next, we have Mr. Holder Ludert from Crisil Capital in London. Please go ahead sir.

Mr.Ludert: Yeah, hi, this is Holder Ludert from Crisil Capital. I just wanted to ask to what extent has your profit which you are proposing now been influenced by book gains on the REpower stake which you presumably have.

Kirti Vagadia: Your question is REpower book gain. We don't recognize book gain on REpower shares basically.

Mr.Ludert: Okay, thank you.

International Moderator: Next question comes from Mr. Vivek from Tantallon Capital in Singapore. Please go ahead sir.

Mr. Vivek: Hi, good afternoon. I had one question on your sales to the Chinese customers. This Chinese earthquake, it has been a terrible event. Do you expect any sales pressure coming on that account?

Andre Horbach: No, that is the China Earthquake, at this point in time we don't have any information that this will negatively impact our volume in China.

Mr. Vivek: Okay, okay thank you.

Andre Horbach: We are not...you know, as far as I am aware, we are not doing any business in the area that is involved in the earthquake.

Mr. Vivek: Thank you.

International Moderator: Next question comes from Mr. G.D. Agarwal from Kelusa Capital, Singapore. Please go ahead sir.

Mr. G.D. Agarwal: Hi sir, congratulations for a great set of numbers. I have just few housekeeping questions. Could you tell me the provision figure on the balance sheet, which you give regarding performance guarantee, maintenance warranty, etc., for consolidated standalone.

Kirti Vagadia: Yeah, just one minute. In wind business, we are getting total provision of about Rs.670 crores.

Mr. G.D. Agarwal: Okay.

Kirti Vagadia: That includes all type of provision including my blade crack related provision.

Mr. G.D. Agarwal: Okay.

Kirti Vagadia: Right.

Mr. G.D. Agarwal: What was it December ending?

Kirti Vagadia: We don't have it handy right now, so we can provide that later on.

Mr. G.D. Agarwal: Do you have the standalone numbers with you?

Kirti Vagadia: Yeah, but consolidated standalone....

Mr. G.D. Agarwal: It's okay. Can you give me the figures for inventory and debtors as well?

Kirti Vagadia: Yeah, inventory and debtors definitely. In consolidated, inventory is Rs.4085 crores and debtors are Rs.4691 crores.

Mr. G.D. Agarwal: Okay. And sir, RM as a percentage, would you be able to give any guidance on that for next year.

Kirti Vagadia: Okay, you mean net working capital, what will be the percentage on sales.

Mr. G.D. Agarwal: No, no, no, basically on the raw material....basically the same question on steel price if you are going to take the hit on increase prices of steel or are you going to pass it on.

Tulsi Tanti: If there is any commodity prices increase in there, but simultaneously there is an increase in the turbine prices also there.

Mr. G.D. Agarwal: Okay, but in terms of built-in in the contract...

Tulsi Tanti: In net off, if there is a suddenly high rise in the commodity, it can increase the COGS.

Mr. G.D. Agarwal: Okay, okay, thank you, thank you sir.

International Moderator: Next question comes from Mr. Haidje Rustau 30:52 from Time in London. Please go ahead sir.

Mrs.Rustau: Actually it is Mrs. Haidje Rustau. Could you please detail...provide detail on your funding plans for FY09 and FY10, especially after we saw your proposal to increase your allowance to issue capital in the form of shares and FCCBs.

Kirti Vagadia: Right now, we don't have any capital increase plans because majority of our REpower related acquisition is already funded. We have cash sitting in our balance sheet which will make the payment. The only thing which we need is funding for our CAPEX which is partly funded by QIP and partly we will be raising debt for that purpose. So, right now, we don't have any capital raising plan. We do have plan to raise debt, but that is minor for our CAPEX purpose.

Mrs.Rustau: And in sense of timing, when do you think that would happen, would it be this financial year or next financial year?

Kirti Vagadia: Sorry? Timing is current financial year.

Mrs.Rustau: Current, okay. Thank you.

Kirti Vagadia: Welcome.

International Moderator: Participants who wish to ask questions, please press 01 now. Mr. Rajesh from Doric Capital in Hong Kong. Please go ahead sir.

Mr. Rajesh: Hi, good afternoon. Thanks a lot for a good set of results. Just a couple of questions. You had mentioned that you have a fairly large order pipeline that you are working on in Europe and China. Can you give us some idea about what is the opportunity size and what is your strategy for gaining market share in these two countries?

Andre Horbach: Well, in United States, at this point in time...

Mr. Rajesh: No, no, not United States, Europe.

Andre Horbach: Oh sorry, Europe. In Europe, at this point of time, I think, you know, it is tough to express it in market share because in Europe we are still a minor player versus the established big European players, but we are continuing with our strategy for the moment to expand our position mainly in southern and in eastern Europe where we see the best opportunity for growth. So, we entered Turkey, this is our first order. We are looking also at some first negotiations in eastern European countries and that will continue. From a China point of view, we basically are on track with our China plan which means that the Tianjin facility this year will be loaded with volume and China will be around 600 megawatt for us this current financial year.

Mr. Rajesh: China, from all I hear, is rapidly expanding their installations or at least orders off have been far as different but at the same time there is competition from local players and large local players like Dong Fang, etc., are sort of getting into the business. So, how do

you see this whole thing panning out and what are the long-term market shares we can expect and how will you achieve that?

Andre Horbach: For the moment, there is still a majority of big international players playing in China next to a fast-growing amount of local Chinese players, you are right, and I would say that at this point in time we look at it as we have commented before. China is an enormous market from a total megawatt potential. In that place, there are many positions for multiple players. Our long-term strategy is to be in China as a Chinese company, as a Chinese supplier, and in that sense we operate China within a group almost as a standalone business with local Chinese manufacturing, local Chinese supply, and in that sense, we are very positive about the competitiveness of our market position going forward and long term we think we can have a good competitive play in that country.

Mr. Rajesh: I am sorry to labor on this, but as you said it is a largest market outside the United States, just wanted to get some more clarity. What would be...yes, you will be a local company, but what are the key things that you think you need to get right in order to achieve a 10% to 20% market share there or is your objective en larger.

Andre Horbach: No, I won't comment on what market shares we want to get in China. That is very difficult to foresee at this point in time, but I would say on what is crucial, what counts in every market is basically supplying the quality, the good quality that market needs with the right competitiveness from the cost point of view, and third giving the right service and connection to our customers. So, in that sense, it is not different than any other market and only the competitiveness therefore in China is probably a degree higher than in any other market in the world.

Mr. Rajesh: And do you see yourself as component suppliers as well or you would not do that?

Andre Horbach: That is a potential option in the future. In our Tianjin facility we produce today already our own generators, we produce our own electrical control panels, we produce blades, and we produce the whole nacelle assembly and in that sense, we could see ourselves also as a potential component supplier in the future. However, at this point in time, we are utilizing our full capacity for our own order book.

Mr. Rajesh: And you are confident of doing 600 megawatts this year?

Andre Horbach: Yeah, we feel confident about that.

Mr. Rajesh: Alright, thank you.

International Moderator: At this moment, there are no further questions from participants at international bridge. I would like to hand over the proceedings back to Manjula.

Moderator: Thank you very much Lucy. We will now begin the Q&A interactive session for India participants. Participants who wish to ask questions, please press *1 on your telephone keypad. On pressing *1, participants will get a chance to present their questions on a first-in-line basis. Participants are requested to use only handsets while asking a question. To ask a question, please press *1 now. First question comes from Mr. Nainesh from Tata Mutual Fund. Over to you sir.

Nainesh Rajani: Good evening sir. Just wanted to understand what is your technology tie-up details with REpower in terms of whether you can source technology from REpower for your own rotor blades at this point of time and again just wanted to understand as far as your rotor blade issue was concerned, have the changes, the required changes been made in the plant itself at this point of time to make sure that no other...no further problems rise as far as the blades are concerned?

Andre Horbach: I think from a rotor blade point of view, there has been some comments in the press that we would be going as a REpower technology. I would basically say that does not make any sense. The rotor blade issues that we have is basically something that Suzlon needs to solve on its own and I think we have plans lined out how to do that. Obviously, you know, we have had some discussions with REpower about potential mutual cooperation and development in the future and I suppose that those type of discussions can be going on between any company that is active in the same type of industry. So, that is how I would basically classify these discussions. We never had any of these discussions basically to try to bring that in as a factor to resolve some of our issues because the machines that we are selling in the market is a completely different machine than the REpower machine and to basically go into a homologation like what is suggested in the press, that would be a very long term process and we don't want to take that long a time to solve our issues in the market place right now.

Nainesh Rajani: Alright. And the second question sir?

Andre Horbach: Sorry, what was your second question?

Nainesh Rajani: As far as...at this point in time, just wanted to understand what are the changes that we are making within our plant to make sure that none of the cracks that appeared in the blade would come up in the future, what are the changes that we are making and that we need to make for the same?

Andre Horbach: You know, as we already commented earlier, we haven't basically seen that this was directly related to any procedures in the plant. What we did though as a very proactive action once we understood that this was a structural problem is that we basically implemented already the strengthening of the blade in the area where we have seen the cracks. So basically any blade that is coming out of the factory right now has these strengthened blades. Further also, you know, totally irrelevant from the blade issue in itself, we initiated in the last year already a change from the S88 V2 model to the V3 model and so far all the cracks have been observed only on the V2 blade. So, it is basically a very defined amount of turbines in the market place that have shown this issue. We have never seen a crack on any V3 blades so far.

Nainesh Rajani: Alright. Sir, that's all....

Andre Horbach: In that sense also that makes us very confident that the problem is very well defined to a condensed amount of machines.

Nainesh Rajani: Alright. That's it from my end. I will come across in case I have any further questions. Thanks a lot gentlemen.

Moderator: Thank you very much sir. Next in line, we have Mr. Anupam Tiwari from Reliance Mutual Fund. Over to you sir.

Anupam Tiwari: Good evening gentlemen. Congratulations for a good number of financial results. Sir, I have a couple of questions. First is that, can you give me the international and domestic order book by year-wise FY09 delivery and FY10 delivery. If not domestic, please give me the international one. Hello...

Kirti Vagadia: Yeah, yeah. Domestic 160 is entirely in current year...

Anupam Tiwari: Okay, okay.

Kirti Vagadia: ...and out of international, about 1,700 is the current year and rest is next year.

Anupam Tiwari: Okay. And sir our agreement with Areva, can you put some more light into it, sir suppose if Areva doesn't exercise its put option at all, then what is the recourse that we have and the timeline starts from May this year or it was till May this year?

Kirti Vagadia: Okay. Timeline is starting May 08 and ends on May 09.

Anupam Tiwari: Okay.

Kirti Vagadia: On your first question, this is a commercial matter which between two parties, and I would not like to create any speculation in that regard.

Anupam Tiwari: Okay. And what is our consolidated debt at this point of time?

Kirti Vagadia: You mean net debt right?

Anupam Tiwari: If you can give me gross debt and then cash separately.

Kirti Vagadia: Okay. Gross debt is Rs.9,935 crores.

Anupam Tiwari: Okay.

Kirti Vagadia: And net debt is Rs.2,974 crores.

Anupam Tiwari: 2,972.

Kirti Vagadia: 2,974 and this is consolidated total.

Anupam Tiwari: Okay. And sir in Hansen the release says that we will have 3,000 megawatt in India, 5,000 megawatt in China, and we already have 7,300 megawatt in Belgium. So, this adds up to 15,300 megawatt. So, I think I am wrong somewhere because Mr. Tanti said earlier that they will have 14,300 megawatt capacity total.

Tulsi Tanti: So, it looks like this. India is 5,000.

Anupam Tiwari: Okay.

Tulsi Tanti: China is 3,000.

Anupam Tiwari: Okay, okay.

Tulsi Tanti: And currently the Belgium capacity because the two plants are there, the total capacity today that is available is 7,300 megawatts.

Anupam Tiwari: Okay. So, total would be 15,300 megawatt.

Tulsi Tanti: Yeah, correct, but when all plants will be in operation, then in Belgium, 1,000 megawatt will be available for the spare parts.

Anupam Tiwari: Okay, okay.

Tulsi Tanti: Right. So, the final end of 2012, the total gearbox capacity will be 14,300 and 1,000 megawatt parts will be available for the service and for the industries.

Anupam Tiwari: Okay. And sir have we been able to identify the exact cause of the cracks in the blade?

Tulsi Tanti: Yes, we have already identified the cracks in the blade and we have done the comprehensive technical analysis.

Anupam Tiwari: Okay.

Tulsi Tanti: Based on that, we have decided the retrofitting programs and that project and program is going ahead as per the schedule.

Anupam Tiwari: Okay sir. That is all with mine. Thank you sir. Thanks a lot.

Moderator: Thank you so much. Next in line, we have Mr. Bhavin from Enam Securities. Over to you sir.

Mr. Bhavin: Good evening sir.

Tulsi Tanti: Yes, very good evening.

Mr. Bhavin: Sir, jus one question. Out of the existing order book, how much of the incremental inflation in the commodity prices could we pass through to the clients and how much do we believe we have to absorb in our balance sheet?

Tulsi Tanti: Most of the order pass-through is there and mainly the only one commodity is taken care and that is mainly the steel part, which goes mostly on the tower, but these contracts and when reality of the purchase and procurement is there, we will not be able to protect ourselves 100%, so there is a 60% level of protection is there and 40% we have to absorb the price.

Mr. Bhavin: Okay, okay and if you can just highlight our company policies like what I understand is a significant proportion of the orders were received in the first half of FY08, so what is the policy for booking the steel and booking for the various important raw materials. Do we stock it upright and we do back-to-back bookings?

Tulsi Tanti: Normally, the business plan for the three-year plan is always there and based on the procurement strategy, this planning is there and different, different suppliers and different, different materials it is...sometimes the quantity is fixed and based on the commodity area, the price is mostly on a quarterly basis, so that is there, and some of the key component is on annual basis, so it is a different pricing strategy with vendor is there. The same point, when our sales part is there, every year we are fixing the pricing policy and other things. Based on that, the sale is done based on the prevailing commodity price.

Mr. Bhavin: Okay. Sir, two questions regarding Hansen. In the presentation for Hansen, it has been reflected that around 1,600 megawatt from Hansen will be used towards China and second question Hansen is...it was also mentioned that the issues regarding the supply of bearings is not yet resolved. So, what is your outlook towards the critical bearing supply for Hansen?

Tulsi Tanti: I think this question we cannot be able to answer. You have to ask the Hansen management.

Mr. Bhavin: Okay, thank you. That is from my side.

Moderator: Thank you very much sir. Next in line, we have Mr. Laxminarayana from Sundaram BNP Paribas.

Mr. Laxminarayana: Hi everybody. There is a small correction. It is BNP Paribas, not Sundaram. Three questions basically. First one is can you give us some color on the 10% rise in realizations for the international order book, is it mainly because of the pricing or is the scope also there. Second, we have seen the lowest order book on the domestic side at 160 megawatts. Are we seeing anything structurally slowing down in the domestic market or is it just that you would like to focus on the international market at this point in time. And third, if you have a majority of your CAPEX coming in FY09 end, based on your dialogues with potential customers, would we be seeing larger order sizes going forward in line with say Siemens FPL order or GE Innogy's order.

Kirti Vagadia: Yeah, on your first question that there is an increase in international pricing, it is a combination of four things basically, product mix, market mix, change in scope, and real price increase.

Mr. Laxminarayana: So, how much of that would you attribute to just the price increase.

Kirti Vagadia: I think those kind of bifurcation we have not done, but my rough estimate would be closer...somewhere between 3 and 5 percentage.

Mr. Laxminarayana: Okay.

Andre Horbach: I think on your order book question for India, you see there is...particularly in India, there is a very strong seasonality where the fourth quarter is always strong and the first quarter from the volume point of view is always low. On top of that, I think in the last quarter we had a very strong execution on delivering projects in India. So, I would say those are the two reasons why you probably see at this point in time a little low order book in India. The outlook for the Indian market from a total wind power point of view and from a market position, we continued to be very bullish though. We obviously know in what type of associations we are with our customers and that continues to look very healthy. So, there is no worry from our side on that side.

Mr. Laxminarayana: Okay. And the final question on the order sizes and what you are hearing from your conversations with customers, how does the deal pipeline look like at this point in time?

Kirti Vagadia: Globally you mean or...

Mr. Laxminarayana: Globally, this question is global.

Kirti Vagadia: No, order backlog we have already given. What are in the negotiation, I think we cannot speculate on that.

Mr. Laxminarayana: Okay.

Andre Horbach: But I think in general, you know, for the wind industry, the outlook is very promising and there are many customers who are approaching us for longer term agreements. So, in that sense, there is no change on the very positive outlook for the industry as a consequence.

Mr. Laxminarayana: Just one followup. If you take your current order book which is around 3,300 megawatts whatever, how much would that be in terms of framework agreement versus those that are not part of the framework agreement.

Tulsi Tanti: This is all firm agreement.

Mr. Laxminarayana: Sorry?

Tulsi Tanti: This is all firm order.

Mr. Laxminarayan: Okay, okay. That's it from my end. Thanks guys.

Moderator: Thank you very much sir. Next in line, we have Mr. Milan from JM Financial. Over to you sir.

Mr. Milan: Yeah, hello sir. Sir, when I see the PBIT margins for segmental, generally we have seen that fourth quarter has always been the best because we get good volumes and economies are at their best, but this fourth quarter it is just 12% for the WTG business. Any particular reason for lower margins compared to nine months in that segment?

Kirti Vagadia: Can you repeat it?

Mr. Milan: Sir, your margins in the WTG segment for the fourth quarter...

Kirti Vagadia: Okay, Milan what has happened, there was some typo in segmental which we earlier published and we have just revised couple of hours back on segmental.

Mr. Milan: Okay.

Kirti Vagadia: So, right now we can talk on correct number, but there was some problem in segmental, some typo error was there, but if you are

interested in quarterly numbers, Q4. For wind, it is 13.52% and that is before exceptional items right.

Mr. Milan: Right, right, right. And secondly sir, the total exceptional items for the full year is around Rs.151 crores, am I right?

Kirti Vagadia: 151 is net of tax.

Mr. Milan: Okay, alright sir. Okay, thank you.

Moderator: Thank you very much sir. Next in line, we have Ms. Yogitha from Wealth Mangers. Over to you, ma'am?

Mr. Mayur: Sir, this is her colleague Mayur here. Just, can you break up all your order book details in megawatt and realization with respect to domestic and international once again.

Kirti Vagadia: Yeah, we can do that.

Mr. Mayur: Standalone and consolidated right.

Kirti Vagadia: Yeah it is consolidated. We don't have standalone order backlog basically because the order is received in various subsidiaries, yeah, but here we would like to clarify that it is only wind and Suzlon. REpower and Hansen are not included and we can give only megawatt. USA is 1910, China is 586, Australia is 317, Europe is 267, Brazil is 214, and total is 3294 MW.

Mr. Mayur: 32...

Kirti Vagadia: 94. International is 3294 and India is 160.

Mr. Mayur: Sir, can you tell me what was it as on March 07 this was?

Kirti Vagadia: March 07....

Mr. Mayur: As on March 07, what was it?

Kirti Vagadia: Yeah, you need to hold for a moment or you can jump on to the next question by the time we can get it.

Mr. Mayur: Can you give me the order intake between domestic and export for this quarter...order intake.

Kirti Vagadia: Okay. One moment. Order intake in this quarter is 860 megawatt.

Mr. Mayur: Total?

Kirti Vagadia: Yeah. Yeah, not in this quarter because we give till date. This 860 is till date. March 07, we can give afterwards.

Mr. Mayur: Okay. And within order intake, domestic and international.

Kirti Vagadia: Out of order intake you are talking about.

Mr. Mayur: Yes, yes.

Kirti Vagadia: Okay, March 07 we have the number. It was 1958 megawatt.

Mr. Mayur: Sir, overall?

Kirti Vagadia: Yeah, total.

Mr. Mayur: Sir, actually I am just not getting the reconciliation. Our order book on March 07 was 1958.

Kirti Vagadia: Okay.

Mr. Mayur: And total order....total in megawatt terms, our sales executed during the year were?

Kirti Vagadia: 2311.

Mr. Mayur: Sorry sir.

Kirti Vagadia: 2311.

Mr. Mayur: 2311.

Kirti Vagadia: Correct.

Mr. Mayur: And our order intake for the entire year was 860 you said right.

Kirti Vagadia: No, that was for quarter. You asked quarter, last quarter.

Mr. Mayur: And for the year it was?

Kirti Vagadia: For the year, you can simply calculate.

Mr. Mayur: Okay. So, that reconciliation should be perfectly matching right? If I add the order backlog for the previous plus the intake less the sales, my order backlog would tally right?

Kirti Vagadia: Yeah, yeah, yeah, definitely it should tally.

Mr. Mayur: Okay. And can you give me the breakup of this order intake 860 into domestic and exports?

Nishit Dave: Mayur, this is Nishit Dave. You can contact me later, I will provide you all the details you require, right.

Mr. Mayur: Okay, thank you. Just one last question was overall if we look at 5,700 megawatt capacity which we would achieve and global installations we are talking in the range of around 20,000 megawatt right sir?

Tulsi Tanti: Last year, global...the world has done 20,000 megawatt in last calendar year.

Mr. Mayur: Right, right. So, assuming that proportion, it is closer to 25% right. If we take the increase which will happen over the next calendar year, somewhat here and there, but in China we are talking 6,000 megawatt of addition over the next year and we will have the capacity of only 600 megawatt.

Tulsi Tanti: No, no, you are mixing two things. The China production capacity of Suzlon is 600 megawatt is there.

Mr. Mayur: Right.

Tulsi Tanti: We are not talking about 6,000 capacity in China.

Mr. Mayur: No, no, I am saying the expected installation of the market in China for the next year...

Kirti Vagadia: Yes.

Mr. Mayur: ...would be closer to 6,000 megawatt.

Tulsi Tanti: That is your estimate no.

Mr. Mayur: Sir then one of your answers you said about the opportunity of the China market, did I get it wrong?

Tulsi Tanti: No, no, the China market is growing very rapidly.

Mr. Mayur: Okay.

Tulsi Tanti: That we are saying and as per the BTM forecast...

Mr. Mayur: Okay.

Tulsi Tanti: ...for the current financial year in China it is 5,500 megawatts, there is the forecast of the BTM.

Mr. Mayur: Right. No, what I am actually coming down to is, you know, the biggest, fastest growing market for China, we will be closer to 10% on the capacity and on the overall will be closer to 25%.

Kirti Vagadia: No, overall you are talking historical. Overall 2008 calendar year BTM estimate is 26,565, so close to about 27,000 and that is also on calendar year 2008 basis.

Tulsi Tanti: So, current financial year approximate estimate of the global will be somewhere 28,000 megawatt on a financial year basis.

Mr. Mayur: Okay.

Tulsi Tanti: So, out of 28,000 megawatt, end of this financial year, our production capacity will be 5,700. That does not mean we will be able to produce in this financial year 5,700 megawatt, but that capacity we can utilize fully in the next financial year where market will further grow from 28,000 to somewhere 32,000 or 34,000 megawatt.

Mr. Mayur: Fair enough sir, 32,000 to 33,000, again I will come back to the same point that do we have any strategy to increase the capacity in China where we will be only 10% of the market by capacity also.

Kirti Vagadia: The current year, we are fully utilizing the China capacity is there.

Mr. Mayur: Right.

Tulsi Tanti: Based on the government current announcement of 100,000 megawatt by 2020, so that is a strong ambitious target of the government is there. We have to see how this current financial year 600 megawatt is moving and how the governments are taking further new initiatives to support this wind power project program. Based on that, we may think because some of the infrastructures available is there, we can build some of the buildings and some of the balancing equipment and we can double our production capacity in the next financial year, if required. At this moment, we have not planned for that.

Mr. Mayur: Okay, thank you sir.

Moderator: Thank you very much sir. Next in line, we have Mr. Kenin Jain from Voyager Capital. Over to you sir.

Kenin Jain: Sir, what is the timeliness of completing our order book of 18,000 crore.

Tulsi Tanti: Most of the order is the current financial year and some of the order is for the next financial year.

Kenin Jain: How much broadly one can you know factor in the current financial year which would be delivered from your side sir?

Kirti Vagadia: Almost 65% is out of order backlog, 65% is expected to be delivered in current year, and rest will go to next year.

Kenin Jain: Fine sir, thanks a lot.

Moderator: Hello, Mr. Kenin, are you done with your question sir?

Kenin Jain: Yeah, yeah, I am through.

Moderator: Thank you very much. Next in line, we have Ms. Keerthi from Enam AMC. Over to you ma'am.

Ms. Keerthi: Good evening sir. Just one question. May I get your breakup of revenue in Q4 08 in terms of your domestic and international revenue?

Kirti Vagadia: Q4 no.

Ms. Keerthi: Yes sir.

Kirti Vagadia: Yeah domestic and international, revenue in India is Rs.2047 crores and international is Rs.2146 crores.

Ms. Keerthi: And sir in megawatt terms?

Kirti Vagadia: India is 341 megawatt and international is 424.

Ms. Keerthi: Okay. And sir for full year FY08 consolidated revenue, would it be possible to give geographical breakup of it?

Kirti Vagadia: Mainly domestic and international right?

Ms. Keerthi: No sir, that we have it in your press release. I am talking about like say US, Brazil, China, would it be possible to give since you have given the order book breakup of that.

Kirti Vagadia: Yeah, that we have already. Yes, I can give in megawatt terms. For commercial reason, definitely I will not give in amount.

Ms. Keerthi: Okay.

Kirti Vagadia: In terms of megawatt, US did 593 megawatt.

Ms. Keerthi: Okay.

Kirti Vagadia: Europe 297.

Ms. Keerthi: Okay.

Kirti Vagadia: Brazil 168.

Ms. Keerthi: Okay.

Kirti Vagadia: India 976.

Ms. Keerthi: Okay.

Kirti Vagadia: China 134.

Ms. Keerthi: Okay.

Kirti Vagadia: Australia 143.

Ms. Keerthi: Okay sir, thanks a lot, yeah.

Moderator: Thank you very much ma'am. Next in line, we have Mr. Srinivas Rao from HDFC Mutual Fund. Over to you sir.

Srinivas Rao: Hello sir. Could you tell us a little more on your capacity expansion plans including backward integration, what are the time lines in terms of starting commercial production?

Tulsi Tanti: Yeah the total production capacity under construction is 3,000 megawatt. It is an integrated production facility and it is starting from the July and full capacity will be established by March 09 and that will add into 2,700 megawatt current capacity. End of this year, it will become 5700 megawatt. Then another backward integration is there. The forging and foundry project is there. That we are starting the production in Q3 of the current financial year.

Srinivas Rao: So, there is a delay in this plan sir.

Tulsi Tanti: The 3,000 megawatt project is delayed by one month and regarding the foundry and forging, it is delayed by one quarter.

Srinivas Rao: Okay, okay. And sir, you know, I think there was a question earlier also, what is the likely delivery of WTG in FY09?

Tulsi Tanti: You are asking about guidance no?

Srinivas Rao: Yes.

Tulsi Tanti: You are very well aware about that, we are not giving the guidance, only we can tell you the industry's growth will continue to 20% to 25% growth and the global demand is growing very positive and very aggressive is there, so based on that, we will continue our growth to double the market growth.

Srinivas Rao: Okay sir. Also what I am trying to understand is would capacity be an issue for actual delivery in FY09?

Kirti Vagadia: Capacity should not be a constraint because our total capacity right now is 2,700 megawatt and as explained by Mr. Tanti that capacity will keep on coming on board from July onwards in incremental manner.

Srinivas Rao: Okay. Sir, the next question is on the profitability. I think as we understand, profitability of US and China operations is much lower than your group, overall group levels. Could you comment on that and when can we expect this to improve and why?.

Tulsi Tanti: Sorry, can you repeat.

Srinivas Rao: See, as we understand the profitability of your operations in China and US is lower than overall group's profitability. So, could you explain as, you know, when we will see this improving and how.

Tulsi Tanti: China and?

Srinivas Rao: US.

Tulsi Tanti: US. The point is here, like China last year we have utilized only 135 megawatts of capacity, once you utilize the full capacity which is the plan for the current financial year, utilize the full capacity, so based on that naturally it will give the economy of scale benefit and that will improve the margin, (a). The (b) is initially lot of components are coming from outside China and now lot of vendors and other development going ahead in the China plus our own component manufacturing facilities are on line, like recently we have started the generator production also. So, that will also add some margin benefit in China. So, we are quite comfortable going forward in China to improve the margin from current level to the current financial year. As far as the US also, the last financial year, we are running somewhere at 500 megawatt capacity is there. In the current financial year, we are increase the volume and because of that economy of scale benefit because some of the fixed cost already we have established based on the increase of the volume in USA, our margin improvement is there. Plus from January 2008, the new price always is changing on the calendar year basis, so that will also give some benefit in the US market and the US production facilities are now running with a full capacity is there. The last financial year, the US capacity on learning curve was there and the current year that capacity will run with a full capacity, so that will also give some benefit on the margin improvement.

Srinivas Rao: Okay, thank you.

Moderator: Thank you very much sir. Next in line, we have Mr. Sachin Trivedi from UTI Mutual Fund. Over to you sir.

Sachin Trivedi: Hello...hello....

Tulsi Tanti: Yes.

Sachin Trivedi: Yeah, good evening sir. Congratulations on a good set of number. Sir, I have a first question regarding the retrofit program

that was going on. Just on the blade crack issue, I wanted to know were there any fresh cracks that have been identified during the quarter?

Tulsi Tanti: No, we already explained in the beginning of our discussion. The beginning of our discussion, we have already explained about that. When we had announced in January that nearly 30 to 35 blades were there and till today current is somewhere is 65 is there.

Sachin Trivedi: 65 cracks, right.

Tulsi Tanti: Yeah, correct.

Sachin Trivedi: And sir...

Tulsi Tanti: Out of 1251.

Sachin Trivedi: Okay, okay. And sir, were there any claims regarding production losses that clients would have suffered?

Tulsi Tanti: At this moment....

Kirti Vagadia: See basically availability guarantee is a continuing guarantee. It does not work on a period basis, okay, so it runs on a basket of a number of years like it is sometimes three years in a row. So, those kind of availability guarantee, wherever we are assessing on every quarter basis and we make suitable provision in our books of account on basis of actual loss we made during that quarter.

Sachin Trivedi: Okay. Sir, as far as our policy is concerned, I think last when we discussed in some of the con call, our provision policy right now remains 2.5%. Is it something like that?

Kirti Vagadia: Not really, it might be a coincidence that the number may be 2.5%, but otherwise in case of all provisions we measure them on a quarterly basis based on what we have guaranteed to somebody and what we have achieved...

Sachin Trivedi: Okay.

Kirti Vagadia: ...or we are likely to achieve.

Sachin Trivedi: Okay.

Kirti Vagadia: And on that basis, we make the provision which is according to IFRS also. It is IFRS compliant.

Sachin Trivedi: And for the last quarter what was it, if you can share with us.

Kirti Vagadia: Provision number for last quarter, provisions for last quarter, total provisions...right now I don't have number handy.

Sachin Trivedi: I will get back to you.

Kirti Vagadia: Okay.

Sachin Trivedi: Sir, the next question was regarding the inventory. Last quarter or the quarter that we were discussing is you said is around 35 megawatt, right sir?

Kirti Vagadia: Yes.

Sachin Trivedi: Sir, what is...like if I probably compare to last year same quarter might be the inventory was high, just trying to understand what is an ideal level of inventory that we will be having for say on any quarter, if you can just throw some light, because inventory keep...there is a big variance in the inventory for us.

Kirti Vagadia: Correct.

Sachin Trivedi: So, why is that, if you can throw...or is it related to the nature of the business and the execution?

Andre Horbach: You see, I think it is very difficult to forecast. First of all, over time you will see some increase in inventory obviously because of our growth, and the second thing, it is highly dependent on what timing, which project, and which market needs to be delivered.

Sachin Trivedi: Okay.

Andre Horbach: In that sense, you know, there might be...depending on the timing of delivery of a certain project, there might be certain amount of turbines in process while the core of this is being finished. So, it is very difficult to forecast the number.

Sachin Trivedi: Okay, okay. Sir, the third question was regarding the steel price, all the price variation clauses which you have for your books, is it true for both domestic and international market?

Tulsi Tanti: In domestic market, we don't have this clause because normally we are selling in the domestic is maximum for the six month...the order between delivery is six months is there, so we have clear visibility about all our procurement during that six months. So, that clause is not there and India is a fixed price policy.

Sachin Trivedi: And sir, in the international market, you said some formulae 60-40. Is it only for steel or it is true for other items also.

Kirti Vagadia: See, there are different clauses in different agreement, but mainly what Tulsi bhai was explaining that majority of contract we cover steel, some contract will cover steel, copper, oil, and even CPI.

Sachin Trivedi: Okay. So, of that 60%...up to 60% price rise can be passed it on to the customer.

Kirti Vagadia: See, how it works basically, they assume that you will be purchasing material X month in advance and that way it needs to be claimed from customer, so those kind of complexity what Tulsi bhai simplified that out of 100 increase we may be getting about 60.

Sachin Trivedi: Okay, okay. And sir, this nacelle duty 2.5% for US market, will we be able to pass it on to our customers or we will have to keep it with us?

Kirti Vagadia: For new order which we have taken afterwards, in those cases definitely we have passed it on to customer.

Sachin Trivedi: Okay, but for the past maybe around 2000 megawatt of order will be....

Kirti Vagadia: Not 2000. Today, even I have 1900 something, not 2000, but on that we have to bear.

Sachin Trivedi: Okay, okay, okay. Sir, one more question was regarding our raw material to sales ratio on standalone basis, there has been a dip compared to last year same quarter. So, any particular reason why the raw material to sales ratio has dipped. Even if I compare quarter on quarter basis, raw material to sales ratio has dipped. This is I am adjusting for inventory also.

Kirti Vagadia: Correct, yeah.

Sachin Trivedi: So, why is that? Is it because some inventory we had and we have gained on that?

Kirti Vagadia: No, it is a combination of two things. One is your price increase on account of market mix or product mix.

Sachid Trivedi: Okay.

Kirti Vagadia: And secondly your raw material cost is also a function of market mix and product mix. So, definitely that ratio will vary by a couple of percentage.

Sachid Trivedi: Okay, okay. Sir, any plans on China listing of your Chinese subsidiary?

Kirti Vagadia: Right now, we don't have any plans...

Sachid Trivedi: Okay.

Kirti Vagadia: ...but definitely when we plan, it will become public.

Sachid Trivedi: Okay, okay. Thanks a lot sir, thanks a lot.

Moderator: Thank you very much sir. At this moment, I would like to hand over the floor back to Mr. Tulsi Tanti for final remarks.

Tulsi Tanti: Yeah, thanks. We appreciate all the questions and we have tried our level best to satisfy with the answers and we see great growth and opportunity for the wind industry going forward. Thanks a lot, thank you very much.

Moderator: Ladies and gentlemen, thank you for choosing WebEx conferencing service. That concludes this conference call. Thank you for your participation. You may now disconnect your lines. Thank you and have a nice day.
