INOXGreen
ENERGY SERVICES LIMITED

CIN : L45207GJ2012PLC070279

**INOX Green Energy Services Limited**
(Earlier known as Inox Wind Infrastructure Services Ltd.)

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IGESL: NOI: 2025

06th February, 2025

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| The Secretary<br>BSE Limited<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai 400 001 | The Secretary<br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex<br>Bandra (E)<br>Mumbai 400 051 |

**Scrip code: 543667**

**NSE Symbol: INOXGREEN**

**Sub: Transcript of the Conference Call held with Investors /Analysts on 31st January, 2025**

Dear Sir/Madam,

Pursuant to Regulations 30 and 46(2)(oa) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the conference call held with the Investors/ Analysts on 31st January, 2025, post the announcement of the un-audited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended 31st December, 2024.

The transcript has been uploaded on the Company's website; www.inoxgreen.com.

You are requested to take the above information on record.

Thanking You

Yours faithfully,

For **Inox Green Energy Services Limited**

Anup Kumar Jain
Digitally signed by Anup Kumar Jain
Date: 2025.02.06 20:18:25 +05'30'

**Anup Kumar Jain**
**Company Secretary**

Inox Green Energy Services Limited

Encl: a/a

# "INOX Green Energy Services Limited

# Q3 FY '25 Earnings Conference Call"

## January 31, 2025

**MANAGEMENT:** **MR. AKHIL JINDAL – GROUP CHIEF FINANCIAL OFFICER – INOX GFL GROUP LIMITED**
**MR. KAILASH TARACHANDANI – CHIEF EXECUTIVE OFFICER – INOX WIND LIMITED**
**MR. S.K. MATHUSUDHANA – CHIEF EXECUTIVE OFFICER – INOX GREEN ENERGY SERVICES LIMITED**
**MR. ANSHUMAN ASHIT – INVESTOR RELATIONS – INOX GREEN ENERGY SERVICES LIMITED**

**MODERATOR:** **MR. ANUJ UPADHYAY – INVESTEC CAPITAL SERVICES INDIA PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen. Good day, and welcome to Inox Green Energy Services Limited Q3 and FY '25 Earnings Conference Call, hosted by Investec Capital Services India Private Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anuj Upadhyay from Investec Capital Services. Thank you, and over to you Anuj sir.

**Anuj Upadhyay:** Yes, thank you. And good evening, everyone, and welcome to the Q3 FY '25 Earnings Call of Inox Green Energy Services Limited. For today's call, we have with us Mr. Akhil Jindal who is the Group CFO of INOXGFL Group; Mr. Kailash Tarachandani, Group CEO, Inox Wind Limited; Mr. S.K. Mathusudhana who is the CEO Inox Green Energy Services Limited and other senior members of the management. I would now hand over to the management for their initial remarks, after which we'll open the floor for Q&A. Thank you, and over to you.

**S.K. Mathusudhana:** Good evening, everyone. A very warm welcome to all to the Q3 FY '25 earnings call of Inox Green Energy Services Limited. The company announced the results at its Board meeting held today, Friday, 31st January 2025. The results along with the earnings presentation are available on the stock exchanges as well as on our website.

Before we move ahead, let me quickly take you through the financials. For the quarter, on a consol basis, Inox Green has reported revenue of INR74 crores in Q3 FY '25 versus INR61 crores in Q3 FY '24, up by 22% year-on-year basis. EBITDA of INR29 crores in Q3 FY '25 versus INR24 crores in Q3 FY '24, up by 23% on a year-on-year basis. Cash PAT of INR23 crores in Q3 FY '25 versus INR13 crores in Q3 FY '24, up by 76% year-on-year basis.

Now I will briefly provide an update on our business operations and outlook before we open the floor for Q&A. At the end of the quarter, Inox Green's wind O&M portfolio stood around 3.5 gigawatt, machine availability for the entire portfolio for Q3 FY '25 was at 96.2 percentage. And the figure for 9 months FY '25 was 96.3 percentage which is a significant improvement over the past years and the result of our continuous efforts on our services.

We continue to provide several value-added services and refurbishment services, which is also contributing to our growth. We are constantly improving our technical capabilities. Recently, we have successfully deployed drone technology for our inspection of substations, 33 kV and EHV line for early defect identification reification and improving the reliability of the system.

We have also deployed drones for cleaning of turbine blades. This has improved our efficiency, turning -- reducing the turnaround time for the cleaning process and cutting down the unsafe manpower working conditions. Our portfolio growth outlook through both organic and inorganic growth continues to be very strong. We remain on track to achieve our target of 10 gigawatts in the next 3 to 4 years.

We are also entering into new business areas, which include solar and hybrid project O&M, supported by our group company, Inox Solar's venture into solar manufacturing and project execution. We anticipate incremental portfolio growth and revenues over and above our current target.

The wind sector in India is under cusp of massive growth in the next decade which provides a very strong outlook for the company, providing technically superior services such as Inox Green. We have technologically upgraded ourselves meeting global benchmarks, I'm confident of delivering on growth targets. With this, I would now like to hand over to Mr. Akhil Jindal, our Group CFO, for his remarks on some of the strategic actions which we are taking at Inox Green.

**Akhil Jindal:** Yes. Good evening, everyone. While Mathusudhana mentioned about the continuous growth and excellence that has been created in the company over the last few years, we also want to grow inorganically. And obviously, we are continuously evaluating multiple opportunities for acquisitions of such businesses, either through NCLT route or the direct acquisition and also the portfolio of the existing ISPs.

The financial position of the company, as you would have noticed, has improved significantly. It is in terms of the higher cash back, in terms of the EBITDA, which is a true profitability reflection of the Inox Green business. As you would know, at this juncture, the Resco demerger has not taken place, it's in the process.

There is a significant amount of depreciation charges that is being reflected in our current numbers, which would be transferred to Resco as assets get transferred. So practically, whatever number you are seeing, you should look at our EBITDA number as a benchmark for our PAT numbers, because in absence of depreciation, everything will flow back to the profitability, to the bottom line.

And that's where I guess the cash flow is a very important number for you to analyze as our company -- and Mathu said that our cash side is roughly INR23 crores on a quarter-to-quarter basis. And that is growing significantly as we are acquiring new businesses. The scheme for the demerger is also under process.

The Resco, which my colleague mentioned in my previous call also, so we are awaiting the regulatory approvals the BSE, NSE approvals are likely to be available to us in the first week to 15 days of February.

Once the regulatory approval comes in, the demerger will be done through NCLT and that would take, say, another 6 to 9 months as the case may be. We are hopeful that within this calendar year we will have the demerger of the business. And to that extent, the Resco will also be merged -- will be listed.

So when you're looking into the next year's balance sheet of Inox Green, it would be an asset-light balance sheet. And it would also have no depreciation charges as a continued item. What it means is that our profitability will be far more stronger. Post the demerger, the shareholders of Inox Green will also receive the shares of Resco, which is renamed as Inox Renewable Solutions Limited.

And where the -- so as a shareholder, they would also be a partner in the growth of the substation business, which is also getting merged through the same scheme. I would just reflect on the inorganic growth initiatives of the company, as I mentioned in the beginning, we are looking at a number of possibilities in this sector. There are many companies which are going through the bankruptcy route, and we are evaluating many of them.

And as you would know, the NCLT process, the bankruptcy route, is something that takes time. It is a little lengthy process. But then also the advantages that we get the company clean without any hidden liabilities -- without any contingent liabilities. So to that extent, while the process will be a little lengthy, but it is in the best interest of the company to get the company clean and absolutely the core business would be available to us rather than so many noncore businesses that otherwise come in a said acquisition.

As you are aware, we have recently participated in one of the large companies in India. And that company also will be folded in our fleet as and when the NCLT process gets complete. Today the COC is directly controlled by us. So, in that sense, there is a fair amount of comfort that we have in the fate of this company as being part of our own fleet as we go along. We are also looking at other opportunities while we speak.

And to that extent, there is a fair amount of work going on in the growth. So inorganic growth is going to be an important element of the growth in this business because naturally, while we are growing organically every quarter based on the work that had been done up by our Inox Wind and those O&Ms being done by our Inox Green, but inorganic is a fair amount of possibility in this business.

And to that extent, we are looking at more and more opportunities as we go along. That will also increase our asset portfolio, our financials. And to that extent, as and when the right opportunity is coming at the right time at the right multiple, I think the right multiple is an important event that we cannot ignore, because naturally, we want to pay the right price for the right asset, not just acquire anything and everything at a very rich valuation.

I don't want to name the company, but there are a few companies which are doing that, but that's not our strategy. We are very, very value conscious. And to that extent, whatever it fits into our overall scheme of things is something that we are going to do in a very calibrated manner. And obviously, if it takes a little longer to get the assets clean under the NCLT, we will do so.

I think with this, I open the floor for Q&A. The entire team is here to answer any of your questions. Feel free to ask any question that comes in your mind. We will reply to the best of our abilities. In case any questions remain unanswered, our IR team is available to you for any clarification after this call gets finished. Thank you, everyone.

**Moderator:** Thank you very much, sir. We will now begin the question and answer session. The first question is from the line of Shweta Dikshit from Systematix.

**Shweta Dikshit:** A couple of questions. On the margin side, despite a significant increase in other income, our margin has tend to drop to around 46%, which is a decline sequentially. Could you just help me understand what brings this margin decline? As I can see as an increase in the other expenses and employee expenses as well as EPC and O&M costs.

**S.K. Mathusudhana:** See, so we've always been maintaining that you have to look at the margins in this business on a full year basis. And for that, we maintained the guidance of 50%. Now there may be quarterly variations. For example, in Q3 and Q4, we do the scheduled maintenance for us to get ready for the next wind season, which is Q1 and Q2 specifically. So, there are additional costs which we incur and book. So that varies the margins on a quarterly basis. But on a full year basis, 50% guidance remains.

**Shweta Dikshit:** Understood. Another -- I think I just needed some clarity on sir's opening remarks, when we mentioned the addition of a new large company in our fleet, are we talking about an inorganic expansion that we are in the process of closing? Or is this -- I think I missed what exactly the point, sir was saying?

**Akhil Jindal:** I think the point that we are saying is that the money has been invested in buying the debt of the company. And to that extent, the COC is -- which is the committee of creditors is something that we have a fair amount of comfort and a control over that COC. And as and when the NCLT process get complete because the company is in NCLT, and as I mentioned to you the NCLT process for a company which has been there for such a long time is always.

I would say, a bit long and a bit lengthy, and we are finishing all that. So hopefully, in the matter of 6 to 9 months, we can see this company being directly under the fold of Inox Green. And to that extent, the number should be consolidated. So today, the numbers presented to you does not include any financial from that company. But it's a large fleet. It's a large initiative. And to that extent, I guess, the numbers will show for itself as and when the acquisition gets completed.

**Shweta Dikshit:** Okay. Any indication of the portfolio size?

**S.K. Mathusudhana:** We wouldn't like to give you at this point of time. At an appropriate time, we'll let you know.

**Shweta Dikshit:** Okay, one last question on the other income side. Is there any clarity on whether how are we supposed to look at this number going forward? I am talking from the perspective that if we have to build our forecast that way -- how do we look at this other income number going forward?

**S.K. Mathusudhana:** Shweta, as per the business targets, which I already mentioned in my opening remarks, in a couple of years, our target is to double it to 6 gigawatt. And within 3 to 4 years, we need to achieve a portfolio of 10 gigawatts. So that's the guidance which we always maintain, and we are very hopeful to achieve that.

**Moderator:** We have our next question from the line of Deepak Sharma, Individual Investor.

**Deepak Sharma:** Sir, as an individual investor, I just want to know what is the revenue models means if you're doing the 1 gigawatt in 1 year, then how much revenue you will collect and the EBITDA margin -- as you said 50% margin, right?

**Akhil Jindal:** Yes. So broadly, whatever the commissioning would be -- whatever the commissioning would be and whatever the commissioning number, you can multiple that INR8 lakh per megawatt and our EBITDA guidance is around 50%. So considering 1 gigawatt commissioning, you can consider around INR80 crores top line with INR40 crores of EBITDA.

**Deepak Sharma:** Okay, and then my second question is how the Resco demerger will help the company in terms of revenue and EBITDA going ahead?

**S.K. Mathusudhana:** So in terms of the Resco demerger, obviously -- yes, the demerger of substation business and merger with Resco Global, Inox Green shareholders will be benefit by in two ways. One, they will get the shares of Resco, broadly 10%. Broadly 20% of the Resco would be owned by the Inox Green shareholders. That is one.

Secondly, after this merger, demerger will get completed, the complete depreciation will be go away from the financial numbers, and our EBITDA would be as Mr. Akhil has said will translate to PAT and PBT.

**Deepak Sharma:** Okay. Another question is, if you see the revenue numbers is not consistent from the last 8 to 10 quarters. If you do the 800 megawatts this year in Inox Wind, when the revenue will start coming in the Inox Green?

**S.K. Mathusudhana:** Yes, that's right. That's right. After commissioning, naturally because Inox Green will be doing the O&M. So the revenue will be reflected in the Inox Green numbers, yes.

**Deepak Sharma:** Okay. What is the time gap, means -- suppose if I do the project of wind today, then the commissioning that -- means the gap between the commissioning and the installation?

**S.K. Mathusudhana:** No after the commissioning has been done, then the O&M cycle starts. Commissioning means the completion of the plant and the O&M cycle starts.

**Deepak Sharma:** The gap between the supplies and commissioning, you can take anywhere between 6 to 12.

**S.K. Mathusudhana:** Yes, yes, maximum.

**Moderator:** We have our next question from the line of Pritesh Chheda from Lucky Investments.

**Pritesh Chheda:** Sir this 3.5 megawatt which you have today and an INR60 crores quarterly run rate that doesn't match, so is it that when you take that INR8 lakhs -- can you just reconcile? So that's the first question. Second question is between 3.5 megawatts and your journey to 6,000 megawatt and 10,000 megawatts. Can you help us in the next 3 years or let's say, next 2 years, between now 3,500 megawatts to your targeted whatever number it is in FY '27, what will be the organic addition?

**S.K. Mathusudhana:** Yes. I think what you are looking at is the quarterly numbers. My request is to have a look at the 9 months number, which is INR167 crores, annualized basis, it would be close to INR240 crores. INR8 lakh per megawatt, that was the annual number. If we are at a 3 gigawatt plus kind of a maintenance, we would have that kind of a top line.

**Pritesh Chheda:** No, sir so just a minute sir. So if I take 3.5 into 8 its about INR280 crores?

**S.K. Mathusudhana:** Yes. Looking at the 9 months number, which is INR167 crores, we are looking at that level. And obviously, the 3.3 gigawatts that we have done. As many of them has come during this year also. So obviously, they are not a true reflection of the full year from operations.

**Pritesh Chheda:** Sir, you're not clear. Does the December number of INR61 crores, does it reflect the 3.5 gigawatts of corresponding 3.5 gigawatt of billing or it doesn't include the 3.5 gigawatt. If it doesn't include then how much have you built? Have you built 3,000 megawatts?

**S.K. Mathusudhana:** So Pritesh, just to answer your question, in this quarter, we have reported INR60 crores of revenue. If you analyze it, that would be coming somewhere around INR240-odd of revenue on the top line. In terms of a 3.5 gigawatt of portfolio, which we are showing, if you multiply it by 8, that comes from around INR280-odd crores which you are mentioning.

On the gap of INR40 crores which you are seeing is as we have clarified in the past call as well, out of 3.5 gigawatts of portfolio, there are certain comprehensive O&M contracts and some are non-comprehensive O&M contracts. Though the EBITDA margin will remain the same in terms of the per megawatt basis.

But the revenue realization on a non-comprehensive O&M contract would be somewhere around 3 to 3.5 lakhs, which translated to this difference.

**Pritesh Chheda:** Okay, okay. And can you help us the bridge in the next 3 years -- next 2 years until FY '27. How much of organic will be add to this 3 ,500 megawatts?

**S.K. Mathusudhana:** So as we are at a 3.5 gigawatt by December, we will commission near to about 300-400 megawatt in quarter 4. So broadly by FY '25, and we will be 4 gigawatt portfolio plus minus 100 megawatt, 200 megawatt here and there, then we will get commissioned 1200 megawatts in subsequent year and then 2 gigawatts. So organically, our portfolio will increase to somewhere around 7.2 gigawatts.

Inorganically, as Mr. Akhil has mentioned that we have already -- we are in advanced stages of Acquisition -we are planning to acquire one company in NCLT. We are evaluating the other proposals as well. So putting together, we are very hopeful that around 2 to 3 gigawatts when we acquire in next 12 to 18 months.

**Akhil Jindal:** I think to simplify your understanding, if you have a target of reaching 10 gigawatts in 3 to 4 years' time, from 1.5 years currently what we are today, will reach up to 7 gigawatts organically and the balance 3 gigawatts we are hoping to acquire inorganically. That is the ultimate plan.

**Pritesh Chheda:** This 1200 megawatts addition in '26 and 2,000 megawatts addition in '27. This will be year 1 and year 2 of these assets, right? So they would be revenue generating, but not cash flow generating, right?

**S.K. Mathusudhana:** That's right, Pritesh. You're understanding is right, but we have around 3 gigawatts of the old turbines as well for which we are recognizing our revenue. So as we have discussed in the past call as well, there are certain additional cash flow in terms of these turbines which are slowing. The difference in the cash flow is also very miniscule in terms of the revenue recognition and cash flow which we are -- which is coming.

**Pritesh Chheda:** Sorry, you have 3,000 megawatts already in this 3,500 megawatts do you have any -- sorry?

**S.K. Mathusudhana:** Pritesh, we can discuss in more detail this question off-line because that requires a little bit of a calculation, and I can explain it to you offline.

**Moderator:** We have our next question from the line of Nitin Gandhi from Inoquest Advisors.

**Nitin Gandhi:** Yes. The question was like out of this just continuation of previous question, how much is from NCLT asset, which you are targeting out of this acquisition?

**Akhil Jindal:** Yes, the same thing that we mentioned. The 3 gigawatt is our target to add over the next 2 to 3 years. Mostly it would be from a stressed situation because that is where I guess we can determine the best of the valuation. Otherwise, buying it from an operating asset from an operating company, could be very expensive.

And our endeavor would be to preserve the shareholders' value in that. and do everything which is value accretive rather than value destructive as some other people might be thinking of doing.

**Nitin Gandhi:** And what could be the challenges to get this kind of assets under management? Sorry?

**S.K. Mathusudhana:** Can you please repeat the question?

**Nitin Gandhi:** What could be the challenges to get these acquisitions done?

**Akhil Jindal:** I think it's a patient game, #1. You have to understand the legality of each and every asset. So to that extent, there is a fair amount of hard work in the, I would say, the core cost that one has to endeavor. As the management, we believe that we have got our bandwidth to do so. We have understanding of these assets. And to that extent, I guess -- but for the patience and a little bit of a perseverance, they all can be done -- easily done.

**Nitin Gandhi:** Can you share what is the size and their NCLT put together in this point of time for such assets?

**Akhil Jindal:** Well, there are a number of companies at different stages, I won't be able to give you the exact number, but we are looking at some targets where there is a fair amount of assets under management.

**Nitin Gandhi:** It would be 10 gigawatts?

**Anshuman Ashit:** Just adding to that, if you can refer to our presentation, so what we've outlined is that there was a study done some time back, which identified 10 gigawatts of stressed assets, which were available to be acquired. Out of that some has been already done. But broadly, you can consider that number for the reference.

**Moderator:** We have our next question from the line of Akhilesh, a Shareholder.

**Akhilesh:** I had a few questions. So first question is the solar O&M potential. Will it show up in FY '26 revenues? What is the plan on the solar side of the business?

**S.K. Mathusudhana:** Basically, the execution on solar is expected in the next FY. So as soon as the time line of 8 to 9 months, the project commissioning, so it will be taken over by Inox Green. So the financial will be reflecting post that.

**Akhilesh:** And what kind of margin profile will O&M and solar have? Is it similar to our existing profile? Or will it change the profile of the company?

**S.K. Mathusudhana:** The good news is since we share a lot of synergies between wind O&M and solar O&M, right? So we intend to put a common resources so that our margin, we will stick on to maintain the similar levels. If you are doing a standalone solar, the margin normally is too low. But we want to keep it in a synergetic manner.

**Akhilesh:** So is it fair to say that with solar also the EBITDA margin profile of the company will be in the 50% range?

**S.K. Mathusudhana:** Might not be if you are doing so much of solar, but looking into the capacity addition, we will prefer more in wind. We will look for more hybridization project that will make us better EBITDA margins.

**Akhilesh:** And cash flow wise is that solar O&M similar to wind? I just want to understand the impact when solar O&M starts on our company, whether it changes the cash flow profile of the company...

**Akhil Jindal:** As far as Mr. Mathu has said that in terms of the solar margins, since we are providing a hybridization solutions, our solar O&M revenue -- EBITDA margins will be a little higher as compared to the industry. That is one. But that would not be surely 50% because wind is kind of a unique play in which EBITDA margins are higher, that is complex. Solar is relatively simpler process, but due to the hybridization, we have the advantage.

So accordingly, our EBITDA margins in the solar will be higher. That is one. Second, in terms of the cash flow profile, that is more or less same as far as the wind and O&M is concerned that is similar to wind O&M. So there have been no difference as far as cash flows are concerned.

**Akhilesh:** Okay. And the next 1 or 2 years wind will still be the majority of the Inox Green portfolio over...

**S.K. Mathusudhana:** Yes, the wind will be the majority, the solar, we will start adding from the next year onwards, but that would be gradually will be added. So broadly in the next 2, 3 years' time frame, wind will be the majority.

**Akhilesh:** Okay. And second question is on this demerger of the substation from Inox Green. So while it will take away depreciation from our books, will it also take away any of the tax losses that we have accumulated.

**S.K. Mathusudhana:** No. So the tax losses would be on a company level, not on an asset level. So the tax losses will remain in this company.

**Akhilesh:** Okay. And what is the current accumulated tax loss.

**Moderator:** Sorry to interrupt sir. Maybe please request you to rejoin the queue.

**Akhilesh:** Just this one, if they can answer. The current accumulated tax loss?

**S.K. Mathusudhana:** INR700 odd crores is the tax losses, which the company carries.

**Moderator:** We have our next question from the line of Bhavik Shah from Invexa Capital.

**Bhavik Shah:** So when we say depreciation will go off our books, the assets will go to the other entity. But we'll require the assets for our O&M, right? So in a way, our depreciation will become our opex and will reduce our EBITDA margins, right?

**S.K. Mathusudhana:** So as far as the power evacuation and the common infrastructure, we have developed is not required for O&M services per se. That is required for further providing a turnkey solution to the customers. So it is -- in a broader sense, it is always a part of the EPC game. But as we have clarified in the last call as well due to the -- we have transferred the EPC business earlier from the Inox Green to Resco Global.

But unfortunately at that time, we were unable to get transfer this common infrastructure. And now since with the NCLT route, we are transferring the same. So that is all not required to be here in an O&M company as such.

**Bhavik Shah:** Okay. And sir, just to understand, sir, 50% EBITDA margins are like too good to be true. So what is the factor here that other players are not entering this industry, and we are enjoying this -- we will basically enjoy 50% EBITDA margin. Because if it's 50%, and I don't have any working capital or inventory when everything flows down, so everyone would like to enter this business.

And second is sir, in solar O&M our peers are not even making 25% gross margins. So how will we select projects there?

**S.K. Mathusudhana:** So first of all, if we understand that -- everybody understands that wind is a very complex business that everybody cannot get into that, number one...

**Bhavik Shah:** What is that complexity we have -- technicals, labor, skills? Or like what do we require? What's the complex element here?

**S.K. Mathusudhana:** I'm coming to that. First of all, first of all, we are an Indian OEM with a strong presence, and we own the substation, we develop the substation land connectivity, and we also install the wind turbines, right? As Inox green, we are operating substations, lines connectivity -- sorry, the EHV lines and turbines, okay? So customers are only owning the WTGs and they are kind of married to us for a long period of time, like more than 25 years until the life of the WTGs.

Unlike other new entrants who do not own anything on the land or substation or anything, so they are only selling the WTG. So any manpower contract technical skill contract can do the services, but cannot achieve EBITDA margin of 50%. They will be a very simple service contract with maybe 20%, 25% margin unlike in the several cases like you know several ISPs are there in the market, correct?

They will not -- they cannot match the EBITDA margins of an OEM. So that is one on the wind answer. Second, on the solar, as you said, gross margin is possibly 25% for the regular solar business. But when you couple the wind professionals or the technical expertise needed to manage a solar is much more superior than a solar themselves.

So we intend to use a similar technical forces and the resources to manage the similar technology. Everything is same. Only it's a rotary part and that's a non-moving part. So we intend to synergize the resources to make the margins higher than what the industry can give.

**Bhavik Shah:** Okay. Okay. And sir, do we have any guidance on the solar, how much gigawatt do we want to be there next scale up?

**S.K. Mathusudhana:** At this point of time, we are not giving any guidance on addition of solar into our portfolio. We'll give it at an appropriate time.

**Moderator:** We have our next question from the line of Tarub Advani, an Individual Investor.

**Tarub Advani:** So if you can please throw some light on the fundraise that we recently did, the amount that we still have and what the utilization has been if you have already spent something and if not, then what the proposed utilization is?

**Akhil Jindal:** Yes. As I mentioned in the opening remarks, we have utilized close to INR300 crores as on date. We intend to utilize another INR200, INR250 over the period of next 2 to 3 months. And accordingly, as we are looking at into other targets, the fund will be best utilized. We have also deleveraged the balance sheet of this company, as you would know -- partly through this fund. And to that extent, all the fund that has been raised are well deployed and they are creating more EPS for the company.

**Tarub Advani:** Sir, and the NCLT opportunity that you spoke about. So that would form the part of the first 300 that we spend, is it?

**Akhil Jindal:** That is right.

**Moderator:** The next question is from the line of Nitin Gandhi from Inoquest Advisors.

**Nitin Gandhi:** Can you share what's likely billing per megawatt for solar and hybrid right? Of course, I understand the complexity, it could differ in hybrid. But just ballpark numbers, maybe 5%, 10% here and there that's okay. But just to understand.

**S.K. Mathusudhana:** Actually, it's a bit early for us to comment on that, let things develop, and we'll come back to you in the subsequent quarters.

This is a new business that we are getting into, as we have mentioned in our presentation as well as in the opening remarks, so things will develop over the next few quarters. And we'll give you more clarity as and when we come back to you in 3 months' time.

**Nitin Gandhi:** No. I thought like since you have raised the funds and you have some business plan, obviously, when you are entering, there will be some number crunching you must have done. So I was just trying to look at those?

**S.K. Mathusudhana:** Fund raise is for inorganic acquisitions. The question I think you had asked us...

**Nitin Gandhi:** No, I understand, next phase, you will be obviously doing that also, right?

**S.K. Mathusudhana:** Yeah, but solar it will be more of organic growth rather than inorganic at this point of time, we are thinking on that.

**Akhil Jindal:** But having said so, we are looking at opportunities. Let's not close any door in terms of the opportunities. So if any solar maintenance company is up for acquisitions at the right price, we will consider that.

**Moderator:** We have our next question from the line of Pradyumna Choudhary from JM Financial.

**Pradyumna Choudhary:** Pardon me if I heard it wrong, but did you mention that INOX Green shareholders could get 20% of Inox Renewables that is erstwhile Resco Global or was it 10%?

**S.K. Mathusudhana:** So the minority shareholder of Inox Green will get 10% in the consolidated entity. So currently, 50% is owned by the minority shareholders in Inox Green, so if we take our math accordingly, then the 20% shares of the Resco will be owned by the Inox Green shareholders, so 10% by the minority and 10% by the promoters accordingly.

**Moderator:** We have our next question from the line of Manish from Middleton Capital.

**Manish:** So how does this available -- like we got the 96.2% availability affects the revenues or how do we correlate with the revenues? Does it affect the revenue by any count?

**S.K. Mathusudhana:** See, this is a key performance index for a performance number. This has nothing to do with the revenue. So this is basically an industry benchmark for the entire project availability. Basically, it includes the availability of WTGs turbines. Also, it includes the availability of the 33 kV line substation and the EHV lines.

To put together, our overall plant availability or the project availability is 96.2 percentage. So if you share from the market who only operates the wind turbine, their availability is at 97%, which is not comparable with this number because this is a total project availability number end-to-end.

**Moderator:** We have a follow-up question from the line of Shweta Dikshit from Systematix Group.

**Shweta Dikshit:** One question on the solar O&M side. Is there any indication of what kind of realization is there like where is INR8 lakh per megawatt for wind O&M. Is there a similar number for solar O&M?

**S.K. Mathusudhana:** Again, I'll repeat what I said in the previous question that it's a bit too early for us to comment on the numbers and also on the realization front. But what I can give you an indication is that it will be lower than what we are currently billing in the Wind business. So that's -- I cut myself on that. And probably we'll come out with more detail in the subsequent quarter.

**Akhil Jindal:** And just to add, just to give a more idea. We don't want to give any numbers on that, but you should know that for a small project of solar the cost per megawatt is high. For a large project like 500 megawatt, 400 megawatts, the cost per megawatt is low. So there is no specific for solar in the case. It depends on the scale and the size of the project. Once the project is getting commissioned and getting loaded, we will be very spot on, on the prices and the margin we can do.

**Shweta Dikshit:** All right. One last question. What was the size of the total proceeds of the funds raise? That you utilized...?

**Akhil Jindal:** No, I think the total was INR1,050 crores, as you would remember. And that’s obviously, we have received. Manish, correct me if I'm wrong. INR550-odd crores already in the company. The balance are callable money. And as and when required, it could all be infused. Out of INR560 crores I mentioned to you, approximately INR300 crores is being used for the acquisition, another INR70 crores, INR80 crores for the debt reduction.

So almost INR370 crores, INR380 crores are being -- they have been used for till now. We still have say, INR200 crores of the previous funding in our system. And as and when we -- the acquisition side based on this, we can call in more money, which is a balance to be infused from the previous round.

**Moderator:** We have next question from the line of Anuj Upadhyay from Investec Capital.

**Anuj Upadhyay:** Just one clarification on how much of cranes are expected to be operationalized in the next quarter? And also, you mentioned that the transformer capacity would be operational. So what capacity would begin, let's say, Q4. And I do understand that the Resco is targeted to be demerged from the Inox Green and it's capacity, my understanding is it would come on the Resco, but would it still have any kind of a margin impact on Inox Green for FY '26 numbers?

**Anshuman Ashit:** So on your first question on the cranes, obviously, it is unrelated to Inox Green related to Inox Wind because Resco is a subsidiary of Inox Wind. But still two cranes will become operational, and we are starting with that and then additional claims will come in the subsequent months.

And there will be no impact on the transfer of the business -- the substation business from Inox Green in terms of the EBITDA margins. We don't see -- feel that there'll be any impact.

**Anuj Upadhyay:** That's helpful, sir. And on the transformer side, what capacity, again, I believe it's part of Inox Green only, but any clarity...?

**Anshuman Ashit:** We can discuss that offline. We'll let other participants if there are to discuss on Inox Green specifically here.

**Moderator:** Ladies and gentlemen, that would be the last question for today. Do you want to give any closing remarks?

**S.K. Mathusudhana:** So thank you, everyone, for joining today's call. I hope you have a great weekend ahead. Thank you, once again.

**Moderator:** Thank you. On behalf of Investec Capital Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.