Inox Wind Limited

August 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	1,250.00 (Enhanced from 800.00)	CARE A+; Positive / CARE A1+	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the outlook on the bank facilities of Inox Wind Limited (IWL), which is engaged in the business of manufacturing of wind turbine generators (WTG), providing engineering, procurement and construction (EPC) and operations and management (O&M) solutions in the renewable energy segment, factors in significant improvement in operational and financial performance of the company in FY25. This improvement is demonstrated by the execution of 705 MW of WTGs in FY25, compared to 376 MW in FY24, resulting in a total operating income (TOI) of ₹3,557 crore in FY25, up from ₹1,743 crore in FY24. Further, the planned expansion of nacelle and hub manufacturing capacity is expected to support the execution of current orders and facilitate the addition of new orders to the existing order book. Additionally, expectations of moderation in the debtor position further support the positive outlook. Moreover, CARE Ratings Limited (CareEdge Ratings) positively factors in the proposed Rights Issue of raising upto ₹1,250 crore, which is expected to be utilised for repaying promoter's debt which was infused in the form of non-convertible non-redeemable preference shares (NCNRPS) into IWL, repayment/prepayment of external debt of IWL and its subsidiary and for general corporate purposes. The successful completion of this rights issue is expected to further improve the liquidity position of the company.

The ratings continue to factor in the strong group linkages by virtue of IWL being a part of the INOXGFL group. INOXGFL group has an established presence in the speciality chemicals through its flagship company, Gujarat Fluorochemicals Limited (GFL) along with its presence in the renewable energy segment. Additionally, CareEdge Ratings takes into account the company's strong order book position, which stands at ~3.3 GW, valued at ~₹23,000 crore as of end of May 2025. Further, the wind segment continues to experience growth primarily driven by (i) Government replacing reverse bidding with closed bidding for the wind segment, (ii) Better visibility of tenders pertaining to wind capacities (iii) Increase in demand for open access renewable power from corporates and (iv) Increased reliance on wind segment to provide round-the-clock solutions from renewable power. CareEdge Ratings also takes cognisance of the amendment in the revised list of models and manufacturers (RLMM) mandating the domestic WTG manufacturers to have indigenisation with ~64% of the value of WTG being manufactured domestically. CareEdge Ratings notes that the company is already sourcing ~50% of its inputs through domestic vendors which is expected to reach the 64% threshold going forward.

However, the aforementioned rating strengths of the company are tempered by the moderate competitive intensity in the WTG manufacturing segment and susceptibility of profitability margins to volatility in the prices of inputs. Further, the business operations are working capital intensive in nature as the company has to provide LCs/BGs to both suppliers and customers. Moreover, the elongated receivable cycle restricts the company's ability to realise timely payments from customers, further straining its working capital requirements. Going forward, the company's ability to realise past dues and execute underlying orders without material cost or time overrun would be critical from a credit perspective.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations, sustained profitability margins at current levels, and moderation in working capital intensity, supported by a reduction in the debtor position.

Negative factors

- Deterioration in the financial risk profile as reflected by the operating income remaining significantly lower than expectations, operating margins remaining lower than 12% on a sustained basis, and/or weakening of liquidity position.
- Sustenance of debtor cycle beyond 240 days over an elongated period.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

- Weakening of the credit profile of the INOXGFL group or any change in linkages/support philosophy of INOXGFL group towards IWL.

Analytical approach: Consolidated plus factoring in support from the INOXGFL group.

CareEdge Ratings has considered the consolidated financials of IWL. The list of subsidiaries getting consolidated at IWL as on March 31, 2025, is attached as Annexure-6. Moreover, CareEdge Ratings has applied its group notch-up framework to factor in the strong strategic and financial support from INOXGFL group towards IWL.

Outlook: Positive

The revision in outlook from 'Stable' to 'Positive' factors in the company's improved scale and profitability in FY25, along with expectations of moderation in the receivable cycle going forward. Further, presence of order book for ~3.3 GW of WTGs and expected increase in nacelles and hub manufacturing capacity in the current fiscal supports the positive outlook.

Detailed description of key rating drivers:

Key strengths

Strong group linkages by virtue of IWL being a part of INOXGFL group

IWL is a part of INOXGFL group. The group has an established presence in speciality chemicals through its flagship company, GFL, and its presence in the renewable energy segment through IWL, Inox Green Energy Services Limited (IGESL), Inox Renewable Solutions Limited (IRSL), Inox Clean Energy Limited (ICEL, rated 'CARE A-; Stable'), Inox Neo Energies Private Limited (INEPL, rated 'CARE A-; Stable'), and Inox Solar Limited (ISL).

The group is promoted by Mr. Vivek Jain and Mr. Devansh Jain's family, who holds a significant stake in IWL and other group companies of INOXGFL group, either directly or through its investment holding company, Inox Leasing and Finance Limited (ILFL), and two partnership firms, including Devansh Trademart LLP and Aryavardhan Trading LLP. CareEdge Ratings takes cognisance of the fact that INOXGFL group has been at the forefront in providing support to its group companies in the past such as IWL which has resulted in the company's revival. INOXGFL group has infused over ₹2,000 crore in IWL over the last two-three years apart from raising funds through an IPO of IGESL. This provides comfort from credit perspective regarding the group's stated posture towards its business arms.

Improvement in operational and financial risk profile of the company
The operational and financial performance of the company has improved in FY25. This improvement is demonstrated by the execution of 705 MW of WTGs in FY25, compared to 376 MW in FY24, resulting in a total operating income (TOI) of ₹3,557 crore in FY25, up from ₹1,743 crore in FY24. Going forward, CareEdge Ratings expects the scale of operations to increase further through execution of over 1000 MW of WTGs in FY26 along with sustenance of profitability margins in line with existing levels.

Established track record with long-term technology sharing agreements with AMSC Windtec
IWL is one of the leading wind turbine manufacturers in the country with an operational track of over 15 years. As on March 31, 2025, the company has an annual manufacturing capacity of ~3 GW of WTGs. Furthermore, IWL has long-term technology sharing agreements with AMSC Windtec for the manufacturing of 3.3 MW WTGs.

Healthy order book providing revenue visibility for near-to-medium term
The company has a healthy order book position as reflected by order book of ~3.3 GW amounting to ~₹23,000 crore as of May 2025 end. The order book is well diversified across central PSUs and C&I customers having marquee names mitigating order concentration risk to a large extent. Previously turnkey contracts constituted majority of the order book, whereas the group is now increasing the proportion of pure equipment supply orders which is expected to reduce execution-related challenges. Going forward, the order book is expected to grow at current pace given strong turnaround in the overall wind segment.

O&M contracts for ~5 GW of wind and solar assets provides stable revenue visibility
IWL provides O&M solutions through its majority-owned subsidiary IGSEL. The company has O&M contracts for ~5 GW of wind and solar assets as on March 31, 2025. These contracts are spread across different IPPs with residual contract life ranging between 5-10 years. As a result, the company is expected to earn stable cashflows from the O&M business. Going forward, the company expects to increase the O&M contracts up to 10 GW by FY27 end through a mixture of organic and inorganic expansion routes.

Key weaknesses

Susceptibility of profitability to volatility in the prices of key inputs along with regulatory risks

IWL is primarily engaged in the business of manufacturing different components of WTGs including nacelles, hubs, rotor blades, and towers. CareEdge Ratings notes that challenges with respect to increase in the prices of various inputs, including aluminium, fibre composite, steel, among others, may impact the TOI and the profitability of the company.

While the overall wind segment is in the turnaround phase, any adverse regulatory news may hinder the revival of wind segment and thereby impact the business of wind original equipment manufacturers (OEMs). Going forward, traction in the wind segment will remain critical from credit standpoint.

Dependence on working capital limits to sustain business operations

Given the nature of business operations, the company requires working capital limits to provide LCs/BGs to its suppliers and customers. As on June 30, 2025, of the total sanctioned limits, working capital utilisation stood at over 80%. Moreover, the elongated receivable cycle restricts the company's ability to realise timely payments from customers, further straining its working capital requirements. The working capital cycle of the company is inversely related to the pace of order execution, as delay in order execution leads to build of inventory and other receivables. Therefore, timely execution of orders would be critical from a credit perspective.

Liquidity: Adequate

The liquidity position of the company is adequate as the company has cash and bank balance of aggregating to ~₹213 crore on consolidated basis as on March 31, 2025. Going forward, CareEdge Ratings expects the liquidity position to remain around the current levels.

This apart, the company has a strong financial flexibility on account of being a part of INOXGFL group. The same is evident by several instances of the promoter group infusing funds in the company.

Environment, social, and governance (ESG) risks

IWL is dedicated to fostering sustainable living by championing environmental preservation, promoting health and safety through adoption of green energy practices, empowering children through educational initiatives, and actively engaging communities in environmental stewardship programs. Notably, 50% of IWL's board consists of independent directors, ensuring robust governance and diverse perspectives.

Applicable criteria

Consolidation
Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Electrical equipment	Other electrical equipment

IWL, incorporated in April 2009, is a group company of INOXGFL group and is India's leading wind energy solutions provider catering to independent power producers, PSUs and C&I customers. IWL has three line of business viz. manufacturing of WTGs and its components, providing EPC and O&M solutions. As of March 2024 end, IWL has an annual manufacturing capacity of ~2 GW spread across Gujarat, Madhya Pradesh, and Himachal Pradesh.

Brief Financials (₹ crore) – IWL (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	1,743	3,557
PBILDT	269	757
PAT	-53	435
Overall gearing (times)	0.4	0.2
Interest coverage (times)	1.1	4.5

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	50.00	CARE A+; Positive / CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	650.00	CARE A+; Positive / CARE A1+
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	550.00	CARE A+; Positive / CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	50.00	CARE A+; Positive / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Jan-25) 2)CARE A; Stable / CARE A1 (26-Sep-24) 3)CARE A; Stable / CARE A1 (24-May-24)	-	-
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	550.00	CARE A+; Positive / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Jan-25) 2)CARE A; Stable / CARE A1 (26-Sep-24) 3)CARE A; Stable / CARE A1 (24-May-24)	-	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	650.00	CARE A+; Positive / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (17-Jan-25) 2)CARE A; Stable / CARE A1 (26-Sep-24)	-	-

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Inox Green Energy Services Limited	Full	Subsidiary
2	Inox Renewable Solutions Limited	Full	Subsidiary
3	Haroda Wind Energy Private Limited	Full	Step-down subsidiary
4	Suswind Power Private Limited	Full	Step-down subsidiary
5	Tempest Wind Energy Private Limited	Full	Step-down subsidiary
6	Vasuprada Renewables Private Limited	Full	Step-down subsidiary
7	Vibhav Energy Private Limited	Full	Step-down subsidiary
8	Vigodi Wind Energy Private Limited	Full	Step-down subsidiary
9	Vuelta Wind Energy Private Limited	Full	Step-down subsidiary
10	Khatiyu Wind Energy Private Limited	Full	Step-down subsidiary
11	Ravapur Wind Energy Private Limited	Full	Step-down subsidiary
12	Wind Four Renergy Private Limited	Full	Step-down subsidiary
13	I-Fox Windtechnik India Private Limited	Full	Step-down subsidiary
14	Marut-Shakti India Limited	Full	Step-down subsidiary
15	RBRK Investments Limited	Full	Step-down subsidiary
16	Ripudaman Urja Private Limited	Full	Step-down subsidiary
17	Sarayu Wind Power (Tallimadugula) Private Limited	Full	Step-down subsidiary
18	Satviki Energy Private Limited	Full	Step-down subsidiary
19	Sarayu Wind Power (Kondapuram) Private Limited	Full	Step-down subsidiary
20	Vinirrmaa Energy Generation Private Limited	Full	Step-down subsidiary
21	Dangri Wind Energy Private Limited	Full	Step-down subsidiary
22	Dharvi Kalan Wind Energy Private Limited	Full	Step-down subsidiary
23	Junachay Wind Energy Private Limited	Full	Step-down subsidiary
24	Kadoliya Wind Energy Private Limited	Full	Step-down subsidiary
25	Lakhapar Wind Energy Private Limited	Full	Step-down subsidiary
26	Ghanikhedi Wind Energy Private Limited	Full	Step-down subsidiary
27	Amiya Wind Energy Private Limited	Full	Step-down subsidiary
28	Laxmansar Wind Energy Private Limited	Full	Step-down subsidiary
29	Pokharan Wind Energy Private Limited	Full	Step-down subsidiary
30	Waft Energy Private Limited	Full	Step-down subsidiary
31	Ramsar Wind Energy Private Limited	Full	Step-down subsidiary
32	Fatehgarh Wind Energy Private Limited	Full	Step-down subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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