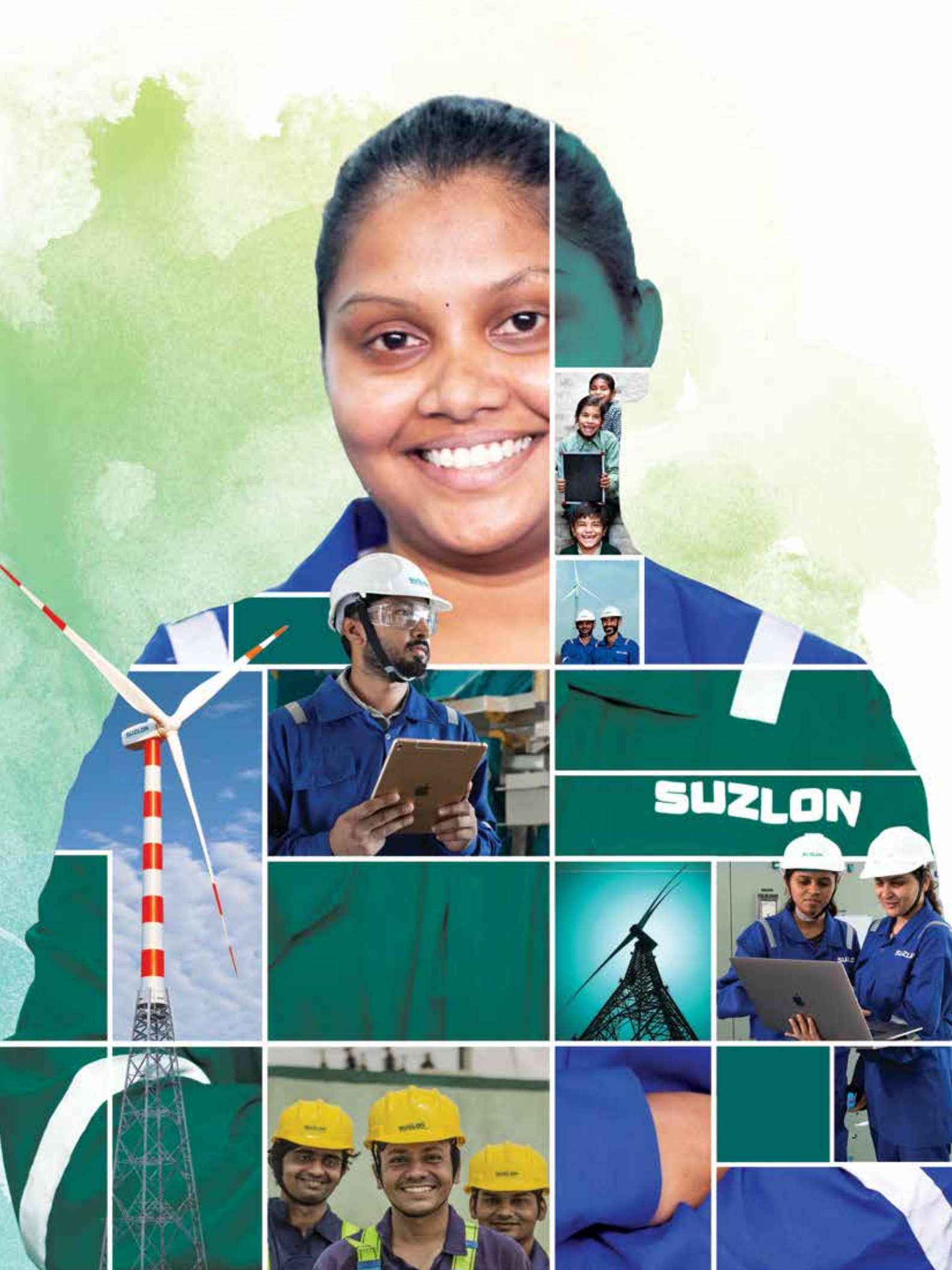


Statutory Reports





SUZLON



Management Discussion and Analysis

Global Renewable Energy Market and Outlook

Global Economy & Market Outlook

The global economy has been surprisingly resilient, despite several headwinds. Factors such as geopolitical tensions, fluctuating commodity prices, and trade disruptions posed major threats to the world economy including supply chain concerns and recessionary pressures. Persistent inflation and climate-related disasters add to the challenges. However, 2023 was a record year for the global renewable energy sector as it marked new installations of 510 GW with an increase of around 50% compared to the previous year. This brought the industry to a record-high growth even when the industry continues to face notable challenges and headwinds around permitting timelines and a volatile macroeconomic environment. It was a historic year for wind installations, where the world added 105.8 GW of onshore wind and 10.8 GW of offshore wind.¹

The global economy is finding its footing after several challenging years. Growth is expected to stabilise at 2.6% in 2024 and edge up to 2.7% by 2026. Inflation will likely moderate, averaging 3.5% in 2024, and decreasing to 2.8% by 2026. The central banks are expected to keep the interest rates higher for longer to combat persistent inflation.²

Policymakers face the tough task of balancing fiscal sustainability with the need for substantial investments. Global efforts are crucial to support green and digital transitions, ensure food security, and deliver debt relief. The oil prices are expected to be slightly higher in 2024 due to geopolitical tensions, while natural gas prices have been volatile. Core inflation remains high, driven by services, but global trade is showing signs of recovery. Despite the challenges, cautious optimism prevails as policymakers strive to maintain economic stability and growth.²

The trade outlook is subject to various risks, including weaker-than-anticipated global demand, escalating geopolitical tensions, and further disruptions in the maritime transport. Moreover, with elections taking place in many countries this year, heightened trade policy-related uncertainty and the potential for more inward-looking policies could weigh on trade prospects and economic activity.²

The coming decades will present a challenge for the economy and energy system to transition to renewable energy generation. Therefore, among policymakers and international institutions, there is a strong understanding that the world must accelerate installations. It is expected that the global wind installations will reach to around 3 TW of cumulative wind capacity by end of 2030. However, this will require annual wind installations to grow more than triple from the current levels of ~117 GW to at least 320 GW over the course of the decade.¹



Global Wind Energy Outlook

Now is the most fascinating period in the wind industry. Never have we seen such a global resolve in combatting and achieving carbon neutrality. At COP28 in Dubai, nearly 200 governments agreed to 'the historic goal of tripling renewable energy capacity'. Leaders across the globe demonstrated the ambition, an urge to transition away from fossil fuels, limit the global temperature rise and avert the worst impacts of climate change. 2023 witnessed exponential growth in new wind installation across the world. It marked the highest wind capacity installation in a year, ever in the history of wind power. In 2023, 116.6 GW of new wind capacity was added worldwide, bringing the total global wind capacity to 1 TW. New wind installations were 39 GW higher in 2023 as compared to 2022.¹

¹ https://gwec.net/wp-content/uploads/2024/04/GWR-2024_digital-version_final.pdf

² <https://www.worldbank.org/en/publication/global-economic-prospects>

Global Wind Installation (GW)

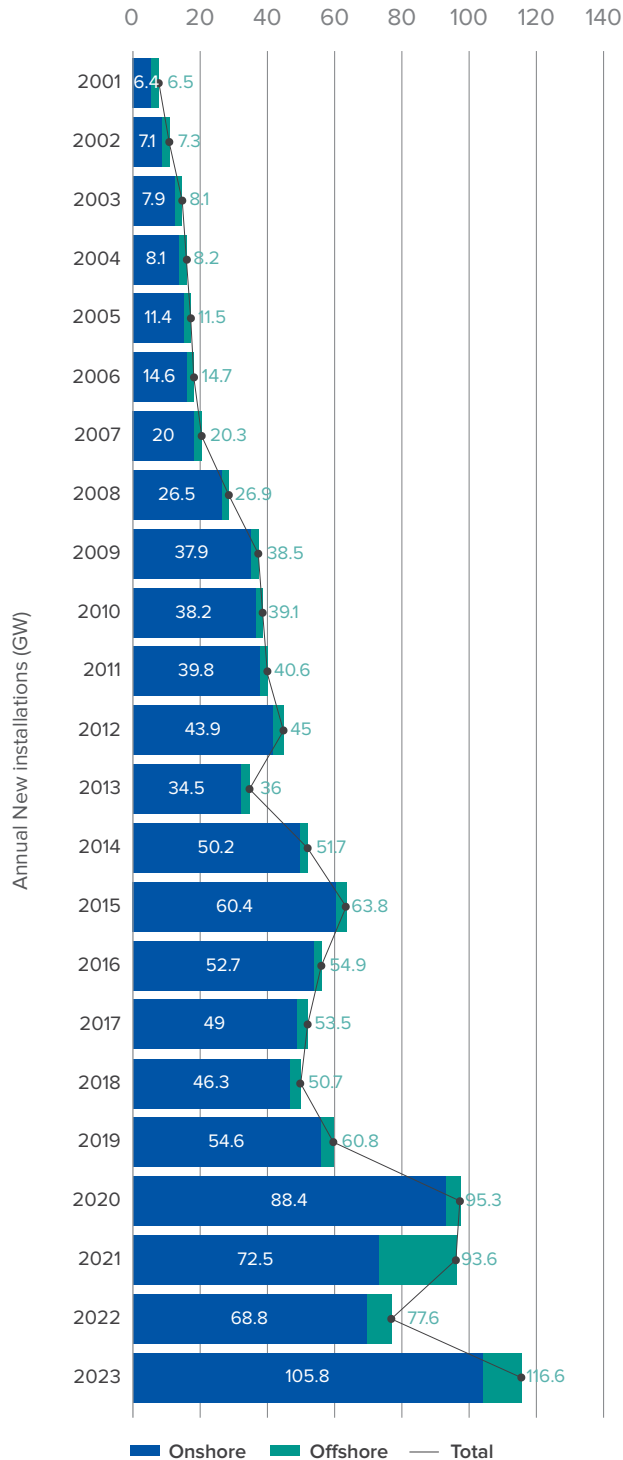


Figure 1 – Historic Development of Global New Installations (Onshore and Offshore) - Calendar Year

Source – GWEC: Global Wind Report 2024

Global Market Status

In 2023, out of the total new wind installation of 116.6 GW, onshore capacity stood at 105.8 GW which brings the cumulative global onshore capacity to 946 GW. The onshore wind installations witnessed a rise of 12.35% YoY in 2023, marking the highest capacity addition so far. On the offshore front, the total installed offshore wind capacity reached to 75 GW in 2023 as compared to 64 GW in 2022.³

The top five markets in terms of new wind installations in 2023 were China, the USA, Brazil, Germany, and India. Combined together, they accounted for 79% of new wind capacity. Region wise, APAC & Europe were the highest contributors to new wind installations in 2023.³

In 2023, the top five markets by cumulative installed wind capacity in the world remain the same as the previous year, which includes China, the USA, Germany, India, and Spain. These countries together account for 72% of the world’s total installed wind power.³



³ https://gwec.net/wp-content/uploads/2024/04/GWR-2024_digital-version_final.pdf

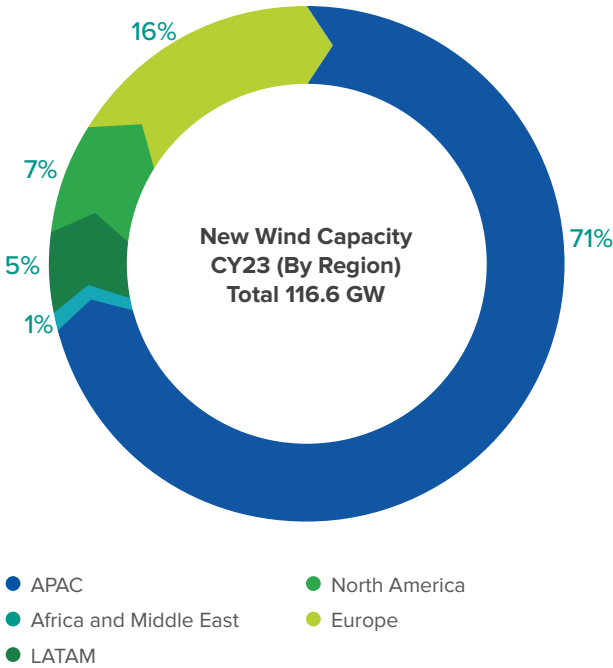


Figure 2A – New Wind Power Capacity (By Region)
Source – GWEC: Global Wind Report 2024

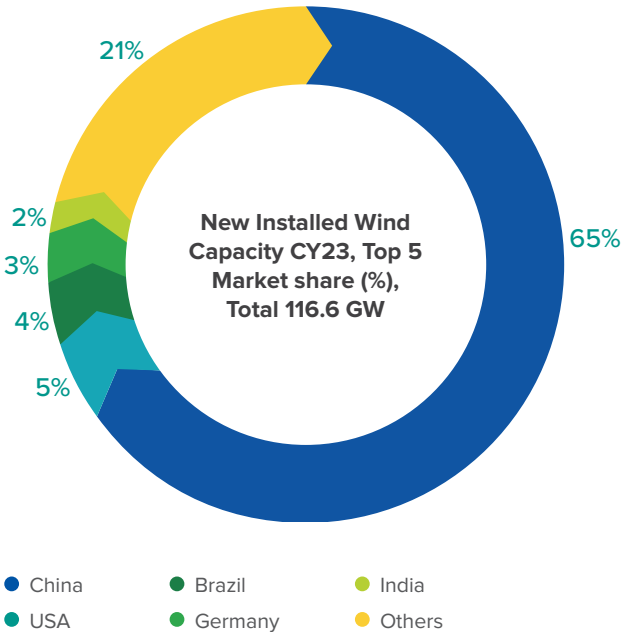


Figure 2B – New Wind Power Capacity (By Market Share)
Source – GWEC: Global Wind Report 2024

Global Wind Outlook for the Next 5 Years

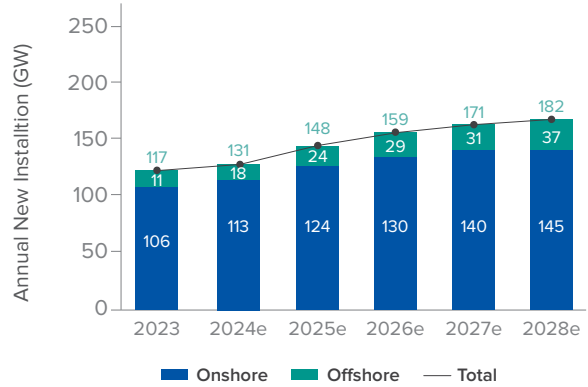


Figure 3 – Global Wind Installations Outlook (Forecast): CY23-28e
Source – GWEC: Global Wind Report 2024

Under the current global policy scenario, new wind capacity across the world is expected to touch 130 GW in 2024. Further, 791 GW of new wind capacity is expected to be added in the next five years with a CAGR of 10% and an average new capacity addition of 158 GW per year until 2028.³

India’s Performance

India played a key role in propelling the propelling Wind Energy’s growth rate of 6.6% in the South Asian Region in 2023. The growth for FY24 in India was driven by a combination of factors. Growth in industrial activity, including manufacturing and construction exceeded the industry’s expectations. The services industry also remained resilient, mitigating the impact of a slowdown in agricultural production partly attributed to the variations in monsoon. Domestic demand continued to be a significant driver, fuelled by a surge in investments, particularly in infrastructure, offsetting a moderation of consumption growth as the post-pandemic pent-up demand eased. The inflation rates in India also remained within the Reserve Bank of India’s target range of 2% to 6% since September 2023, which has helped in creating a stable growth environment.⁴

India ranks fourth in global wind installations, with 45 GW of installed onshore wind as of January 2024. It is the second largest wind market in the Asia Pacific region after China. Driven by the strong vision of the Government of India to make the country a developed nation by 2047 and several strategic economic growth initiatives, India’s commitment towards renewable energy remains a priority.

³ https://gwec.net/wp-content/uploads/2024/04/GWR-2024_digital-version_final.pdf

⁴ <https://www.worldbank.org/en/publication/global-economic-prospects>

In 2023, India commissioned 2.8 GW of onshore wind capacity as compared to 1.8 GW in 2022 with an increase of 56% as compared to the previous year. Year 2023, marked the highest annual installation in India since 2017.⁵

Various strategic initiatives introduced by the Government of India are expected to boost renewable energy in India. Initiatives like "Aatmanirbhar Bharat" (Self-Reliant India) through "Make in India", net zero target by 2070, target of 500 GW non-fossil fuel capacity by 2030, including 140 GW of wind, and the National Green Hydrogen Mission may prove to be a milestone in India's energy transition journey

All wind and hybrid tenders concluded as of September 2023 reflect a cumulative pipeline of 13 GW of wind projects in India. In order to accelerate achieving the annual wind targets and renewables auctions, the central government, has provisioned PSUs to administer the auctions. On the regulatory and policy fronts, various steps have been taken to promote the renewables and wind sector in India, which includes, but is not limited to, like 10 GW of annual onshore wind bids targeted from 2023-27, inter-state transmission system charges waiver extended till June 2025 and wind specific RPO from 2023 to 2030.⁵

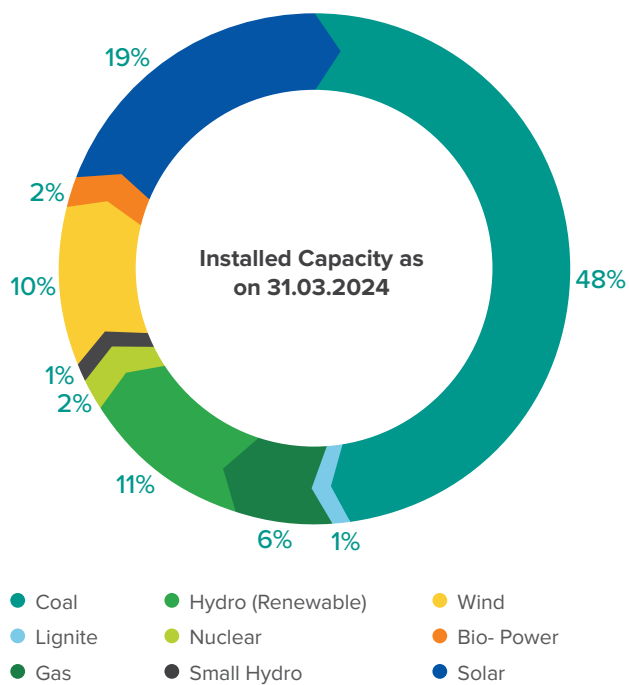


Figure 4 – Installed capacity in India
Source – CEA: All India Installed Capacity, March 31, 2024

Coal is a major source of energy in the country. However, coal's contribution to the total installed energy capacity mix reduced from 49% in FY23 to 48% by the end of FY24. Solar is the second major contributor with 19% of the total capacity, followed by Hydropower at 11% and Wind power at 10%. The Renewable Energy Sources (RES), which includes Small Hydro Projects, Biomass Power, Urban & Industrial waste power, Solar and Wind Energy, accounts for 32% of total installed capacity, up from 30% in the previous year.⁶



⁵ https://gwec.net/wp-content/uploads/2024/04/GWR-2024_digital-version_final.pdf

⁶ <https://cea.nic.in/installed-capacity-report/?lang=en>

India's Wind Energy Outlook

India's onshore wind market is poised to grow after a long hiatus. Hybrid RE projects of Wind and Solar instead of either Wind or Solar are a reality. The industry has seen the transition from Hybrid to Round-the-Clock (RTC) and has moved to Fixed and Dispatchable Renewable Energy (FDRE) tenders solidifying wind's position in India's energy transition. It is expected to reach 4.8 GW in 2025 driven by the expiry of inter-state transmission system (ISTS) in June 2025. As of March 31, 2024 India's total installed wind capacity stands at 45,866 MW, up by 8% from the previous year.

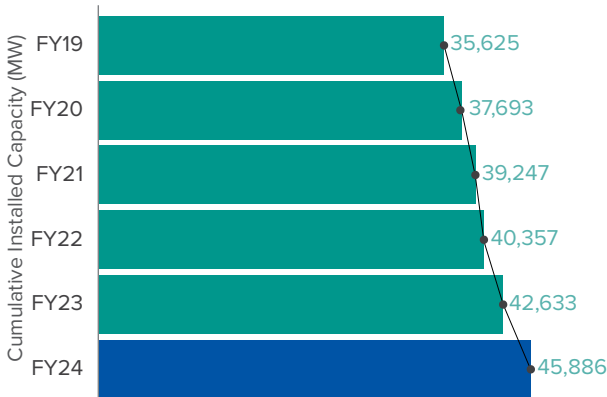
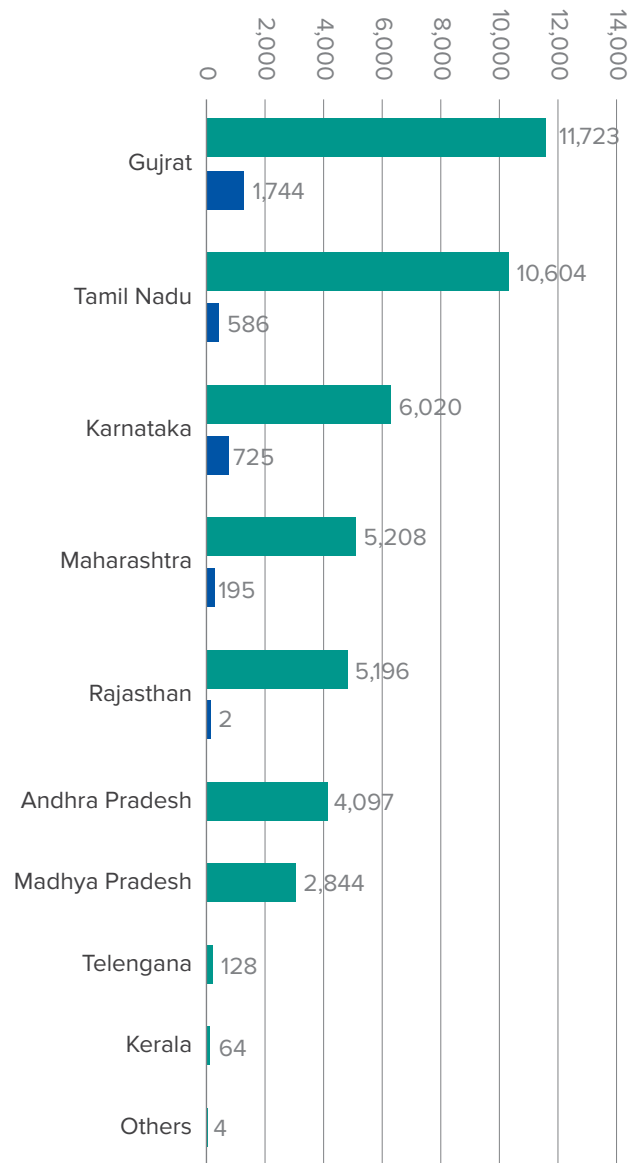


Figure 5 – Total Installed Wind Capacity in India
Source – MNRE: Installed Capacity Report, FY19- FY24



State-wise Operational Wind Capacity (MW)



■ Total Operational Wind Capacity (MW) - March 31, 2024
■ New Installations in FY24 (MW)

Figure 6 – State-Wise Installed Wind Capacity in India
Source – MNRE, March 2024

In FY24, highest new wind capacity was added in Gujarat (1744 MW), followed by Karnataka (725 MW), Tamil Nadu (586 MW), and Maharashtra (195 MW). Currently, Gujarat has the highest total installed wind capacity of 11.72 GW, closely followed by Tamil Nadu (10.60 GW), Karnataka (6.02 GW), Maharashtra (5.20 GW), Rajasthan (5.19 GW) Andhra Pradesh (4.09 GW) and Madhya Pradesh (2.84 GW).

<https://mnre.gov.in/year-wise-achievement/>

Due to business challenges like state-level issue for right of way, delayed payments, PPA sanctity, and land allocation progress, the onshore wind growth has been slow in India. However, there have been areas where progress has been quick, giving positive growth outlook to wind energy sector in India. In the recent developments to finalise the offshore wind seabed tender, approval of viability gap funding for the initial 1 GW of offshore wind capacity was one of the key areas among others.

Products and Technology

Increase in market competition, lower tariffs, and the availability of cheaper sources of power like solar energy has made it necessary for the wind turbine manufacturers to focus and invest more in research and development and product innovation. With a strong knowledge base and track record of 29 years, Suzlon has always prioritised and focussed on improving its product portfolio. Over the years, Suzlon has made consistent efforts to build a strong customer base across the globe and established a great relationship with them.

Suzlon's proven robust technology has enabled the company to increase the turbine's designed life with expert, in-house Operations and Maintenance Services. Suzlon's current product portfolio includes –

S120-140

6-7% higher energy
yield over S111

S133-140

27-33% higher energy
yield over S120

S144-140

11-12% higher energy
yield over S133

These consistent developments are a reflection of the Group's focus towards meeting the market demand through new product innovation, investing in R&D and ensuring world class technology and products for the customers.

Key Initiatives and Priorities

Suzlon's wind installations in FY24 grew more than that in FY23. The key priorities and initiatives that will help Suzlon grow as envisioned are as follows:

- Providing best-in-class service spanning the entire lifecycle of wind energy projects
- Continuing to reduce LCoE through better technology and products more specific to the market conditions
- Optimising cost through value engineering and improving efficiencies across the value chain
- Continuously surpassing the market benchmarks beat the market benchmark and achieving best machine availability
- Helping improve yields for our customers.

Financial Turnaround and growing the order book

Suzlon has been the front-runner for the RE transition in India and has been the market leader with ~32% basis cumulative installations. FY24 has been pivotal for Suzlon with,

Debt-free balance sheet with net cash surplus of

₹ 1,197 Crores

as of June 30, 2024

2,800+ Crores

Adequate working capital lines for gearing up the supply chain

Huge order book of

3.8 GW

as of June 30, 2024 providing revenue visibility

29 years of strong credibility with

96%

of guaranteed machine availability

Business risks and mitigation measures

Suzlon has an active risk-mitigating strategy that allows for a comprehensive review of the internal and external environment, enabling proactive measures to address challenges to the best extent possible. The key elements of the programme are summarised below:

Operational risks

Technology risk: Cost pressure has driven technology innovation, which has paved the way for wind turbine manufacturers to develop innovative and cost-effective solutions. Suzlon has world class technology know-how with Indian- European research & development footprint. With the help of in-house technology and design capabilities, Suzlon has developed a product portfolio specifically for the Indian market with low wind conditions. The Group works consistently towards performance improvement and cost reduction across components and bringing efficiency in the overall project lifecycle.

Supply chain risk: Wind turbine manufacturing requires meticulous and time-bound planning of the supply chain, including resources for procurement. Critical components like gearboxes, bearings, generators, converters, towers and blades have long ramp-up durations, limiting agility. Suzlon's supply chain management ensures that resources are efficiently deployed and optimally utilised. There is a strong focus on the localisation and standardisation of the supply chain to meet the objectives of on-time availability, reduced production costs, and domestic growth. Most of the components' costs are linked to the cost of aligned commodities like steel, copper, crude, etc., and to such extent, the Group carries the risk of fluctuations in commodity rates. Geo-political disturbances continues to add to the logistics and supply chain disruptions that lead to hindrances in the timely component availability, thereby affecting the cost and schedule. Suzlon takes consistent efforts to reduce the existing pressure on the supply chain by developing alternative vendors and securing long term commitments.

Project execution risk: In the recent past, India's wind industry struggled with project execution due to delays in arranging land and statutory approvals, resulting in cost and time overruns. Other associated risks include extreme climatic and environmental conditions, natural disasters no on-time availability of grid capacity for evacuation, unavailability of suitable land resources, no on-time availability of cranes for installations and execution of projects crane for installations and timely execution of project. The Group undertakes regular monitoring of

project progress considering the agreed plan to ensure timely completion of the project.

Business volume risk: The Suzlon Group has been able to achieve a healthy order book of 3.8 GW as of June 30, 2024 and is working on executing a healthy order pipeline across various customer segments, including the Commercial and Industrial sector (C&I Segment). The increase in tariffs around viable levels of ₹ 3 per unit provides confidence on step-up in wind turbine installation & commissioning. However, the company is exposed to changes in government policies.

Financial risks

Availability of adequate working capital: The Wind Turbine Generator (WTG) business is working capital intensive, and thus, a sizeable non-fund based working capital limit is required for executing the WTG orders. Suzlon partnered with REC and Barclays for a non-fund based revolving working limit of ₹ 2,800 Crores and shall avail additional limits on need basis, which can adequately sustain the execution of the current order book. The current facility is non-fund based, which will primarily be off-balance sheet, keeping Suzlon debt-free while significantly improving commercial terms with the Company's customers and suppliers. With improved balance sheet and credit ratings from external rating agency, the Company is well-positioned to tap into various financing arrangements in the future

Delay in funding for planned capital expenditure: The Company has successfully launched its new WTG model S144, which is under serial production. The Company has a net cash surplus of ₹ 1,197 crores as of June 30, 2024 and is well-positioned to undertake capital expenditure (mainly towards blade moulds) on a timely basis. The Company seeks to increase its capital expenditure in the future to tap into the market potential the market potential along with investments in technology and process improvements.

Poor financial position of distribution companies: Electricity distribution companies in several states of India are still reeling under financial distress. While Suzlon does not have any direct commercial relationship with these distribution companies, indirectly it could still have adverse effect on Suzlon's business volume, as a result of operations and future cash flow. This could also create a negative market perception and thus could possible lead to an adverse impact on Suzlon's business. Suzlon's customer base has a high proportion

of C&I customers. Hence, a poor financial position of the distribution companies would have limited impact.

Foreign exchange risk: Suzlon's businesses are exposed to fluctuations in the foreign exchange rates. The fluctuation in the currency rates may have a potential impact on the profit and loss statement, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Company.

High level of inflation in India: The inflation rates in India have remained volatile for some time. Sustained inflation could cause further rise in the cost of raw material, direct costs, and overheads, leading to margin contractions. High fluctuations in the inflation rates may make it more difficult for Suzlon to accurately estimate or control the operational costs. Suzlon may not be able to pass any such resultant increase in cost to our customers either entirely or partly. This could adversely affect our business and financial condition. Continued inflation at higher levels could also keep the interest rates higher for longer, which may impact the Company's profitability and bring down the products' sale prices.

Internal control systems and their adequacy

The Management Assurance team, consisting of in-house team members and experienced co-sourced partners, undertakes independent reviews of risks, controls, operations and procedures, identifying control and process gaps and recommending business solutions for risk mitigation. The Group runs in-house Risk and Misconduct Management Unit, which supports the Management in assessing, evaluating, strengthening, and institutionalising the value chain from an ethical business standpoint. All complaints received under the Whistleblower policy are evaluated on a regular basis. The Audit Committee of the Board periodically reviews the Company's management audit reports, audit plans, and recommendations of the auditors and managements' responses to those recommendations. The Audit Committee meets four times during FY24.

The Company is investing in transformation Initiatives to ensure that the systems are automised and the software and ERP tools are updated.

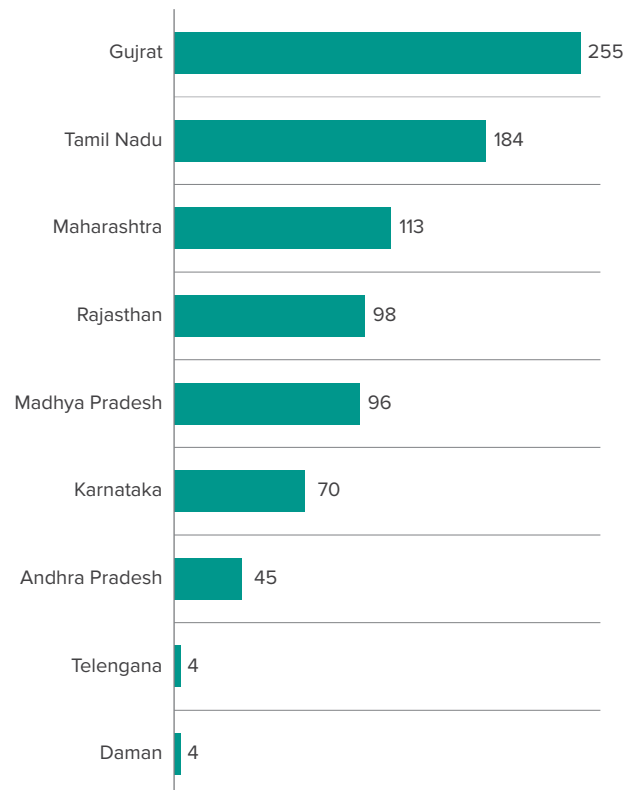
Corporate Social Responsibility

The 13,000+ wind turbines that we operate are most often built in remote, open areas where the necessary force and frequency of wind power is available. Wind farms are land intensive, which creates the need for active and ongoing community engagement with land owners, and the village communities that they belong to. This need led to the start of Corporate Social Responsibility (CSR) activities within Suzlon and the birth of the Suzlon Foundation.¹

Pioneering CSR in India as part of Suzlon's clean energy agenda

Founded in 2007, Suzlon CSR carries out all CSR activities for the Suzlon Group, and has been doing so, well before the enactment of the CSR Law in 2014. Our CSR strategy and goals have been in practice for more than 15 years and the village-level community development models that we have organically fostered have spread across 8 states and 1 union territory of India, with more than 40,28,000 populations reached across more than 9,62,000 households in FY24. More than 44 profit-making, self-reliant village level institutions are currently operational.

Villages Reached



¹Registered as a Section 8 company or "Non-profit organization"

Strengthening Grassroot Level Delivery Mechanisms

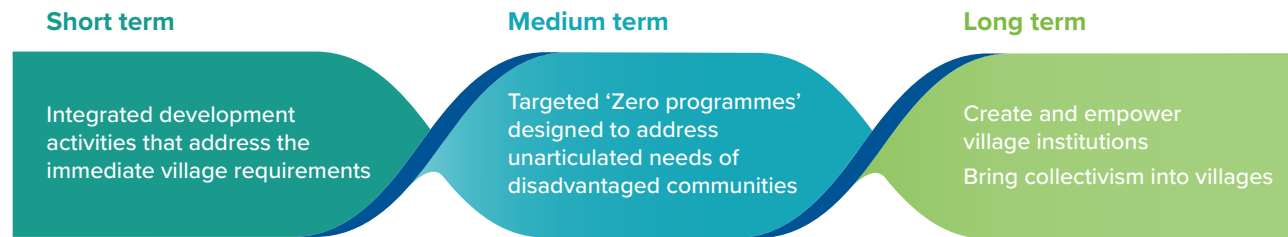
For Suzlon, creating a greener world involves responsible management of our financial, natural, social, human, and physical capitals. Suzlon's CSR goals follow the triple bottomline approach interlinking the 3 Ps of People, Planet and Profit, in a manner that is strongly relevant for the business. With a four-pronged focus, these goals are represented by the SUZTAIN model, and forms the basis for developing new projects and programmes. Pursuing these goals helps Suzlon strengthen its social standing, goodwill, stakeholder engagement and brand value. In this way, the Company addresses the twin objectives of sustainable development and maintaining profitability, while mitigating business risks.



The village communities that adjoin Suzlon's sites lie at the core of the Company's CSR focus. Over the 25-year lifecycle of Suzlon's turbines, Suzlon CSR works with these communities following the Engage-Empower-Sustain process. Village Development Committees (VDCs), Self Help Groups and other village institutions are the vehicles of change and development, and their formation marks the first crucial level of 'engagement' with a village. The Engage-Empower-Sustain process flow is backed by Suzlon's well-articulated goals that envisage a phased approach to development of communities that are often socially heterogeneous, divided, not aware and thus, powerless.



Phase-wise approach to community development

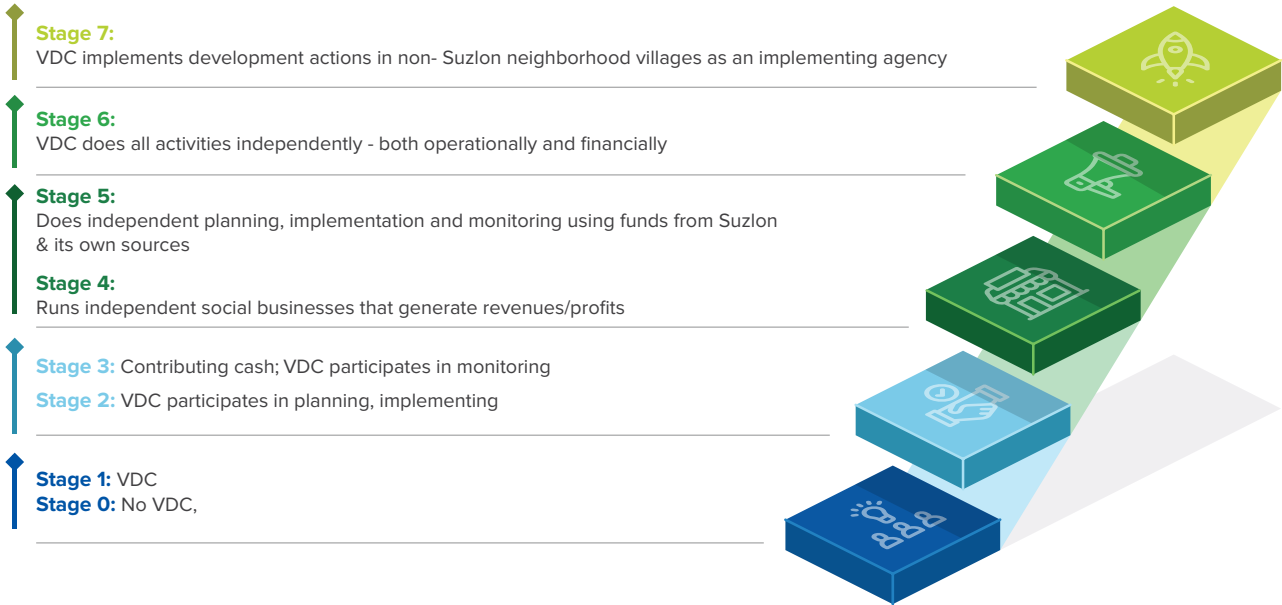


Village-level institution building, such as forming Village Development Committees (VDCs), creates a structured framework for villagers to collectively address issues, manage resources, and implement development projects. This fosters community solidarity, builds local capacities, and ensures sustainable development by involving community members in planning and decision-making. Such institutions help mobilize resources and access government schemes. Crucially, VDCs and similar institutions are designed to be sustainable, and they serve as a platform for localized socio-economic development long after the initial project ends, furthering rural progress.

These VDCs consist of key stakeholders within a village, with care being taken to eschew any vested interests and to represent those that are traditionally marginalized. VDC members plan, implement, monitor and support village level sustainable development interventions and post-launch, they track, monitor and evaluate the success of these programmes. A unique feature of our model is that all the community members must contribute money. This is in addition to our annual allocation of funds, and helps to ensure involvement, ownership and accountability on the part of the villagers. These community contributions help make the VDCs financial sustainable. The final objective is to make the VDCs self-reliant, wherein they become profit-generative, self-driven and can function like an independent institution.



Development cycle for a VDC



We work through the VDCs and other village institutions in six key developmental areas:



Besides these broad areas, Suzlon's "Zero Programmes" are specifically designed to address the unarticulated needs of a few other disadvantaged groups that are either overlooked or lack the power to represent their needs. These groups include senior citizens, children below 5, people with disabilities and vulnerable animals and birds that share our local habitats.

<p>Zero Darkness</p> <p>Lighting up un-electrified households and hamlets</p>	<p>Zero Garbage</p> <p>Managing plastic and wet waste responsibly and sustainably</p>	<p>Zero Cataract</p> <p>Restoring eye sight to the operable cataract blind neglected senior citizen</p>	<p>Zero Dependency</p> <p>Upholding the dignity of people with disabilities through gainful means</p>
<p>Zero Sparrow Deaths</p> <p>Creating bird nests, feeders and water troughs</p>	<p>Zero Malnutrition</p> <p>Reducing the deaths of under- lives due to malnutrition</p>	<p>Zero Tolerance</p> <p>Piloting increased awareness about sexual abuse in the rural areas</p>	

Community grievance redressal mechanism

Working cohesively with the community's sanction and cooperation is a critical aspect of what Suzlon does. As land is Suzlon's agency, the Company constantly endeavours proactively to avoid and/or minimise conflict with other stakeholders. To this end, Suzlon follows a detailed grievance redressal mechanism that tackles three major categories of grievances originating from: (1) the community (2) media (3) persons of power. For the first category of grievances, the sources can be further sub-divided into: (a) genuine community grievances (b) community expectations, and, (c) threats from antisocials. Regional level CSR managers are the principal troubleshooters and negotiators for such incidents, mediating between internal decisionmakers and external stakeholders to resolve issues, in conformance with human rights principles. In FY24, a total of 25 real grievances were handled.

This grievance redressal mechanism was instituted from the FY18. Tracking and redressing community grievances has helped Suzlon identify and address systemic issues, thereby improving stakeholder relations and organisational accountability.

Performance review across different focus areas

Suzlon CSR's initiatives are rolled out in consultation with and through the medium of VDCs and other recognized NGOs, community-based organizations and corporate foundations. In FY24, Suzlon implemented its CSR programmes in partnership with 23 agencies and collaborated with more than 200 private and public sector institutions to converge resources, utilising more than ₹ 2.23 crore of co-funding from stakeholders like employees, customers and community members, in addition to the annual Suzlon CSR funds.



Suzlon's ongoing environment-focused activities involve a wide variety of stakeholders and benefit local habitats, flora and fauna and villagers, too. Planting of trees and overseeing and intervening in their growth till the time they reach maturity is an ongoing activity, through which Suzlon ensures that the objective of greening areas is met and does not become a mere statistic. In FY24, nearly 35,486

saplings were planted, while 24,878 trees have survived. Native species were planted as these adapt better to the surroundings. The species variants planted include karanj, saresh, bagi, black board tree, vepa, banyan, badam, ber, palmyra, marri, to name a few. It is a matter of pride that 6,303 trees out of 8,990 have survived in the arid areas of Gujarat, which is the highest survival figure this year. The higher rate demonstrates the success of Suzlon's drive to educate neighbouring communities on the benefits of the native species planted and how to take care of them.

This year, Suzlon CSR launched a grasslands restoration project in the Gulunche village, in the Purandar taluka of Pune. The project is called 'Reviving Vulnerable Grassland Ecosystem Project' and was launched with the symbolic plantation of 20 saplings of native grass species, Anjan and Sheda, by stakeholders. The project will be implemented in collaboration with Pune Municipal Corporation, Atree and The Grassland Trust, with support from the community members of Gulunche Village. Grasslands and scrublands act as habitats for wildlife and are under severe pressure from the urban sprawl, and need conservation.

Water conservation is another critical area of focus and Suzlon's interventions range from de-siltation of rivers and ponds, creation of farms ponds, check dams and rainwater harvesting systems. Extensive tree plantations are an effective means of water retention and conservation. This year, Suzlon successfully conserved more than 3,76,694 cubic metres of water by building check dams, recharging borewells and cleaning up village water bodies like ponds and tanks. Farmers were benefited, while villages got regular supplies of clean water.

To make villagers more amenable to organic farming and to promote circular practices, separate awareness campaigns were held. More than 500 households were targeted for spreading awareness about wet waste collection and composting. Twenty villagers were provided with training on organic farming practices using locally produced vermicompost. In this way, Suzlon CSR is trying to spread self-sustaining agricultural practices in the villages where we work.

The 'Zero Sparrow Deaths' programme aims to provide a conducive habitat for bird populations to survive and flourish. Suzlon installed nearly 11,963 bird conservation units like nests, water troughs and bird feeders. More than 48,675 birds belonging to a variety of native species like mynas, bulbuls, finches, are expected to be benefited.



Empowerment

The 'Suztain' model of CSR that Suzlon follows works on the Engage-Empower-Sustain principle to create long-lasting change, where the crucial step of 'Empower' is represented by stages 4 and 5 on the VDC development cycle, where a VDC becomes an independent, income-generating entity. As part of Suzlon's post-Covid efforts, Suzlon has been consistently trying to get more and more VDCs actively functioning so that they reach Stage 4 on the VDC development curve. VDCs are encouraged to take up income generation activities so that they can become profitable and self-sufficient and can progress to stage 5 and beyond. Income generation, profit mobilization and running as an independent, self-governed, sponsoring entity (Stages 5 and 6) is a huge step towards village empowerment. Out of the 94 VDCs in Stage 4, that have been formed under the aegis of Suzlon CSR, 44 are profitable, with Karnataka having the largest number of working VDCs (details shared in the table)

Typical income generation activities undertaken by VDCs

- Running tent house facilities & providing cooking supplies for marriages
- Providing microfinance for agriculture
- Making reusable cloth sanitary pads
- Running Reverse Osmosis (RO) plant
- Running plant nurseries/horticulture unit
- Running solar-powered flour mill /sugarcane juicer/ wet grinder

State	Working Stage 4 VDCs	Annual profit from income generation activities (in ₹)
Andhra Pradesh	3	31,400
Gujarat	2	8,706
Karnataka	40	93,300
Maharashtra	1	24,820
Madhya Pradesh	4	27,000
Rajasthan	8	20,000
Tamil Nadu	36	85,320
Total	94	2,90,546

The training and awareness building of VDCs and women-led self-help groups (SHGs) also help to empower them. During the year, 329 VDCs and 86 SHGs had exposure meetings, formation meetings, trainings etc as capacity building exercises, with beneficiaries totaling close to 5000 members.

Suzlon believes in empowering the marginalised so that they can realise their potential and the whole society can benefit from it. Women and girl children are a key focus area under this, as women's empowerment benefits their families and even their villages. Life skill trainings were organised for more than 500 adolescents; 40 girls were given self-defence training and 235 women were trained on digital media under the Digital India initiative.

In Tamil Nadu, 3 people with disabilities were empowered to become self-sufficient and earn their own livelihoods with the help of financial contributions made by Suzlon employees from Germany.

Equipping villages with communication media is another impactful way of spreading awareness through better information sharing. Notice boards have been put up in several villages, as a result of which more than 10,723 villagers now have access to updated information regarding activities that can be beneficial for them.



Health

In villages, lack of resources, unhygienic living and work conditions, social and religious prejudices, lack of knowledge and access are often the common causes for prevalence of diseases and poor health. Since good health is a critical building block for a good life and a prosperous society, it is one of our CSR focus areas.

During the year, we successfully reached more than 38,460 villagers across Suzlon India operations with its health-related interventions. The beneficiaries belonged to a broad spectrum of the population – from pregnant women to young children and adolescents; from pregnant women to young children and adolescents to sanitary workers, senior citizens, and persons with disabilities.

Several mass health awareness programmes were organized this year. These included holding community yoga sessions that were attended by 444 villagers and awareness camps targeting households, wherein more than 2,568 households were reached and made aware about basic daily hygiene and sanitation best practices.



Suzlon consistently invests in strengthening public health infrastructure as this helps the CSR reach scale easily and address our health-related goals. This year, too, Suzlon CSR provided 33 equipments and medicines worth more than ₹ 3 lakh across Primary Healthcare Centres (PHCs) in Suzlon's operational areas, which benefited 14,400 patients.

In keeping with our objective of serving different groups within village communities, with special attention to marginalized groups, certain specialized interventions were organized. These included providing food support to an old age home with 120 residents, and also providing food to financially underprivileged women and people with disabilities.

Sanitary workers provide us with essential services, and the nature of their work exposes them to highly toxic substances that are harmful for their health. Recognising their vulnerability, sanitation kits were provided to 236 such workers. In addition, eye screening and cataract screening camps were also organised for 5,502 people.

Women remain one of the most vulnerable sections of the village population. Suzlon CSR often reaches out to this group through the anganwadi network and also invests in strengthening the infrastructure. In FY24, 442 pregnant women and children were reached in this way, and the women were educated about prenatal care. In Karnataka, grocery kits were provided through the anganwadi network to ensure proper nutrition. In continuation of Suzlon CSR's earlier efforts towards making women aware about terminal diseases and giving them access to facilities for checkup, this year, too, camps were organised for breast, oral and uterine cancer detection, along with distribution of communication materials.





Improving access to education, enhancing the quality and extent of education and improving the environment in which education is delivered are some of the key objectives of Suzlon CSR. The support provided during the year helped to further these objectives. To reduce the digital learning divide between urban and rural areas, Suzlon continued its focus on augmenting digital infrastructure in schools, and enabling training in the uses and applications of digital media. This has led to a significant rise in interest among students to pursue careers in technology and to bring the advantages of technology to their own village settings. By empowering the youth, Suzlon hopes to enable the digital transformation of India, in our small way.

Further, Suzlon also helped to sponsor fees of needy children and directed funds for creation and improvement of school infrastructure.

Initiatives	Beneficiary groups	Number of beneficiaries	Impact created
Enabling digital education and accelerating technology adoption in rural India			
Computer training for students and youth, installation of computer and projector Provision of conventional and solar based-learning system for anganwadis and schools, practical material support, library kits	Students, youth, and children	7,397	<ul style="list-style-type: none"> ▪ Students with better grades - 3,023 ▪ Trainees showing interest in technical courses: 171 ▪ Books borrowed: 643
Financial support extended			
Education fees support to students	Students	303	<ul style="list-style-type: none"> ▪ Support totalling around ₹ 40,000
Enhancing school infrastructure			
Provision of school benches and furniture, installation of solar panels, wire fencing and cleaning of school playground	Students	4,327	<ul style="list-style-type: none"> ▪ School made self-sufficient in electricity- 1 ▪ Improved posture of students: 3,497 ▪ Safer playground for students: 240
Enhancing student performance			
Tuition centre initiated, training provided to teachers Provided notebooks, science kits and education kits.	Students	16,018	<ul style="list-style-type: none"> ▪ Students with better grades: 15,680



Civic Amenities

India’s villages lack public infrastructure due to the disrupted or irregular flow of government funds to remote areas. The situation is exacerbated by the lack of efficiency in the deployment of such funds to the most crucial causes. Rural society’s backwardness and low quality of life often originates from the lack of basic civic infrastructure like roads, schools, healthcare centres, facilities needed for agriculture, clean water sources etc. The activities that Suzlon undertakes under this CSR category involve creation of better public infrastructure in villages.

The activities conducted are need based, and are done with the intent of improving livability, health and sanitation, and supporting livelihoods. Given below are some of the major initiatives that Suzlon CSR undertook during FY24. Several of these initiatives overlap with Suzlon's other CSR goals like making villages waste free by increasing the awareness and adoption of the 3R principle², reducing environmental impact, and promoting the use of clean energy, to name a few. By helping create the civic infrastructure that is in keeping with our sustainability goals, Suzlon CSR is also helping kickstart sustainable practices in India’s hinterland.

Initiatives	Beneficiary groups	Number of beneficiaries	Impact created
Creation of general amenities			
Provision of mosquito fumigation machine, Anganwadi support, community benches, cow shed, children's park, school repairs, weaver shed	Villagers, children, cows, students, weavers.	8,377	<ul style="list-style-type: none"> ▪ Families protected from mosquito-borne diseases - 250 ▪ Savings of ₹ 15,00,000 in medical costs ▪ Cows with better health: 500 cows ▪ Children using the park: 98 ▪ Assets repaired: 94 ▪ Students with better posture: 280
Creation of water-related infrastructure			
Installed borewell pumps and water pipeline for drinking water	Villagers, students, households	16,544	<ul style="list-style-type: none"> ▪ Drinking water made available: 8,48,484 cu.metres
Installed water filters and tanks, drilled borewells, constructed check dams			<ul style="list-style-type: none"> ▪ Water made available - 40 Cubic meter ▪ Water conserved: 500 cu.metres ▪ Water made potable for drinking: 12,751 cu.metres ▪ Water storage capacity increased by: 1,461 cu. metres

²The principle of reducing waste, reusing and recycling resources and products is often called the 3 R's

Initiatives	Beneficiary groups	Number of beneficiaries	Impact created
Waste to wealth products fulfil civic needs, conserve natural resources and are eco-friendly			
Created products from waste — compost units, bird feeders and nests, desks, dustbins, library cupboards, Suz-hooks (metal hooks for plastic segregation), swings, tables, and chairs.	Birds, students, and villagers	Human beneficiaries: 2,472	<ul style="list-style-type: none"> ▪ Kgs of waste reused and converted into useful products and bird nests - 3,170
Assistance provided to needy persons			
Repair of Houses	Households	27	<ul style="list-style-type: none"> ▪ Family members benefited from house repair: 100
Creation of energy saving infrastructure			
Installed- energy saving LED street lights and bulbs, solar lighting for hostels/ schools/streets	Villagers, and students	5,587	<ul style="list-style-type: none"> ▪ Hours of conventional energy saved - 9,77,973
Addition of infrastructure in government properties (Stakeholder support)			
Installed CCTV cameras, provided water coolers, sheds, anti-smoke masks, concrete benches, a computer, planted trees	Villagers, fire rescue personnel, gram panchayat personnel, tree guards	1,569	<ul style="list-style-type: none"> ▪ Incidents (crime & accidents) successfully tracked: 40 ▪ Cubic metres of water made potable for drinking - 36.5 ▪ Assets provided: 11 ▪ Fire rescue persons supported: 16 ▪ Trees survived - 1,574



Livelihoods

In the villages, income generation activities are primarily agro-based, encompassing farming, animal and fowl rearing, horticulture, natural manure and fodder production, and other related work. During FY24, Suzlon aided farmers in a variety of ways – by helping set up farmer-producer organisations (FPOs) so that farmers get better bargaining power and scale economies; helping with agricultural inputs like seeds, training in fodder production; organising kisan pathshalas (farmer-focused schools), and providing market insights and market linkages, like training on organic products and ethnic foods. Suzlon continued to feed corpus funds through its annual allocations and this benefited a vast majority of villagers – from small groups of women to much larger VDCs.

Suzlon also enabled the livelihood needs of several marginalised groups and helped transition VDCs towards entrepreneurship and profit generation. During the year, several VDCs and a few women-led SHGs, across different states, were trained in different trades, provided with equipment and seed loans, and enabled to become independent.

Brief snapshot of key livelihood generation initiatives and the impact created

Initiatives	Beneficiary groups	Number of beneficiaries	Impact created
Assistance provided to farmers and farmer families			
<p>Organised animal treatment and vaccination camps, traditional seed banks, trainings on compost production, Establishment of Farmer Producer Organization (FPO), fodder development</p> <p>Setting up of roadside vegetable kiosks, horticulture unit, provision of agrovet training, farmer training, setting up of Kisan Pathashalas, liquid decomposer use</p> <p>Provision of millet seeds, training on mushroom cultivation and natural/ethnic food products training, setting up of organic products marketing centre, and paddy storage godown</p>	<p>Farmers, households, Youth, Potential entrepreneurs</p>	<p>6,175</p>	<ul style="list-style-type: none"> ▪ Animals reached: 15,216 ▪ Savings: ₹ 12,99,350, ▪ Kgs of manure produced: 1,87,650 ▪ Increase in yield: 75,900 kgs, ▪ Fruit plants planted : 550 ▪ Farmers trained : 410 ▪ Potential for increased income: ₹ 7,34,066
Help provided to marginalized groups			
<p>Supported purchase of groundnut oil processing machine, sewing machine, solar-powered sugarcane juicer, and solar-powered printer</p> <p>Enabled need-based livelihoods for persons with disabilities and women</p> <p>Skill trainings provided for women</p>	<p>Women, persons with disabilities widows</p>	<p>1,166</p>	<ul style="list-style-type: none"> ▪ Income increased: ₹ 8,15,300 ▪ Groundnuts processed: 500 kgs ▪ Potential for increased income: ₹ 3,62,400
Enabling income generation activities for VDCs and SHGs			
<p>Supported dairy development, cow rearing, micro enterprises, agricultural financing, seeder machines rental, poultry and sheep rearing, vegetable cultivation, solar-powered flour mill, sugarcane juicer and wet grinder, agro service center, beauty parlour, ethnic food production and training, organic pulses marketing, tailoring unit, flourmill operation, bio-input center, tent house, and traditional grain seed sale.</p>	<p>Villagers, VDC members, SHG members, farmers</p>	<p>685</p>	<ul style="list-style-type: none"> ▪ Potential increase in income: ₹ 15,57,500

Disaster relief

As climate change accelerates, extreme weather conditions are becoming more frequent. India has been consistently struggling with frequent natural disasters over the past few years, and Suzlon CSR tries to reduce the hardships of those affected by providing timely relief.

In June 2023, the extremely severe cyclonic storm Biparjoy affected the Gujarat coast, resulting in heavy floods, destruction of crops, livestock and homes. Suzlon CSR worked with partner NGOs to extend grassroots level aid. The team reached out to villagers in the Kutch district, and grocery kits and tarpaulin were provided across the villages of Kukdav, Lala, Ashiravandh, Vayour, and Kadoli. This helped the villagers meet their daily needs and get shelter till the time their normal means of livelihood could be revived. Assistance was also given by repairing houses damaged by the cyclone. Suzlon CSR extended similar support of dry grocery items, heavy tarpaulins, and refurbishment of school infrastructure by setting up of an RO plant, in the villages of Gandhavi, Bhogat, Varvala, Baradiaya, Navadra, Vasai, Ghadechi in the Jamnagar district. 156 families were supported in this way, with 7 Suzlon employees also getting involved in the cyclone relief efforts.

An RO plant, with 100 cubic metres of daily potable water capacity, was installed in Khatumba village in the aftermath of the cyclone to prevent the spread of diarrhoeal diseases, which also benefited more than 62 students.

Employee volunteering and employee giving

A foundational aspect of our Suztain model of sustainability is to empower employees to be responsible civil society members. Suzlon firmly believes that to develop and perpetuate a sustainable society, we need individuals who are committed to sustainability as a way of life and realise the value of conscious living and giving. These values are inculcated among employees by encouraging participation in Suzlon's various CSR activities. Suzlon's employees regularly make either financial contributions and/or spend their time lending support and skills to the many causes promoted by the Company. This year, a total of 1,353 employees made voluntary contributions through payroll giving.

In FY24, 6,638 volunteers (which includes 4,498 Suzlon employees and 2,140 contract staff) participated in various CSR initiatives by contributing 61,495 person hours (including 47,367 employee person-hours and 14,128 contract staff person-hours.) 1,353 employees contributed a total of ₹ 52.38 lakhs through 2,773 instances of voluntary donation towards social and environmental initiatives.

Additionally, 423 employees belonging to 35 business teams, 7 vendor organisations with 11 team members, 9 customer teams and 1 international team have donated directly at the point of intervention, amounting to over ₹ 1.70 crores.

Through the Suzlon Walkathon challenge, 6,324 participants walked 27,14,17,750 steps, which equated to ₹ 10,85,671 that was donated by Suzlon CSR for the various causes supported by Suzlon.

Several other innovative employee-giving activities were held at the Suzlon One Earth, Pune headquarters during the year. These included sale of handmade, eco-friendly and curated products made by people with physical or mental disabilities and NGOs, with the sales held ahead of festivals and special days like Rakhi, Diwali, Valentine's Day, and Holi. Total funds worth ₹ 63,500 were generated through these, with a participation from 195 employees.

Three ongoing activities – the Cloth Bags promotion challenge, the Suz-hooks Assembly challenge, and the community electricity awareness challenge – drew enthusiastic participation with more than 5,500 cloth bags donated and ₹ 27,752 donated in cash. The family members of 170 employees also used their skills to produce the cloth bags. A total of 5,373 Suz-hooks were assembled and donated. Both the Cloth Bag and the Suz-hook initiative help reduce single use plastic and promote waste segregation in the villages, at a very nominal cost. Suz-hooks, which allow waste plastic bags to be strung to them easily and in a space saving way, have made it possible for villagers to practice waste segregation as a part of their daily lives. The community electricity energy awareness promotion challenge saw 484 sessions of community awareness outreaches being conducted by Suzlon's employees, in which 19,406 villagers and students participated.

In conclusion, Suzlon demonstrates a robust commitment to Corporate Social Responsibility (CSR) through its Engage-Empower-Sustain approach, effectively addressing community needs across livelihood, education, empowerment, environment, health and civic amenities. By fostering local participation and ownership through initiatives like Village Development Committees (VDCs), Suzlon ensures the sustainability and impact of its projects. The focus on holistic development, coupled with targeted interventions, highlights its dedication to fostering resilient communities. Overall, Suzlon's approach serves as a model for effective CSR, showing the transformative power of corporate engagement

in driving inclusive growth. By prioritising community needs and leveraging local resources, Suzlon not only addresses immediate challenges but also builds enduring capacities that empower individuals and communities to thrive independently. Through these efforts, Suzlon meets its CSR obligations and catalyses positive socio-economic change, promoting long-term sustainability and community well-being. As Suzlon continues to expand its footprint and deepen its impact, its commitment to sustainable development remains steadfast, setting a benchmark for responsible corporate citizenship in the renewable energy sector and beyond.



Building a Sustainable World Today

Sustainability is deeply rooted in the way Suzlon conducts business. As a pioneer in the renewable energy sector, Suzlon's commitment to sustainability is intrinsically linked to the core purpose of powering the planet with clean, affordable energy. By embedding sustainability as the central theme of Suzlon's business, the Company not only contributes to climate change mitigation but also positions itself as a responsible organisation.

Responsible Generation: A core theme driving sustainability in Suzlon's operations

Through a robust sustainability framework and integration of ESG aspects in Suzlon's operations, the Company aims to address the challenges of climate change and resource depletion, foster a culture of innovation, attract impact conscious investors, strengthen relationships with stakeholders, and enhance the organisation's long-term resilience and competitiveness. Suzlon's holistic approach to sustainability positions it as a forward-thinking leader in the renewable energy sector, committed to creating lasting value for customers, communities, and the environment. This approach will help Suzlon reach newer heights, ensuring it remains at the forefront of the global transition to a sustainable future.

Suzlon's strategy of embedding sustainability into the core business operations and governance is multifaceted, which involves a strategic alignment of sustainability goals with the Company's overall business objectives. Much like Suzlon CSR, the ESG goals are also aligned with the United Nations Sustainable Development Goals (SDGs) by setting measurable targets that contribute to the global development priorities. Suzlon's ESG framework is aligned with GRI, SASB, TCFD, IFRS S2, and UNEP's Environmental and Social framework.

Inclusion of all stakeholders for holistic sustainability

Suzlon's elaborate risk management framework enables the identification of ESG related business risks in the internal & external environment and the development of detailed mitigation plans through a robust governance structure and cross-functional teams. The Company is working towards ensuring a solid Sustainability framework at the organisational as well as product level.

The upper management and Group Sustainability Management Committee are tasked with providing a strategic direction, setting ESG priorities and approving sustainability policies. The Sustainability Management Committee undertakes formulation of sustainability policies, allocation of resources, monitoring of sustainability performance, and calibration of Suzlon's ESG ambition.

Creating a greener planet with clean energy

Sustainability practices are embedded in Suzlon's day-to-day operations, such as energy efficiency, resource efficiency, biodiversity conservation, and responsible sourcing. Materiality assessment determines the Company's roadmap and strategy to achieve long-term sustainability. Suzlon's focus is upon regular feedback from the stakeholders, which includes employees, customers, investors, and the community, to refine and improve the ESG strategies. This all-inclusive approach not only addresses the pressing challenges of today but also positions Suzlon for continued sustainable growth in the future. By integrating ESG principles into the operations, Suzlon aims to create long-term value for its stakeholders and contribute to a greener, more inclusive world.



Highlights of Consolidated Results

Assets

Property, plant and equipment, investment properties and intangible assets*

₹ Crore

Particulars	March 31, 2024	March 31, 2023
Property, plant and equipment	722	696
Right-of-use assets	87	82
Capital work-in-progress	16	3
Investment properties	27	29
Intangible assets	50	58
Intangible assets under development	4	3

* net of depreciation, amortisation and impairment.

During the year, property, plant and equipment of ₹ 152 Crore and intangible assets of ₹ 40 Crore were capitalized as compared to ₹ 81 Crore and ₹ 33 Crore respectively in the previous year.

Right-of-use assets (ROU) are assets taken on lease. There is net increase of ₹ 5 Crore during the year towards acquisition of certain leased assets.

Capital work-in-progress is primarily towards building under construction and plant & machinery under installation.

Investment properties consist of certain office premises given on lease and considered at deemed costs.

Intangible assets which comprise of IPR (design and drawings), SAP and other software stood at ₹ 50 Crore as compared to ₹ 58 Crore.

Financial assets

₹ Crore

Particulars	Non-current		Current		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Investments	0 [^]	0 [^]	8	-	8	0 [^]
Trade receivables	-	-	1,830	1,170	1,830	1,170
Cash and bank balances	831	357	427	368	1,258	725
Loans	-	-	0 [^]	0 [^]	0 [^]	0 [^]
Other financial assets	72	76	135	149	207	225
Total	903	433	2,400	1,687	3,303	2,120

[^] Less than ₹ 1 Crore.

Financial assets increased to ₹ 3,303 Crore from ₹ 2,120 Crore in the previous year. The net increase of ₹ 1,183 Crore is mainly in trade receivables and bank balances by ₹ 660 Crore and ₹ 533 Crore respectively.

Increase in trade receivable is due to higher WTG sales in second half of the year and due to increase in WTG sales volume during the year.

Increase in bank balances is mainly attributable to proceeds received from Qualified Institutional Placement utilised towards cash margin backed NFB facilities and improved liquidity conditions during the year. Non-current bank balance is lien marked with the lenders.

Reduction in other financial assets is primarily on account of realisation of few assets.

Non-financial assets

₹ Crore

Particulars	Non-current		Current		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Inventories	-	-	2,292	1,827	2,292	1,827
Other assets	78	40	595	627	673	667
Current tax asset, net	-	-	1	0 [^]	1	0 [^]
Total	78	40	2,888	2,455	2,966	2,495

[^] Less than ₹ 1 Crore

Non-financial assets increased to ₹ 2,966 Crore from ₹ 2,495 Crore in the previous year. The net increase of ₹ 471 Crore primarily results from rise in inventories by ₹ 465 Crore, aimed at accommodating the higher volumes to be executed next year.

Equity and liabilities
Equity share capital

₹ Crore

Particulars	March 31, 2024	March 31, 2023
Authorized share capital	11,000	11,000
Issued share capital	2,726	2,458
Subscribed and fully / partly paid-up share capital	2,722	2,454

Subscribed and fully paid-up share capital stands at ₹ 2,721 Crore and partly paid-up share capital stands at ₹ 1 Crore, thus totalling to ₹ 2,722 Crore as compared to ₹ 2,454 Crore in the previous year.

The increase of ₹ 268 Crore is on account of:

- issuance of equity shares to Qualified Institutional Buyers ('QIB') amounting to ₹ 228 Crore,
- issuance of equity shares to existing shareholders on a right basis (Rights issue) amounting to ₹ 40 Crore.

Other equity

₹ Crore

Particulars	March 31, 2024	March 31, 2023
Capital reserve	23	23
Capital reserve on consolidation	0 [^]	0 [^]
Capital redemption reserve	15	15
Legal and statutory reserve	1	1
General reserve	917	917
Securities premium	12,466	10,668
Capital contribution	6,505	6,505
Share options outstanding account	29	-
Retained earnings	(18,213)	(18,876)
Foreign currency translation reserve	(545)	(608)
Total	1,199	(1,355)

[^] Less than ₹ 1 Crore

Securities premium

The increase of ₹ 1,798 Crore is on account of:

- Issuance of shares to QIB, net of issue expenses amounting to ₹ 1,739 Crore and
- issuance of rights shares amounting to ₹ 59 Crore

Foreign currency translation reserve (FCTR)

The change in FCTR is due to exchange fluctuation resulting from translation of the financial statements of overseas subsidiaries into reporting currency of the parent company i.e. ₹.

Financial liabilities

Borrowings

₹ Crore

Particulars	Non-current		Current		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Secured	50	1,509	40	42	90	1,551
Unsecured	-	8	-	-	-	8
Total	50	1,517	40	42	90	1,559
Current maturities of long-term borrowings	-	-	20	346	20	346
Grand total	50	1,517	60	388	110	1,905

Total borrowings stood at ₹ 110 Crore from ₹ 1,905 Crore in the previous year, a net reduction of ₹ 1,795 Crore which is towards repayment of term loans from the proceeds of QIP and business operations.

Other financial liabilities

₹ Crore

Particulars	Non-current		Current		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade payables		-	1,796	895	1,796	895
Lease liabilities	16	18	24	15	40	33
Other financial liabilities	18	19	165	202	183	221
Total	34	37	1,985	1,112	2,019	1,149

Other financial liabilities increased to ₹ 2,019 Crore from ₹ 1,149 Crore in the previous year. The increase is pre-dominantly on account of trade payables which are higher as a result of higher volume in second half of the year.

Other liabilities and provisions

₹ Crore

Particulars	Non-current		Current		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Contract liabilities	-	-	346	573	346	573
Other liabilities	0 [^]	0 [^]	64	58	64	59
Provisions	165	168	552	569	717	737
Total	165	168	962	1,200	1,127	1,369

[^]Less than ₹ 1 Crore

Contract liabilities reduced to ₹ 346 Crore from ₹ 573 Crore in the previous year on account of adjustment against the sales invoices.

Provisions have reduced by 20 Crore due to settlement of customer related claims.

Other liabilities marginally increased to ₹ 64 Crore from ₹ 59 Crore in the current year.

Cashflow

The business generated positive cash flow from operations. Net cash generated from operating activities is ₹ 80 Crore and financing activities ₹ 132 Crore. However, there is net cash outflow of ₹ 152 Crore from investing activities which is mainly on account of creation of capex to cater to future demand. Proceeds from issuance of QIP, net of issue expenses stood at ₹ 1,967 Crore and from rights issue at ₹ 99 Crore, net repayment of long-term borrowings stood at ₹ 1,802 Crore and payment of interest and other borrowing cost stood at ₹ 107 Crore.

Results of operations

₹ Crore

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	6,497	5,947
Other operating income	32	24
Other income	38	20
Total income	6,567	5,990
Cost of goods sold	3,982	3,783
Employee benefits expense	703	609
Finance costs	164	421
Depreciation and amortisation expense (including impairment losses)	190	260
Other expenses	815	747
Total expenses	5,854	5,819
Profit before exceptional items and tax	713	171
Exceptional loss/ (gain)	54	(2,721)
Tax expense	(1)	4
Share of loss of joint venture	-	-
Net profit for the year	660	2,887

Principal components of results of operations

Revenue from operations

The Group's revenue increase by 9.25% to ₹ 6,497 Crore as against ₹ 5,947 Crore in the previous year. The growth in revenue is influenced by improved market conditions for renewable energy and availability of working capital facilities from the third quarter onwards which helped to ramp-up the WTG operations and improve utilization of installed capacities.

Cost of goods sold ('COGS')

COGS as a percentage to revenue from operations came down to 61.3% from 63.6% in the previous year. The reduction in % is attributable to product and sales mix, continuous effort by the Group in value engineering and improved efficiency across the supply chain.

Employee benefits expense

Employee benefits expense increased by 15.4% to ₹ 703 Crore from ₹ 609 Crore in the previous year primarily on account of increase in head count, annual increments and charge on account of ESOP grant. Suzlon is in the process of rebuilding its overall organisational capabilities for capturing opportunities coming its way.

Finance costs

Finance costs stand reduced to ₹ 164 Crore as compared to ₹ 421 Crore in the previous year. The reduction in cost is on account of repayment of entire term loans during the year and managing working capital efficiently.

Depreciation and amortisation expense (including impairment losses)

Depreciation and amortisation expense stands reduced to ₹ 190 Crore as compared to ₹ 260 Crore in the previous year. The depreciation in previous year was higher on account of certain block of assets depreciated fully last year.

Other expenses

Other expenses increased to ₹ 815 Crore from ₹ 747 Crore in the previous year. The rise in expenses primarily results from increased volume and for undertaking certain projects related to process and system enhancements.

Profit / (loss)

The Groups' consolidated EBITDA crossed figure of ₹ 1,000 Crore, a 24% increase from the previous year. This growth is attributable to increased volume, strong operating performance and continued cost control efforts.

Consolidated EBIT stood at ₹ 839 Crore as compared to ₹ 572 Crore in the previous year. There is a loss in exceptional items of ₹ 54 Crore during the year as compared to a gain of ₹ 2,721 Crore in the previous year. Net profit after tax stands at ₹ 660 Crore as compared to ₹ 2,887 Crore in the previous year. Net profit, excluding exceptional items, was higher this year as compared to previous year.



Key financial ratios

Particulars	March 31, 2024	March 31, 2023	Change (%)
Debtors turnover ratio ⁽ⁱ⁾	4.33	4.67	(7)
Inventory turnover ratio ⁽ⁱ⁾	1.93	1.87	3
Interest coverage ratio ⁽ⁱⁱ⁾	7.94	1.49	432
Current ratio ⁽ⁱ⁾	1.76	1.55	14
Debt-equity ratio ⁽ⁱⁱⁱ⁾	0.03	1.73	98
Operating profit margin (%) ⁽ⁱ⁾	15.84	13.99	13
Net profit margin (before exceptional) (%) ⁽ⁱⁱⁱ⁾	10.99	2.80	292
Return on net worth (%) ^(iv)	16.84	262.69	(94)

⁽ⁱ⁾ There is no significant change (i.e. change of more than 25% as compared to the immediately previous financial year) in the key financial ratio.

⁽ⁱⁱ⁾ During the year, pursuant to infusion of capital, secured borrowings have been repaid fully and thereby reduction in finance cost, resulting in improvement in the ratio.

⁽ⁱⁱⁱ⁾ The operating performance and liquidity position for the year has improved due to increased volume, and reduction in finance cost and depreciation leading to improvement in the ratio.

^(iv) During the previous year, there was a substantial exceptional gain and therefore the ratio appeared to be higher. Ratio of this year is representative of normal operations.

Detailed explanation of ratios

Debtors turnover ratio

The above ratio is used to quantify a Company's effectiveness in collecting its receivables or money owed by customers. It is calculated by dividing turnover by average trade receivables.

Inventory turnover ratio

Inventory turnover is the number of times a Company sells and replaces its inventory during a period. It is calculated by dividing cost of goods sold by average inventory.

Interest coverage ratio

The interest coverage ratio measures how many times a Company can cover its current interest payment with its available earnings. It is calculated by dividing earnings before interest and tax ('EBIT') by interest cost.

Current ratio

The current ratio is a liquidity ratio that measures a Company's ability to pay short-term obligations or those due within one year. It is calculated by dividing the current assets by current liabilities.

Debt-equity ratio

The ratio is used to evaluate a Company's financial leverage. It is a measure of the degree to which a Company is financing its operations through debt versus wholly owned funds. It is calculated by dividing a Company's total debt by its shareholder's equity.

Operating profit margin

Operating profit margin is a profitability ratio used to calculate the percentage of profit a Company generates from its operations. It is calculated by dividing the EBITDA by turnover.

Net profit margin

The net profit margin is equal to how much net profit is generated as a percentage of revenue. It is calculated by dividing the net profit for the year by turnover.

Return on net worth

It is a measure of profitability expressed in percentage. It is calculated by dividing the net profit for the year by shareholder's equity.

CAUTIONARY STATEMENT

Suzlon Group has included statements in this discussion, that contain words or phrases such as “will”, “aim”, “likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Suzlon Group’s expectations include:

- Variation in the demand for electricity;
- Changes in the cost of generating electricity from wind energy and changes in wind patterns;
- Changes in or termination of policies of state governments in India that encourage investment in power projects;
- General economic and business conditions in India and other countries;
- Suzlon’s ability to successfully implement its strategy, growth and expansion plans and technological initiatives;
- Changes in the value of the ₹ and other currencies;
- Potential mergers, acquisitions or restructurings and increased competition;
- Changes in laws and regulations;
- Changes in political conditions;
- Changes in the foreign exchange control regulations;
- Changes in the laws and regulations that apply to the wind energy industry, including tax laws

For and on behalf of the Board of Directors

Vinod R. Tanti

Chairman and Managing Director

DIN: 00002266

Place: Pune

Date: July 22, 2024