"Inox Green Energy Services Limited Q4 FY23 Earnings Conference Call"

May 26, 2023

MANAGEMENT: **MR. DEVANSH JAIN – EXECUTIVE DIRECTOR, INOX GFL GROUP**
MR. KAILASH LAL TARACHANDANI – CHIEF EXECUTIVE OFFICER, INOX WIND GROUP
MR. S.K. MATHUSUDHANA – CHIEF EXECUTIVE OFFICER, INOX GREEN ENERGY SERVICES LIMITED
MR. MANISH GARG – SR. GENERAL MANAGER, INOX GFL GROUP

MODERATOR: **MR. CHINTAN SHAH – SYSTEMATIX INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day and welcome to Inox Green Energy Services Limited Q4 FY2023 Investor Earnings Conference Call, hosted by Systematix Institutional Equities.

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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chintan Shah from Systematix Institutional Equities. Thank you and over to you, sir.

Chintan Shah: Good evening ladies and gentlemen. Thanks for joining us today on the 4th Quarter Fiscal '23 Earnings Conference Call of Inox Green.

On behalf of Systematix, I would like to thank the Management for giving us the opportunity to host this earnings call. Today we have with us Mr. Devansh Jain – Executive Director, Inox GFL Group; Mr. Kailash Lal Tarachandani – Chief Executive Officer, Inox Wind Group, Mr. S.K. Mathusudhana – Chief Executive Officer of Inox Green Energy Services Limited and Mr. Manish Garg – Sr. General Manager, Inox GFL Group.

I would like to hand over the call to the Management to give their opening remarks. After that we will open it up for Q&A. Thanks and over to you, sir. Thank you.

S. K. Mathusudhana: Good evening everyone. A very warm welcome to all of you on Inox Green Q4 FY23 Earnings Call.

The Company announced its Q4 Results at its Board Meeting held today. The Results, along with the "Earnings Presentations" are available on the Stock Exchanges and also on our website.

I will briefly talk about the numbers and give you an update on the "Business Operations and Outlook":

The total revenue of Rs. 59 crores in Q4 FY23 against revenue of Rs. 45 crores in Q4 FY22. EBITDA profit of Rs. 23 crores in Q4 FY23 against EBITDA profit of Rs. 25.23 crores in Q4 FY22.

The total revenue of Rs. 254 crores in FY23 against revenue of Rs. 172 crores in FY22. The EBITDA profit of Rs. 102 crores in FY23 against EBITDA profit of Rs. 100 crores in FY22.

Let me take you through some of the "Key Operational Highlights" for the period:

Our efforts towards improving our operational and technical performance have started showing results in the form of increased machine availability and operational performance. This has also resulted in very positive customer feedbacks and further strengthening our relationship with them. We also undertook several initiatives towards overheads and other cost reduction initiatives and increasing productivity through the digital transformation process with the implementation of SAP and other digital analytical tools, adapting best practices in supply chain and maintenance. These efforts have resulted in substantial cost savings and bringing in the desired efficiency.

We continue to move on our journey to be the leaders in asset management and operational excellence in O&M of RE assets and deliver and create sustainable value for all our stakeholders.

As part of our inorganic growth strategy, we have acquired and controlling stake of 51% in I-Fox Windtechnik, a reputed wind OEM ISP with 7+ multi-OEM operational fleet of 250+ megawatts. This not only aids our growth, but also helps in strengthening our service offerings. We are also in discussions with various other reputed independent OEM service providers and also wind OEM's to accelerate our inorganic growth.

Nani Virani a 50 megawatts SPV, has been recently commissioned and now operating. As stated earlier, our intention of selling this SPV, once commissioned, like the ones we sold earlier to Torrent and Adani. The discussion with the potential buyers is in the advanced stages for Nani Virani and is expected to be concluded soon. Post which Inox Green will be net debt-free.

Our ESG commitment is very strong and we are making significant contributions towards ESG goal. We also act as a catalyst to the Honorable Prime Ministers target on carbon neutrality. We are also happy to announce you that we are ESG compliant audited by Big4 and also the rating is awaited.

Inox Green is in the asset-light long-term annuity cash generation business with the long-term service contract. This business is generally very sticky.

I would like to touch upon some of the future growth drivers:

Favorable Government policy and large capacity addition plans should aid massive growth in the wind sector, which is currently at 42 GW installed capacity. The Government of India has plans to add at least 10 GW of wind annually over the next four to five years.

Demand arising from Green Hydrogen Ecosystem, the green financing, RPO targets wind repowering potential, RTC projects, Green Energy Open Access, etc., will definitely faster wind installations in India.

The current fragmented O&M service industry provides a huge opportunity for consolidation and growth for established players like us. Inox Green is part of $5 billion Group of InoxGFL Group with 90+ years of footprint in fueling India's growth.

Having a parentage Inox Wind provides us with a strong growth visibility. As we have embarked on this massive growth journey, we look forward to a sustained value creation for all our stakeholders.

Now let me hand over the floor to Mr. Devansh Jain for his comments. Post which we will open the floor for Q&A.

Devansh Jain: Thank you, Mathu. I would like to thank all of you for having shown faith and confidence in us. It was a one-of-a-kind IPO and we are thankful to everybody who supported us to ensure this happens.

Inox Green has the full backing of the promoters and I believe we are on the right track and will achieve massive growth as all the catalysts for the sector are in place. The wind sector has full support from the Government as well.

At Inox Green as well as Inox wind all the hard work and the grind we put in for the past several years to stay afloat when majority of the players in India went bankrupt are now paying us rich dividends. The IPO of Inox Green was well-timed and will aid significant growth. Whatever targets we had set out during the IPO, we are truly on course not just to achieve them but surpass them. I firmly believe that we will add significant value for all our stakeholders.

With our ESG compliant status, I think we become a unique player on the ESG side of things as well.

With this, I will now open up the floor for Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask question may press * and 1 on their touch tone telephone. If you wish to remove yourself from the question queue, you may press * and 2. Participants are requested to use handset while asking a question. Ladies and Gentleman, we will wait for a moment, while the question queue is assembled The first question is from the line of Rishikesh Oza from Robo Capital. Please go ahead.

Rishikesh Oza: My first question is regarding the acquisitions that we are planning to do. So, just broadly wanted to know how many acquisitions plan to do and how much additional revenue and EBITDA that will generate for and what will be the dilution?

Devansh Jain: Rishikesh, I don't think there's a specific target in terms of what we will acquire 1 GW or we will acquire 2 GW. If you look at our presentation and the larger objective we set out, there's almost 10 gigawatts of inactive players in the market. As we speak Mathu and the team are in active discussions with at least six to seven potential targets. I don't know, how many of them will fructify but they keep adding to the targets because the larger goal is to consolidate the sector. In terms of how much will it add to our top line and to EBITDA, it's very hard to put a number to it, but what we can very conservatively say that at the Inox Green level organically, we're adding almost 500 megawatts a year from Inox Wind now given that Inox Wind is in place and Inox Wind is publicly stated that they're aiming for at least 500 megawatts ramping up in the next financial year. I think we've already acquired about 230 megawatts, which is already been scaled up and which will significantly scale up over the course of this year. But there is absolutely no limit to what we will look to acquire. What we are also doing importantly is we are using a mix of cash and equity in all our acquisitions. As you may have noticed in the first acquisition, about half the price was paid by cash and the other half was by way of long-term equity because we firmly want where we're taking controlling stake, we want the management team at the regional level to continue for multiple years. We are attractively pricing our acquisitions as opposed giving free period O&M to certain people and taking significant contracts in-house. Having said that the dilutions as we move forward, we don't expect anything significant to happen. If we look at things right now, it is an Rs. 8 crore dilution which will take place on a Rs. 1500 odd crore market cap that too over 3 years so that technically translate to not even 0.4%, obviously as the performance of Inox Green plays out as our EBITDA increases, which is equal to cash profit the valuation should increase manifold and we would be using a very insignificant amount of capital by way of dilution. Of course, we also have access to all the cash profits at Inox Green over the course of this financial year, given that there are no other legacy issues, no RESCO relations, or Inox Wind relations. And as I mentioned, we operate at 50%+ margins, so EBITDA is equal to cash profit for us. Of course, at some point in time, I assume the Board will take a call on dividend yields but we have significant free-cash flow available at this entity, which can be channeled into acquisition.

Rishikesh Oza: Sir, my second question is regarding the transmission lines and the common infrastructure that we see which are not going to be used going ahead as we are transitioning to asset-light Company. Just wanted to know broadly how that is going to be monetized going ahead.

Manish Garg: Hi Rishikesh, Manish Garg this side. As we have publicly stated in the past that we have developed the common infrastructure for 4000 megawatts and out of 4000 megawatts, 3000 megawatts has been monetized and has been utilized for over for our customers. 1000 megawatts of the unutilized common infrastructure will be sold over a period of time and the money received will come in the Inox Green entity which should be somewhere in the range of Rs. 20 lakh to Rs. 25 lakh per megawatts, which is additional cash inflow which will come into the entity.

Devansh Jain: Now, again Rishikesh, there is no specific timeline, but as is expected many times you build larger common infrastructures and then we play them out as policies open up in different states. Obviously going forward, there is no further CAPEX at the Inox Green level. If any at all, infrastructure is to be built, it is being built under a separate entity called RESCO, which is owned by Inox Wind and has nothing to do with Inox Green. So, as we move forward, depending on whenever the policy, for example, Rajasthan opens up or Madhya Pradesh opens up, we already have ready access to common infrastructure built. We would be monetizing our common infra in respective states to the extent that No. 1 we sell and that will add to our cash flows at

Inox Green and No. 2 that will also ensure access to at least 1000 megawatts of further turnkey contracts for Inox Green.

Rishikesh Oza: And so just a follow up on that, when you say we'll be monetizing the remaining 1000 megawatts of the infrastructure. So broadly, when we monetize it, what fixed asset base will we have on our balance sheet, which is currently approximately Rs. 900 crore.

Devansh Jain: The fixed asset base does not increase because we've already built this, we need to monetize a chunk of this and recover our money. There will be no further CAPEX at the Inox Green level, which we said in the IPO, which we said in the previous quarter and which we reiterate, we are not. incurring any CAPEX. The CAPEX has already been incurred; we're simply monetizing it.

Moderator: Thank you. The next question is from the line of Nirav Shah from GC Investments. Please go ahead.

Nirav Shah: Just a one question. If I look at the second-half numbers, a lot of income that has been generated by other income, approximately Rs. 35 crores. So, what exactly is the nature of this other income?

Manish Garg: Manish Garg this side. As we have discussed in the past also this certain income, which is as per the accounting standards need to be classified as under the head other income, but that is related to the operation and maintenance revenue only like there is some restoration income and so on and so forth which is classified under other income which is not regular in nature. But that is broadly towards the O&M service revenue.

Moderator: Thank you. We have the next question from the line of Giriraj Daga from Visaria Family Trust. Please go ahead.

Giriraj Daga: My first question is when I look at the quarter-on-quarter like December quarter, I believe we reported O&M revenue of Rs. 53 point some crores and this quarter it is below Rs. 50 crores so have you seen quarter-on-quarter decline?

Manish Garg: In Quarter 3 we have done a revenue O&M revenue of Rs. 45 crores against the Rs. 49 crore of revenue in this particular quarter. It might be that you have seen in totality, which might include certain other trading income in the last quarter. But Apple-to-Apple as against the last quarter of Rs. 45 crores of O&M revenue, we have done Rs. 49 crores O&M revenue in this quarter.

Devansh Jain: So Giriraj one of the questions which came up when we presented last time was can you please split up our actual O&M revenues, our EBITDA from actual operations and separate out the one-time traded goods or income from….

Giriraj Daga: I will just read on Page No. 34, we have given separate data on O&M trading income, power generation. So, I'm looking at a separate revenue only, although I believe there's some typo error in the Page No. 34 if I look at O&M revenue for last quarter, we had put to Rs. 53.8 crore.

Devansh Jain: There is no page 34. I don't know where you are. There is no presentation.

Giriraj Daga: On the BSE Exchange Document, we have segment information.

Devansh Jain: I have opened our Investor Presentation, on our Investor Presentation there's a table which says financial highlights that is split into three parts – revenue from O&M , from traded goods which were the one-time limits which were under Inox Green, which had to shift to RESCO, which is only done on a cost basis. Otherwise, revenue from operations if you look at 31st March, revenue from O&M was Rs. 36 crore, in this quarter it is close to Rs. 50 crore. If you look at 31st December 2022, revenue from O&M was Rs. 45 crore and in this quarter it's about Rs. 50 crore. So, I'm not sure where you're coming from.

Giriraj Daga: Because our addition is somewhere like when the total is coming at Rs. 199 crore. So, the previous three quarters were obviously Rs. 50 crores each that's why you will get Rs. 199 crore in this for the full year.

Devansh Jain: It says revenue from O&M and revenue from traded goods.

Giriraj Daga: I saw that.

Devansh Jain: And if you look at it, it says very clearly because we were in our previous calls obviously because these limits which had to shift from Inox Green.

Giriraj Daga: I'm not including trading; I'm keeping trading as a separate. Next is when you look at the cost also there is a very sizable increase in the other expense, if you can clarify what is this?

Manish Garg: So in terms of the other expenditure, there is some reclassification which has happened in other income and other expenditure. So, if you see in the current quarter, there is a Rs. 14 crores of other income and there is the other expenditure has also increased by Rs. 14 crores so is due to some accounting reconciliation. As such, there is no increase in the other expenditure and other income in this particular quarter.

Giriraj Daga: No, but sorry but like last quarter, we had Rs. 20 crores of other income right as per reported numbers.

Manish Garg: As I explained to you Rs. 20 crore of the other income is towards the O&M revenue which need to be classified as per the IndAS in the other income, but in this particular quarter Rs. 14 crore of the other expenditure which you are talking about is just a reclassification between the other income and other expenditures, but if you see over investor presentation in that it is clearly stated that what kind of O&M revenue and traded revenue and EBITDA from the O&M business which will give you the particularly clearer picture. Further, as we have mentioned in our earlier calls, this traded goods and power generation revenue will also will go away in near future and you know it will virtually stop. So, going forward you will see only O&M revenue and plain O&M profitability.

Devansh Jain: I mean in any case the traded goods are at cost so there is no profit on traded goods.

Giriraj Daga: But this 13 crore, 14 crore of other income and other expenditure will continue in the coming years also.

Manish Garg: Due to some reclassification that has been done, but that is only a onetime reclassification which need to be done in this quarter due to the IndAS requirement.

Giriraj Daga: So roughly let us put this way the Rs. 50 crore of O&M income and Rs. 23 crore of EBITDA is sustainable run rate and we will build from there?

Devansh Jain: So, during our pricing obviously if you look at now the plain vanilla, O&M revenue if you look at the full financial let me answer a question in this way. Our typical total revenue from O&M was Rs. 198 crores and our EBITDA was Rs. 102 crores. So, that is the annual run rate we are on already obviously to the extent that I-Fox got added, more turbines are being commissioned, more capacity will be added over the course of this year. This run rate will increase and this EBITDA will increase in that ratio.

Giriraj Daga: So, what is the gross cash level?

Giriraj Daga: Total cash and cash equivalent actually asking of point is that some might be sitting in the other current assets also apart from the cash and bank shown in the balance sheet?

Manish Garg: So Giriraj if you see our net debt as on 31st March 2023 we have a net debt of around Rs. 340 odd. As we have already mentioned and as Mr. Devansh has briefed that Rs. 300 crore will be realized on the sale of 50-megawatt Nani Virani project which will be utilized for reduction of the debt and our debt Rs. 40 crores is kind of a debt which is stuck in our working capital which will be released in Quarter 1 and Quarter 2. So, our endeavor would be after the selling of the Nani Virani project we will be debt-free company.

Moderator: Thank you. The next question is from the line of Ravi an Individual Investor. Please go ahead.

Ravi: Sir, in the presentation I have seen that we are planning to add about 1000 megawatt every year, right for the next consecutive three financial years, so as per your previous concall you said that we will be installing about roughly 500 megawatt that is our individual company and maybe 500 megawatt maybe some kind of acquisition, is my understanding right sir?

Devansh Jain: It is correct I think broadly speaking Inox would have conservatively stated that they would be doing 500 odd over the course of this financial year that is the stated aim which they would ramp up as the sector gets to a high growth phase and we add Inox Green given that there is almost a 10-gigawatt acquisition opportunity out there with the unorganized players given we have already acquired 230 megawatts and our team is in discussion for multiple acquisitions. I think over the next three years adding 1,500 megawatts inorganically fairly a straightforward task.

Ravi: Just one more follow up since our commissioning would not be equally distributed and again we will have less commissioning in the rainy season, so is my understanding right that it will be more lumped towards the end of the financial year?

Devansh Jain: Look, obviously in Q2 of any financial year commissioning goes down because it is peak monsoon, but other than that it is very hard it depends on which state or which site we are implementing is the common infra ready there or are we building new government structure. Assuming it is ready then it is a fairly uniform commissioning cycle, but if you are building common infra then obviously it is towards the back end of the year. So, hard to say, very hard to say, but it is not going to be 0. I mean assume it is 100 MW it is not going to be 0 for three quarters and suddenly become 100. I think it should be fairly uniform.

Moderator: Thank you. The next question is from the line of Giriraj Daga from Visaria Family Trust. Please go ahead.

Giriraj Daga: Just two questions from my side one of the inventory and debtors so when we look at Rs. 30 crore of inventory and Rs. 92 crore of debtors like first of all inventories pertains to what and second debtors when I look at compared to revenue of quarterly like Rs. 60 crore number looks high, so what is the debtors days here?

Manish Garg: In terms of inventory as there are around Rs. 30 crore inventory which is our normalized inventory which need to be kept for maintenance of our O&M business of 3 gigawatts. Further, in terms of the debtor of around Rs. 90 crore around Rs. 40 crore is the intercompany debtor which need to be received from our Group Company RESCO Infrastructure which we will receive in this particular quarter and our normalized debtor would be around Rs. 50 crore which is a one quarter billing which is normally in our kind of business.

Giriraj Daga: Sir, just one more clarification when I look at cash flow there is an intercompany deposit given and repaid, is this RESCO what you are mentioning is part of the debtors, so the second is pertaining to which entity?

Manish Garg: So, RESCO is a subsidiary of Inox Wind Limited. As we have explained there is some limits which is set in Inox Green Energy Services Limited and when we have carved out over EPC business to RESCO the limit has not been shifted immediately. So, there is a certain LC which has been opened in Inox Green Energy Services Limited which is back-to-back built to RESCO. Now everything has been stopped as you have seen and as in our commentary also in this particular quarter there is only miniscule sale of around Rs. 7 crore which has been happened and which will not happen in Quarter 1 also in upcoming quarter. So, accordingly this intercompany transaction which you will see will not going to come in from the upcoming quarters.

Devansh Jain: So, Giriraj let me put it like this whatever shift over we have to do post the IPO have already concluded that we have no further trading revenues coming in now actually the payments which have already been done by Inox Green on behalf of RESCO when the shift over took place and the LC has to be recovered back from RESCO which we intend to recover over H1 and so that there is no inter linkage between these entities.

Giriraj Daga: Just clarifying that this RESCO entity is showing in the trade receivables and there is one kind of cash flow item there is intercompany deposit given intercompany deposit received back, is this pattern different entity or the same entity?

Manish Garg: So, that is towards the Inox Green entity which is the holding company. So, as on 31st December number or as on the 1st of April 2022 there is some ICD which has been taken from the Inox Wind Limited which has been settled in this particular financial year.

Devansh Jain: I mean these are all pre-IPO transactions which are being squared off given that Inox Green as a plain vanilla separately listed entity now.

Moderator: The next question is from the line of Amit Mehendale from RoboCapital. Please go ahead.

Amit Mehendale: Sir, what is the total revenue pool or market size for O&M business in India just a broad macro level question?

Devansh Jain: Well that 42 gigawatts of installed capacity in India. So, obviously in terms of 42 gigawatts someone needs to serve with 42 gigawatt assuming a thumb rule of Rs. 8 lakh or Rs. 10 lakh per megawatt that would translate to almost Rs. 3,500 crores of service revenue per annum for the entire macro industry.

Amit Mehendale: And we are generating like 200 crores out of that so we are about 5% market share broadly?

Devansh Jain: It is not a question of market share because as you see 10 gigawatt belongs to players who have gone bust so those players do not exist. If you look at our Investor Presentation we have market share in India. So yes from a market share historical perspective obviously Inox Green and Inox Wind at that point did not exist from the 1980s. We are a young company which is about 13 years old, but on an incremental base from the time since we were born I would say our market share is close to 17% to 18%, but yes on the historical base at about 3 gigs vis-a-vis 40 we would be close to about 7.5%.

Amit Mehendale: And just a follow up on that we started tracking the company recently, can you explain to us a little bit some background on why do you have so many inactive players and what exactly went wrong with these players like almost 10 gigawatt is a huge capacity?

Devansh Jain: So this goes back to the fact that the wind sector until 2017 was absolutely normal running strong industry and this was driven by something called feeding tariffs where respective state governments announced tariffs, which were preferential tariffs say Rs. 5 and as renewable started becoming mainstream globally and in India we wanted to set up much larger renewable energy targets. We shifted to an auction regime which became a reverse auction regime and in that the tariffs which were discovered crashed to almost 3.4. Once that happened, in the first auction all the states simply reneged from their policies and the sector shut down in India. So, sector which was booming which is doing phenomenally well for the past five-odd years has been virtually dead where we have been adding if I may say so hardly 1 gigawatt per annum and that was nothing, but clearance of inventory across almost 30 players in the industry. Yes, 5 out of the 30 to 35 players were 85% of the market, but what is happened is almost out of the 35 odd players almost 25 to 30 players have gone bust bankrupt. So, those who have gone bust and bankrupt all those turbines which exist on the ground since the OEM has gone bankrupt they are no longer alive to do the operations and maintenance of those turbines and you have seen a lot of unorganized players if I may say so kirana, 'mom 'n' pop' type people who come into the industry, someone doing 20 megawatts, someone doing 50 megawatts, someone doing 100 megawatts. And I think this is a great opportunity for a strong Indian company to go out and consolidate that whole industry and as Mathu may have read out in his initial commentary I think we are evaluating multiple acquisition opportunities to scale up this business and make this an organized play. So, that is why you see almost 10 gigawatts of inactive debt bankrupt players who are being serviced by the unorganized market.

Amit Mehendale: Just a follow up on that so how are these because some of them have gone worse, so how are they currently getting like their O&M needs, are they in a free two-year period, so currently they are not in the market or how is that requirement customer demand getting that currently?

Devansh Jain: Yes OEM has gone bust so nobody is in a free period I mean nobody died in the past two years; this sector has been dead for the past five years it is now comeback very strongly. So, no one is in a free O&M period basically they are getting it serviced through mom 'n' pop unorganized players as I mentioned and they are all playing well. Mom and pop unorganized players neither are their technical progress nor the financial muscle to provide the best service. I think that is where organized players such as us are moving in and capturing market share. As Mathu also explained, we have already acquired our first company I-Fox with about 230 megawatts and I think as we move forward they should be announcing many more acquisitions.

Amit Mehendale: I have one last question if I may, some of these acquisitions that we are doing broadly what is the EBITDA multiple that we are looking to buy this company maybe broad range will also do?

Devansh Jain: Unfortunately, my understanding is that due to competitive reasons we do not destabilize our business plans I am unfortunately unable to share that number with you because it is at a very, very competitive number.

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

Ravi: Sir, can you just help me in understanding what would be the ballpark cost per megawatt right now I mean since we have the increase in raw materials and all those things, what would be the ballpark cost per megawatt?

S. K. Mathusudhana: So, actually this we are operating 50% EBITDA margin.

Devansh Jain: I think with the efficiencies and the renegotiations in scale we should be able to improve it only further as we move forward.

S. K. Mathusudhana: And moreover, as I mentioned in my earlier comments that we have deployed a lot of physical transformation activities which will further improve our EBITDA margin to maximize.

Moderator: Thank you. The next question is from the line of Rishikesh Oza from RoboCapital. Please go ahead.

Rishikesh Oza: My question is that if I am not wrong the acquisitions that we are doing, the payment of that is like spread over some number of years, so can you like in general what number of years are we spreading the payment?

Devansh Jain: So, I think Mathu broadly what we are doing is whatever we are acquiring I mean this may be a generalized norm because obviously it goes case-to-case, but I think we have acquired one company so far, but I think what our guiding principle broadly is to pay half the acquisition cost in terms of cash and half the acquisition cost in terms of equity share so that people are linked to the growth and success of Inox Green and this is typically spread over three years.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Chintan Shah for closing comments. Over to you, sir.

Chintan Shah: On behalf of Systematix I would like to thank Mr. Devansh Jain for giving us the opportunity to host the earnings call. Lastly, sir we all learned a lot on Inox Green and your sector today. Thanks a lot once again.

Moderator: Thank you. On behalf of Systematix Institutional Equities that concludes this conference. Thank you for joining us and you may now disconnect your lines.