INOX Wind Limited

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IWL: NOI: 2025

6th 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: 539083** **Scrip code: INOXWIND**

**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.inoxwind.com.

You are requested to take the above information on record.

Thanking You

Yours faithfully,

**For Inox Wind Limited**

Deepak Banga

Digitally signed by Deepak Banga
Date: 2025.02.06 20:04:23 +05'30'

**Deepak Banga**
**Company Secretary**

Encl: a/a

"Inox Wind Limited

Q3 FY '25 Earnings Conference Call"

January 31, 2025

**MANAGEMENT:** **MR. DEVANSH JAIN – EXECUTIVE DIRECTOR – INOX GFL GROUP**
**MR. KAILASH TARACHANDANI – GROUP CHIEF EXECUTIVE OFFICER – INOX WIND LIMITED**
**MR. AKHIL JINDAL – GROUP CHIEF FINANCIAL OFFICER – INOX GFL GROUP**
**MR. ANSHUMAN ASHIT – INVESTOR RELATIONS – INOX WIND LIMITED**

**MODERATOR:** **MR. ANUJ UPADHYAY – INVESTEC CAPITAL SERVICES**

**Moderator:** Ladies and gentlemen, good day, and welcome to Inox Wind Q3 FY '25 Earnings Conference Call hosted by Investec Capital Services. 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 the star then zero on your touchtone 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, sir.

**Anuj Upadhyay:** Thanks, Shiv. Good evening, everyone, and welcome to the Q3 FY '25 Earnings Call of Inox Wind Limited. For today's call, we have with us Mr. Devansh Jain, Executive Director of INOXGFL Group; Mr. Kailash Tarachandani, Group CEO, Inox Wind Limited; Mr. Akhil Jindal, Group CFO, INOXGFL Group; and other senior members of the management.

I will now hand over the call to the management for their initial remarks, after which we will open the floor for the Q&A session. Thank you, and over to you, Anshuman.

**Anshuman Ashit:** Thanks, Anuj. Good evening, everyone, and thank you for joining today's conference call. I will take you through some of the key details of our financial performance for Q3. Inox Wind announced its Q3 FY '25 results at its Board meeting held today, Friday, 31st January 2025. The results, along with the earnings presentation and the press release are available on the Stock Exchanges as well as on our website.

On a consolidated basis for the quarter, Inox Wind reported revenue of INR994 crores for Q3 FY '25 versus INR507 crores in Q3 FY '24, which is an increase of 96% Y-o-Y. EBITDA for the quarter was INR290 crores – versus INR99 crores in Q3 FY '24, which is an increase of 192% Y-o-Y, which is the highest ever Q3 EBITDA in Inox Wind's history. Profit after tax came at INR112 crores in Q3 FY '25, which is also the highest ever profit for Q3 in the company's history versus INR2 crores in Q3 FY '24. Cash profit for the quarter came at INR239 crores versus INR33 crores in Q3 FY '24.

**Moderator:** Sir, I'm sorry to interrupt. Can you please come closer to mic and speak.

**Anshuman Ashit:** Just continuing. For Q3 FY '25, the normalized EBITDA, excluding excess provisions and liabilities returned back was INR220 crores. Net interest expense for the quarter, including LCBG expenses, stood at INR24 crores, excluding onetime charges and treasury income.

I'm also pleased to inform you that Inox Wind's credit ratings for our short-term bank facilities have been upgraded by two rating agencies to their highest ratings possible. Additionally, our long-term ratings have also been upgraded to A+ with a stable outlook.

I would now like to hand over the floor to our CEO, Mr. Kailash Tarachandani, for his remarks. Thank you, and over to you, sir.

**Kailash Tarachandani:** Thanks, Anshuman. We are pleased to inform you that we have been able to deliver yet another quarter of strong results. In quarter 3, all parameters, be it operation or financial, have witnessed substantial improvement. We are confident that with our efforts, we will deliver significantly higher performance going ahead, starting from quarter 4 '25.

In quarter 3, we have been able to improve our execution to 189 megawatts despite the on-ground project execution-related challenges. On the back of our strong performance, in the first 9 months of FY '25, I believe, we are on course to achieve our target for the full financial year.

We continue to take rapid strides in the build sector as India beholds enormous opportunities and continues to push towards its RE targets. As we have highlighted earlier, after working on the 4 pillars, operations, balance sheet, technology and supply chain, we had clearly put our focus on improving our margins. We have now already addressed on a few of the initiatives which we have undertaken to improve the margins.

I'm happy to announce that we will commission our nacelle manufacturing unit, operationalize our initial few cranes and commence our transformer manufacturing lines, all within quarter 4 FY '25. We continue to aggressively build project infrastructure to support our ambitious execution plans, which we envisage will take speed from FY '26 onwards.

As we are currently working on multiple turnkey projects across location, our EPC execution is continuously improving despite, as usual, on-ground challenges. We have grown our revenues and expect to further accelerate going forward from quarter 4 onwards, where our EPC revenue should also start reflecting. Given our large and well-diversified order book of 3.3 gigawatts and the multiple negotiation and bids for new orders, we are very confident of achieving our FY '26 guidance, which should be reflected in our quarter 4 FY '25 performance.

Our group's latest venture into solar manufacturing through Inox Solar will create substantial synergistic benefits for Inox Wind. Along with Inox Solar, Inox Wind will also now bid for comprehensive hybrid contracts and become a unique player in India to offer such solution to customers. This will also open up additional revenue stream for our EPC arm, Inox Renewable Solutions and our O&M arm, Inox Green.

Finally, a brief overview on the macro outlook. In the current financial year, around 15.5 gigawatts of wind-related tenders have been awarded, including 13.6 gigawatts of hybrid/RTC/FDRE and 1.8 gigawatts of plain vanilla wind. Tariff continues to be competitive in the range of INR3.2 to INR3.3 per unit for wind/solar hybrid, around INR3.6 per unit for plain vanilla wind and INR4.25 to INR4.56 per unit for FDRE projects in the recent auctions. Demand for the C&I segment, which is over and above those figures, continues to gain pace. We expect the pace of awarding to continue and PPA or awarded projects will be expedited, resulting in incremental orders for players like us.

I will now hand over to Mr. Devansh Jain for his remarks before opening the floor for Q&A. DJ.

**Devansh Jain:** Thanks, KT. Good afternoon, everybody. As promoters, we are very confident of our wind business growing exponentially given the opportunities that the sector beholds as well as the solid current positioning we've created for ourselves. The growth fundamentals of India's renewable sector are strong, and the country continues to take rapid strides towards its targets. With the unparalleled opportunities, we have gone ahead and established ourselves across the entire value chain of renewables, be it manufacturing for both solar and wind, project development and execution, O&M as well as power generation now. We believe all these businesses are aligned and provide large synergistic benefits for Inox Wind.

With the country going largely the hybrid way, the Inox GFL renewable arm and particularly Inox Wind is very strongly positioned to capture the mega opportunities ahead of us. And we hope to continue to create enormous value for all our stakeholders.

Thank you, and we'll open the floor up to Q&A for the team.

**Moderator:** The first question is from the line of Vishal Singh from Finvestors.

**Vishal Singh:** Congratulations for the blockbuster results. My first question will be we are done with 469 megawatts and another 331 megawatts is left. Are you still guiding us for 800 megawatts for this fiscal year, sir?

**Kailash Tarachandani:** Yes, we're still guiding for that 800 megawatts. We are on track for it.

**Vishal Singh:** You are garbled, sir. Please, can you please repeat that, sir?

**Anshuman Ashit:** So we continue to maintain our guidance for FY '25 of 800 megawatts. And we believe that we are on track to achieve that.

**Vishal Singh:** Okay. And what I can see is that in Q3, we have maintained 29% of EBITDA margin. And what I can see is blended margin for the 3 quarters for this fiscal year is 26.5% approx. So you had earlier guided us for 17% margin for this fiscal year. Are we still on the same margin or you're guiding for something more? Or you can directly guide us for the...

**Manish Garg:** As far as FY '24 is concerned, excluding the onetime income of INR70 crores, our EBITDA margins are somewhere around 22-odd percent and the consolidated margin for 9 months is somewhere around 23-odd percent, excluding the other income of INR70 crores. So we are maintaining our guidance of 17% on a yearly basis. And we believe we are -- we don't give any guidance basis up on the quarterly basis.

**Vishal Singh:** No, for the full fiscal year, are we on the 17%...

**Manish Garg:** We maintain our guidance of 17% for the full fiscal year.

**Devansh Jain:** We maintain our guidance at 17% with the caveat there could be upgrades going further, but we maintain our guidance at 17% for the full financial year. We do not give out quarterly upgrade guidance any further.

**Vishal Singh:** No, I understand that, sir. Last time, we had talked about the demerger of that EPC subsidiary. So when that is going to happen, sir?

**Manish Garg:** So the Board approval for a demerger of the substation business from Inox Green has already been taken in the last Board meeting, the scheme has been filed with NSE and BSE, and we are waiting for their approval. Post the NSE and BSE approval, we will file the scheme in NCLT and we'll take it forward. So that is on track.

**Moderator:** The next question is from the line of Aniket Nikumb from ABN Capital.

**Aniket Nikumb:** Congratulations on a great set of numbers, sir. My first question was maybe just picking up from the previous participant. In this quarter and in the 9 months, we've delivered sort of low 20s type margin already. So just wanted to check if some of our initiatives that we have talked about in terms of cranes and other sort of in-sourcing has started to be implemented and it is in the numbers already. Or is that going to happen a little bit later?

**Anshuman Ashit:** Thanks for your question. So as we have mentioned in our initial remarks, the first set of cranes will be operationalized in this financial -- within this quarter itself and will be reflected from Q4 onwards. And as well as your question and the earlier question, see, our margins -- so what we have guided, we maintain that, it's 17% plus. What we've achieved -- we hope to maintain our guidance basically at 17% plus. And we'll come back to you if there is any further guidance upgrade, because we've already done one upgrade in the previous quarter. We'll come back to that...

**Devansh Jain:** 17% for the full financial year. And we maintain that guidance for the full financial year with the caveat that there could be upgrades going further. But we do not want to upgrade guidance or we look at guidance every quarter, number one.

And number two, with respect to some of the other initiatives, as Anshuman mentioned, some of them are going to kick in over the course of this quarter. So they are not factored in yet into our margins. That's something which will get -- will kick in further from Q4 onwards.

**Aniket Nikumb:** Got it, sir. Very clear. My second question was maybe if you can comment a little bit on how are you thinking about your order book and participating in various tenders and so on because obviously, you are already sort of "sold out" for the next 2 years. So how do customers view that? And how does that dynamic work? If you can give some qualitative comments on that, that will be helpful.

**Kailash Tarachandani:** No, we have -- as you would have seen, we have long-term relationships with many of our customers and this gets sweetened with the repeated orders. As on date, we have 3.3 gigawatts around order book, which mostly covers broadly if I see that for the next 2 years or so. That doesn't mean that -- we are also participating in many of the bids. We have bided for the government tenders.

We are discussing with C&I customers, which are -- some of them are in very, very advanced stage. And as the time comes, we'll keep announcing. So we expect order inflow from across customers because the demand is very high across C&I customers and including PSUs. to get number increase, but yes, we expect to close big orders during this quarter and next quarter end.

**Moderator:** The next question is from the line of Praharsh from Arjav Partners.

**Praharsh:** I have two questions. One is, other than Suzlon, who are the international competitors we have in our business? That is one. Second is U.S. going out of Paris Accord, will it have any impact on the solar buildup and the capacities in India in terms of the pricing or demand?

**Kailash Tarachandani:** So of course, you took one name in terms of competition where we're working in the Indian sector. But you do have some Chinese players and as well as you have some multinationals. But as I see, coming back to your second question as well, immediately don't see any impact.

And overall, as I see, some of these multinationals who are sort of producing in India, but they are mainly using for their own export orientation, they are nowhere -- possibly, they are not very competitive also from a cost perspective, won't be able to come to some of the Indian players.

And there are different, I would say, pros and cons with respect to Chinese. For example, MNCs in Chinese, they don't offer turnkey, while we offer turnkeys as well where almost 50% market is still -- 40% to 50% market is still turnkey. So from that point of view, immediately you don't see any impact from other players. I think we continue to maintain our position, our relationships across our customers and don't see any issues from the order inflows point of view.

**Praharsh:** Sir, the second question was we have spoken -- in the presentation, we have given a very aggressive buildup on the solar side. How is it going? Because of tenders coming in the form of hybrid tenders, are we building that keeping that in mind or there's some other...

**Kailash Tarachandani:** There is definitely a synergy out there. And as Devansh also said that we see different synergies. And in fact, there are quite a few hybrid tenders coming up, and we will use definitely our solar might to participate in solar and wind bid both as such. So there is an increasing trend. Even in my talk, I said that increasing trend for hybrid and FDRE, and we will definitely take that advantage. DJ, you were saying something.

**Devansh Jain:** Again, the solar business is in the private domain. That's got nothing to do with Inox Wind. What we've done though is that there are a lot of synergistic benefits for Inox Wind in EPC, in hybridization, in operations and maintenance as well as participating in many tenders, which earlier we were not because we would not tie up with some random company for solar.

**Moderator:** The next question is from the line of Pradyumna Choudhary from JM Financial.

**Pradyumna Choudhary:** Congratulations on a brilliant set of numbers. My first question is regarding the FY '26, are we still maintaining that 1,200-megawatt guidance? Or are we expecting something above, something lesser if you can just help with that?

**Kailash Tarachandani:** No, we are maintaining still the guidance of 1,200 plus, that kind of thing. With the order book that we have and the kind of planning we have, including on the ground and especially on our development, et cetera, we are very confident to deliver that.

**Pradyumna Choudhary:** All right. All right. And second, on the timeline for the demerger. Last call, you've spoken about approximately 1 year. So we are still expecting to be around those timelines only or has there been any change?

**Manish Garg:** So as we have told in the last call also, we have filed the scheme with the BSE and NSE. The approval will come in a couple of weeks. We are expecting the approvals in a couple of weeks. And we still expect we will get the demerger happen within the next 6 to 9 months' time.

**Devansh Jain:** Look, again, just to clarify, we are doing what we can as a company, but there are certain processes at NCLT and NSE, BSE, which are not in our control. So the best that we can do is broadly guide what is happening or what has been happening in the past. And to that extent, as Manish added, we broadly would think this should happen in the next 6 to 9 months. But for example, in certain courts nowadays, NCLTs are not sitting or they're not closing or passing orders for months altogether. Now that's something which, as a company, we cannot control.

**Moderator:** The next question is from the line of Ketan Jain from Avendus Spark.

**Ketan Jain:** Sir, as you mentioned in your opening remarks that there was around 15 gigawatts of wind capacity awarded this year. And you said that C&I is above this. If you could help me quantify this number in gigawatt how big is the market size in India annually?

**Anshuman Ashit:** In terms of project awarding, so the trajectory is pretty clear, what the government has already announced is a 50-gigawatt awarding trajectory every year from FY '24 to '28. Out of this 50 gigawatts, 30 gigawatts is plain vanilla solar, 10 gigawatts is hybrid, RTC and FDRE, and balance 10 gigawatts is wind. Now what we're expecting is that a lot of plain vanilla solar and plain vanilla wind will now shift to hybrid.

And that hybrid capacity awarding of 10 gigawatts will increase significantly, as we've been continuously seeing in the last financial year as well as in this financial year. So I think the trajectory is pretty clear on that front.

**Ketan Jain:** No, sir. What about the C&I capacity, which is over and above this? How much -- how big is that market?

**Anshuman Ashit:** Over and above that, what we expect is that C&I should be anywhere between 3 to 5 gigawatts -- 3 to 4 gigawatts every year going ahead because we see a very strong demand from many of our customers who are C&I players because a lot of them, who export to the markets such as Europe and all, have to have all of their supply chain green. So they need their power also to be green.

They can't take grid-based power because we don't know the colour of that. Because of that, even if you look at the various companies and their own renewable plans, you will get an idea of where the trajectory is. So what we expect is 3 to 4 gigawatts basically at this juncture, the C&I demand being per annum.

**Ketan Jain:** Understood. And just a last follow-up on this. Our market share in -- even in C&I would be around 20% to 25%?

**Anshuman Ashit:** See, again, in the previous call also, we maintained...

**Devansh Jain:** Anshuman, let me take that. 20-25 -- I mean, again, I think, frankly speaking, we are not really looking at what our market share is in PSU, what our market share is in C&I, what our market share is in retail. It does not matter. What we're concerned is how large is the Indian market, and how much of it are we taking. I may take 100% PSU in a year and not do any PSU the next year. So it really doesn't matter.

As you can see, we have a very large, diversified order book across PSUs, across corporates, across C&I, and I think that's what's relevant. We do not want to break it up into different segments and then give targets within those different segments. That's not how we look at...

**Moderator:** The next question is from the line of Shweta Dikshit from Systematix Group.

**Shweta Dikshit:** A couple of questions from my side. The first one being, could you explain what composed of the other income this quarter for both Inox Green -- I mean, even if we remove a Inox Green of INR12 crores, that still brings our other income to INR70 crores this quarter. So first of all, a breakup of that. Another thing, on the margin side, are we maintaining 18% for next year?

Third question would be on the realization side that we are still lagging in terms of realization this quarter on a consol. We are still -- we're below INR5 crores per megawatt. So how do we see this moving forward for the next 2 years when our execution guidance remains intact?

**Manish Garg:** Thanks, Shweta. So as far as your first question is concerned about the other income, we have created a lot of provision during the last 3, 4 years in terms of the ECL based upon our conservative ECL policy. And based upon the improvement in the business, there are certain ECL reversal which has come into this quarter amounting to near about INR70 crores, which has been recognized in the -- under the head of other income.

As far as our EBITDA margin for the next financial year are concerned, as we have already clarified that we are guiding for 17% plus EBITDA margins with the caveat to further upgrade as and when it will happen, we are not giving any quarterly guidance about the EBITDA.

**Anshuman Ashit:** Just adding to it, so these initiatives which we have taken, so that will add 100 to 200 basis points in the next financial year, in FY '26. And another clarification is that the 17% guidance which we have given is on the basis of full execution, basically. So we generally don't give the quarterly guidance. So for next quarter, we won't be giving any specific number. But for FY '26, we can see an improvement of over and above our guidance, which we've given 100 to 200 basis points, given all the actions that we are taking.

**Manish Garg:** In terms of your last question, which is the execution per megawatt, which is coming somewhere around INR4.5 crores, INR4.6 crores per megawatt. You see the EPC execution is continuously improving, and we are currently executing EPC for multiple projects, right. As we book revenue on the major milestone misses, post-monsoon, there are major milestones which have happened and which is in progress.

We expect substantial EPC revenue booking will be done in quarter 4. And in quarter 4 -- per megawatt quarter 4 onwards -- per megawatt realization and the revenue will start reflecting from quarter 4 onwards on a normalized basis.

**Shweta Dikshit:** So just for my clarity, if I look at the exceptional items also this quarter, so there are certain losses related to ECL that we've already accounted for in the exceptional item that is below EBITDA. So -- I mean on an accounting...

**Manish Garg:** Shweta, it is not for the ECL. That is something related to some kind of charges, which have been charged by the SECI -- past charges which have been charged by the SECI. So it has nothing to relate with the ECL. So as I have clarified that, the ECL provisions whichever we needed to provide, we have provided in the past year. Now since the improvement in the business and an improvement in the overall scenario, we are taking the reversal of the ECL provisions and which have been happened in this quarter.

**Shweta Dikshit:** Okay. Understood. A follow-up on the realization side. So when we -- taking into account the EPC that is yet to kick off and that is expected to flow in fourth quarter onward, so that is something that kind of brings down or normalizes your EBITDA margin. So since this will also happen gradually, so at least for the first few quarters, we're likely to see higher EBITDA margins and then maybe taper down to 17%, 18%.

**Manish Garg:** Shweta, absolutely right. As Anshuman has told that, the EBITDA guidance of 17%, 18%, which we have given, given on the full execution basis. So in one particular quarter, there might be some incremental supply of the nacelle, some EPC, so that quarter-on-quarter, the EBITDA margins can differ, but as we have answered multiple times, we are maintaining our guidance on the EBITDA margin with the caveat of the further business improvement.

**Shweta Dikshit:** Right. One last question. Just a small...

**Moderator:** Ma'am, can you please come back in the question queue for further questions? The next question is from the line of Akash Mehta from Canara HSB Life.

**Akash Mehta:** So just one question on -- like with the decline in battery prices that we have seen, now more solar plus battery is also like, I mean, coming up. So how do you see -- I mean, will there be any impact in terms of incremental demand for wind? Or I mean, you believe that wind, solar and battery all three will kind of continue to grow?

**Devansh Jain:** So let me take that one. First and foremost...

**Kailash Tarachandani:** We've actually seen the margins at FDRE, I think with storage, solar and wind will continue. Let's not forget, battery is one way to save that energy storage. But at the same time, generation is between solar and wind. And solar has its own uniqueness, advantage of the day, while wind is more in the evening and in the night sometimes or during a certain time. The storage has a crucial role to play.

And as the storage is coming more and more cheaper, the power will be becoming -- getting more and more from that point of view. But overall, just to answer your thing, we believe that all three combination as it is going on right now, more and more FDRE bids are coming, it will continue to ramp up in those directions.

**Devansh Jain:** KT, just to add, while battery costs have declined, the arbitrage is still hugely significant. So you're doing wind, you're doing hybrid, you're doing solar, FDRE, battery, all of this has been done for absorption of renewable energy on a massive scale. We are not talking of 2, 3, 4, 5 gigawatts. I'm sure you're going to have 40 to 50 gigawatts of renewable energy pumped in to the grid, you've got to stabilize.

And if you have, say, 30 to 40 gigawatts of solar and say 10 to 15 gigawatts of wind, which is the government target, we may realistically do maybe 30 gigawatts solar and 8 to 10 gigawatts wind, you have to take care of the timing when this is not available. And wind cannot go to the extent of 30 gigawatts in India, at least it's not visible at this point in time. So battery is a good alternative to that.

However, the cost of battery itself is still obnoxiously expensive compared to the arbitrage between wind and solar. Yes, it's come down drastically, but it continues to be hugely expensive. Going forward, it will continue to come down, and that will enable more and more absorption of renewables, which will further replace thermal and coal-based power in the years to come.

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

**Nikhil Abhyankar:** Sir, I just have a single question regarding your execution. The number, which you have mentioned for 9 months, 470 megawatts must be the supply of turbines. So if I have to understand what is the exact commissioning on ground for the turbines that we have supplied, if you can provide that number?

**Kailash Tarachandani:** So as on date, we have approximately 200 megawatts ready on ground and awaiting approval for commissioning. We continue to execute as we speak during this quarter 3 and quarter 4. And I think possibly, as we go along, the execution numbers are improving.

**Nikhil Abhyankar:** Okay. So out of 470 megawatts, 200 has been...

**Kailash Tarachandani:** Ready for commissioning.

**Devansh Jain:** Just to add, there's going to be a lag of a quarter or two in terms of whatever you build. Whatever you supply and build is not going to be something that you're going to be ready for commissioning. So I think on ground is good. And I think from a Q4 perspective and as we move forward, on-ground execution is only improving. A lot of the on-ground challenges are going, some of the new laws in the country with respect to connectivity, grid evacuation approvals are all smoothening.

So I think we're increasingly -- going to see more and more commissioning going forward.

**Nikhil Abhyankar:** And just a follow-up on that. I mean, are you seeing some stress? I mean, since you are supplying and if the turbines are not getting commissioned, there will definitely come a time when the supply -- the customer might ask you to slow down the supply. So are we facing some kind -- that kind of a situation anywhere?

**Kailash Tarachandani:** No, not at all. As Devansh explained very clearly, there's always a closer to two quarter gap in terms of supply and execution. The execution will go continuously hand in hand. And as I see that roughly a number I supply and the number of I'm executing every month is very, very similar. And I'm trying to -- we are trying to catch up in spite of the hurdles on ground or getting the connectivity issues with the CTU and all getting cleared from that point of view. So we don't see those kind of situation immediately coming up.

And as you possibly also note that we -- one of the moat is our development from that part of view. So we continue to build more development, more connectivity, more connections so that this kind of situation possibly should not come at all.

**Nikhil Abhyankar:** Sure. Sir, just a last question on the split of the order book, how much is EPC and how much is pure supply?

**Anshuman Ashit:** So pure equipment sale is roughly around 1 gigawatt and balance is EPC.

**Nikhil Abhyankar:** One gigawatt is pure supply?

**Anshuman Ashit:** Yes, 25% to 30%.

**Moderator:** The next question is from the line of Hansal Thacker from Lalkar Securities Private Limited.

**Hansal Thacker:** Congratulations on yet another stellar quarter. Just a very quick question. Just trying to understand the applicability of the deferred tax this year. As I understand, we have carry-forward losses still available. So is this deferred tax applicable to the other income, which is not available for set off?

**Manish Garg:** As far as deferred tax is concerned, the company has adopted for the new tax regime under this quarter and filed the income tax returns and everything accordingly. And the impact on the deferred tax is due to the adoption of new -- under the new tax regime. So whatever the deferred tax we have recognized till last year, based upon the old tax regime of 33-odd percent, has now been standardized based upon the new regime tax, tax paid.

**Anshuman Ashit:** It is just a onetime charge.

**Manish Garg:** It is just a onetime noncash charge.

**Moderator:** The next question is from the line of Prit Nagersheth from Wealth Finvisor.

**Prit Nagersheth:** So really, really happy to see this kind of execution and kudos to the team. I think the real question I wanted to ask is to Devansh. Devansh, the question is that this year, this financial year, I think there's a 1,300-odd plus kind of megawatts win on the order book, if I'm correct. And about 700-odd is coming from the group company. So just outside the group company, the company has won around close to 600 megawatts, while a lot of bidding has happened, a lot of winning has happened.

So can you shed some light as to why that order win rate is a little bit lower? And what should we be looking at going ahead in terms of where this order book can be?

**Devansh Jain:** I'll try and answer that, and then Kailash will chip in. First and foremost, I think over the past 6 years, we've had zero supplies to group companies. And I think it's very important to note that Inox Wind's entire order book over the past 5 to 6 years during the bad period as well as now over the past 18 months since we've rebuilt the entire business is built on very strong third parties such as NTPC, CESC, Continuum, Hero, Serentica and XYZ companies.

Having said that, if the group has a large captive plan going forward, it's just obvious and natural that we would supply to ourselves at market rates. So effectively, if today we have a 3.3 gigawatts order book after executing almost 500 megawatts over the course of this year, we've added not just group orders, that is a lot of external orders.

And from our perspective, there's no way we can create an order book, which is longer than 2 years. Unlike some of our competitors, we have no interest in talking about paper MOUs, paper orders, agreements over five years, which has no sanctity. These are firm orders, to the best of our knowledge and ability. These are orders with very credible and strong financial backers.

And to that extent, given that we're already tied up for the next two years, as I've said many times, sold out, I don't know what more orders we're supposed to add in the system. It's not as if you add one, two, three, four, five, ten gigawatts, and you can take a five-year or a seven-year order book. The longest order book in the sector is two years, and we already have more than that.

And we continue to add more orders every quarter as we execute supplies in every quarter.

**Moderator:** Sorry to interrupt, the current participant has been disconnected. We'll move on to the next question. It's from the line of Rohan Vora from Envision Capital.

**Rohan Vora:** So the first question was, we had mentioned that we have plug-and-play facilities that are ready for evacuation to an extent. So how does that give us a competitive edge in a scenario where evacuation is a problem? So that was my first question.

**Kailash Tarachandani:** That's always helpful. As I said, we have quite a few projects. One of our motives is that we continue to develop projects. We continue to build up substation. We continue to build up almost a five-gigawatt pipeline, which we are very proud of. So it always helps because today, if you see, a lot of connectivity’s are not immediately available. And we do a combination and mix up very well between where we have a limited equipment supply.

And where we take these turnkey projects either with PSUs and some of the very, very key strategic customer. So obviously, we have a pipeline ready for some of the for next financial year or year after, and we take advantage of that in terms of giving a sort of a quick pipeline, a quick commissioning to some of our investors.

**Rohan Vora:** Right, right. Sir, the next question was while we maintain our guidance of 17% EBITDA margin, so then the back-of-the-envelope calculation suggests that because we'll be executing or completing more EPC in the fourth quarter, our margins will be in mid- to low single digit. Would that be right, given that we are booking more revenue for the completion part of the project. Would that be the right way to look at it?

**Devansh Jain:** Okay. Look, let me take this question. I've been hearing multiple people asking about our margins. So first and foremost, I just want to reiterate that margins for the full year will be much better than what is already in the public domain. I think we've given enough hints by saying that we've upgraded margins to 17%, and we maintain them at this point in time with the caveat that we can further upgrade it.

As many of you would know, over the past couple of quarters, we've repeatedly upgraded EBITDA margins. We've gone from 14%-odd now to 17%. Having said that, I think for Q4, we would have -- I don't think it's going to be remotely close to single digits. It's going to be much better. It's going to be very well.

But at this juncture, we don't want to get into a point where we are saying, look, our Q4 margin will be X, overall will be Z, Y. We're saying for the full year, we are 17% plus. And we keep the caveat that we will -- we have the right to further upgrade this. We have not said that we have the right to further downgrade this. But let's leave it at that.

Let's not get into too many debates and discussions, what is it, how is it. I'm reiterating that for the full year, we will be better than 17% that we've guided. That's all. And I don't think we want to take more questions on this.

**Rohan Vora:** Sure, sure. Got it. And the last question was just broadly seeing on the industry point of view, we see that there are some challenges on the land acquisition and the evacuation part. So do we feel that, that would impact our ability to do 800 megawatts this year or 1.2 gigawatts next year? And how does one look at it?

**Devansh Jain:** Look, again, just be -- let's be very clear. We've guided for 800 gigawatts this year broadly, and we've guided for 1,200 gigawatts next year broadly and say, 2 gigawatts thereafter. I mean, this is keeping in mind the on-ground reality. Now sometimes different people ask us, did you do 50 megawatts extra commissioning? Did you do 10 towers more? Did you do 10 locations less? It doesn't matter.

You need to look at the larger picture, whether 1 quarter here, 1 quarter there, 50 megawatts here, 50 megawatts there, it doesn't matter. I mean if we've guided for 17% EBITDA margins, for example, for the full year, we're at 22% currently, excluding the one-off items. So what should we do? If we are doing -- in certain areas, we may be 10%, whether in certain areas, we may be 2%, 3%, though it doesn't matter.

Having said that, I think we are very confident of next year's numbers. Even for this year, we are broadly on track with what we've said. And we have -- honestly, if you look at the EBITDA for the full year and whatever we've guided, I think we are on course to beat that guidance, frankly speaking.

**Rohan Vora:** Sure, sure. Got it. Got it. Just one quick question was on the other businesses that we are developing, the cranes, et cetera. So what will be the capex outlay that one could factor in for FY '26?

**Anshuman Ashit:** So broadly, the capex guidance, which we've given for FY '26 and FY '27 is between INR50 crores to INR75 crores.

**Moderator:** The next question is from the line of Nikhil from Kizuna Wealth.

**Nikhil:** Congratulations on great set of numbers. Most of my questions have been answered. Sir, my last -- just the question is like you were talking about the on-ground challenges. Like are those related to more of a land evacuation or something else? Like with the commissioning, can you just elaborate more on that?

**Kailash Tarachandani:** I think as I said, it is as usual. It is not that they have come down. When you do -- these are infrastructure projects and you are doing in northern part of this country. So issues keep coming, whether it is land or whether it is connectivity, whether building up lines, but these are regular. They are not very abnormal, and we have been executing.

We have executed almost 3.5 gigawatts, and we continue to build up that. So nothing specific I'll highlight that which has increased. These are usual challenges, and we are able to manage more or less.

**Moderator:** The next question is from the line of Kapil Malhotra, an Individual Investor.

**Kapil Malhotra:** Sir, excellent set of numbers. I just -- most of the questions have been answered. Just want to know the status of the merger between Inox Wind and Inox Wind Energy.

**Manish Garg:** So the Inox Wind and Inox Wind Energy Limited merger are in the final stages. The next date of hearing is in the early February, and that can -- we expect to get it completed in this hearing.

**Devansh Jain:** Just to add, Manish, I mean, honestly, I think we've done everything as a company. I said that even for the demerger of the common infrastructure assets from Green. With respect to IWEL, IWL, honestly, just like many of you, we've been waiting for the past couple of weeks or maybe 2 or 3 months when honestly, it should have been done. But unfortunately, the way sometimes the courts in India function, they just put date-on-date. So effectively, we are just waiting for that.

Other than that, we've got all the NSE/BSE approvals. We've got all the banking approvals, all the shareholder approvals, all the creditor approvals. So frankly speaking, there's nothing left for us to do. It was a commitment to our minority shareholders that we will consummate this, and we remain committed to it, and we've done whatever we could do as a management.

I'm hopeful that in the next hearing, this should get consummated. Otherwise, if it's date-on-date, then we'll probably have to wait for 1 or 2 dates.

**Kapil Malhotra:** Yes. So I definitely understand there are some procedural delays there at NCLT. So the next hearing is in February beginning and probably somewhere by March or April, it should get -- it should be done?

**Devansh Jain:** Honestly, if they hear and -- I mean they've heard it multiple times, they wrap it up. If they just sit and organize the court, the way they should be running the court, then it should be done on the next hearing. Now if they get up or they don't hear or they don't attend, then you will go for another date. Frankly speaking, there's nothing left to be done.

**Moderator:** The next question is from the line of Vimox Shah from GoyamLabdhi Fintech Private Limited.

**Vimox Shah:** Most of the questions are already answered. So just one thing I would like to know is like the company is expanding into the crane services and the transformer manufacturing, right? What are the areas and how much revenue that this new business will add in? Any guidelines on this?

**Anshuman Ashit:** Can you repeat your question? You're not audible. You're not clear.

**Vimox Shah:** Hello? Can you hear me?

**Anshuman Ashit:** Please, repeat your question. You were not clear.

**Vimox Shah:** Yes. So the company is expanding into the crane services and transformer manufacturing, right? So what is the expected impact on revenue from these businesses…

**Moderator:** Sorry to interrupt. Mr. Vimox, can you please use your handset and speak?

**Vimox Shah:** Yes. So I was asking like company is expanding into the crane services and transformer manufacturing, right? So what is the expected impact on the revenue from these businesses?

**Manish Garg:** Backward integration which we are doing, it will be utilized effectively. And some of the part only will be utilized outside. So though the revenue will remain same, which we have guided for on a per megawatt basis, there will be an improvement in the EBITDA margins, which we have already guided on various other questions.

**Kailash Tarachandani:** And also on, it will be a deferred payment. So it will also help us on cash flows.

**Vimox Shah:** Okay. And another thing is like a single largest order of 50 million megawatts, right? So can you...

**Anshuman Ashit:** Can you please rejoin. We are not able to hear you clearly.

**Devansh Jain:** Can we move to another question because we can't hear anything? He has to probably rejoin because he's absolutely garbled.

**Moderator:** We'll move on to the next question. It's from the line of Prateek Giri from Subh Labh Research.

**Prateek Giri:** Congratulations on a good set of numbers. Kudos to the entire team. I have -- most of my questions are answered. I have a few questions left. On the 4-megawatt turbine, the higher-grade turbine, is there any update for us? And in terms of profitability, should we expect better profits on a per megawatt basis for the higher-grade turbine? And in terms of execution also, is it going to create any challenge because of -- I mean, I'm assuming because of higher -- lengthier wind -- sorry, that blades, which is there in a 4-megawatt turbine?

**Kailash Tarachandani:** So basically, as I see that we are on track and we are working on 4 megawatts. And what we see possibly the commercial production will start more in the second half of, or possibly go towards more quarter 4 '26. And in terms of execution time, see, there are pros and cons. Obviously, the blade is bigger. But if you focus larger sites, especially Rajasthan, Gujarat, there are many of those sites.

Obviously, we'll have to buy less number of lands. So it really depends from state to state, project to project. There will be good projects where it will be -- 4 megawatts will be ideal. And there could be a very complex sites where possibly our 3 megawatts will continue. So it will -- as I see going forward in the next 2 to 3 years, it will be finally a combination of both products going along.

**Devansh Jain:** As we are moving to better product -- and again, as we are moving to better products, it obviously leads to better profitability, further increase in profitability for us as well as better returns for our customers, assuming we share the benefits for -- between us and the customers, certainly, it would lead to better profitability.

I mean, which we've not guided for, which we've not spoken of at this point in time. But I think with a lot of the initiatives which we are taking, which are backward integration into cranes, our transformer manufacturing, more hybridization, the solar play, I think we would be looking at much higher profitability per megawatt as we move forward.

**Prateek Giri:** Understood, Devansh. Very helpful. Devansh, I just wanted some qualitative colour on the order pipeline. I would like to take the previous participant's question further where the order inflow this year has largely been dominated by the companies. So just wanted to have some sense on the order pipeline for, say, I know FY '26, we are booked, so FY '27, '28 and so on and so forth. How does that look? I don't know if you quantify the number, but if you can help us understand in terms of the pipeline?

**Devansh Jain:** Just to put the perspective correct, it's not as if the 1.5 gigawatt broadly order inflow which has happened has come from group companies. That's been about 500, 600 megawatts over the last 2 years. And as I mentioned, over the past 6 years, broadly, there has been zero supplies to any of these entities. They did not exist.

So effectively, if there is a large group plant, certainly, we will supply to ourselves. Why not? I mean, we have the best turbines in the market. We would not go and buy any other Chinese product or for that matter, any other companies which come and go. We've probably been the strongest survivors with zero haircut in the industry. So we have full faith in our product. And it's just natural that we will do that, number one.

Number two, we've gone and diversified our order book. The last year, we had questions we're only with NTPC, only NTPC, only NTPC. Then we went to Continuum, we went to CESC, we went to Hero. We recently got Serentica. We have various other things in pipeline. But effectively, if I'm sold out for the next 2 years, what do I do? I'm not going to go and build a 3-, 4-, 5-year order book, which are MOUs and paper agreements. Unlike other competitors, that is not what we believe in, and that is not something which we will encourage and go after.

As Kailash has also mentioned, there are multiple tenders in which we participated. Some of them have been delayed. Obviously, with the government push now, a lot of those are going through. There are various other ITP agreements which are being discussed, which are large transactions we've also had. Don't forget, our 3.3 product, complete scale-up happen over the past 2 or 3 quarters.

A lot of our certification requirements have been fulfilled recently. So effectively, what more are we going to go and do? So I think that's a wrong statement or a wrong way to look at it. I think we've created a very, very robust order book, a very healthy order book. And I think we are very strongly positioned. I mean, as I've said multiple times in the past, taking orders has been the least of our worries over the past 18 months.

**Prateek Giri:** Understood, Devansh. I honour your point.

**Kailash Tarachandani:** Just to add, we have a very good mix of, we can call, group orders, which actually takes some of the risk from the external work and also a very good combination of PSU and internal supply. So we continue to maintain and don't go too much line direction that balances our order intake portfolio quite...

**Moderator:** Sorry to interrupt. Your voice is...

**Kailash Tarachandani:** Again, these are sizable tenders which are already done as well as a lot of repeat orders deals with our very important customers. So we have a huge pipeline -- order pipeline from that perspective. We shouldn't hurry too much with the two orders already in take with us at this moment.

**Prateek Giri:** Understood. Kailash, your voice was muffled, but I get your point. Just one follow-up on this. With this kind of order book at this point of time, does it make us a little picky and choosy with the tenders, which are remunerative enough for us to participate because for us, profits are the first?

**Devansh Jain:** Certainly. I mean it's just natural that we are being selective. Otherwise, we would have been taking a lot of NTPC back in there. I mean, we had to diversify. We realized that. It could not have been only one. But it was important to stabilize the business 18 months ago when the sector was coming back.

So yes, we are picky and choosy. I think we want to work with people who are financially strong and have the ability to pay. There are multiple people out there, but there's no point working with people who can't execute on the ground, who will continuously keep facing challenges.

If you also notice what we've done is that we are increasingly moving to more and more equipment because our broader guidance, at least internally, has been to be 50% turnkey and equipment. Frankly, if we just keep turnkey, we'll probably see 10 more names in our order book, but we don't want to do that.

Our 3.3 are to fully stabilize. We have to finish all our certifications. It takes time, and that's also a moat in the wind business. It's not something which you do. And in 1 year, you have plug and play and you are ready in terms of a new turbine platform. So you've seen 2 new orders recently, which have been equipment supply.

We are working on multiple other equipment supply negotiations. And we are being very -- I mean, we've strategically looked at certain PSU bids in which we want to participate and win. So I think we have a very strong strategy in place with respect to how we want to grow and build this order book and who we want to work with.

**Prateek Giri:** Understood. Is it fair to assume, Devansh, PSU, C&I and ITP, all these tenders come at different margin levels?

**Devansh Jain:** Broadly, I mean, plus-minus 2% here and there, yes, but PSUs generally give you a slightly higher margin, but now it depends. Is it equipment supply? Is it a turnkey order? How I would answer that is basically turnkey always gives you a higher margin vis-a-vis equipment supply. I mean absolute profitability because in turnkey, let's say, it' INR8 crores a megawatt or INR6 crores a megawatt or INR7 crores a megawatt whatever it is, your absolute profitability is more.

But in equipment supply, your absolute profitability is lesser, your margins may seem slightly higher. For us, it's actually absolute profitability, which matters. And I think what's also important is we can't do everything turnkey, because turnkey is where you've got all the headache of land evacuation, while we are very strong at it and we've got a large pipeline. But...

**Prateek Giri:** Operator, probably we need your intervention here. I am unable to hear Devansh.

**Moderator:** Yes, the line for Devansh Jain has been disconnected.

**Kailash Tarachandani:** I hope your question was roughly answered.

**Prateek Giri:** Yes.

**Kailash Tarachandani:** If you have any further follow-up or anything else that you want to know, you can always get connected offline.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraint, this was the last question for today's conference call. I now hand the conference over to the management for their closing comments.

**Anshuman Ashit:** Thank you for joining today's call, and I hope you have a very good evening and a great weekend ahead. Thank you, everyone.

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