



## “Inox Wind Q2 FY25 Earnings Conference Call”

**October 25, 2024**



**MANAGEMENT:** **MR. DEVANSH JAIN - EXECUTIVE DIRECTOR,  
INOXGFL GROUP**  
**MR. KAILASH TARACHANDANI - GROUP CEO, INOX  
WIND LIMITED**  
**MR. AKHIL JINDAL - GROUP CFO, INOXGFL GROUP**  
**MR. RAHUL ROONGTA - CFO, INOX WIND**

**MODERATOR:** **MR. ABHISHEK NIGAM – MOTILAL OSWAL FINANCIAL  
SERVICES**

**Moderator:** Ladies and gentlemen, good day and welcome to Q2 FY25 Earnings Conference Call of Inox Wind hosted by Motilal Oswal Financial 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 “\*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Nigam from Motilal Oswal Financial Services. Thank you and over to you.

**Abhishek Nigam:** Yes, thank you so much. Good evening everyone and welcome to the Q2 FY25 earnings call of Inox Wind Limited.

For today's call, we have with us Mr. Devansh Jain – Executive Director, Inox GFL Group; Mr. Kailash Tarachandani – Group CEO, Inox Wind Limited; Mr. Akhil Jindal – Group CFO, Inox GFL Group; Mr. Rahul Roongta – CFO, Inox Wind and other senior members of the management.

I would now hand over to the management for their “Initial Remarks”, after which we will open the floor for the Q&A session. Thank you.

**Rahul Roongta:** Good evening all. Thank you for joining today's Conference Call.

I will take you through some of the “Key Financials” for the Quarter.

Inox Wind Limited announced its Results at its Board Meeting held today, Friday 25<sup>th</sup> October 2024. The Results along with the “Earnings Presentation” and “Press Release” are available on the Stock Exchanges as well as on our Website.

For the quarter on consolidated basis, Inox Wind Limited has reported revenue of Rs. 742 crore in Q2 FY25 versus Rs. 384 crores in Q2 FY24, an increase of 93% YoY. EBITDA of Rs. 189 crores in Q2 FY25 versus Rs. 70 crores in Q2 FY24, an increase of 171% YoY. Profit after tax of Rs. 90 crores in Q2 FY25 versus loss after tax of Rs. 27 crores in Q2 FY24. Cash profit of Rs. 138 crore in Q2 FY25 versus Rs. 1 crore in Q2 FY24. With Q2 financial performance being the highest in past 8 years, we are on course for achieving our financial targets for FY25.

Further, I am pleased to inform you that Inox Wind Limited has turned net cash as of 30th September, 2024. You can refer to Slide #22 of our investor presentation for the detailed breakup. While the interest expense has been reducing continuously over the past few quarters, I expect it to reduce substantially going ahead since the fund raise money came in into Inox in the middle of the quarter gone by and there were a few one-time expenses related to consortium formation, etc.

Further, in H1 FY25, Inox Wind Limited has delivered positive operational cash flows. In September, Inox Wind achieved another milestone as we signed a consortium agreement with banks for Rs. 2200 crores, which are largely non-fund-based limits with BG & LCs. These limits have been sanctioned on the financial spend of IWS balance sheet and without the requirement of any corporate guarantees or any other support from Gujarat Fluorochemicals Limited.

I would now like to hand over the floor to our CEO – Mr. Kailash Tarachandani for his “Remarks”. Thanks.

**Kailash Tarachandani:** Thanks, Rahul.

The quarter gone by has been yet another where we have continued our upward growth trajectory. Our profits have zoomed to Rs. 90 crores for the quarter. I am especially pleased that on the back of the tremendous effort put by our team, over the past 2 years, our balance sheet has now become net cash and we have delivered positive operational cash flow in H1 FY25, which is bound to significantly increase going ahead. We have been able to maintain our execution at 140 megawatts during this period despite the typical seasonal monsoon challenges faced during the quarter. On the back of our strong performance in the first half of FY25, I believe we are on course to achieve our targets for the full financial year. We are rapidly scaling up our execution backed by our largest ever order book of 3.3 gigawatts having added around 1.2 gigawatt of orders till date in the current financial year.

Our order pipeline is extremely strong as we continue to engage in active negotiations and deal across multiple IPPs, PSUs and C&I customers, both new and existing. In fact, with the large current order book and the strong anticipated order inflows over the coming month, we expect our execution to be higher than our current guidance of 1200 megawatt. However, we are currently maintaining our execution guidance.

There are several aspects coming into play, factoring which we expect our margins to be higher than our guidance of 15% in FY25. Our royalty payments for our 3 megawatt wind turbine will stop after FY25, resulting in immediate addition to our bottomline. Our backward integration activities, which includes in-house cranes and manufacturing of few critical components will further add to our margins. We are also working on the launch of our 4X megawatt turbine as well as larger blades on our 3 megawatt turbine. Factoring in all the gains, we expect our margins to improve by around 200 basis points from 15% to 17%.

Finally, a brief overview on the macro-outlook which continues to be highly favorable. In the current financial year, around 12 gigawatts of new wind hybrid FDRE tenders have been awarded. Tariff continues to be very competitive ranging at around Rs. 3.3 per unit for wind solar hybrid, Rs. 3.6 to 3.68 per unit for plain vanilla wind and Rs. 4.37 per unit for FDRE projects in the recent option. Demand from the C&I segment, which is over and above these figures, has continued to gain pace.

I would now like to open up the floor for the question and answer.

**Moderator:** Thank you very much. We will now begin the question and answer session. We will take our first question from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** My first question is on the console, you just said the royalty will stop at 3 megawatts. Can you please quantify the impact and is it fair to assume that this will start contributing from F26, right? That's what I think you alluded?

**Devansh Jain:** Is your question, does royalty stop now? Sorry Mohit, can you just be a little louder, clearer?

**Mohit Kumar:** I just mentioned that royalty on ECS will stop for 3 megawatt turbines. Is it possible to quantify the impact?

**Devansh Jain:** I think it should be about Rs. 6 lakh rupees a megawatt from the coming financial year.

**Mohit Kumar:** 6 lakhs, right?

**Devansh Jain:** Roughly six lakhs a megawatt from the coming financial year, increment to our profitability.

**Mohit Kumar:** Understood sir. My second question is on the, of course, we have a large order book. How are we ramping up, how are we setting up to execute a very large-ish order execution in H2? I think our target should be H2, given that we have done 280 megawatts, it's a very sizeable number. So, do we have the capability, have we been able to ramp up, build up the sites or work down?

**Devansh Jain:** I think Mohit is fundamental to five functions. I think we spoke about that. We focused the past 6 quarters on setting right the balance sheet, the capital, getting our banking lines in shape. As you know, over the quarter, we have become net cash. As you know, over the quarter, all corporate guarantees have fallen off after 7 years. The other two elements of supply chain, our supply chain is currently ready for 1 gigawatt. We should be ready for 2 gigawatts by end of this year. In terms of sites, we have about 2 gigawatts of sites available on a plug and play basis. Naturally in the monsoon period, you are not really going to be ramping up execution. In fact, it's a great job done by the team that we have done about 140 megawatts in peak monsoon when Gujarat has been really, really bad this year. So, I think those are the four pieces. As you rightly mentioned, our order book is huge, as Kailash already mentioned. There are so many discussions going on. Frankly, that's the least of our worries. So, I think if you look at it quarter-on-quarter, there's almost 25% growth in a peak monsoon quarter. Year-on-year, there's a 90% growth. I think our company is well geared for the mega ramp up or the mega play which we have. In fact, not just this, we are gearing up for 2 gigawatts in FY27.

**Mohit Kumar:** My last question is on the, can you help us with the timeline for Resco business? When we can see a significant contribution talking mainly about new businesses, the cranes –

- Devansh Jain:** I think that's going to play out over the course of the year. I will not share micro details at this point in time. I think we are sharing consolidated numbers at this point in time. I think that's more relevant. Even Resco is a part of Inox and at this point in time, it will get de-merged subject to board approval sometime next year. So, frankly speaking at this point in time, we are simply guiding for consolidated margins. As Kailash already mentioned and as Rahul mentioned, we have upped guidances from 15% to 17% on this call with the caveat that there's further upside possible as we keep moving forward quarter-on-quarter.
- Moderator:** Thank you. We will take our next question from the line of Shweta Dikshit from Systematix Group. Please go ahead.
- Shweta Dikshit:** Could you just throw some light on what has contributed to the EBITDA margins during the quarter? And what is, like, I understand the annual guidance increased by 200 basis points that's for FY26 or this year?
- Rahul Roongta:** So, firstly, on your question on the margins, so our expectation of the 200 bps increase in the overall annual margin is for FY25 and its slightly higher for FY26, but at this point of time we are maintaining at 17%. Now, on your question on the higher EBITDA margins during the first half specifically is because it's been more of supplies of the turbines rather than the EPC work which was a bit hampered due to the monsoon season being there in the second quarter. Now from second half onwards, you will see the margins being a bit moderated because we will be doing much larger EPC and the revenues from that also will flow, which will be a lesser margin business compared to our supply of the turbines.
- Shweta Dikshit:** Overall, our realizations can be better in the next 2 quarters, but margins will moderately fall down. But still, I mean, what is the...
- Devansh Jain:** I mean, for the full year, we have upgraded guidance for margins. In any case, for the full year, we have guided for about 15%. So, we are upgrading guidance to 17% for the full financial year.
- Shweta Dikshit:** And our execution guidance is maintained at 800 megawatts?
- Devansh Jain:** It is maintained at 800 megawatts with the caveat that there's a further upside to the next year's guidance.
- Shweta Dikshit:** Alright. Another question was on the management briefly spoke about adding larger turbine blades to the 2 MW WT. Could you please elaborate on that?
- Devansh Jain:** We are working on that 4x turbine, which we talked about. The engineering part is done. We have actually ordered some components of the prototype also. So, we will be going ahead with all the certification, etc. early next year and possibly starting the commercial production in the latter half of FY25-26, or the beginning of Calendar '26.

- Shweta Dikshit:** Okay, if I could squeeze in one more last question that would be around what composition of 2 megawatt turbines in the order book right now or is there any residual execution? Are we completely..
- Devansh Jain:** Largely right now all the order book is nearly 3 megawatt and very small portion of 2 megawatt is left, 7%-8% hardly. So, the rest is all 3 megawatts.
- Moderator:** Thank you. Next question is from the line of Aniket Nikumb from AFL Capital. Please go ahead.
- Aniket Nikumb:** I just had one quick question. Can you give us an update on the merger between IWEL and Inox Wind? I believe there was a final hearing or something scheduled today. If you can share?
- Rahul Roongta:** Yes, so for today actually the meeting has been scheduled for the next one week. So, maybe by 8th or 9th again the hearing will happen, and we will be able to know the outcome of it. But we feel that within one month we should be able to get some good news.
- Moderator:** Thank you. We have our next question from the line of Preet Nagarsheth from Wealth Finvisor. Please go ahead.
- Preet Nagarsheth:** A couple of questions, Devansh. One is on the order book. When do you see the PSU side of order flows that would start kicking in?
- Devansh Jain:** Thank you for your comments. It's interesting you asked when we see more of the PSUs kicking in. Last year, the questions we were facing were we have only PSUs. We went out and diversified across C&I. Having said that, and Kailash will give more insight, but frankly we are working with, there are so many PSU vendors out there in which we are participating, will be participating. There are lots of C&I deals and larger IPP deals going on. Frankly speaking, we are now no longer fixated to any one category of customers. And I think there are at least 10 or 12 very large discussions going on. So, I think as we keep moving forward, we will keep announcing deals across the spectrum.
- Preet Nagarsheth:** Right. So, Devansh, what kind of order book addition do you anticipate from now to the end of the year? Is it possible to get any kind of guidance on that?
- Devansh Jain:** I don't think we should get into that. I think what we have guided for is that FY27, we are targeting a 2-gigawatt play. And as I have said multiple times, what happens in the industry is the peak order book you could have, which is executable. And I am not talking of paper LOIs, unlike some of our peers who have multi gigawatt orders with less than 10% executed on the ground, we believe in firm orders and credible companies and parties with whom you can Google, you can check up, you can look at the board of directors and financial capabilities. And to that extent, I think 24 months would be peak. So, I would expect that at that point in time, if you are going a 2 gigawatt rate, a 4 gigawatt order book would be very large. We already sit on a 3.3 gigawatt order book. So, I think we are very, very solidly placed on the order side.

**Preet Nagarsheth:** Great. One other question, Devansh, was that one of your other peers, the international one, is coming up with a 5 megawatt platform for next year. What are your thoughts on that and are you also planning to have a 5 megawatt followed after the 4th one?

**Devansh Jain:** Look, what's important for us is cost of energy. We are not driven by nomenclature of turbines or 6 megawatt or 8 megawatt or 20 megawatt and 30 megawatt turbines. India is a class three site, a low wind site. And to that extent, if we can launch larger blades on our 2 megawatt product or our 3 megawatt product, that would be far more cost efficient than any other larger turbine. Having said that, the product which we have, which is virtually 4.5 to 5-megawatt turbine, is got one of the largest rotor diameters in the industry with the potential to add larger rotor diameters. So, to that extent, I don't see a product about that which we need to launch in the near future. But yes, we have access to enough technologies. As we feel it's appropriate, we will bring them to the market.

**Preet Nagarsheth:** Great. And any insights or updates on the Siemens business? Any color on that Inox may be going for it or something like that?

**Devansh Jain:** So, I don't think I would like to talk about that publicly. What I have read in the news is there are some people looking at it. Yes, we have evaluated that. But we have a very, very prudent capital allocation policy. No matter how much cash we have, ability to raise, no matter how much cash we raise, we are not going to stretch ourselves. We are going to be very, very cautious. I think organically we can build this business out phenomenally on the manufacturing side. On the O&M side, we have created tremendous value in I-Fox. We have made a strategic investment in another potential acquisition. I think that's more important for us. Our financial metrics typically remain 4 to 6x. We are not competing with people to buy companies at 30x, 40x, 50x. That's not something which is the ethos of the InoxGFL group. And I think we are on a very, very strong growth with it, both in wind and green, and I think we should be able to create enough value across that.

**Moderator:** Thank you. We will take our next question from the line of Raj Kumar from Finvestors. Please go ahead.

**Raj Kumar:** So, my question is, in one of the interviews I followed you on media and in your last concall also, you said that FY26 guidance of 1200 megawatts will have an upside risk. So, do you want to quantify that upside potential?

**Devansh Jain:** No, we will not be quantifying that. We have just said that there is an upside risk. What we have done at this point in time is we have upgraded guidances for this year from 15% to 17%.

**Raj Kumar:** And sir next is this year, what could be the realization per megawatt? I think 6 crore per megawatt was what was said in the last some con-calls. So, what I am seeing in the last two quarter results that the realization per megawatt is slightly lower.

- Rahul Roongta:** Yes, so as we had explained in the previous participant's question as well, that in the first half, there was more of supplies of the turbines rather than the EPC. So, the realization of EPC did not happen, which will happen in the second half. So, you will see overall per megawatt realization. We will close it to the 6 crore per megawatt figure which you have.
- Raj Kumar:** And do you see any risk in achieving what we have guided for this year or next year? Any risk?
- Kailash Tarachandani:** No, we don't see any risk. You know, the way the wind sector right now is going on is very positive. I think lots of customers are also getting ready with their own development. We are ready with our own development with the pipeline as Devansh also highlighted earlier. So, don't see per se any risk with respect to demand or with respect to execution.
- Moderator:** Thank you. We have our next question from the line of Nidhi Shah from ICICI Securities. Please go ahead.
- Nidhi Shah:** So, we are seeing a much lower interest payment this quarter as compared to the previous one. Is this something that we could expect for the year going forward as well for the remaining two quarters?
- Devansh Jain:** Yes, thanks. So, we have already mentioned that we have become the net cash company now. So, going forward, we will have only BG issuance charges, or the LC issuance charges kind of expenses in our profit and loss and first there will be finance cost but not the interest expenses and that also will be offset by our earnings from the investment on our surplus cash.
- Management:** Interest cost should drastically reduce every quarter. It will become positive interest.
- Moderator:** Thank you. We will take our next question from the line of Abhishek Nigam from Motilal Oswal. Please go ahead.
- Abhishek Nigam:** Just wanted to check, how are you thinking for beyond FY27? And now that you are in net cash, there is more cash getting generated. So, what is the plan for excess cash? So, that is my first question.
- Devansh Jain:** Abhishek, let's get there. As I said publicly, what I have said in many of the investor meetings, we will be very cautious. We are growing massively. So, while it's caution, we are growing massively. So, we have gone from 400 to 800 to 1200 to 2 gigawatt. Let's see how the market plays out. If it's going to be a 10-gigawatt market, we are going to be far larger than 2 gigawatt. So, we are not holding back on 2-gigawatt, number one. Number two, we would carry cash at all points in time equivalent to at least a quarter of how it rolls for us. So, let's create that, let's be there. Once we have that, we would have a dividend policy in place. We have that across most of our group companies and I am sure the Board of Inox will also at appropriate time decide a dividend policy. As you may notice, we are also strategically backward integrating into low-hanging fruits, high-margin businesses, we have gone into cranes, we are doing value addition through transformers and other similar measures, but we are very prudent in capital allocation.



So, some of the new plants we are building out are on lease. It's cheaper to lease them than build them, the interest saving is more than just losing them. So, we would like to be in a position where there is a lot of cash on the balance sheet. I think that is what we are looking forward to. And then we will see what needs to be done thereafter.

**Abhishek Nigam:** How should we factor in the interest expense going forward?

**Devansh Jain:** I think that's going to come down drastically. It's come down drastically every quarter. Q3 should be sharply down from even Q2 and I would assume by Q4 should be virtually zero if not net earnings.

**Abhishek Nigam:** Fair enough. Just one last one from me. So, you talked about the consortium. So, how does it help in terms of working capital and other charges? So, any comment on that will be helpful.

**Akhil Jindal:** Yes, I think the question was with respect to the consortium formation. So, as you must have noted in our press release, the consortium is all there without any corporate guarantee, without any collateral from any of our Group Company. And to that extent, it means that the company has been well-accepted in the banking community now. And as and when KT mentioned, there would be more and more business coming up. We will keep on adding more and more limits and more and more banks in this relationship. So, to that extent, the need of the company for efficient working capital management will be always maintained. And to that extent, we will all, of course, bring down the working capital cycle as efficiently as possible. And naturally it will also help us in interest and banking charges reduction.

**Moderator:** Thank you. We will take our next question from the line of Harshil Shethia from Renaissance Investment. Please go ahead.

**Harshil Shethia:** So, what kind of CAPEX are you planning in FY25 and 26?

**Rahul Roongta:** So, the CAPEX will primarily be on the molds which we are purchasing for our larger blades. That's around Rs. 50 to Rs. 75 crores for both the years.

**Harshil Shethia:** Both the years included is Rs. 75 crores.

**Rahul Roongta:** Per annum.

**Harshil Shethia:** Per annum. And maintenance CAPEX?

**Rahul Roongta:** That's roughly around Rs. 10 odd crores. It's included in this number.

**Harshil Shethia:** Okay, included in this number.

**Moderator:** Thank you. We will take the next question from the line of Utkarsh Somaiya from India. Please go ahead.

- Utkarsh Somaiya:** I just wanted to ask you about your tax rate. I think you mentioned earlier that it's going to be nil for FY25 and FY26. Can you please confirm that?
- Devansh Jain:** Yes, it would be a nil for FY25 and FY26 broadly. That's correct. Your understanding is correct here.
- Utkarsh Somaiya:** And for FY27?
- Devansh Jain:** The tax rate would be 25%.
- Utkarsh Somaiya:** For FY27? Okay. And just to confirm and sorry to be repetitive, that for FY26 you plan to execute 1200 megawatt at 6 crore per megawatt with a 17% EBITDA margin. Is that right?
- Devansh Jain:** Roughly, that's right. 6 crores approximately, that's right.
- Utkarsh Somaiya:** And net of other income and interest will have zero outflow, right?
- Devansh Jain:** On that side, yes.
- Moderator:** Thank you. Next question is from the line of Alisha Mahawla from Envision Capital. Please go ahead.
- Alisha Mahawla:** Just would like some color on the competitive intensity because what we are reading is that some Chinese players are becoming competitive again and maybe setting up more capacity. While we do understand that there is ample demand and work for everybody, very soon it can turn into maybe aggressive pricing and impact on margins. So, your thoughts on that will be helpful.
- Devansh Jain:** Look, let's try and understand. First and foremost, there's space for at least five large players. Currently, we are down to 2 or 3 players in the Indian market. Having said that, more than 50% of the Indian market requires turnkey. The Europeans, the Chinese are not party to that. They don't have the execution capability. They don't have access to sites. They don't have land banks. They don't have connectivity. So, they're effectively out of that. That's really a duopoly, that market. 50% of the Indian market. The remaining 50% is equipment supply. Now, in equipment supply, effectively, currently, we have had umpteen Chinese come in, so far less than 1% of market share. We have had a new player come up 2, 3, 4 years ago who's executed about 1200 on the ground today, which would be about 3% of the market. I mean, from what we understand in terms of pricing, we are as competitive, probably more competitive than them, you know, people may announce newer products, newer plants, doesn't matter. We are bringing out the right products which are relevant for the Indian market, where the cost of energy is the lowest. There's no point taking out a 5 megawatt turbine with a 160 rotor, where on a 4 megawatt you can take out a 180 rotor, that's going to be lower in terms of cost of energy, number one. Number two, setting up new capacities is a least of issues. We have a 2.5 gigawatt pipeline, manufacturing capacity, I apologize. We are setting up new plants to gear up for more growth, for non-uniform growth. We are locating plants strategically to reduce the cost of logistics. And I think to that

extent, we are very solidly placed. Don't forget, we also have domestic content requirement kicking in, in the wind industry, thanks to the guidance from NITI Aayog. So, effectively what's happening is if you are going to be competing on A grade quality, then we are on par or far better than anybody else. We are not really looking at competing for C grade quality orders or C grade customers. And to that extent, certain players are more than welcome to pick these orders up.

**Alisha Mahawla:** And are we seeing say large corporates maybe thinking of setting up own capacity and then just outsourcing the turnkey work and in that case?

**Devansh Jain:** I don't think so. Barring one or two corporates, I don't think anybody is doing that. We are in discussions with most of the large corporates. It's a very complex business. This is not a solar module manufacturing business where you can set it up in 6 months. We are doing that in the group as well for our captive requirements. Wind is complex. The supply chain is rocket science if I may say so. Certification processes are 2 years, so it sounds very easy. One of the large guys in India did announce this in 2019, they in fact launched their turbine in 2023. Another guy supposedly announced a very large wind project in 18 did not move until 23 probably going to be two years out before they move and the product they plan to launch is outdated by the time they launch that. So, effectively I think we have built a very, very strong moat in the wind business. It's not something which you can replace just with money.

**Alisha Mahawla:** Understood. And is it right to assume that 100% of our supply chain is domestic?

**Devansh Jain:** No, we don't have 100% of our supply chain. We have never assumed that. We have never said that. We have a global mix between India, China, Europe, Korea. We are in compliance with all the laws. I will not disclose the exact percentage at this point in time, but given whatever guidances have come in from NITI Aayog, we are fully in compliance with that, capable of doing much more. But we leverage our global supply chain to take advantage of the lowest cost products as and when we need them at the right quality.

**Alisha Mahawla:** Understood. And just one last question on your balance sheet. In your opening comment, it was mentioned that you just spent the last 6 quarters strengthening the balance sheet and re-paying debt and strengthening the cash flows. Where should we see the cash conversion cycle going from here? Is there scope for any improvement? Is there an ideal target that we want in terms of inventory or debtors? What would be the roadmap for that?

**Devansh Jain:** I mean, we have been seeing this for the past 6 quarters. Our cycle is only improving quarter on quarter. We have turned net cash positive. From operations itself, we have turned cash positive. And I think we have done this after 7.5 years. I would give kudos to the team for doing a phenomenal job. We are walking the talk. We are in fact beating every guidance we are giving out in the market for the past 6 quarters. So surprised you ask when we see cash flow. Having said that, we have also stated we expect significant free cash flows to increase as we get into Quarter 3 and Quarter 4.

- Alisha Mahawla:** Sorry, my question is not on cash flows and the cash conversion cycle, your working capital cycle.
- Rahul Roongta:** Our working capital cycle has continuously come down. So, if you look at 2 years ago, we were probably at a thousand days. We are now down to sub 200 days. We publicly guided for 90 days of working capital at the end of the financial year, once we got a full financial year. And we are very well on track to do that. I think in fact, we are ahead of the curve in getting to that target.
- Moderator:** Thank you. We have our next question from the line of Ketan Panchal, an individual investor. Please go ahead.
- Ketan Panchal:** Hello, Devansh, my name is Ketan Panchal. I have invested all my money in Inox Wind. I am very happy with your execution. I am hoping to be three-fold return soon on investment. I just want to say thank you.
- Devansh Jain:** Thank you. God willing, we will create more value for you.
- Moderator:** Thank you. We have a next question from the line of Anuj Upadhyay from Investec, please go ahead.
- Anuj Upadhyay:** My question basically relates to the restructuring across the Resco. When would the asset get transferred to the Resco? That is the substations. And when do we plan to procure the cranes and put to the commercial use?
- Rahul Roongta:** So, based upon the board approval that will get transferred within the next one year or so and the crane business we have already started, the ordering has been done and now that crane business will start soon in this entity.
- Anuj Upadhyay:** Okay, any broad number which can share how much crane we plan to procure and how much contribution would it have at the topline and at a margin or EBITDA level at the console entity?
- Rahul Roongta:** Broadly, we cannot give specific details, but that will add the margins, which is made by many of the crane vendors. We are taking the crane from the various vendors, some of them are listed as well. So, that is available in a public domain. We will be able to save that much cost and that will immediately add in our EBITDA margin.
- Anuj Upadhyay:** Got it. And this could be used for the third party as well, right? It's not purely for the captive.
- Rahul Roongta:** Probably, it is for the captive consumption, but the spare capacity which will develop will be used for the third party as well.
- Moderator:** Thank you. We will take our next question from the line of Prateek Giri from Subh Labh Research. Please go ahead.

- Prateek Giri:** So, my question is to Kailash. Kailash, I just wanted to understand regarding our topline profile and margin profile. So, what I can see is in H1 FY25, we have done around Rs. 1370 crore of revenue over 23% EBITDA margin. Now, when we say that in the next two quarters, we will be increasing the EPC revenue, which is actually higher margin than turbine supply business, turbine supply revenue.
- Kailash Tarachandani:** You are incorrect in that. I just cut you there. You are incorrect on that. EPC business is a much lower margin business compared to our equipment supply business.
- Prateek Giri:** Got it. And in terms of topline, it's bulkier than turbine supply, is it?
- Kailash Tarachandani:** No. So, broadly, out of the 6 crore per megawatt, 1 to 1.5 crores is related to EPC.
- Devansh Jain:** Around 20% to 25% maximum.
- Prateek Giri:** So, in the next half, we will be executing around 500 megawatts of business and as per the 6 crore per megawatt, we will be hitting around 4500-4800 crore of revenue, is that understanding correct?
- Devansh Jain:** Broadly yes because based upon our guidance, 800 megawatt of execution, you can consider Rs. 6 crore per megawatt, but there might be some timing difference for the commissioning and so (+/-10%) - (+/-15%) your understanding is correct.
- Prateek Giri:** Okay, so going ahead, realizations per megawatt should increase and margin should decrease correct?
- Devansh Jain:** Yes. So, as we have already given the guidance for the full year which is around 17% so that will fall in place accordingly, so might be in some quarter it would be higher in some quarter. It would be compared to in line with 15%-16%, so we need to see the whole year guidance of 17%..
- Management:** Which we have upgraded to 17%, it was 15 which we have upgraded now to 17%.
- Prateek Giri:** Understandable. I have one request to make, Devansh. If you can share the order pipeline.
- Devansh Jain:** I am sorry we will not be able to share that. We appreciate, but for competitive reasons, that's not possible to share. We are talking to the largest PSUs; we are talking to the largest IPPs. I think you need to leave certain things to the management. We can't put everything out in the public domain.
- Moderator:** Thank you. We will take our next question from the line of Krupa Desai from Electrum Capital. Please go ahead.

- Krupa Desai:** So, my question was, so currently India is lagging behind the power evacuation infrastructure because of mainly transmission delays. I know we have a very good order book, but do you think because of this issue, new capacity executions could delay or get impacted?
- Kailash Tarachandani:** No, currently, the moment we are talking about, as we said, we have a project development pipeline. And we know where we have our own connectivity or where customers have their own connectivity. Most of these guidance, which we have gained for the next 1 or 2 years, we already have our own substation and infra ready where it is mostly plug and play. So, don't see that becoming an obstacle or hindrance in terms of execution. But as we go, even for the future, we continue to develop our pipeline ahead of time.
- Devansh Jain:** I think that's very important and just to add to Kailash, unlike, you could have a quarter here and there, but unlike some of our competitors, we are building the pipeline ahead of schedule. So, you are not taking an order and then suddenly saying, oh, we are one year behind, oh, the connectivity doesn't exist. We are saying what we believe we will do, where connectivity exists or where it's in final stages of happening. It's not something which could be one year away. It could be a quarter here or there. So, I think to that extent, we have a very strong project pipeline and a good mix of turnkey and equipment supply.
- Moderator:** Thank you. We will take our next question from the line of Pawan from Geojit PMS. Please go ahead.
- Pawan:** I am saying all the new order flow discussion that we are having with our clients now. They are for FY27 and beyond in terms of deliveries or are we discussing anything for FY26 as well?
- Devansh Jain:** Primarily FY27 and beyond but it depends. We have the flexibility to play for 2-300 megawatts for... depends, it's something frankly relevant but yes, we are really looking at FY27 onwards.
- Kailash Tarachandani:** Yes, currently the kind of orders we have, it's a mix in terms of execution. Some of them to be executed in less than one year, some of them to be executed 2 years. So, we have some flexibility available in quarters. So, depending upon customer relationships and client requirement, we are mixing it up well. And some of them could be execution in less than 18 months, but mostly could go beyond 18 months as such.
- Pawan:** So, essentially what I am trying to understand is that when we say 1200 megawatt of guidance for next financial year and possibly upside as to that. Are those orders already in the bag, or we are still out there to?
- Devansh Jain:** No, we already have an order book of 3.3 gigawatts. So, to that extent, if we are doing 800 this year, and if we are doing broadly 1200 next year, we already have the entire order pipeline visible for FY26.

**Moderator:** Thank you. Ladies and gentlemen, we will take that as the last question for today. On behalf of Motilal Oswal Financial Services, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.