

A wind of opportunity for Suzlon in AP

To Double Anantapur Rotor Blade Unit Capacity

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Visakhapatnam: A new wind of opportunity is blowing in Andhra Pradesh in the renewable energy (RE) sector and one of the country's largest wind energy players Suzlon Energy Ltd's chairman Tuls Tanti is gung ho about riding it.

Though the company's 400 MW (200 units per annum) rotor blade manufacturing unit at Anantapur is yet to be officially inaugurated, Tanti says its capacity will have to be doubled in one to two years to keep pace with the burgeoning demand for RE in the state. The unit, which has been set up at an investment of ₹80 crore and employs around 200 people, became operational in 2016 end. Interestingly, it is Suzlon's first plant where it has trained women to be part of production. Talking about the group's roadmap in the state, Tanti, who

was in the city to participate in the 'Sunrise Andhra Pradesh Summit,' explained, "The central government has set a target of 175 GW of RE by 2022. AP CM Chandrababu Naidu has said 10% of this will come from his state. So AP has plans to build 18 GW by 2022 and our plan is to build 3GW of this in wind in AP in the next five years." Tanti is betting big on AP as this fiscal it will be adding 1.5 GW RE capacity, which is around 40% of what the entire country is slated to add this fiscal i.e. 4 GW. "In AP, at the moment, we are building more than 500 MW and our plan in the next five years is 3GW. So every year, we need a minimum 600 MW. Therefore, we need more capacity going forward and if the market grows, we can use this facility for exports primarily to the South East Asian markets," he said. While exports to South East Asian countries can emerge as a lucrative option in the near-term, the company is eyeing a bigger play in the US market. "Our immediate priority is the US because in the next five years it will add 50GW wind capacity," he added. On the home front, the focus will be on organic growth and consolidation

of its operations by ensuring optimum utilisation of manufacturing capacities and reducing the cost of energy through technological development, he said. Suzlon had, in 2007, snapped up German wind energy firm RePower (renamed Senvion) for Euro 1.4 billion (₹8,000 crore approx) mostly with borrowed money. Post-deal, the 2008 global financial crisis dented the demand for wind turbines, impacting Suzlon's business. Saddled with a huge debt, the company failed to repay \$209 million in October 2012 and had to enter into corporate debt restructuring in 2013.

In April 2015, Suzlon concluded the sale of Senvion to US PE firm Centrebridge for Euro 1 billion (about ₹7,000 crore), reduced debt and staged a turnaround. "We reduced debt by 50% last year. So we have \$1 billion debt, of which \$650 million is a US currency debt (3.5% interest cost) that we have to pay by 2023. We are in a comfortable position to service the debt as well as interest. We are growing at double the market growth, so there is sufficient cash generation, which we are using for further capacity utilisation," he explained.

SUZLON GROUP'S 'RENEWED' VISION: WIND IS BLOWING & SUN IS SHINING



in 2016

\$50 billion total global investments in power sector



\$330 billion investments made globally in renewable energy (RE) space



\$10 billion investments India attracted in RE sector in 2016

\$6 billion investments made in solar and the rest from wind

175 GW India's renewable energy target by 2022

35 GW India's installed RE capacity



90% Of investment in RE space comes from foreign investors

15 GW Suzlon aims to achieve in next 5 years. This includes **11GW** in wind and **4GW** solar

8,259 crore Revenues Suzlon Group clocked during FY16

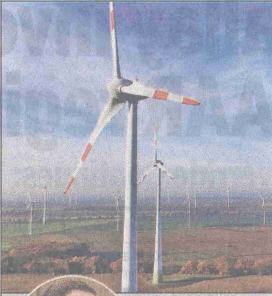
15 Total number of manufacturing units Suzlon has in India and China

8 R&D facilities in Germany, India, Denmark and the Netherlands

10,000 mw Suzlon Group's installed capacity

35% Suzlon Group's share in India's cumulative wind energy installations

22% Group's share in renewable energy sector



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— Tuls Tanti | SUZLON ENERGY CHAIRMAN