



**INOX WIND LIMITED
QUARTERLY INVESTOR UPDATE
Q4 & FY16**

DISCLAIMER



This presentation and the following discussion may contain “forward looking statements” by Inox Wind Limited (“IWL” or “the Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future state of affairs, results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of IWL about the business, industry and markets in which IWL operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond IWL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of IWL. In particular, such statements should not be regarded as a projection of future performance of IWL. It should be noted that the actual performance or achievements of IWL may vary significantly from such statements.

DISCUSSION SUMMARY



- ❑ KEY BUSINESS DEVELOPMENTS
- ❑ Q4 & FY16 RESULT ANALYSIS
- ❑ ORDER BOOK UPDATE
- ❑ MANUFACTURING CAPACITY
- ❑ LAUNCH OF 113 M TURBINE
- ❑ SHAREHOLDING STRUCTURE
- ❑ CONSOLIDATED FINANCIALS
- ❑ SECTOR UPDATE



KEY BUSINESS DEVELOPMENTS



LANDMARK YEAR FOR INOX WIND – INDIA'S LEADING WIND SOLUTIONS PROVIDER

TECHNOLOGY

- ✓ Two strategic long-term technology agreements signed with AMSC for securing technology know-how for 2MW ECS in India and collaboration for development of 3MW WTG in India
- ✓ Successful launch of high performance WTG with 113 m rotor diameter

MANUFACTURING

- ✓ Capacity expansion accomplished – Capacity doubled to 1,600 MW

SALES

- ✓ More than 60% growth rate maintained even on higher base
- ✓ Market share doubled to ~23% in FY16

PROJECT EXECUTION

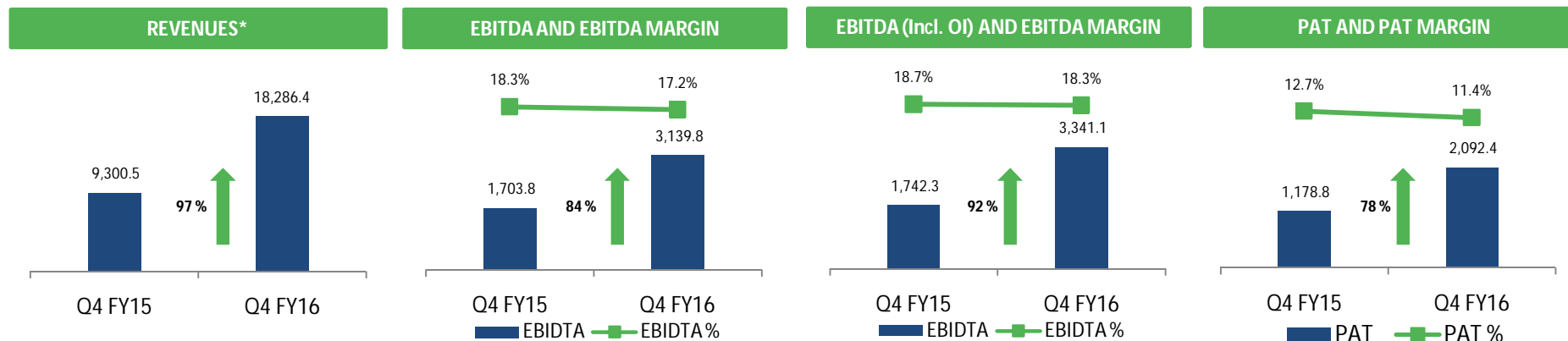
- ✓ Highest ever annual commissioning at 786 MW – 187% YoY growth
- ✓ Commissioning of common infrastructure for 800 MW of power evacuation



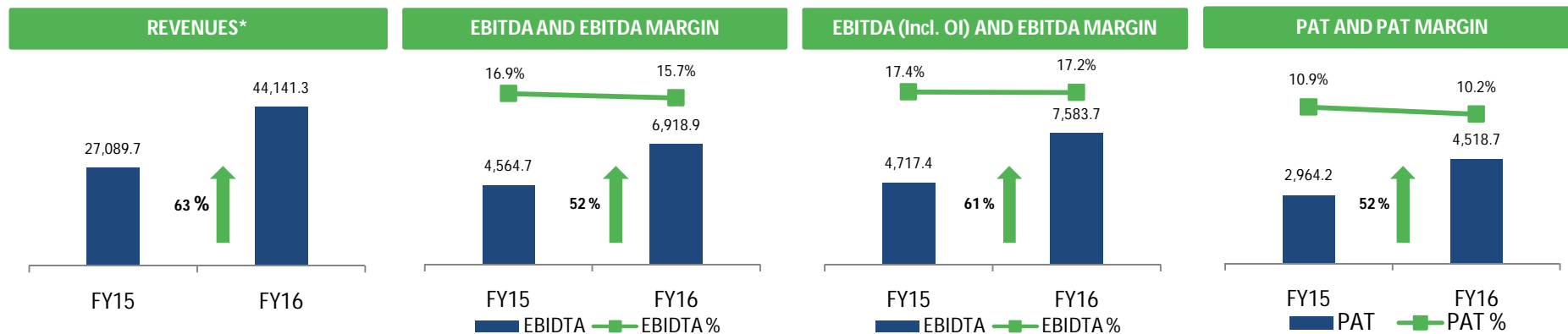
Q4 & FY16 – RESULT ANALYSIS



Q4 FY16 YoY ANALYSIS



FY16 YoY ANALYSIS



Note: * Revenue from Operations, ** OI = Other Income

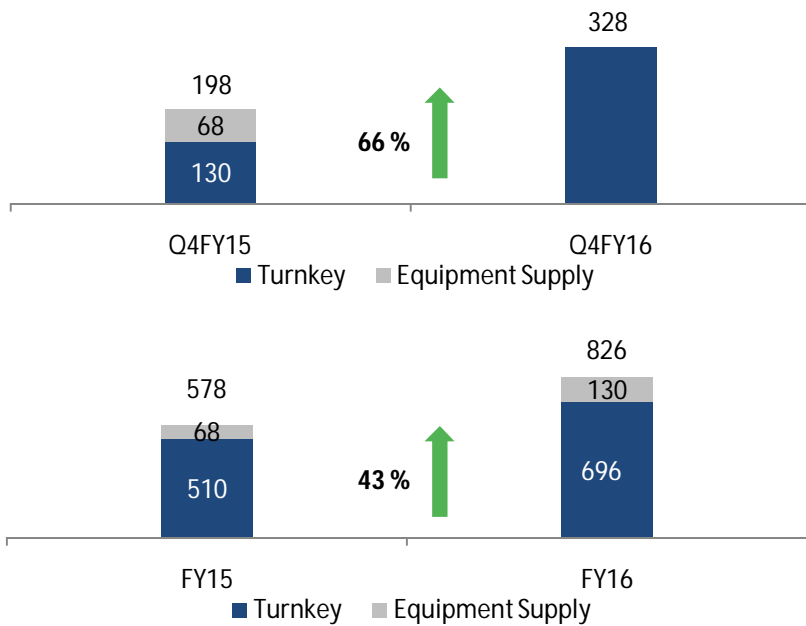
In Rs. Mn



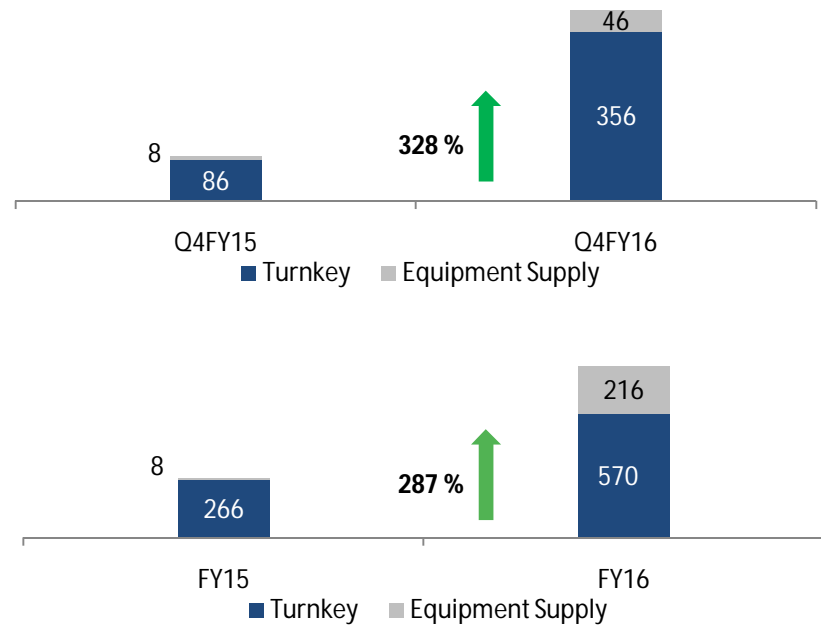
Q4 & FY16 – SALES & COMMISSIONING ANALYSIS



VOLUME BREAKUP - SALES (MW)

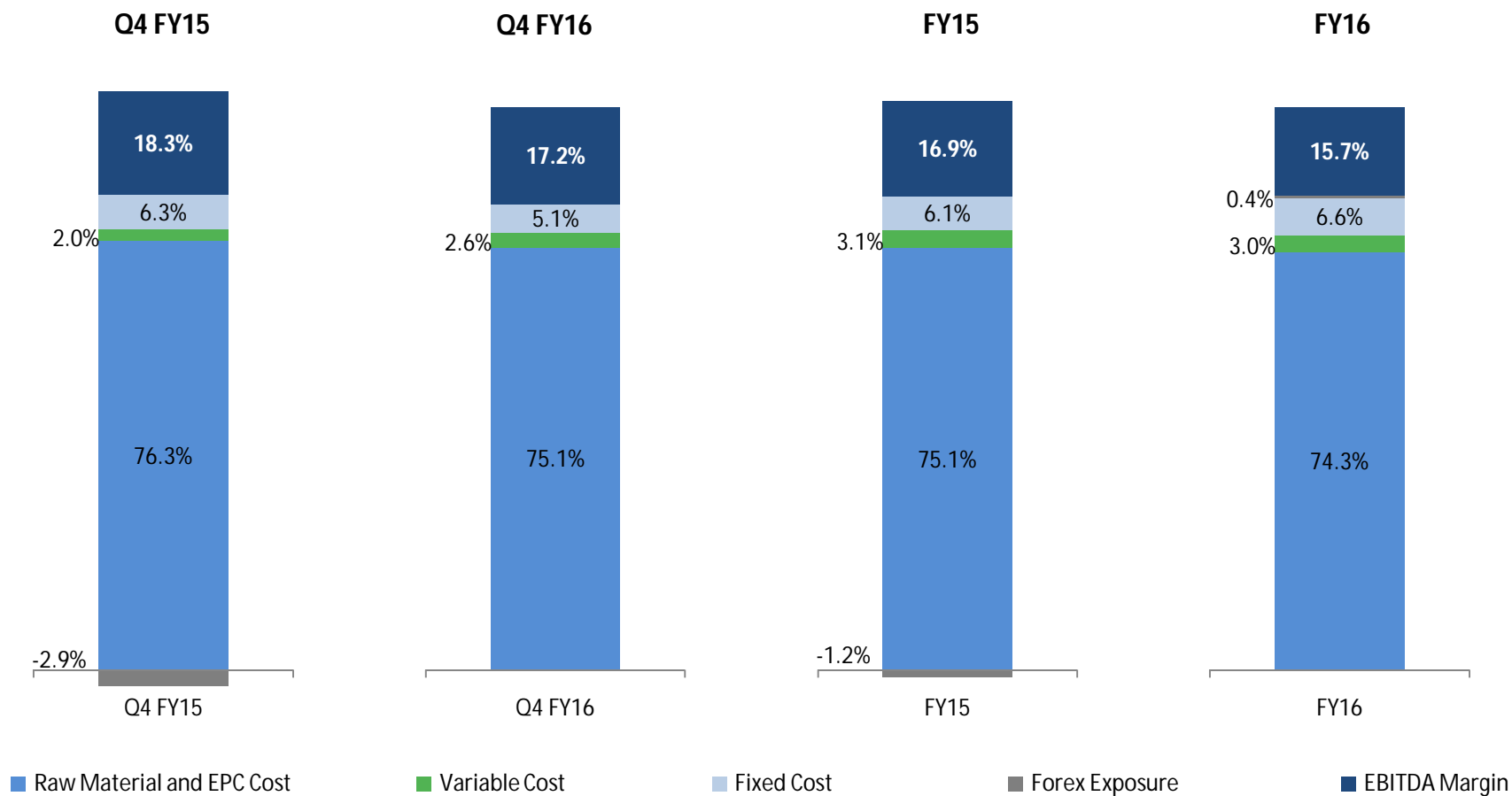


COMMISSIONING (MW)

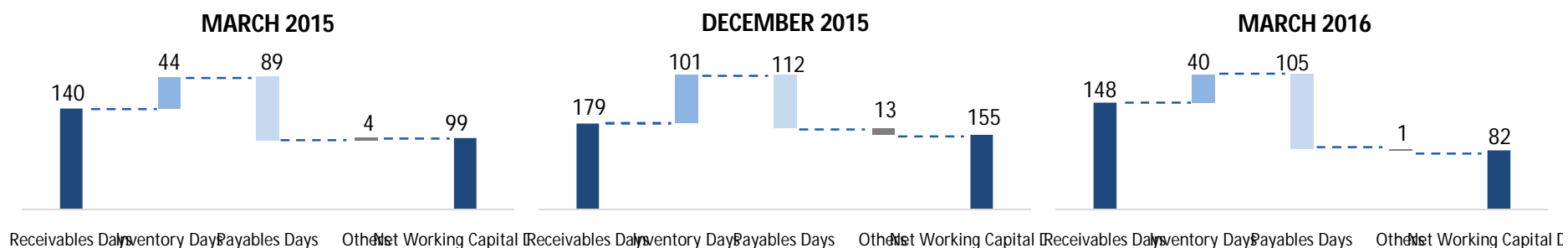


SIGNIFICANT PICK-UP IN COMMISSIONING

Q4 & FY16 – COST ANALYSIS

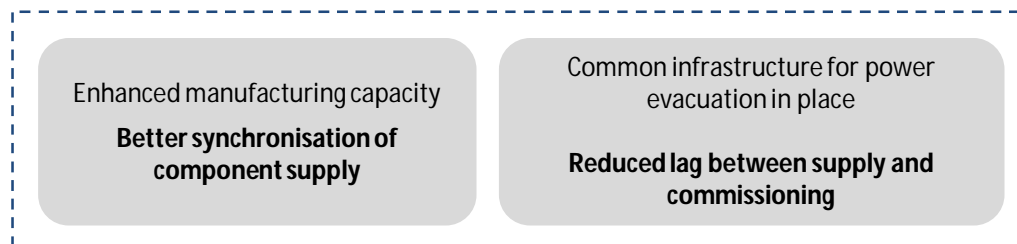


FY16 WORKING CAPITAL ANALYSIS



Particulars (Rs Mn)	March-15	December-15	March-16
Inventory	4,238.2	7,056.6	5,416.4
Receivables	14,321.8	18,995.2	24,143.2
Payables	7,207.8	9,508.0	11,777.7
Other Current Assets (Supplier Advances + Others)	902.5	1,063.3	1,027.4
Other Current Liabilities (Customer Advances + Others)	2,019.4	1,340.8	2,401.3
Net Working Capital	10,235.4	16,266.4	16,407.9

**SIGNIFICANT IMPROVEMENT
IN WORKING CAPITAL NORMS**



**FURTHER IMPROVEMENT
EXPECTED IN COMING QUARTERS**

NOTE: Net Working Capital Days = (Net Working Capital / Fourth Quarter Sales) * 91

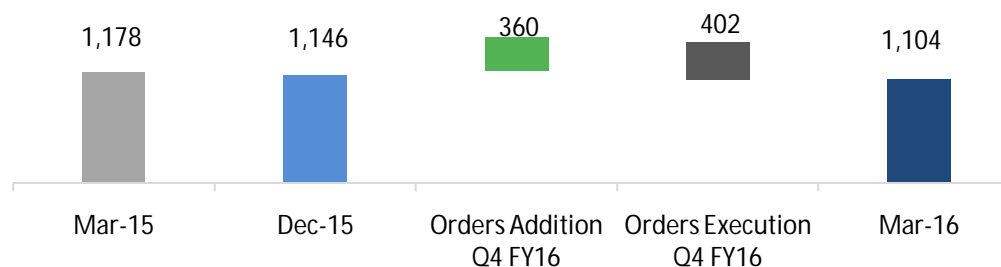
ORDER BOOK UPDATE



Order Book Update **31st March 2016**

Total Order Book (MW)	1,104
Estimated Execution Period	12 - 15 Months
Order Addition – Q3 FY16 (MW)	360

MOVEMENT IN ORDER BOOK (MW)



Robust order inflow visibility- Incremental Orders Signed in April 2016

Key Highlights:

- Continue to strengthen position and increase market share across IPPs, PSUs, utilities, corporates and retail customers
- Bagged Adani's first order in Wind sector
- **Maintaining momentum in tender market- Orders bagged from IOCL, PTC India & GIPCL**

Diversified & Reputed Clientele

IPPs: Adani Enterprises, Sembcorp Green Infra, Continuum Wind, Mytrah Energy, Tata Power, Bhilwara Energy, CESC, Renew Wind Energy, Ostro Energy

PSUs: IOCL, NHPC, RITES, GACL, GMDC amongst others.

MANUFACTURING CAPACITY – 1600 MW



CURRENT CAPACITY (WTGs)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	550	-	-	550
Blades	-	400	400	800
Towers	-	150	150	300



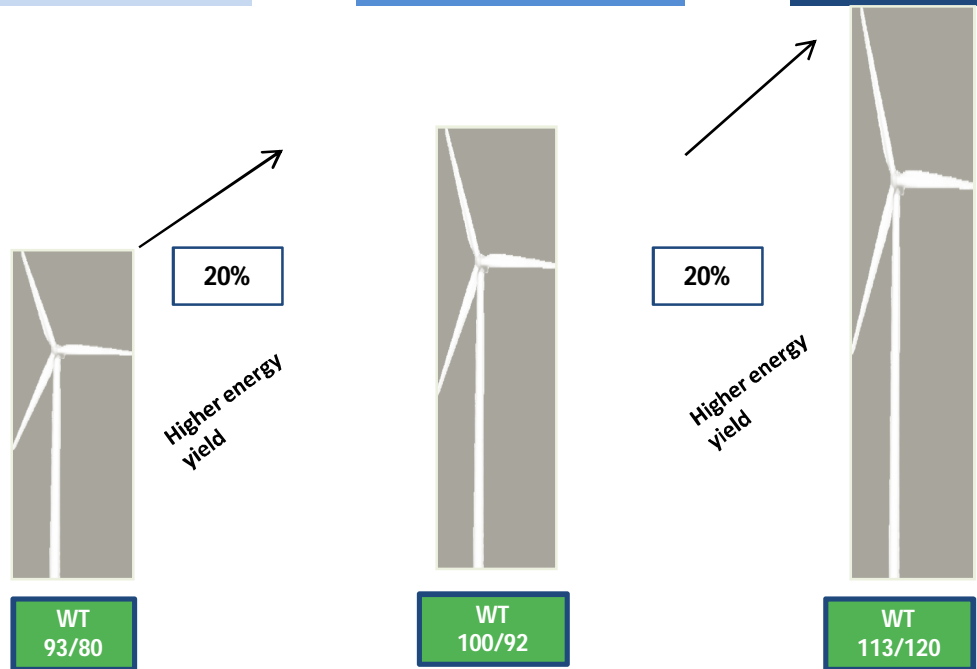
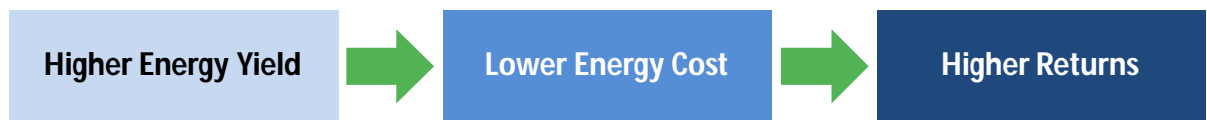
CAPACITY POST EXPANSION (WTGs)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	550	-	400	950
Blades	-	400	400	800
Towers	-	300	300	600

- Blade plant at integrated Madhya Pradesh facility has commenced production
- Total 8 mould facility with 5 moulds operating at 100% capacity
- Facility to manufacture 100m rotor diameter and 113m rotor diameter variants
- One facility at tower plant has become operational
- One of the largest manufacturing facilities in Asia

LAUNCHED 113 m TURBINES



Launched 113 Meter Turbines with Hub Height of 120 m



INWL's Technology Edge:

- More efficient power curves
- Higher uptime
- Lower O&M
- Increased margins
- Higher market share
- Higher IRR for investors
- Expands market – Ideal for low wind pockets

Set to Launch 120 m Hybrid Tower

SHAREHOLDING STRUCTURE



Share Price Performance

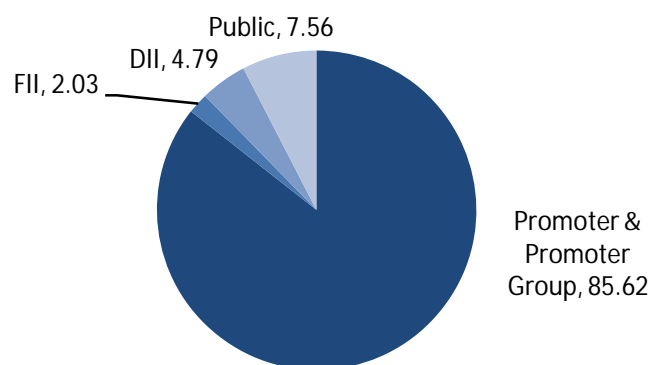


Source - BSE

Market Data	As on 05.05.16 (BSE)
Market capitalization (Rs. Mn)	64,589.3
Price (Rs.)	291.0
No. of shares outstanding (Mn)	222
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	377.8 – 217.8

Source - BSE

% Shareholding – March 2016



Source - BSE

Key Institutional Investors at March 2016	% Holding
Reliance Capital	1.90%
Sundaram Asset Management	1.13%
Birla Sun Life Asset Management	0.86%
Kotak Mutual Fund	0.59%
Birla Sun Life Insurance	0.45%
IDFC Mutual Fund	0.42%

Source – Company



DETAILED FINANCIALS

CONSOLIDATED P&L STATEMENT



Particulars (Rs Mn)	Q4 FY16	Q4 FY15	YoY %	Q3 FY16	QoQ%	FY16	FY15	YoY %
Revenue from Operations	18,286.4	9,300.5	96.6%	9,414.4	94.2%	44,141.3	27,089.7	62.9%
Cost of Material Consumed	10,770.0	6,499.6	65.7%	5,495.7	96.0%	27,148.1	18,152.5	49.6%
Changes in Inventories of Finished Goods & Work-in-Progress	599.7	-1,343.8	-	-178.9	-	285.3	-1,441.3	-
EPC, O&M, Common Infrastructure Facility and Site Development Expenses	2,368.0	1,938.7	22.1%	1,464.2	61.7%	5,345.8	3,635.5	47.0%
Employee Expenses	279.0	158.0	76.6%	252.7	10.4%	919.7	549.1	67.5%
Foreign Exchange Fluctuation (Gain)/Loss (net)	7.4	-265.2	-	42.4	-	187.2	-315.6	-
Other Expenses	1,258.6	609.4	106.5%	793.0	58.7%	3,472.2	1,944.8	78.5%
Expenditure Capitalized	-135.9	-	-	-	-	-135.9	-	-
EBITDA	3,139.8	1,703.8	84.3%	1,545.3	103.2%	6,918.9	4,564.7	51.6%
EBITDA Margin %	17.2%	18.3%	-115bps	16.4%	76bps	15.7%	16.9%	-118bps
EBITDA Excluding Forex Impacts	3,147.1	1,438.6	118.8%	1,587.7	98.2%	7,106.1	4,249.1	67.2%
EBITDA Margin % Excluding Forex Impacts	17.2%	15.5%	174bps	16.9%	35bps	16.1%	15.7%	41bps
Depreciation	122.5	56.3	117.6%	86.0	42.42%	350.1	203.6	71.97%
Other Income	201.3	38.5	422.9%	149.9	34.3%	664.8	152.7	335.4%
Finance Cost	254.2	158.3	60.6%	200.7	26.7%	959.5	622.5	54.1%
PBT	2,964.4	1,527.7	94.0%	1,408.5	110.5%	6,274.1	3,891.3	61.2%
Tax Expense	872.1	348.9	149.9%	378.4	130.4%	1755.4	927.1	89.3%
PAT	2,092.4	1,178.8	77.5%	1,030.0	103.1%	4,518.7	2,964.2	52.4%
PAT Margin %	11.4%	12.7%	-123bps	10.9%	50bps	10.2%	10.9%	-71bps
Earnings Per Share (EPS)	9.43	5.89	60.1%	4.64	103.2%	20.36	14.81	37.5%

DETAILED FINANCIALS

CONSOLIDATED BALANCE SHEET



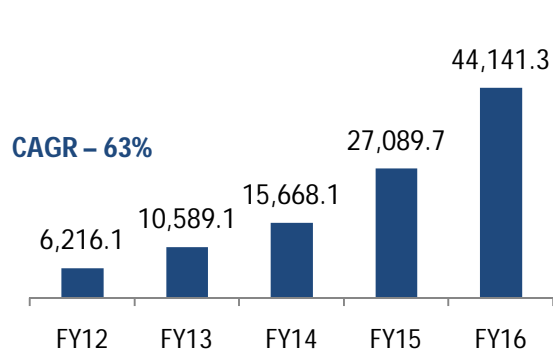
Particulars (Rs Mn)	FY16	FY15	Particulars (Rs Mn)	FY16	FY15
Share Holders' Funds:			Non-current assets:		
Equity share capital	2,219.2	2,219.2	Goodwill on Consolidation	174.0	16.5
Reserves and Surplus	16,218.7	11,700.0	Fixed Assets	5,942.1	2,502.6
Total of Shareholder funds	18,437.9	13,919.1	Non-current investments	0.0	0.0
Non-current liabilities:			Deferred Tax Assets (Net)	347.4	223.9
Long term Borrowings	508.8	788.6	Long-term loans and advances	1,641.2	1,081.0
Deferred tax liabilities (Net)	448.4	209.4	Other non-current assets	136.2	46.5
Other Long Term Liabilities	24.0	24.0	Total non-current assets	2,298.8	1,367.9
Long Term Provisions	49.5	24.8	Current assets:		
Total of Non-current liabilities	1,030.7	1,046.8	Current Investments	622.2	0.0
Current liabilities:			Inventories	5,416.4	4,238.2
Short-term borrowings	13,988.4	7,670.6	Trade receivables	24,143.2	14,321.8
Trade payables	11,777.7	7,112.3	Cash and bank balances	4,787.7	7,096.1
Other current liabilities	1,968.3	1,900.0	Short-term loans and advances	3,893.1	2,355.3
Short-term provisions	439.5	523.4	Other Current Assets	539.2	290.3
Total of Current liabilities	28,174.0	17,206.3	Total Current Assets	39,401.6	28,301.7
Total Equity & Liabilities	47,642.6	32,172.2	Total Assets	47,642.6	32,172.2

Key Ratios	FY15	FY16
Debt : Equity	0.85	0.80
Net Debt : Equity	0.43	0.35

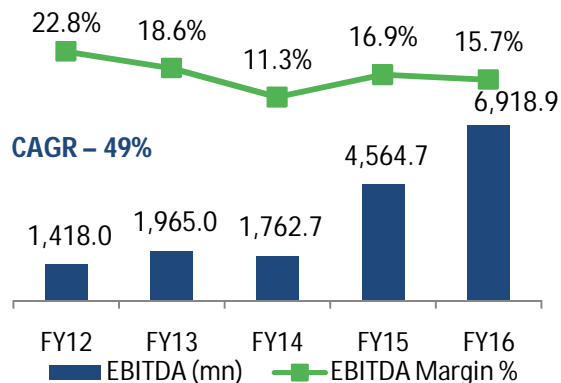
FINANCIAL SUMMARY – LAST 5 YEAR PERFORMANCE



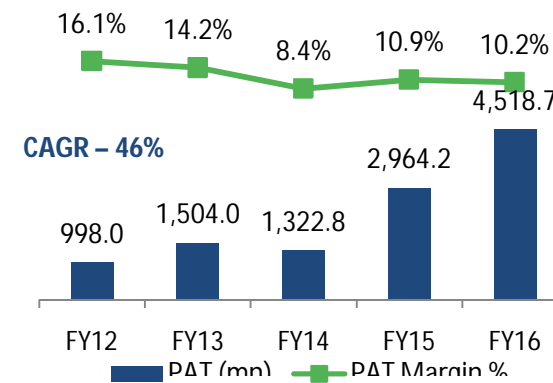
Revenue from Operations



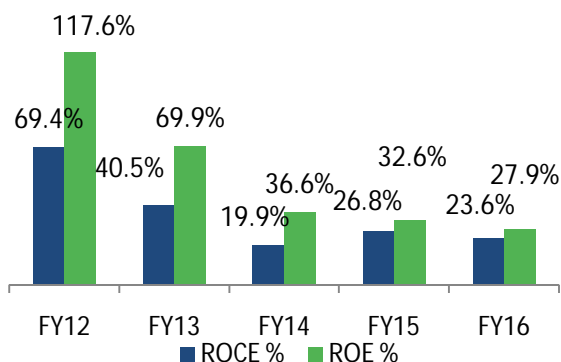
EBIDTA & EBIDTA Margin %



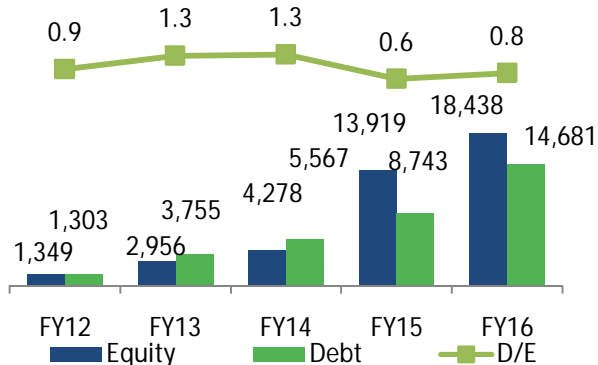
PAT & PAT Margin %



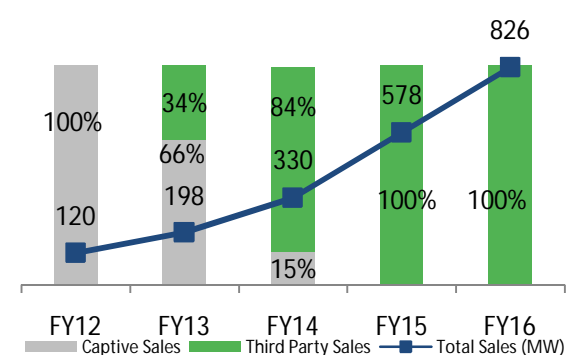
Return Ratios



Leverage Analysis



Sales – Captive vs Third Party



ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

In Rs. Mn



SECTOR UPDATE: POSITIVE SECTOR TAILWINDS - BEYOND FY16



STRONG GROWTH IN FY16

- **Highest ever annual installation of 3,472 MW**
– 50% YoY Growth
- **Installed WTG base of ~27,000 MW**
– 15% YoY Growth

COMPETITIVE WIND ENERGY TARIFFS

State	Tariff (Rs./Unit)	Control Period (Remaining Years)
Gujarat	4.15	3
Tamil Nadu	4.16	2
Telangana	4.77 *	5
Madhya Pradesh	4.78	3
Andhra Pradesh	4.84	1
Rajasthan	5.70	1

* Expected

INDUSTRY TO CONSOLIDATE – FOCUS ON SUPERIOR TECHNOLOGY

- Consolidated Supply Structure – top 3 suppliers have more than 80% market share, remaining 25 suppliers accounting for less than 20%
- Technology improvements to revolutionize the wind sector
- Rationalization of tariff structure to ensure only players with superior technology and execution capabilities across wind rich states
- Larger rotor blades and higher hub heights offer superior PLF, compensating for lower tariffs and still generating attractive IRRs
- Customers willing to incur higher capital cost to generate attractive returns

SECTOR UPDATE: FINANCERS PREFER WIND



AGGRESSIVE SOLAR BIDS – WORRY FOR FINANCIERS

- Aggressive bids and unproven technology are raising concerns regarding viability of solar projects
- Leading solar players already looking to exit; very large number of secondary deals in the market
- Stiffer terms for solar lending to push tariffs higher, making wind energy even more competitive
- Proven technology and superior returns make wind energy the preferred sector for lenders

	Wind	Solar	Observations
PLF	<ul style="list-style-type: none"> • ~30% with latest technology 	<ul style="list-style-type: none"> • ~21% with current technology 	<ul style="list-style-type: none"> • Wind energy offers superior returns and better utilisation of transmission infrastructure
Land & Water	<ul style="list-style-type: none"> • Land - 1 acre per MW • No water required 	<ul style="list-style-type: none"> • Land – 5 acres per MW (contiguous land) • Sizable water requirement 	<ul style="list-style-type: none"> • Wind requires less amount of land and water
Contribution to load curve	<ul style="list-style-type: none"> • 50% of generation in peak time • (Morning winter peak + Evening summer peak) 	<ul style="list-style-type: none"> • 25% of generation in morning and evening peak time • Massive ramping required to meet the evening peak after sunset 	<ul style="list-style-type: none"> • India has a typical morning and evening peaking requirement
Variability	<ul style="list-style-type: none"> • Forecasting implemented in Rajasthan, Gujarat, M.P, A.P. and Tamil Nadu 	<ul style="list-style-type: none"> • Forecasting is also getting implemented in solar 	<ul style="list-style-type: none"> • Improved accuracy of ~90%
Make in India	<ul style="list-style-type: none"> • 100% Finished goods • 70% Indigenization 	<ul style="list-style-type: none"> • 90% Imported 	<ul style="list-style-type: none"> • Solar will lead to a service based economy and massive foreign exchange outgo

SECTOR UPDATE: REGULATORY IMPETUS DRIVING GROWTH



Accelerated Depreciation	Generation Based Incentive	Wind Power projects as CSR	Attractive Preferential Tariffs
<ul style="list-style-type: none"> Brings back SME, on balance sheet and captive demand. 	<ul style="list-style-type: none"> Improved viability and funding of wind power projects. 	<ul style="list-style-type: none"> Strengthens demand from PSUs and corporate with CSR obligations. 	<ul style="list-style-type: none"> Significant boost to IPP demand FIs increasing their capital investments in India thru IPP model.
Green Corridor	Renewable Generator Obligation (RGO)	Amendments in Tariff Policy	Priority Sector Lending
<ul style="list-style-type: none"> Fast Tracks Evacuation for green power enabling more renewables to be added to the grid National Clean Energy cess doubles resulting into access to low cost funds 	<ul style="list-style-type: none"> RGO introduced in the New Tariff Policy Mandates all coal-fired plants commissioned after a specific date to generate a certain percentage of their power from renewable energy sources 	<ul style="list-style-type: none"> Waiving off inter-state transmission charges to promote effective utilisation of renewable sources 	<ul style="list-style-type: none"> As per Reserve Bank of India's notification released on 23rd April 2015, bank loans up to Rs. 150 mn per borrower (AD customer) for installation of wind mills will be classified under Priority Sector Lending.

The Government is aiming for 10 GW of Wind Energy addition every year

FOR FURTHER QUERIES :



THANK YOU



Mr. Dheeraj Sood
Head IR- Inox Group
Contact No: 0120 6149881
Email : dheeraj.sood@inoxwind.com



Nilesh Dalvi / Kapil Jagasia
IR Consultant
Contact No : +91 9819289131 / +91 9819033209
Email : nilesh.dalvi@dickensonir.com
kapil.jagasia@dickensonir.com

