“Inox Wind Limited & Inox Green Energy Services Limited

Q2 & H1 FY27 Earning Conference Call”

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And other senior members of the management team

MODERATOR: **MS. PREKSHA DAGA – MOTILAL OSWAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Inox Wind and Inox Green Q2 and H1 FY27 Earning Conference Call hosted by Motilal Oswal Financial Services 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 this 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 Ms. Preksha Daga from Motilal Oswal Financial Services Limited. Thank you, and over to you, ma'am.

Preksha Daga: Yeah, thank you, and good evening, everyone. On behalf of Motilal Oswal, I welcome you all to the 2Q FY27 earnings conference call of Inox Wind and Inox Green Energy Services. We have with us today the senior management team of the company, and we shall begin with management's opening remarks followed by a Q&A session.

With that, I now hand over the call to Sweta Sultania. Over to you, Sweta.

Sweta Sultania: Thanks, Preksha. Hi, good evening, everyone. At the outset, our sincere apologies for the delay in starting the call today. Actually, there was difficulty in uploading the financials because of the Microsoft Outlook outage, as you are aware. But now the results have been uploaded, and therefore, we can now start the conference. Thanks a lot for your patience.

I would like to hand over to Mr. Kailash Tarachandani for his opening remarks. Thanks.

Kailash Tarachandani: Hi, thanks, everyone. Good evening, everyone. As communicated earlier, we have undertaken an important strategic realignment of Inox Wind over the last couple of quarters. We have sharpened our focus on equipment supply with the objective of increasing its share in our order book to approximately 75%. The shift is driven by our objective of achieving sustainable and profitable growth while strengthening the balance sheet and improving cash flows.

The transition has involved certain near-term trade-offs, including foregoing some business opportunities and recalibrating our short-term growth trajectory. However, we believe prioritizing quality of business over the quantum of growth was the right decision for the long-term interest of the company and its shareholders.

We are pleased that the initial benefits are beginning to emerge. We are seeing improving revenue momentum, stable receivables, and betterquality order inflows. Importantly, a significant portion of our turnkey order book comprises projects from reputed customers, including but not limited to PSUs and Inox Clean Energy, where payment terms are aligned with our credit policy.

This should help address our receivable challenge over the coming quarters. We believe the most challenging phase of the transition is now largely behind us. Going forward, we expect sustained improvement in operating performance and balance sheet quality.

Moving to Inox Green, we are pleased to announce that the NCLT-approved acquisition of Wind World India's approximately 4.5 gigawatt O&M portfolio has progressed to completion of the payment and transfer process during the quarter.

This is a landmark transaction for Inox Green, undertaken at what we believe is an attractive valuation. It significantly strengthens our operating portfolio and provides substantial opportunities to unlock value through cost optimization, operational efficiencies, and value-added services.

We believe this acquisition will be an important catalyst in Inox Green's journey towards one of the leading renewable energy O&M platforms globally. Mathu will elaborate on this later during the call. I would like to share an important update with regard to a change in management. Mr. Saibaba Vutukuri has joined as Managing Director, Wind Business.

We believe Saibaba's overall three decades of experience, primarily in the renewable sector, will help bolster the operation and management of the wind business. Also, Mr. Sanjeev Agarwal, CEO, Inox Wind, has tendered his resignation due to personal reasons. However, he will continue as an advisor till the end of December during the transition phase. We thank him for his services and wish him well for his future endeavors.

With this, I would like to hand over to Saibaba for his opening comments on Inox Wind.

Saibaba Vutukuri: Thank you, Kailash, and good evening, everyone. I will cover Inox Wind's financial and operational performance, order book, manufacturing initiatives, and industry outlook. On a consolidated basis, Inox Wind reported the following performance for Q2 FY27, revenue of INR1,378 crores, up by 58% quarter-on-quarter; adjusted EBITDA of INR238 crores, which is flat quarter-on-quarter.

PBT of INR103 crores, up by 8%, again quarter-on-quarter; PAT of INR69 crores, up by 8% quarter-on-quarter; cash profit of INR165 crores, up by 8% quarter-on-quarter. We have seen a sequential improvement in operating performance over Q1. It may be noted that we have seen an impact on margins this quarter, largely due to commodity and raw material price inflation on account of the West Asia war, creating temporary cost headwinds across the supply chain.

We are confident that this will reverse going forward as incremental contracts and fresh bids are being priced dynamically to reflect the current commodity and cost environment, which should help normalize our margin profile as these newer orders move into execution.

Also, the EBITDA margins during the quarter are suppressed as they do not capture income from Wind World O&M business, as they have been actualized and will be routed through the balance sheet prior to the consolidation date.

Had they been recognized in the P&L, the consolidated EBITDA margins would have been ~ 20%. The margin profile would substantially improve going forward as we start consolidating the O&M portfolio of Wind World in Inox Green's books starting Q3 FY27.

Balance sheet and working capital

An important development is that our debtor levels have remained broadly stable compared with March 2026, despite revenue growth during H1, meaning that collections have been at par with sales. Further, our working capital days appear elevated on a half-year basis due to two reasons. First, our business is seasonally weighted towards H2, which typically contributes approximately 70% of annual revenue.

Hence, on a full-year basis, working capital days would be much lower with similar receivables, as incremental sales as well as the previous receivables are being collected and the full-year revenue is much higher than H1 revenue.

Consequently, H1 working capital does not fully reflect the annualized position. Second, inventory increased during Q2 as we prepared for higher deliveries in H2. We expect inventory levels to moderate by March 2027 as these deliveries are executed.

Overall, we remain focused on accelerating collections, improving working capital efficiency, and maintaining discipline on the quality of business undertaken.

Order inflows and order book

Inox Wind received approximately 350 MW of orders during Q2, taking H1 FY27 order inflows to approximately 1.85 GW.

During the quarter, we received repeat orders from NLC India Limited, Terra Clean Energy, a wholly-owned subsidiary of Indian Oil Corporation, and an IPP. Our order book stood at approximately 3.8 GW as of October 2026, providing execution visibility of over 24 months.

The reduction in the order book is attributable to the discontinuation of certain orders as part of our strategic realignment. We believe the quality and executability of order book are more important than its absolute size. Our customer relationships remain strong across PSUs, IPPs, C&I, captive, retail, and Inox Clean Energy.

The pipeline remains robust with approximately 5 gigawatt of potential tenders from NTPC, Indian Oil Corporation, and SECI over the next four to five months, apart from ongoing negotiations. We also expect recurring opportunities from Inox Clean Energy over the coming years. As of October 26, the share of equipment supply in our third-party order book stood at approximately 61%, with the balance 39% being turnkey.

Our medium-term objective remains to increase equipment supply share to approximately 75% of the third-party order book, thereby improving earnings quality, reducing working capital intensity, and strengthening cash generation.

Product development and manufacturing expansion

Progress on our next-generation 4.X wind turbine platform is going well. The prototype has been installed, commissioning is expected shortly, and commercial launch is targeted by the end of financial year 2027. Our Rohika facility in Gujarat is fully geared to produce blades catering to the 4.X platform.

Our expansion plans at Inox Renewable Solutions Limited are also progressing well. We have enhanced operational transformer manufacturing capacity to cater to the 4.X series and plan to expand into medium-sized transformers in the 8-20 MVA range and larger transformers.

Beyond transformers, we are also progressing with plans to manufacture high-value-added products such as inverters, unit substations, and electronic control systems. These initiatives will allow us to participate in a wider part of renewable energy value chain, improve value addition, and create incremental revenue and margin opportunities.

These investments are being undertaken in a calibrated manner with focus on relatively short payback periods and attractive returns. Separately, pursuant to the demerger of the power evacuation infrastructure business from Inox Green into IRSL, the latter is progressing towards its independent listing. The information memorandum has been filed with stock exchanges, with listing subject to regulatory approvals.

With respect to Inox Green, the company has successfully raised INR300 crores through a QIP in October. The proceeds were primarily utilized to complete the payment towards transfer of Wind World's O&M business to Inox Green. More details on this would be shared by Mathu.

Industry outlook and macroeconomic environment

The macroeconomic environment for the Indian renewable energy sector remains extremely encouraging, with wind energy playing an increasingly important role in India's energy transition. 1.8 gigawatt of wind capacity was commissioned in India in Q2 FY27.

This takes the total wind capacity installed in H1 FY27 to 3.2 gigawatt compared to 6.05 gigawatt installed in entire FY26. As mentioned earlier, the wind industry is H2 heavy. As per the MNRE, approximately 7.5 gigawatt to 8 gigawatt of wind capacity addition is expected to take place in India in FY27.

We believe India is entering a structurally stronger growth phase for wind energy, with annual additions potentially reaching 8 gigawatt to 10 gigawatt for the near to medium term. The nature of renewable energy procurement is evolving favorably for wind, with increasing emphasis on round-the-clock renewable energy, firm and dispatchable renewable energy and hybrid projects. Wind is becoming an increasingly important component of the overall energy mix.

The broader renewable energy sector is also witnessing strong growth. India added approximately 24.6 gigawatt of renewable energy capacity during H1 FY27, including 20.8 gigawatt of solar and 3.2 gigawatt of wind. Cumulative renewable energy capacity, including large hydro, reached approximately 299 gigawatt.

On the tendering front, 5.8 gigawatt of total renewable capacity was awarded through tenders in Q2. Out of this, 36%, that is 2.1 gigawatt comprised of standalone wind tenders. FDRE RTC tenders formed another 1 gigawatt.

FDRE RTC projects comprise of solar, wind, which forms about 20%-30%, and battery energy storage. Power demand has remained extremely strong during the quarter, registering a 15% rise year-on-year. It is worth noting that power demand in H1 FY27 so far has been the highest by far in at least four years.

The combination of rising power demand, increasing renewable penetration, and the growing requirement of firm renewable power provides a strong foundation for sustained growth in the wind sector.

Inox Wind is well-positioned to capitalize on these opportunities through its manufacturing capabilities, customer relationships, expanding product portfolio, and broader INOXGFL Group ecosystem.

Business outlook and guidance

We would refrain from providing specific revenue guidance for FY27 at this stage. However, Q2 has been a sequential improvement over Q1, and we expect this momentum to continue through H2 and into FY28.

For FY28, we are targeting a revenue of approximately INR7,500 crores. We will review and reaffirm this outlook towards the end of Q4. Our long-term EBITDA margin objective remains approximately 20%. As highlighted previously, margins should be evaluated on an annual rather than quarterly basis, given the varying revenue mix of equipment supply, blades, towers, nacelles, turnkey EPC projects, and O&M.

We remain confident of delivering sustainable margins over the medium term, supported by a higher share of equipment supply, operating leverage, and greater manufacturing valuation.

With this, I would like to hand over to Mathu for his remarks on Inox Green.

S.K. Mathu Sudhana: Thanks, Sai. Good evening, everyone. I will cover Inox Green's financial and operational performance, portfolio expansion, and the value creation opportunities arising from our recent acquisitions.

During Q2 FY27, Inox Green reported total income of INR113 crores, up by 12% quarter-on-quarter, EBITDA of INR62.5 crores, up 10% quarter-on-quarter, profit before tax of INR58 crores, up by 6% quarter-on-quarter, profit after tax of INR44 crores, up by 8% quarter-on-

quarter, cash PAT of INR58 crores, up by 6% quarter-on-quarter. The above numbers do not include any income from Wind World O&M portfolio. Therefore, Q2 EBITDA would have been higher had Wind World's income been recognized in the P&L. It is important to note that we have paid for the Wind World O&M portfolio, and we will be consolidating it line-by-line in Inox Green's financials starting Q3 FY27.

Machine availability for our wind portfolio averaged at approximately 96.2%.

The other investment is also expected to be consolidated post the receipt of regulatory approvals by Q4 FY27.

Wind World did an annual revenue of INR580 crores in FY26. It is expected to increase further on account of annual contracted escalation, one-time upward price revisions in certain contracts, providing overhauling/major maintenance services, etc.

Post-integration, we expect Wind World O&M's EBITDA to substantially increase and margins to be upwards of 45%. The principal improvement levers are salary, employee cost rationalization, value-added services, and overall charges, and operational efficiencies. The other investment, we expect the consolidated Inox Green EBITDA to increase further on account of the consolidation of this asset too.

We believe there is enough headroom for the EBITDA of this portfolio to improve substantially, the levers being conversion of semi-comprehensive contracts into comprehensive ones, upward repricing of new comprehensive contracts, and operational efficiencies.

As of September 2026, our O&M portfolio stood at approximately 12.5 GWp, comprising ~ 10.4 GW of wind and 2.1 GWp of solar assets. This includes the 4.5 GW Wind World India O&M portfolio, and additionally, approximately 2 GW wind O&M portfolio investment expected to be completed by March 2027.

We continue to focus on profitable portfolio expansion, choosing not to renew certain solar O&M contracts that did not meet our margin criteria. Operational performance remains encouraging, supported by investments in infrastructure, technology, and engineering trainings.

We are also seeing good traction in value-added services, particularly wind turbine overhauling and life extension solutions. These services improve turbine availability and output while extending asset life.

We see substantial potential to extend these offerings across the existing Wind World fleet as well. In October, Inox Green successfully raised INR300 crores through QIP, primarily to part-fund the acquisition of Wind World India's approximately 4.5 GW O&M portfolio and broaden our institutional investor base.

Following the QIP, Inox Green, through its subsidiary, Vibhav Energy Private Limited, completed the payment for the transfer of Wind World O&M business through the NCLT-approved process. Line-by-line consolidation will take place from Q3 FY27. This is a transformational milestone for Inox Green, and we believe a highly value-accretive transaction.

We believe there is significant scope to bring operational efficiencies, not just in Wind World O&M portfolio, but also in the standalone portfolio of Inox Green as well, as the other investment, which is expected to be completed by March 2027, subject to NCLT and other regulatory approvals.

We believe post the consolidation of two acquisitions and Inox Green standalone performance improvement on account of additional services and substantial portfolio growth through Inox Wind and Inox Clean should lead to a major jump in both the top line as well as the margins.

It may be noted that the EBITDA in Inox Green is nearly equivalent to PBT due to the business being asset-light, hardly any depreciation and financial cost. While there would be deferred tax, cash tax is not expected to be there for another couple of years due to deferred tax assets on the balance sheet.

Hence, significant operating cash flows can be expected from next year. We believe the combination of portfolio expansions, operational efficiencies, and value-added services will fundamentally transform Inox Green's scale, profitability, and cash generation capabilities, positioning it among the leading renewable energy O&M platforms globally.

With this, I would like to hand over to Devansh for his closing remarks. Thank you.

Devansh Jain: Thanks, Mathu, and good evening, everybody. I would like to thank all our shareholders for their continued trust and support in INOXGFL Group. As my colleagues have highlighted, both Inox Wind and Inox Green are at important stages in their respective growth journeys. At Inox Wind, the strategic realignment undertaken over the last couple of quarters has involved some near-term challenges.

However, we firmly believe that prioritizing quality of business, cash flows, and balance sheet strength was the right decision for the long-term interest of the company. We believe that the worst is now behind us.

We are already seeing encouraging signs of progress through improving revenue momentum, better order book quality, and greater working capital discipline. Going forward, our focus will remain on sustainable growth, profitability, and balance sheet improvement.

With our changed focus towards equipment supply and strategic turnkey projects, we are on a downward trajectory in terms of debtor days. We expect the debtor days to fall below 150 days by the end of FY28.

At Inox Green, we are particularly encouraged by the performance of the standalone business and the significant opportunity to unlock value from the Wind World acquisition. We believe these developments will establish Inox Green as a scaled, asset-light, and cash-generative renewable energy O&M platform.

Our focus will continue to be on profitable growth, disciplined capital allocation, operational excellence, and sustainable value creation for all stakeholders. I take away a lot of positives from these results. The revenue growth is encouraging in spite of the monsoon period.

Inox Green is looking very promising, especially post the consolidation of Wind World. Also, the miss during the quarter in margins is temporary and should correct to our normalized guidance going forward. I believe the worst is behind us.

With this, we will open the floor for Q&A.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. We have the first question from the line of Sanchita Sood from RoboCapital. Please go ahead.

Sanchita Sood: Hi, thanks for the opportunity. My questions relate mainly to Inox Wind. You mentioned that we have an order pipeline of about 5 gigawatt over the next four, five months. Do we have any specific target in mind for what the order inflow number could look like in FY28?

Management: Yeah, can you repeat your last part of the question, please?

Sanchita Sood: I was asking if we have any target in mind for what the order inflow number could look like in FY28, next year?

Devansh Jain: No, look, I think, thank you for your question. I think we have got a very healthy order book, which is literally close to almost 4 gigawatt. I think we have visibility for the next 2.5-3 years on the current order book itself. So frankly speaking, we are not going to have an order book which is 4, 5, 6 years away.

I think what we are focused on is balance sheet strength, quality of order book, and ensuring that we have significant free cash flow as we move forward. So, I do not think we have any specific target in mind that we want to achieve XYZ order book. I think we are extremely happy and comfortable with the order book size that we have.

We are focused on more and more free cash flow at Inox Wind, and I think with Inox Green's massive acquisitions, which have now finally come on board after a long period of time, I think we are looking forward to having a significant amount of free cash flow on the balance sheet. That is what our focus would be, rather than size of order book.

Management: And also, if I would just add, if you look at in the number terms, this order book translates to almost INR20,000 plus kind of revenue for the next two years. So I am covered for more than 2.5-3 years. So this INR20,000 plus kind of order book.

Kailash Tarachandani: Just to add on that, just because of you, to give you comfort on the order side, the pipeline which we are seeing right now from PSUs and different customers, as well as our own internal growth plans, I think we are very, very in comfortable position. And we see that, you know, lot of these pipelines are getting matured over next one to two quarters as such. So, possibly no worries on order side.

Sanchita Sood: Okay, understood. My second question is that I understand that you have refrained from giving any guidance for FY27, but I believe in the last call you had mentioned that we would be looking at 75% growth in revenue with 20%-22% EBITDA margins this year. So, would it be fair to assume that we might not be able to achieve these numbers this year?

Management: Yeah, fair enough. I think we will not reach those numbers what we had guided for, and that is due to the change in strategy that we had guided for in the previous quarter as well. So it is the recalibration of growth and the long-term growth and the quality which we are giving up some of the order books.

That is also reflected in the order book. We have given up some of the orders in the current quarter. Also, we will have to let go of some of the revenues in this year to ensure that the long-term growth and the quality of balance sheet is pretty robust and strong.

Devansh Jain: Having said that, I think we've given a conservative guidance for FY28, number one. Number two, I think what's extremely important is in this entire strategy of pivoting to equipment supply, and we've, you know, as I said, we've achieved enough green shoots. We're seeing a healthy momentum on that. Some of the success is already visible for this quarter.

But I think as a consciously, as a company, we've taken that call. It's more important to have a much stronger balance sheet, better quality customers, and cash on the balance sheet, rather than just chasing growth for the sake of chasing it and having massive working capital blocked.

Sanchita Sood: Okay, got it. That's all from my end. Thank you.

Moderator: Thank you. We have the next question from the line of Prit Nagersheth from Wealth Finvisor. Please go ahead.

Prit Nagersheth: Yes, my questions are regarding Inox Green. So, I think it was mentioned that no revenue from Wind World has been included in the INR113 crores of top line reported in quarter two. If that is correct, then should we expect in quarter three, say on a run rate of INR600 crores for the full year for Wind World, an additional INR150 crores of top line over the INR113 crores in Q2? Is that a fair assumption on my part?

Management: That is broadly in line, but, you know, the NCLT approval and the BTA which we have signed has been somewhere in the middle of October. It is not would be INR150 odd crores, but somewhere around INR120 odd crores should be there in terms of the additional.

Prit Nagersheth: Basically on a INR113 crores top line in Q2, this will easily double for Q3?

Management: Yeah, that's right.

Prit Nagersheth: Okay. My second question is regarding the organic wind AUM. I am excluding both acquisitions. That number on the presentation continues to remain at 3.94 GW over the last many presentations. My understanding was that Inox Wind, whatever megawatt it executes, will then get added to Inox Green's AUM. So, why or has that been added, or that addition is not being happening right now? Could you please explain why?

Devansh Jain: Again, I think that has already been added, but I think what's happening is you see some of the solar megawatt age going off, because what is more important and relevant for us is profitability and margin. You may have seen we had picked up prior to the acquisition of Wind World and the other investment which we had acquired, we had picked up certain solar assets.

Now, as you know, solar really makes INR20,000-INR30,000 a megawatt as opposed to the profitability of wind, which may be north of INR5 lakh, INR6 lakh a megawatt, right? Effectively, as a company, having that kind of manpower on the ground just to keep managing solar one did not make any commercial sense for us.

I think in our scheme of things and the financials, I mean, the margins which we want to achieve, what we're really doing on the solar side is focused on only hybrid solar and solar which Inox Clean awards to Inox Green. Other than that, we're not really interested.

There is more than 30 gigawatt to 40 gigawatt of solar available out there, but there is no point having a top line of INR100 crores and making INR5 crores margin. That's a waste of time and money for us as an organization. More so given the fact that we now have Wind World, which is a massive opportunity, plus the other investment which should come onto our balance sheet over the next few months. I mean, those are cash cows for us.

Management: Just adding to that, other than organic growth, we are also getting into multi-brand. You know that we have acquired I-Fox, and we have a lot of multi-brand opportunities. So, we are getting into one of the largest OEM, which is there, and we have started getting an order from an Inox Clean itself.

So, which will be reflecting in Q3, Q4. We will be announcing some news shortly. So, those things will give leverage to enter into a large-scale growth additions from the wind standpoint, other than solar.

S.K. Mathu Sudhana: It is actually really exciting for us at Inox Green because the opportunities are phenomenally increasing because of multi-brand and also life extension services what we're offering currently, we just introduced. Also some very, very good policy initiatives which are happening on the repowering front. There is a phenomenal growth what we expect in the coming years to happen for Inox due to that.

Prit Nagersheth: Great. Sorry, just to come back to this question because I am talking specifically of wind. I am excluding the solar piece when I spoke of this. I am just saying if you look at your own presentations over the last three, four quarters, you will see the 10.5 gigawatt, 10.4 gigawatt wind portfolio remain consistent. My question was, considering that solar is not part of this discussion, why are executions over the last two, three, four quarters not getting reflected in that AUM?

Sweta Sultania: Prit, hi, this is Sweta here. In response to your question, on the O&M side for standalone wind, we have added capacity to our O&M standalone wind portfolio this quarter also. It is getting in the approximation part, but this quarter also we have added. As you are aware, there is a lag between supply of turbines and commissioning of the projects.

The projects come to Inox Green post-commissioning for O&M, so there is always a lag. To answer your question is, there has been addition to the standalone wind portfolio for O&M in this quarter.

Prit Nagersheth: Okay, great. Thank you.

Management: Thank you.

Moderator: Thank you. We have the next question from the line of Abhishek Nigam from Motilal Oswal. Please go ahead.

Abhishek Nigam: Yeah, hi. Thank you so much for the opportunity. Couple of questions. One, on the margin miss, is it possible to break this up into, say, for example, raw material and FX and anything else? So, that just makes it very easy for everybody to comprehend. So, that's my first question?

Devansh Jain: No, I do not think we are going to get into the exact specifics of how much is forex, how much is margin. I think we are very confident. The margin guidance which we have given out, if you look at it on an annualized basis, I think we are well on track to do it.

Had we included the Enercon, the Wind World revenues in this quarter, frankly, we would have achieved 20% plus itself. So, what the company is guiding for is about 20%, and I think on an annualized basis, we are well on track to achieve it, irrespective of the geopolitical tensions and the impact forex and certain commodities may have had in this quarter.

Abhishek Nigam: Okay. That's very clear. Thank you. And also on the other income side, that has come through lower this quarter. So, if you can tell us why is that, and is that the run rate we should assume for the next few quarters?

Management: So, as we have explained that Wind World income, which is strategic through strategic acquisition, which is coming in through other income, has not been considered in this particular quarter. That is the reason why the other income is lower.

Abhishek Nigam: Okay.

Management: The next quarter onwards, the other income should remain in same, in broadly in line, which we have recorded in this quarter. And Wind World income will be consolidated on a line-by-line basis in our turnover and profitability.

Devansh Jain: And that is exactly the reason when we said that our margins are lower, largely on account of not recognizing the Wind World revenues in this quarter. Had we recognized Wind World's income this quarter, my EBITDA margins and EBITDA would have been substantially higher even for this quarter. So, if I were to adjust my EBITDA, reported EBITDA for the Wind World income, we are in line with what we have been guiding for.

Abhishek Nigam: Okay. Got it. Just one last question. Any kind of pricing pressure which you are seeing domestically? We have also seen reports around some other competitors are also sort of expanding, trying to get into the. For example, Adani Wind is trying to get into the non-Adani market now, third-party market. So, any pricing pressure which you are seeing in the market right now?

Kailash Tarachandani: No, not that much, because we still see that in wind we are very limited player and the demand is huge. From that perspective, as I explained earlier, with respect to our order book and as well

as the kind of potential we see. I think we all have everyone its own niche, and everyone we have kind of relationship with our customers or PSUs, but we do not see so much on the pricing.

Obviously, a lot of these contracts are going through with pass-through and many of those things, negotiations are normal. But currently, just to speak to from that point of view, just by adding one or two players, what you mentioned, I do not see so much of pressure on the pricing as such.

Saibaba Vutukuri: Also, just to add, there is a substantial change is happening in the market trend, especially the solar is not so attractive in terms of tariffs out in the market without battery energy storage system and all that. In that kind of a situation, wind is playing a substantially very, very attractive role, especially during peak and early morning peak hours.

So, there is a huge growth as what we see in the coming years, especially on the wind side. So, the pricing pressure has, at least pricing pressure for now, we are not seeing anything. We would only see a positive trend to happen. We expect positive trend to happen in the market going forward for the next few years.

Abhishek Nigam: Okay, sir. That is very clear. Thank you so much. I will come back in the queue.

Moderator: Thank you. We have the next question from the line of Rishab Bothra from Systematix Group Institutional Equities. Please go ahead.

Rishab Bothra: Good evening, sir. Pardon me if I have missed it. Wanted to check on the timeline of the Resco listing.

Management: As we have explained in our initial comment, the IM has been submitted. That is in the final leg of approval from listing, approvals which is required from the stock exchanges. It is taking some time, but it is a kind of an administrative process which is going on. Broadly, what we believe and which has been guided by our lawyers, it should be get completed in upcoming quarter or so.

Rishab Bothra: Got it. In upcoming one, two quarters?

Management: Yes.

Rishab Bothra: Got it. With respect to Inox Clean, what kind of capacity we are trying to build and how are we going to fund it? Also, is there a listing plan for the same?

Management: No, no, I think if you could refrain from asking specific questions on Inox Clean, given that we filed for a DRHP and this is a investor call pertaining to Inox Wind, I think we would restrict ourselves to commenting on Inox Wind.

Rishab Bothra: Okay. Will this impact our balance sheet anyway?

Management: Sorry?

Rishab Bothra: Will this impact our balance sheet? I mean, will we also funding the project for Inox Clean?

Management: Why will Inox Wind fund the project for Inox Clean?

Management: Be one of the customer for us, like many other customers.

Rishab Bothra: Okay.

Management: It is the most positive strategic step for the entire group. It aids the operations of both Inox Wind and Inox Green. I will just stop here.

Rishab Bothra: Got it. Thank you, sir.

Moderator: Thank you. We have the next question from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hi. Good evening, sir. Thank you so much for taking my question, sir. I am kind of a bit perplexed. I think last call we were asked three to four times if we can do our 75% revenue growth guidance, and the management had positively indicated that it is possible as 70% of our business comes in H2. Now we are shifting all of that revenue growth to FY28. Can you help me reconcile what can be FY27 revenue?

Management: As I said, we will refrain from any guidance in FY27. You should look at the strategy shift that we have taken, right? It is a big, large strategy.

Darshil Jhaveri: But that strategy shift was already indicated in…

Management: Hear me out. Can I respond, please?

Darshil Jhaveri: Yeah.

Management: Yeah. So, if you look at that strategy was adopted in Q1, but it takes time to shift to that strategy, which means letting go of some orders, shift in some execution. Why did we do it, right? I could have executed, I could have done many more projects, but that would have bloated my balance sheet.

So, it takes some time to clean up, and that is exactly the reason why I am saying I will not be able to give any specific guidance for this year, while there is a huge certainty on certain numbers for next year. As we guided earlier, there is an upward bias. I will achieve better than what I have guided for FY28.

FY27, we are just recalibrating our growth, and the reason being change in strategy for the improvement of the balance sheet and keeping intact the long-term growth and the interest of the company in place.

Darshil Jhaveri: Yeah, I understand that, sir. But I think Q4, Q1 both were a bit low on revenue growth because we were shifting our strategies. I think again, like Q2, we have reiterated that, and that is something that I am having a hard time. Maybe other people also having a bit hard time. So, I understand you do not want to give a guidance per se, but at least the mix of 70% revenue in H2, that holds, or is there some change in that too, sir?

Devansh Jain: Let's put it like this. Qualitatively, I think we will be seeing significant growth, but we are not going to stick to a number at this point in time. Just like in terms of Wind World. We thought we would have acquired it by Q1. It should have been on the balance sheet in Q1. It is actually going to come on the balance sheet and the P&L in Q3.

So while the company has continued to make money, and that cash has been earned in that company, retained in that company, it is not reflected in this quarter because it is gone into the balance sheet. So the company has done phenomenally well, Wind World. The money is in the company, it is not reflected in our P&L.

Hypothetically, you are looking at a 17% margin today, which actually is more than 20%, if it was not on the balance sheet and reflected in the P&L. Similarly, what is important for us as a company is balance sheet strength, cash flows, and right order quality.

There is no point us supplying turnkey orders in the market when people's sites are delayed or people do not end up paying up on the right time. It is a hard bullet we have to bite, but that is the right bullet because there is no point having sales done and receivables standing which do not get collected for months altogether. Nobody enjoys it.

The company's capability is to do far more, but there is no point us funding people's projects. Unlike some of our competitors, we have no interest of either going belly up, as has happened with 35 players in the past, or having massive debt. If you look at our balance sheet as of March, we are virtually debt-free. Currently, we have minuscule debt, which is probably 0.1 or 0.2, and we are very, very clear.

Our objective is sustainable growth with qualitative cash flows and a very strong balance sheet. The fact that Inox Clean has come into the group as well and picking up a lot of turbine, I would rather supply to group companies who will not delay payments and effectively pay us than supply to third parties who either their sites are delayed or who end up holding 20%-30% payment for months altogether.

Management: And also just to add, if you see Q2 revenues, it has been a substantial jump over Q1. And we believe this momentum will continue. We are avoiding any specific numbers for this year. And that is where we are.

Devansh Jain: But that does not mean we do not see significant growth.

Management: Yeah, there is…

Devansh Jain: We are still seeing very significant growth going forward.

Management: Yeah.

Devansh Jain: Even in Q3 and Q4.

Management: That is true.

Darshil Jhaveri: Okay. Yeah, fair enough. That is it from my side.

Moderator: Thank you. Next question is from Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: Hi. My question is to Mathu. This Wind World, how much margin, EBITDA margin will be operating right now? And it is 45% plus you want to bring via your initiatives. How many quarters or how long will it take for you to achieve that aspiration?

S.K. Mathu Sudhana: In terms of Wind World, the margins which we expect currently is in the range of broadly 25%-30% odd. With the value additions which we will do, that margins can go up to a 40% odd. This is broadly the margin guideline.

Devansh Jain: Mathu, I think, will be able to share more details, but there are various initiatives which have already been ironed out, such as rationalization of salaries, which was absurdly high, and various other charges which were loaded onto the company. As you can understand, it was a company under NCLT. The erstwhile management and so on and so forth was I do not think that the best practices being followed. Mathu, you want to add to it?

S.K. Mathu Sudhana: See, in the Wind World, right now we are in the process of integration, and we have seen a lot of value additions, like what Devansh is saying. We have identified a lot of cost-cutting, cost-optimization drives by reducing the people cost, materials, services, and so many areas we have identified which increases drastically the EBITDA margin.

Other than that, historically, Wind World operates a sheer simple wind and contract basis. But unlike Inox strategy, we are offering a lot of value-added services beyond the contractual prices, options.

Right now, we are implementing in Wind World also. And historically, you know Wind World is one of the oldest fleet operating and with a lot of opportunities for repowering, life extensions, overhauling, a lot of value additions are there. So that drastically increases the margin and well beyond our expected targets that we will achieve soon. Because right now, we are in the transition phase. We are taking a lot of actions in. That is in progress.

Rahul Kumar: Right. Is it fair to think, let's say, 12 months down the line, we should have at least captured up to about 40% margin?

Devansh Jain: Well before that. Yeah, I think well before that.

S.K. Mathu Sudhana: Well before that.

Devansh Jain: Yeah, three to four quarters.

Rahul Kumar: Okay, great. Yeah, that is very helpful. The second question I have is that this INR24 crores other income which you reported in the Inox Green, how much of it is related to value-added services or other investment, and how much is, let us say, in treasury or other related?

Management: So broadly, it is a mix of all value addition services, treasury, and something. That treasury amount would be somewhere around INR10 odd crores, and the balance is towards the value addition services.

Rahul Kumar: Okay. Last question I have is, when you acquire Wind World, would you, as Inox Green, as a company, will own 75% of it or 100% of it? Because it has come as…

S.K. Mathu Sudhana: It owns 75% of the same.

Rahul Kumar: 75%, is it? Hello?

S.K. Mathu Sudhana: Yes, it owns 75% of the same.

Rahul Kumar: We will have a minority interest when we look at the profit line eventually?

S.K. Mathu Sudhana: Yes. That is the accounting adjustment you need to make, and accordingly, it has been made as per the Ind AS.

Rahul Kumar: Okay, great. Thank you and wish you very best.

S.K. Mathu Sudhana: Thank you.

Moderator: Thank you. We have the next question from the line of Devraj, an Individual Investor. Please go ahead.

Devraj: Hi sir. My question is related to the stickiness, right? Whatever inorganic assets we are acquiring, so how the stickiness will come, right, in this thing?

S.K. Mathu Sudhana: You are asking for Inox Green?

Devraj: Yes, yes. This question is for Inox Green.

S.K. Mathu Sudhana: The acquisition, the two major acquisitions comes with the substations also. The substation brings the first stickiness point of it. The entire operating portfolio is the substation owned by the company. When the substation and the contract and the performance, the stickiness is automatically there.

Devraj: Okay. So, sir, basically means after three to four years or so, these customers will remain with us only, right? There is high probability?

S.K. Mathu Sudhana: You can safely assume even in NCLT process, all those customers were there because of the substation stickiness thing.

Devraj: Okay. And sir, regarding this repowering, right? It will get repowered with another OEM, right? They have got that right?

S.K. Mathu Sudhana: May not be, because the way we are offering to the customers are we are doing the engineering study and all regulatory study. Because it is like a big Dharavi project, right? All the old turbines with that 11 kV line or 33 kV line, you can visualize that. While removing that and putting a new turbine at Class 3, Class 1 sites, right? That Inox Wind turbines or Inox Solar modules will be used because we are not a land developer. We will give a comprehensive solution.

Devraj: Okay. And sir, this 96%, so basically 4% will remain, machines are remaining idle, right? For one month or more than one month?

S.K. Mathu Sudhana: Sorry?

Devraj: Sir, we have got this 96% machine availability…

S.K. Mathu Sudhana: There is a timeline. You have, say, 24/7 for 365 days. It is 8,760 hours in a year. In that, 4% is contributing roughly around 350, 360 hours is what the machine is down either for a preventive maintenance or a corrective maintenance. Put together, it is a 96% availability.

Kailash Tarachandani: It is 10-15 days, yeah.

Devraj: Okay. Sir, just one last question. If we are doing more and more equipment sale, we will have less and less O&M for Inox Green. Is this correct understanding?

Kailash Tarachandani: That is not true, absolutely. Because most of this new, even there is a stickiness and the first preference for all IPPs to do with OEMs only. Most of this contract, wherever we are taking equipment supply, we are signing easily 10-12 years kind of O&M, at least in the starting beginning. O&M will not get reduced because of this equipment supply deals only.

S.K. Mathu Sudhana: See, first of all, the technology know-how is with the OEM. The detailed software updates for even any regulatory changes in the grid codes. Without OEM support, no other competitor can take over the assets. Currently, we own the substation. Even the turbine, if it is taken by the third-party customers, the turbine O&M have to be done by the OEM, number one. Number two, during the previous dark era of wind industry, where OEM were unable to survive.

Kailash Tarachandani: They went bankrupt or something.

S.K. Mathu Sudhana: They went through bankruptcy mode when IPPs have emerged. Today, none of the IPPs is performing, only OEMs are performing. So the days are gone. Now, IPPs are equally happy to continue with OEM forever.

Devraj: Okay. Thank you for the detailed answer. I will join back in the queue.

Moderator: Thank you. Ladies and gentlemen, that was the last question. With that, we conclude the question and answer session. I now hand the conference back to the management for the closing comments.

Management: Thanks a lot for joining in. Have a good weekend. Bye.

Moderator: Thank you, members of the management. On behalf of Motilal Oswal Financial Services Limited, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines.