



“Suzlon Energy Limited  
Q4 FY '26 Earnings Conference Call”  
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**Moderator:** Ladies and gentlemen, good day, and welcome to the Suzlon Energy Limited Q4 FY '26 Earnings Conference Call. During this call, the company management may make certain statements that reflect their outlook for the future which could be construed as a forward-looking statements. These statements are based on management's current expectations and are associated with uncertainties and risks as detailed in the annual report.

Actual results may differ so these statements should be reviewed in conjunction with the risks the company faces. As a reminder, all participant lines are 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 and zero on your touchtone phone.

Please note that this conference is being recorded. We will begin with the opening remarks followed by a question-and-answer session. To be fair to others, we kindly request each participant to ask no more than two or three questions. From the management, we have with us Mr. J.P. Chalasani, Group Executive Counsel; Mr. Ajay Kapur, Group CEO; Mr. Rahul Jain, Group CFO and senior members of the finance team. Over to you, J.P. Chalasani, sir.

**J.P. Chalasani:** Thank you. Good evening to each one of you. We welcome you to Q4FY '26 Investors Call. I also welcome Ajay Kapur, who has now taken over the baton and he will take you through the most of the things, along with Rahul Jain, who we met last time. I just wanted to briefly tell you that over the last 12 months, we made different commitments at different points of time in interactions with you.

And a few of those things we said and what we achieved is what I want to take you through in a couple of minutes. First one, at the beginning of the financial year, we said that in FY '26, we will have a 60% of growth. That was the commitment what we made, and we are glad to say that we achieved that. Our overall EBITDA went up by 63%. Profit before tax consolidated went up by 67%.

And our WTG revenue went up by 65%. So therefore, the commitment what you made is what we fulfilled. Similarly, in the Q2, when we were discussing the results, some of you had a concern that EBITDA has fallen for our OMS business. And we clearly said it's a one-off. And by end of the year, we will recoup it.

And accordingly, at the end of the year, we achieved the EBITDA of 40.5%. We also promised that our EPC order share in our order book, EPC share will keep increasing to 50% by FY '28. And we started moving in the direction. In Q2, we were at around 20%. Now we reached 28% and we expect it to continue to grow in FY '27 and ultimately reach 50% in FY '28.

We also said that a SE Forge is now on the momentum. And we're glad to say that its revenue went up by 22% and EBITDA went up by 60%, and it would continue to see the growth even in the coming financial year. The last point I want to say is that some of you are aware that we signed a project implementation agreement with the government of AP in 2015 under which we commissioned some projects in FY '16 and FY '17.

However, it was denied by the government for some time because of government change and now after new government has come in, we're glad to inform you that in April, they've extended the PIA by another 2 years. Under this PIA, we have developmental rights for 2.1 gigawatts, 2,100 megawatt, out of which 775-megawatt is the PPA, which was signed earlier.

Now reached APERC for tariff fixation. They asked us whether we can do -- convert this into FDRE, we said we gave our consent. There is a precedent of FDRE PPA tariff finalized by APERC last year. And we saw the 775 megawatt, there are a couple of clients who are keen to take up this project once PPA gets approved. Beyond this 775, we have 1,325 megawatt, which will completely get monetized from June onwards in the next 6 months.

This is one very, very positive development for us what happened in this quarter. These are the significant things what happened, what we promised and what we achieved. And the rest of the details is what Ajay and Rahul will take you through. Ajay, I'll hand over this now to you.

**Ajay Kapur:**

Thank you, J.P.C. Hello, everyone. It is great connecting with you today. Many of you may know me from my earlier associations, but for the benefit of the larger group, please allow me to introduce myself. I'm Ajay Kapur, and I have joined Suzlon Energy Limited as Group Chief Executive Officer.

I bring over 3 decades of leadership experience across infrastructure, power, construction and heavy industries and most recently served as Managing Director of Ambuja Cements. Talking about the industry, we are seeing a strong start to the year '27 with power demand growing 5% to 6% since April, and peak demand has already touched 270-plus gigawatt.

Overall, the environment remains favourable with sustained demand growth and increasing peak intensity reinforcing the need for reliable, flexible and round-the-clock power FDRE solutions, which are wind dominated. For FY '26, has been a defining year for the wind sector with installations crossing 6 gigawatt, its highest since 2017, surpassing the previous peak and clearly underscoring the strong demand revival. This momentum sets the stage for a multiyear growth cycle with installations expected to cross 10 gigawatt in the near term and reaching 15 gigawatts in the next 5 years.

With 56 gigawatt already installed and a strong pipeline of STU and PSU bids as well as C&I demand, India is set to achieve the near-term target of 100 gigawatts by 2030. Repowering also started gaining traction, and there is rising consumer interest, which gives visibility of several opportunities ramping up in the next 2 to 3 years. Now taking you through the business highlights. In FY '26, Suzlon transitioned into a scaled, profitable and financially strong market leader in wind sector. Suzlon delivered a record 830 megawatts in Q4 and 2,456 megawatts in FY '26, which are our ever-highest deliveries in India.

Revenues also reached a record INR16,679 crores reflecting a strong 54% Y-o-Y growth. Order book of 5.9 gigawatt consists of 66% of C&I and PSU segment, which is fast growing. The focus now is on expanding our EPC offering, which has grown from 20% to 28% in H2, which enhances our competitive edge and further help to accelerate order book growth. Our S144 order intake has reached close to 9 gigawatts, a strong endorsement of its advanced technology and

customer trust. The Blue Sky platform launched in Spain marks our reentry into European and other export markets with S175 and S163 turbines.

These next-generation high-capacity turbines are designed for diverse wind regimes, delivering higher yields, improved reliability and lower LCOE by positioning us to tap both repowering and new build opportunities globally. 4.5-gigawatt manufacturing capacity fully operational, expanding footprint with 3 AI-enabled smart blade factories to drive efficiency and scale. Suzlon commissioned 744 megawatts in FY '26 and another 971 megawatt is erected, taking the number to 1,715 megawatt shows the trajectory of commissioning growth for the future. We have achieved ramped up commissioning momentum with 332 megawatts in quarter 4, and this trend is expected to continue in FY '27 pursuant to operational excellence we have done in the last few quarters.

Our OMS business remained strong with 15.7 plus gigawatts under management in India and machine availability consistently above 95%. Renom's AUM is consistently growing on the back of steady fleet additions and a healthy order pipeline. Forging & Foundry continues to scale strongly. The revenue at INR597 crores, up 22% Y-o-Y and EBITDA at INR119 crores, up 61% Y-o-Y, which continued momentum driven by domestic demand and export growth. Now I invite Rahul Jain, our Group CFO, to take you through our financial performance.

**Rahul Jain:**

Thank you, Ajay, and good afternoon, ladies and gentlemen. I will be using Slides 18 to 25 of our investor presentation, which has been uploaded on our website as the reference point for my discussion during the presentation. In Q4 FY '26, Suzlon continued its exponential growth trajectory delivering 830-megawatt, highest-ever India deliveries for any quarter with all financial parameters, showing a strong uptrend.

Suzlon reported consolidated revenue of INR5,468 crores in Q4 FY '26 with EBITDA reaching INR964 crores, a robust 39% year-on-year growth with PBT of INR833 crores and with a PAT of INR1,114 crores. For the full year FY '26, deliveries grew 58% to 2,456 megawatts.

Strong execution momentum drove revenues up to INR16,679 crores, up 54% Y-o-Y. The WTG segment revenues grew 65% to INR14,040 crores, with contribution margin at 24.5%. Consolidated EBITDA increased to INR3,022 crores reflecting a strong operating leverage with 63% Y-o-Y growth. EBITDA margin expanded to 18.1%, up 100 basis points Y-o-Y. PBT rose 67% to INR2,422 crores with PAT improving to INR3,153 crores.

Let me also say that, PAT includes a deferred tax asset recognition of INR742 crores for the year FY '26. We are pleased to report that our balance sheet as of March '26, reflects the position of exceptional strength with consolidated net worth of INR9,464 crores. Our net cash balance at INR2,384 crores further enhances our financial flexibility and resilience.

We also have adequate working capital limits tied up for execution of the current order book. Our end-to-end wind energy model supported by an integrated supply chain, strong execution and industry-leading service provides a competitive edge that is unique and difficult for others to match. With this, I hand over the call to the operator and open the floor for Q&A. Thank you.

**Moderator:** Thank you very much. Your first question comes from the line of Mohit Kumar with ICICI Securities. Please go ahead.

**Mohit Kumar:** A good set of numbers. Sir my first question is order inflow has been very, very good for the year, but for the quarter, it seems to be tad muted. How do you think about from the opportunity perspective for the fiscal year '27, is it fair to assume a decline for a couple of quarters before the order book picks up once again?

**Ajay Kapur:** Okay. Mohit, as you've seen, we are more or less closing at the same order book as we started the year. You would have heard J.P.C talking about our AP project, where we have a very good pipeline of -- in our new model of DevCo. We are getting very good responses. And I can assure you that the order pipeline and the discussions that are currently underway, I think we should not have an issue. Our opening book was 5, and we are closing at 5.9. I think that is not a concern. I think it should be fine.

**J.P. Chalasani:** Mohit, just to add to what Ajay said, as we're moving now from equipment SAA to most of the EPC contracts, EPC contracts take a little longer time to close in terms of contracting, because multiple contracts. We are offering the sites to them, they will do their own wind assessment and then start discussing the land agreements separate, all the agreements separate.

Right now, we are in advanced stage, and I think you will significantly start hearing from June itself this quarter, the EPC orders getting closed. So therefore, I don't think there will be any downward trend in the couple of quarters, as you mentioned, it will continue to be there. It's truly because changing over to EPC, it's taking a little longer time to close these deals. You will start hearing from June.

**Mohit Kumar:** I understood. My question on the PSU opportunity. We were going through the NTPC green slide deck, which is available in the public domain and they were talking about adding 6.6 gigawatts, which is part of their contracted plus awarded pipeline, right, out of which I think barely have tied up maybe 1 gigawatt or 2 gigawatt. So a lot of capacity is still pending, but we haven't seen any closure in last maybe 8 to 9 months. How do you think about the pipeline? I'm talking particularly about NTPC?

**J.P. Chalasani:** So NTPC, Mohit, till now experimented with having separate contracts for redevelopment in BOP and then 3 WTG is turbine supplies. So that's what our contracts have been till now. That's not yielding good results in terms of project execution. So they are now moving -- we understand they're now moving towards a turnkey EPC contracts. To start with, they already come up with some 215-megawatt contract in AP.

We also understand they are going to come up with another 540 megawatts in AP plus another 2,000 megawatts in AP. We have a significant pipeline now moving away from split contracts to EPC contracts. Therefore, obviously, we are strong in PSU, especially if you take the EPC contracts, you would know that we would be much better off. So I think the split contracts was making the capacity addition delay.

**Mohit Kumar:** Understood. So you expect that to pick up as you go along the fiscal, right?

- J.P. Chalasani:** Absolutely.
- Mohit Kumar:** Massively, given that I think it is a large pipeline. My second -- my last question, sorry, if I may squeeze in, of course there has been some talk about the DSM. And of course, it's not finalized as of now. But in case the DSM, Deviation Settlement Mechanism for the wind gets tightened, how can a manufacturer like us can help mitigate the risk from the client perspective?
- J.P. Chalasani:** Mohit, we have been talking about this for the last two quarters, if you remember, okay? Yes, the CERC has come now for wind changing it from plus minus 15 to plus minus 10. And for the existing projects as well as they said that the path is set by 2031, we will reach the fossil fuel level. And in fact, new projects are going to bid it out from 1st of April 2026. So right from the day 1 they get commissioned, they'll get on with fossil fuel.
- While there is a stay currently. But I think this is one which is in our opinion, would happen for simple reason because even today at the number of days, the energy meeting the demand of energy. I'm not talking about the megawatts is renewable energy is crossing 50%. So this metering becomes important, this will move.
- And as far as we are concerned, we said earlier that we developed a strong scheduling and forecasting model, which we're testing till now at plus minus 15%. We are now quickly moved into making it plus minus 10% and moving ahead. And we would use this as an opportunity for us as an additional service to provide scheduling and forecasting so that the accuracy level significantly go up.
- Mohit Kumar:** Is it possible to use this model to -- use this model to help the existing client set that they -- already installed?
- J.P. Chalasani:** Absolutely. We can start doing that. In fact, we had done for a number of our projects, what will be the impact of this plus minus 10% -- 15% plus minus 10%. And elsewhere in the world, Mohit, the significant improvements happen in the predictability of the wind. So there will be some other and we're going to collaborate with few international people. This is important for the sectors to grow. So we will play a key role in scheduling and forecasting.
- Moderator:** The next question comes from the line of Nikhil from Kizuna Wealth.
- Nikhil:** Congratulations Ajay sir for terrific results. Sir, my first question is on the lines of -- last two quarters, you used to provide the execution progress. This quarter, we haven't provided that. So can you update us on what is the execution progress this quarter?
- Ajay Kapur:** Okay. Thanks, Nikhil. I think if it's not there, we will have it provided. But the good news is, as you have seen from my opening comments, we have delivered a record commissioning. I also mentioned there are almost 975 megawatts of turbines erected and not yet commissioned.
- Of those, almost 350 are just ready for commissioning. They are just waiting for the last mile because this is on the customer scope. So I'm actually very happy with the progress we have

made. I'm very positive that going forward, this pace will only improve at a much, much faster pace.

**Nikhil:** Sir my next question is, can you provide the guidance for the next year, like for the FY '27, for the FY '28? How do you perceive the order flow will happen in the industry? And how will Suzlon benefit and more on European venture like why start that European thing right now? Not prior to that, if you can provide the vision for the European venture too, sir.

**Ajay Kapur:** Okay. So you're asking 3 questions. So let me start first addressing the fundamental one. On the demand side, if you see, over the years, in FY '23, the industry did 2.3 gigawatt of installations, which went up to 3.3 in FY '24 further went up to 4.1 in '25. And as I mentioned, 6 gigawatts in FY '26 is the record year.

Our numbers would be more or less plus/minus you can give some leeway, 8 gigawatt in '27 and maybe 10 gigawatt in '28. I also mentioned that FY '30 or '31, we should be looking at around 15 gigawatts. There is a very strong demand coming from wind as the industry moves towards FDRE. With the solar peaking out in the morning, the evening is when wind really works. Battery in any case is there, but battery is not generating.

So to that extent, I think the demand is very good. I was there along with my colleagues in the Madrid Wind Europe conference, where we had opportunity to launch our new Blue Sky product range, which I mentioned. Of course, it will take some time for that to fructify. But around the sidelines of the conference, we met lots of developers, IPPs and utilities. Most of them are very excited to work with us, surprisingly on our 2-megawatt and 3-megawatt series and also the newer ones.

Suzlon is very well known globally, as you know, over the years. We have a legacy there. We still have our fleet there, and we still have offices across the world. So we want to scale it up. It's a great market opportunity.

We feel in the next couple of years, this will become one of the big revenue driver and a bottom line driver. We'll talk about it more at some other opportune moment. I think on the order book, Mohit had already asked and I think between me and J.P.C, we had tried to give you some guidance. Other than that, if you want some more specific ones, we can separately connect with you.

**Moderator:** The next question comes from the line of Sumit Kishore with Axis Capital.

**Sumit Kishore:** My first question is on your cash flows. So basically, if you look at your operating cash flow, it's about INR12 billion for FY '26 versus your EBITDA of INR30 billion. So could you please speak about the increase in working capital and receivables and whether there are any provisions for doubtful debtors?

**Rahul Jain:** Okay. Thank you, Sumit. I think there is -- the way I would look at it, our cash flow from operations has improved significantly when you look at it from an overall basis. Working capital

is predominantly a receivables buildup as primarily due to the PSU contracts. However, this was anticipated and factored into the tender pricing as well.

The silver lining really is that most of this is serviced through non-fund based limits and in a secular growth scenario, working capital days could improve substantially going forward as well. So yes, there is something, but overall also when I look at it, our overall cash position has improved only. So delta around that is INR400 crores plus. So I'm actually pretty happy to see some positive momentum on that side as well. So that's how I would really look at it, Sumit?

**Sumit Kishore:** Sure. My second question is after posting almost 60% plus growth at the EBITDA level in FY '26, how are you looking at the WTG deliveries, contribution margin and basically your growth outlook for FY '27.

**Ajay Kapur:** Sumit, I'll comment here. Just as I was telling Nikhil, I already gave you our idea that next year market can be anywhere between 8 to 9 gigawatt. Suzlon has also mentioned that a very high amount of turbines erected, not commissioned so that should help us. I also said that our closing or opening order book and also recently, we got a Sunsure order. We have already seen about it.

We are already sitting at almost 6 gigawatt. Mr. J.P.C highlighted right in the beginning, a great opportunity emerging from our forward-looking strategy. We'll also talk about it more in the coming days on development pipeline. At any given point of time, we are sitting on about 25 gigawatt of assets across the nation of which 8 to 10 are very much better baked.

And of those, some of them J.P.C mentioned to you. So I think our teams are engaging with the customers. I'm very positive on the future. But I think beyond that at this moment, I would not like to venture into giving absolute numbers other than saying that the trend is already very positive and strong.

**Sumit Kishore:** Thanks for the clarification. Just one small point. Last year, at the end of the financial year, you had done a small cleanup exercise on the order book in terms of the nonmoving orders. So there hasn't been any such clarification this time. So is there any nonmoving or slow-moving order in your 5,892-megawatt order backlog?

**Ajay Kapur:** Sumit, as of now, there is nothing of that sort. And as management from time to time, we will undertake such actions, which are, I think, very mature and our order book is very healthy. In fact, I would stop at that. I mentioned our S144 platform, the 3.X series, I'm really excited, 9 gigawatt of orders, I think it's one of its kind, and still receiving fantastic response, I was quite thrilled when I went to Madrid when I met people across those 2, 3 days. Very, very active pipeline of some of the leading developers, top companies, and they want to also shake hands with us. So I think in time to come, that will also help us.

**Moderator:** Your next question comes from the line of Abhishek Nigam with Motilal Oswal.

**Abhishek Nigam:** So first question is on the FDRE, which J.P.C. sir mentioned in the opening remarks so are you seeing more such conversions of projects into FDRE. If you can speak about that? So that will be my first question.

**Ajay Kapur:** Okay. I request to J.P.C, with his wisdom and deep knowledge of the industry to guide us on this.

**J.P. Chalasani:** See, the bids, whether FDRE or RTC or the pure wind, these bids would keep coming out depending upon which state has what sort of a current generation profile and that load profile. While FDRE will continue to be there, I mentioned FDRE with respect to the AP PPA what we signed for 775 megawatt way back and which came for hearing in regulatory, and they asked us whether we would be willing to convert into FDRE, which we said yes.

In fact, and some of you may know that in last financial year, APRC has approved one of the FDRE bids of 400 megawatts with 2 hours peak, 90%, 90% 2 hours morning, 2 hours evening plus 60% CUF. They're looking at something of this nature. But however sector-wise, if you're looking at it, we are also seeing uptick in pure Wind bids coming in, both at center as well as state level because there was some gap because solar went up and then they now realized bid.

Also, if you look at in the recent past, the peak, which Ajay mentioned, 270 gigawatts, which was in the daytime and -- but evening peak is continued to be at 250 to 260 gigawatts, and it's continued till about midnight. And if you see contribution from the point of it at 270-gigawatts peak was there. In that, the solar contributed 22% and 5% with wind during the daytime. In the evening peak when it was 250 gigawatts, solar was 0 and wind was 21%. So therefore, now we can clearly see that the wind contribution is increasing.

So therefore, that's the reason we're also seeing increasing in wind bids. But I think it's clearly whether FDRE comes or the RTC comes or hybrid comes or the 2 existing comes, it all would depend upon state to state load profile and current generation mix.

**Abhishek Nigam:** And second question is there has been a lot of depreciation of the Indian currency, the Indian rupee of late. Is there a need to take price hikes to maintain margins consistent with FY '26?

**Rahul Jain:** Abhishek, I will come in here. Some of our contracts have a pass-through with respect to the foreign currency impact that comes through. Again, while there is a geopolitical situation that is prevailing as of now, we are always on a cost management drive to be able to reduce our cost to deliver better value to our customers.

Yes, there is an impact but again, with our cost management drives, we've been able to mitigate that impact to a very large extent is what I would say. For the future, obviously, when we think about newer contracts, it will get priced in based on the newer, let's say, exchange rates that are prevailing. I hope that answers it.

**Abhishek Nigam:** Okay. So for now, I mean margin-wise, broadly, you would think margin should remain stable, not really go down in FY '27? No real pressure on that?

**Rahul Jain:** WTG margins, I don't think materially can go down.

**Ajay Kapur:** Also just to add what Rahul is saying, Abhishek, we are constantly also working on our R&D and cost optimization, supply diversification and also make in India. So all the 3 things are

working. And every year, we have a target of constantly cutting on cost because that's the only way you can remain resilient and our resident supply chain has helped us over the last 3 years to keep cutting costs. I'm not too sure how much of pricing we can increase, but certainly business model reorientation is what we are currently working on.

And I believe with a more EPC, with the development company strategy, with I already mentioned 8 to 10 gigawatt of more fully ready projects. Customers are very excited to work with us because we just don't talk of selling for today, but we are actually talking of helping them build their projects for the year '28, '29, '30. So I think that's where the price is important and which also J.P.C alluded in the beginning when a question was asked that the order book has been -- it takes time when you do these kind of development projects because it entails a series of combinations of contracting.

But I'm very happy that we have a team in place. We have a structure in place and we have a business model. We are now pushing actively this year. That should help us mitigate a lot of our cost at the same time, keep building our pipeline going forward.

**Moderator:** Your next question comes from the line of Prakhar Porwal with AMBIT.

**Prakhar Porwal:** My first question is on the exceptional items that we see. One is in the consol statements of INR70 crores. You've mentioned that it is given settlement of contractual matters. So is that in the OMS business, that is that?

**Rahul Jain:** Prakhar, to answer it simply, no, it is not in the OMS business, it is largely SE Forge. Actually, it is fully SE Forge, it was an old arbitration matter that got settled in our Favor.

**Prakhar Porwal:** Okay. So also, second question is on the Andhra Pradesh order. Given you mentioned DevCo, you have already done around 775 megawatts back in 2016, '17. So wanted to just understand how -- I mean, I know the DevCo model, but -- so given you mentioned it is now getting converted to FDRE, what will be the scope that Suzlon will do, will it be entire FDRE solar, wind, etcetera, development?

Or you will do the wind part, which will be a similar EPC plus WTG model that is second question? Just wanted some details on the Andhra Pradesh given this will be actually our first DevCo model after our -- I mean transition to the new business model, right?

**J.P. Chalasani:** Yes. Let me just clarify that the -- as far as Andhra Pradesh is concerned, way back in 2015, we signed what is called a project implementation agreement where Government of AP has given us rights to develop x megawatts of projects. We've done some capacity of it in FY '17 and FY '18. And at that point of time in FY '18, they also signed a PPA for 775 megawatts saying the tariff for this project will be fixed by the regulatory commission. But nothing much happened when -- in between the transition government came in.

It stalled and then came back here. Now what we are talking about is not just the 775 megawatts, we're talking about totally 2.1 gigawatts of development rights, the government recently approved extension of the PIA by another 24 months. So we are right to develop 2.1 gigawatts

where the planned boundaries and everything are fixed and then the agreements are signed with NREDCAP. Out of the 775 megawatts, they are willing to get PPA. That's the only difference.

Balance is we can -- we are not responsible for taking the power offtake and which -- so therefore, they will get converted into then our normal way of EPC contracts. The 775-megawatt FDRE once the PPA gets finalized, there are a couple of clients who are willing to take over that as a PPA, along with the SPV, which is signed the PPA and we have an option to -- not we have option, we have intention to supply the entire FDRE rather than just the wind portion of it.

So because now we are really getting into full RE stack so that is what is the arrangement as and when the tariff gets finalized for this project by APERC, and one of those clients will finalize where they will own the project, and we will do complete FDRE supply and as well as services thereafter.

**Prakhar Porwal:** So maximum 775 and the balance -- on the remaining part...

**J.P. Chalasani:** Yes. Balance we're already converting into EPC contracts. We have given offers various clients. And as I said that at the beginning, we would see this from June onwards next 6 months, the entire 1,325 megawatts getting converted into firm EPC contracts.

**Prakhar Porwal:** That will be on a DevCo model where you do the entire part and you -- I mean, sell it on a turnkey basis?

**J.P. Chalasani:** I don't know what you mean by turnkey. We will provide the right from land to the entire project commissioning on EPC on a turnkey basis.

**Prakhar Porwal:** Sure. And just lastly, on margins and commodity inflation. I know Rahul mentioned you'll be able to maintain margins. But given steel is a big component, if you can maybe qualitatively tell what type of measures would help -- I know there are pass-through clauses, but not all contracts have those so what all levers do we have to maintain margin going forward on the WTG business. That is the last question?

**Rahul Jain:** Prakhar, steel is largely a pass-through other than maybe some PSU contracts. So I'm not really very worried about steel. I mean, like I said, we should have a fair capability of maintaining margins where we were exiting. But obviously, there is -- this is an environment that is also volatile. So let's say, there or thereabouts, we should be in good shape.

**Ajay Kapur:** Just to add to what Rahul mentioned. Also, as we sell more of our turbines, we are able to renegotiate better rates on our diversified supply chain. I mentioned that 9 gigawatt of S144 order book as it gets into COD. So that gives our procurement and manufacturing teams also to renegotiate with the suppliers on the back end because there's a constant battle. And also then we'll have a leverage effect as we grow.

So those are some of the other things we are working. We are also constantly doing value creation besides just negotiation.

**Moderator:** The next question comes from the line of Satpal Singh Khanuja from Ishaan Ventures.

**Satpal Singh Khanuja:** For the installation numbers, this year, we did, I think if you leave the 971 MW, which are erected but not installed, we did a number of 744 megawatts this year. Sir, when do you see this momentum changing like installations being more than the activities so that the pending installations will start coming down?

**Ajay Kapur:** So basically, if you see the growth is substantial. If you just see last year same quarter and also, as you know, last quarter is always a bigger one. In RR, we did 573 versus that, this quarter was 830, which was 45% improvement. Last year, at the same time, I think it was also an industry-specific issue. We did 95 and this year, same quarter we did 332, that is 250% improvement.

On top of it, there are 350 megawatt, I mentioned, is already ready just to plug in for want of the customers readiness. I think the momentum is good. Over the last couple of quarters, we have also rejuvenated our entire line organization. There are some decisions we have taken in terms of reorganization there, which are already yielding very positive results. We are also running drives to improve the fundamental blocks right from land to erection and before erection, foundation.

So I'm seeing a very good traction. I believe this trend will continue. And Rahul is also driving at his level, along with his teams drive on how we optimize our working capital. And for that, we need to pull the commissioning and also close accounts. So that's the way you can recycle your money, which is in the working capital. So we are very, very focused on this. I'm sure in coming quarters, you'll only hear a very good positive traction by us on this.

**Satpal Singh Khanuja:** Sir, just a suggestion, if the management finds it alright, you could think about announcing the monthly installation number. The market finds it very -- the entire stock price is very jittery based on the installation progress. Maybe we cannot like maybe waiting for a quarter, the installation numbers can be given if the management finds it like it's okay and to do

**Ajay Kapur:** Satpal, I hear you, but I think, as you know, some things you can do it, some things you don't want to do it, but there is something. That's what I hear you. I can only say that. Rahul has something to say?

**Rahul Jain:** Yes. Actually, I just wanted to add to what Ajay is saying. We've heard you. I think there is some merit in it, but we will have to evaluate the positions internally and then think about how do we manage it. So -- but thank you for the suggestion.

**Satpal Singh Khanuja:** Right. Like for my second question is are there any development on the solar and BESS side, we wanted to move to those levels. Any acquisition nearing finalization or anything going on at level?

**Ajay Kapur:** So as of now, answer to your second question is no, there's nothing round on the corner. Answer to your question number one on solar BESS. J.P.C already mentioned that we are getting into FDRE. As we get into it, start signing contracts with our customers, we'll start announcing these. But yes, that's very much in our agenda. But what strategy, asset-light versus investing, that's something we'll talk to you in time to come, but not today.

- Satpal Singh Khanuja:** Okay. If I can squeeze just one more question. Okay. So like is it best to say that it is the most probable scenario is that Suzlon will do 2,500 megawatts next year also?
- Ajay Kapur:** Now you're putting words in my mouth.
- Satpal Singh Khanuja:** Is that the most probable scenario, sir?
- Ajay Kapur:** You're talking of installation or you're talking of RR?
- Satpal Singh Khanuja:** No, delivery, sir.
- Ajay Kapur:** We cannot give you that number, as I mentioned. But certainly, we can have a discussion whenever you want to. I can only tell you what we are doing on the leading indicators, which are going to help, the lagging indicator, which is delivery.
- Rahul Jain:** And again, J.P.C sir, can you just want to quickly answer that as well?
- J.P. Chalasani:** No, I would only say please look at the past trend, 700 to 1,550. 1,550 to 2,456. So therefore, I just want you to consider the trend, and we expect the positive trend to continue.
- Moderator:** The next question comes from the line of Shweta Jain with Anand Rathi.
- Shweta Jain:** Most of the questions have been answered. Just one on the co-development model again to get the EPC visibility. Where are we -- like last time, I think we had interacted, we were talking about 22 to 23 gigawatts kind of a development pipeline, of which I think 7 gigawatts were at advanced -- different stages of advancement. Could you throw some light on where those projects are? And has this pipeline moved anywhere?
- J.P. Chalasani:** Yes. I think you're spot on, Shweta, we've talked about 22 to 23 gigawatts of identified sites and about 8 gigawatts development that work is progressing. And some of them are now getting converted into contracts. Some places, the land acquisition is under progress. Some places, we signed the land agreements, but we are also now converting them into EPC contracts.
- There is a progress happening, and then we would keep increasing this 8 gigawatt further. As soon as some contracts get signed, then obviously, we'll keep adding more to it into the active development phase. But this is what clearly is going to be our engine for growth in the coming years. And not just for us, I think this is going to be engine for growth of the sector because the execution is becoming a major challenge. And this will actually unlock that execution challenges. So you're already seeing that some of the EPC orders getting announced through this...
- Shweta Jain:** So by when do we see this announcement happening?
- J.P. Chalasani:** No. See, we don't announce the land contracts. We will only announce when we do the EPC contracts. So there are some land contracts signed where acquiring -- the model I clearly explained earlier that we will start acquiring the land wherever we see a high possibility of sale of the site. And we have put some working capital into that and before we reached 25% of the

land acquisition, we try to do a land contract. And now with some of them we signed and which we don't announce as I said, we only announce EPC contracts.

We are getting converted into EPC contracts and which we will start seeing as early as -- in fact, we announced some of them like the one which we announced with ArcelorMittal was coming out of the development pipeline only, and EPC contract what we announced sometime back and you will also see some contracts getting announced from June onwards. And then when we announce the EPC contract, we don't announce it has come from the development pipeline. That's why you may not be hearing it separately but it's coming. That contract itself is somewhat a development contract.

**Rahul Jain:** And just to add to J.P.C, Shweta. I think as we go out in time, you will see more announcements around it as well.

**Shweta Jain:** Got it. But this 22, 23 gigawatts remain as is for now?

**Ajay Kapur:** Probably slightly higher.

**J.P. Chalasani:** No, no. Shweta, it will never remain that way. What is the number, that number will have x amount of sites. Some sites get signed, some sites get added. As you know that every year, we keep adding new wind masts and we keep collecting new data. And we also map the likely substations coming up in the future, okay? And we also map, which are the sites which can easily get converted into co-located hybrid projects. So on that basis, we'll keep adding to this. It is a dynamic situation. So it will never remain static.

**Moderator:** Ladies and gentlemen, we will be taking the last 2 questions for the day. Our next question comes from the line of Mahesh Patil with ICICI Securities.

**Mahesh Patil:** Most of the questions answered, just one question on the Q4 PAT so we have recognized deferred tax assets. So how much exactly we should adjust in the reported PAT for this...

**Rahul Jain:** So the number on the reported PAT that I have for the quarter is about INR281 crores. That's the number to be adjusted?

**Mahesh Patil:** I'm saying in the EPC contract that we are doing, the transmission part will also be handed by us. Is that correct?

**J.P. Chalasani:** Yes. EPC contracts normally we do the land supply, erection and the BOP. And in some cases, we also do the pooling substations. In very extremely rare cases, but very, very rare, we take up the transmission and from there to this thing, but that's extremely rare. So most of the contracts will have between the plant boundary and some will have plus the pooling substation. Extreme rare cases, the transmission.

**Moderator:** The next question comes from the line of Nikhil Abhyankar with UTI Mutual Funds.

- Nikhil Abhyankar:** Sir, just a couple of quick questions. I just want to understand about the capex guidance you spent almost INR550-odd crores last year. So any run rate capex that you can assume over the next 3, 4 years?
- Ajay Kapur:** Yes. So Nikhil, as we expand our capacity to participate in the demand, which I mentioned already to you all. We would have a run rate of about INR600-odd plus minus 50 going forward.
- Nikhil Abhyankar:** And sir, what is the current capital deployed for the DevCo? I mean you had a certain threshold beyond which you wouldn't grow. So what is that threshold and how much have we deployed right now, if you can?
- J.P. Chalasani:** Yes. I think as all of you know, we said -- we talked about earlier about INR300 crores of the cash we keep it for this and then as we move ahead, depending upon how the model develops and in case we also want to get into connectivity, then we will be needing some non-fund-based facility.
- Rahul Jain:** As of now, the number is in the range of about 300, 350. But yes, what you are saying is absolutely right, J.P.C. So as we go on, we will see some more working capital needs on that side.
- J.P. Chalasani:** Yes. So there are RE parks coming up -- some states are coming up with RE parks. And we are also working with the Government of India for a possibility of changing GNA regulations so that we can develop RE parks with connectivity, which is transferable. So as and when those things happen, obviously, that there will be more required, but those will all -- would help us to grow the business.
- Nikhil Abhyankar:** Sir. And just a final one, how much tax assets are still remaining? And what should be the expected tax rate, say, in the next couple of years?
- Rahul Jain:** Okay. So again, the deferred tax adjustment that you've seen until now are largely related to recognizing certain deferred tax assets. Given our current run rate, we believe that there is -- for the next two years, only the deferred tax charge will come into the profit and loss account, which is also a noncash charge. Rough estimates on this are in the range of about INR3,000 crores to INR3,500 crores in terms of unrecognized deferred tax assets.
- Moderator:** Ladies and gentlemen, we take that as the last question for today. I now hand the conference over to the management for closing comments.
- J.P. Chalasani:** Thank you, everyone. We look forward to remaining in touch in the coming days and sharing with you the progress of the company. Have a good evening. Thank you.
- Rahul Jain:** Thank you, and bye-bye.
- Moderator:** Thank you. On behalf of Suzlon Energy Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines