



IWL: NOI: 48: 2018

05<sup>th</sup> November, 2018

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Fax No. 022-22723121/2037/39/41/61	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Fax No. 022-2659 8237/38
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**Scrip code: 539083**

**Scrip code: INOXWIND**

**Sub: Disclosure of Material Event/ Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation**

Dear Sir/ Madam,

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Earnings Presentation on the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2018 that we propose to make during the Conference Call for analyst and investors scheduled to be held on Monday, 05<sup>th</sup> November, 2018 at 5:30 P.M. The said Earnings Presentation is also being uploaded on the Company's website, [www.inoxwind.com](http://www.inoxwind.com).

We request you to please take the above on record.

Thanking You

Yours faithfully,  
For **Inox Wind Limited**

  
**Deepak Banga**  
Company Secretary



Encl: As above



**INOX WIND LIMITED**  
**Q2FY19 INVESTOR UPDATE**

*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.*

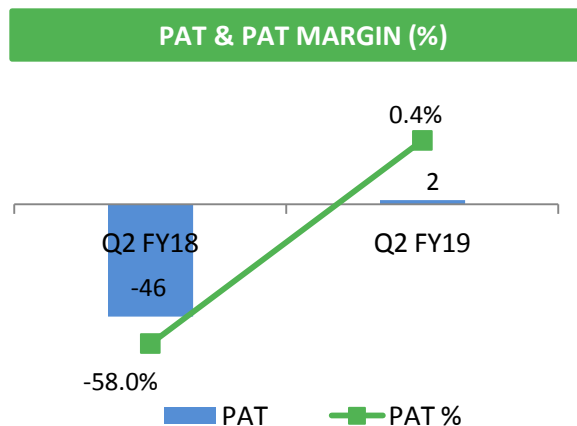
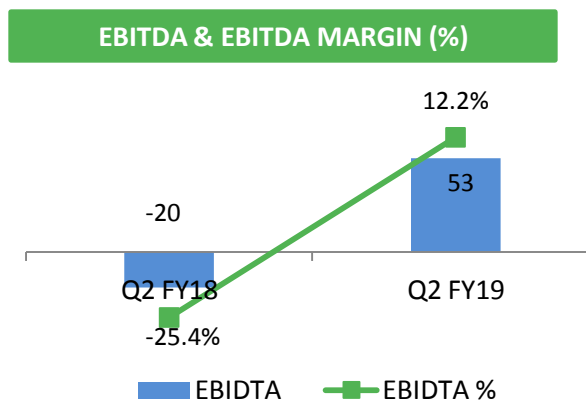
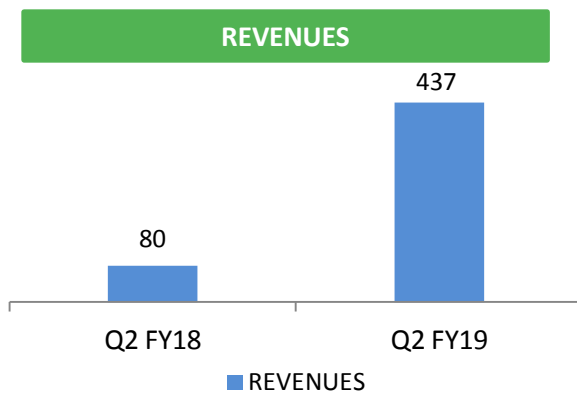
*Such statements are not, and should not be construed, as a representation as to future performance or achievements of IWL. In particular, such statements should not be regarded as a projection of future performance of IWL. It should be noted that the actual performance or achievements of IWL may vary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

- QUARTERLY HIGHLIGHTS
- Q2 RESULT ANALYSIS
- H1 RESULT ANALYSIS
- WORKING CAPITAL ANALYSIS
- CASH FLOW AND DEBT ANALYSIS
- WIND SECTOR: GAINING STRENGTH
- NEW DAWN AT THE END OF A PERFECT STORM
- ORDER BOOK
- MANUFACTURING CAPACITY
- PROJECT SITES
- TECHNOLOGY
- O&M – ANNUITY BUSINESS
- SHAREHOLDING STRUCTURE
- DETAILED FINANCIALS



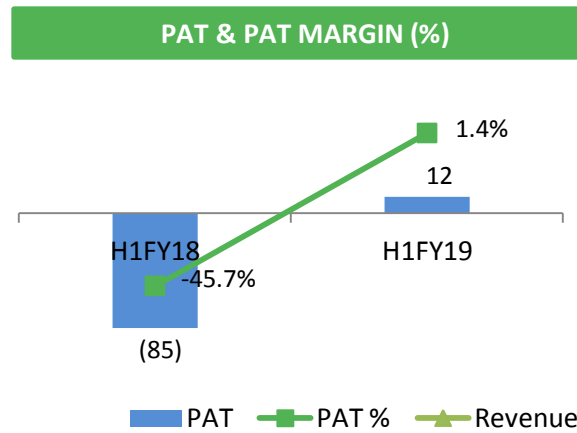
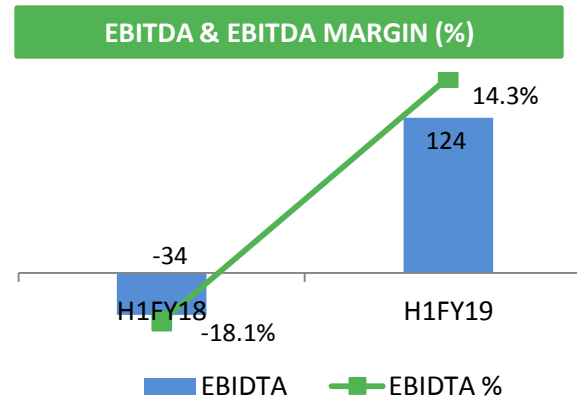
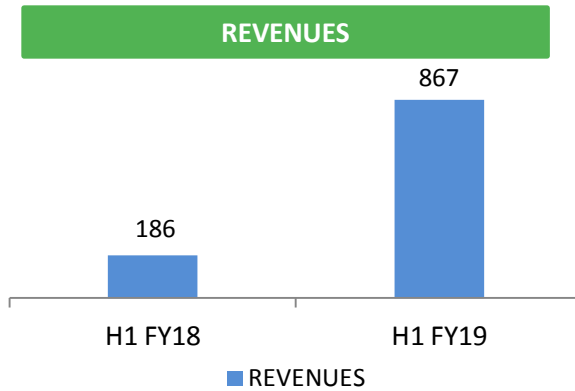
- ✓ **Inox Wind continues to be profitable during the quarter on back of the ongoing delivery of our SECI-1 orders. This is the 2<sup>nd</sup> quarter of profitability post a turbulent FY18 which was affected due to the transition of wind sector to the auction regime.**
- ✓ The quarter saw delivery of 90 MW and commissioning of 16 MW (vs. Delivery of 80MW in Q1FY19, Commissioning of 22MW in Q1FY19).
- ✓ Net working capital cycle moving towards being more efficient as execution of SECI orders picks up pace.  
(1179 cr at Q2 FY19 vs. 1927 cr at Q2 FY18 and 1181 cr at Q1 FY19)
- ✓ Net debt remains at a healthy 0.36x (vs 0.49x in Q2FY18).
- ✓ In advanced stages of launching our next generation Multi megawatt wind turbine.

In Rs. Cr.



**Q2FY19 results reflect the turnaround with the ongoing execution of SECI orders under the auction regime**

In Rs. Cr.



***H1FY19 results reflect the turnaround with the ongoing execution of SECI orders under the auction regime***

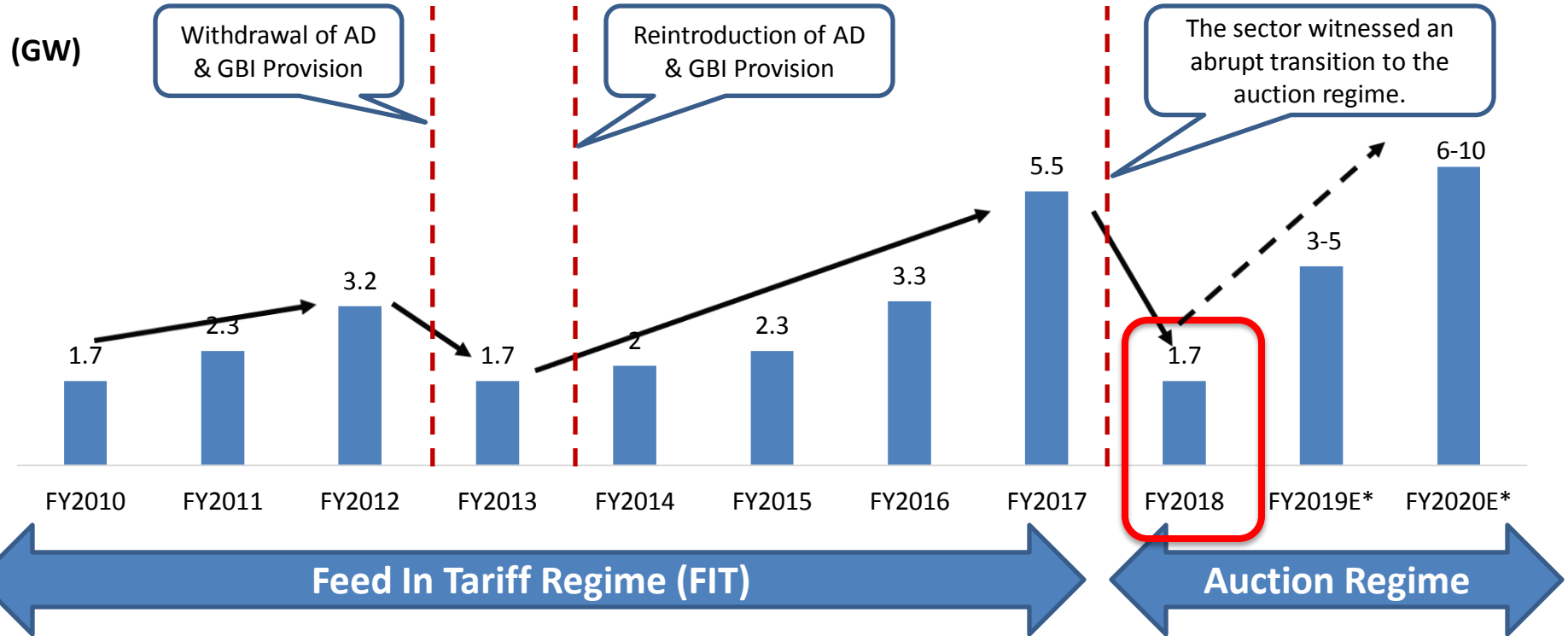
Particulars (Rs Cr)	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Inventory	867	955	941	929	779	764
Net Receivables	1,982	1,657	1,360	1,060	1,175	1,305
Payables	629	506	452	536	635	838
Others	139	179	140	214	138	52
<b>Net Working Capital</b>	<b>2,080</b>	<b>1,927</b>	<b>1,710</b>	<b>1,239</b>	<b>1,181</b>	<b>1,179</b>

- Inventory levels gradually stabilizing on back of continued SECI execution over the year.
- Net Receivables: Continued reduction in net receivables of Rs. 307 cr in Q2FY19 from Q1FY19. The closing net receivable balance includes significant part of H1 sales including Q2 sales of Rs. 437 cr.
- Net Working Capital: Net working capital cycle moving towards being more efficient as working capital remains at same levels while execution picks up pace.



(In Rs Cr)	Q2FY18	FY18	Q2FY19
Opening Net Debt	(1,110)	(779)	(638)
Cash Profit	(33)	(133)	45
Net Working Capital	153	565	3
Capex	(7)	(177)	(10)
Others	(40)	(180)	(118)
Closing Net Debt	(1,037)	(705)	(718)
(In Rs Cr)	Q2FY18	FY18	Q2FY19
Net Debt	1,037	705	718
Equity	2,105	2,004	2,016
Net Debt: Equity (x)	0.49	0.35	0.36

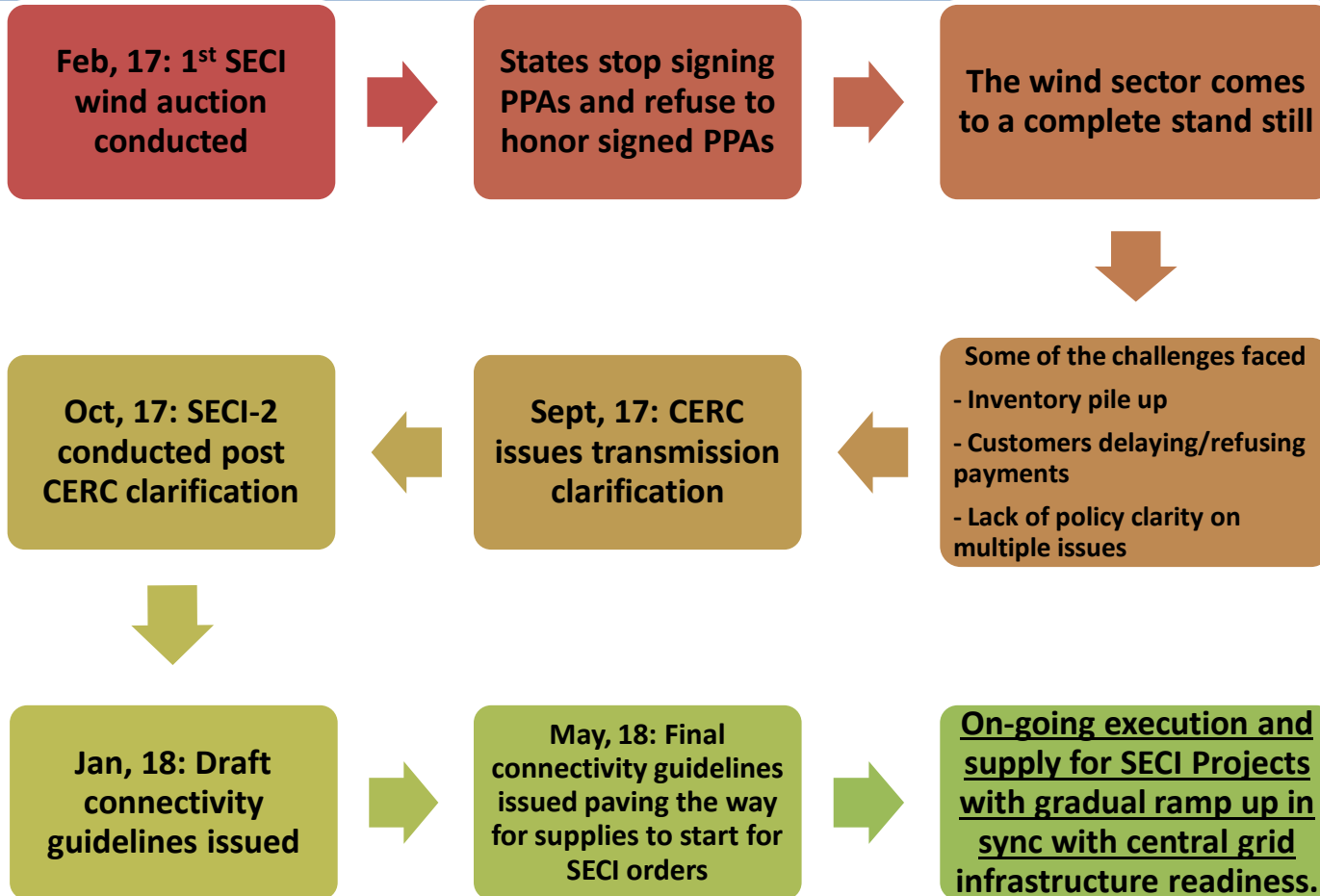
- ✓ Net debt remains at a healthy 0.36x (vs 0.49x in Q2FY18).



**Impact of the abrupt transition to auction Regime from FIT regime seen in wind installations in FY18. The impact of 8.9 GW auctions conducted over the last 15 months would be visible in installations in FY19-20.**

\* <http://www.livemint.com/Industry/1yhOAEUgYHEoINADdwPS3L/India-to-auction-100GW-of-green-energy-contracts-by-March-20.html>

# NEW DAWN AT THE END OF A PERFECT STORM

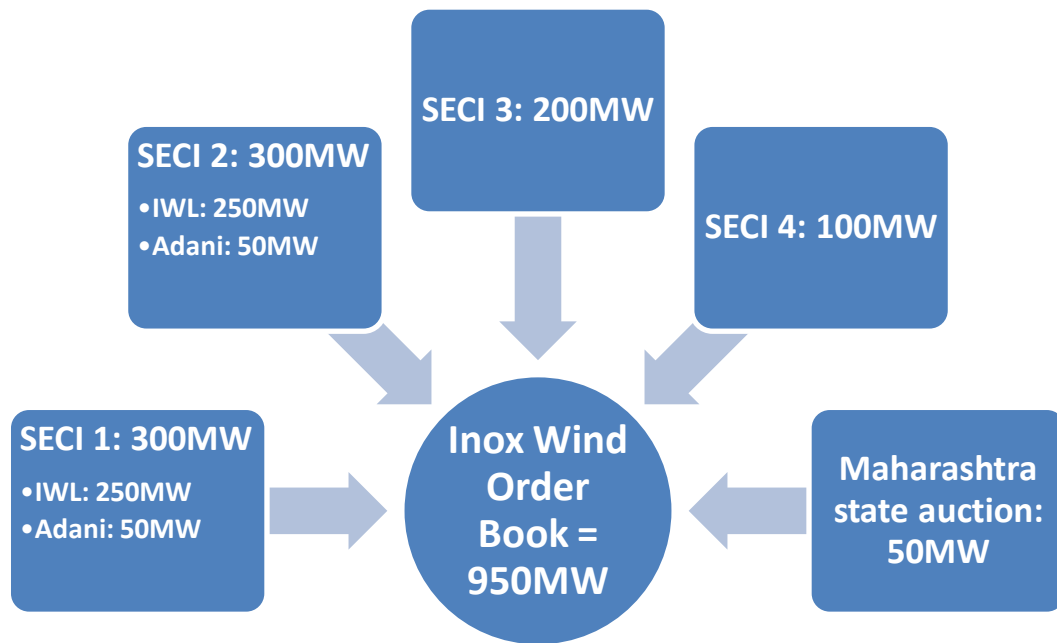


Auction	Month	Volume (MW)
SECI 1	February 2017	1050 MW
Tamil Nadu	August 2017	500 MW
SECI 2	October 2017	1000 MW
Gujarat	December 2017	500 MW
SECI 3	February 2018	2000 MW
Maharashtra	March 2018	500 MW
SECI 4	April 2018	2000 MW
NTPC	August 2018	1200 MW
SECI 5	September 2018	1200 MW
<b>Total</b>		<b>9950 MW</b>

- The ~10 GW auctions conducted in the past 18 months should reflect in capacity addition over FY19 and FY20.
- In addition, the government has announced wind auctions of 10GW per annum till 2028\* which provides huge potential runway for the sector.
- RPO target increased to 21% for FY22 for state discoms from 17% in FY19\*\*.
- Strong volume of upcoming auctions from SECI, PSUs, Wind solar hybrid etc in the next 6-12 months.

\* <https://www.financialexpress.com/economy/india-to-auction-40-gw-renewables-every-year-till-2028/1226479/>

\*\* <https://www.livemint.com/Money/enQ7h8JaD6rKXGXiMTsORM/Govtsrenewableenergyusagetargets-ambitious-scaling-up.html>



Particulars	Capacity
Auction based order book	950 MW
Supplied	170 MW
Net order book	780 MW



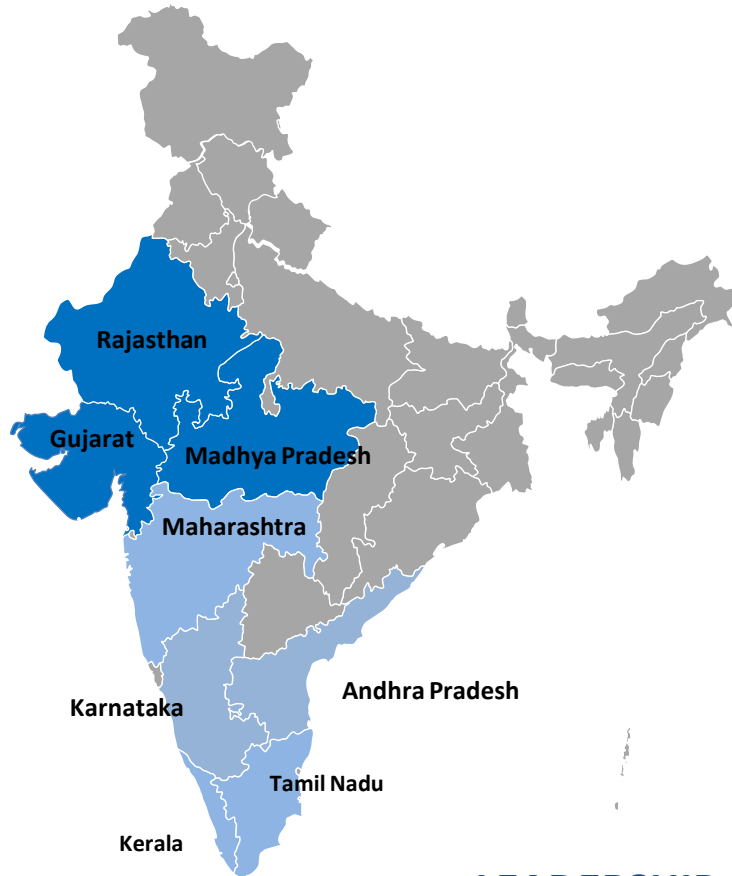
In Advance stages of closure	> 600 MW
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**Would take the total order book to over 1400 MW**

- Inox Wind confirmed order book of 950 MW would translate into revenues in excess of Rs 6,500 crores over FY19 & FY20.
- In advanced discussions for orders worth 600MW+ from other winning IPP's from various auctions which would be implemented during the next 12-24 months.

CURRENT CAPACITY (MW)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	1,100	-	-	<b>1,100</b>
Blades	-	800	800	<b>1,600</b>
Towers	-	300	300	<b>600</b>

- Well positioned to take advantage of the growing market.
- Potential to debottleneck our nacelle and tower capacity with minor capex.
- Tower capacity can also be outsourced depending on project location.



- ✓ Amongst the largest project site allottees in Gujarat, Rajasthan and Madhya Pradesh
- ✓ Expanded presence in Andhra Pradesh and Karnataka and Kerala
- ✓ Sufficient project site inventory for installation of an aggregate capacity of more than 5,000 MW

**LEADERSHIP ACROSS WIND RICH STATES**

## Moving towards bigger turbines on the same platform

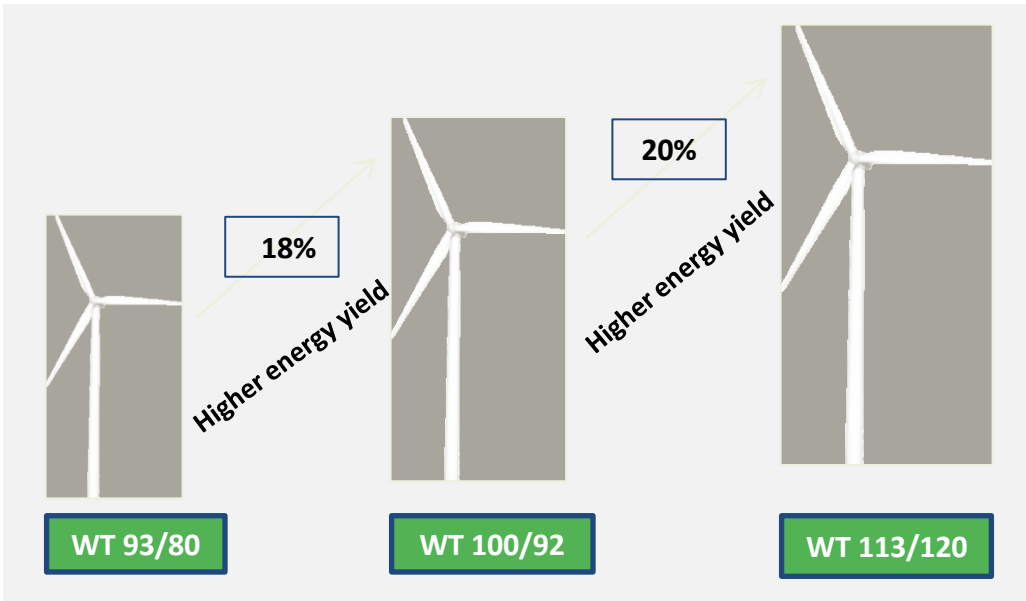
Higher Energy Yield



Lower Energy Cost



Higher Returns

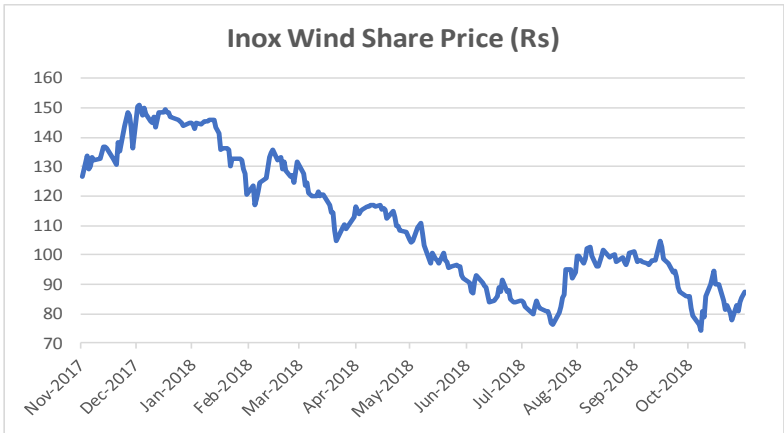


- ✓ *Inox Wind is in advanced stages of launching its next generation multi megawatt wind turbine to further reduce levelized cost of electricity (LCoE) and provide superior returns to IPPs.*
- ✓ Implementing “Power Booster” technology upgrade leading to enhanced output across the operating fleet.



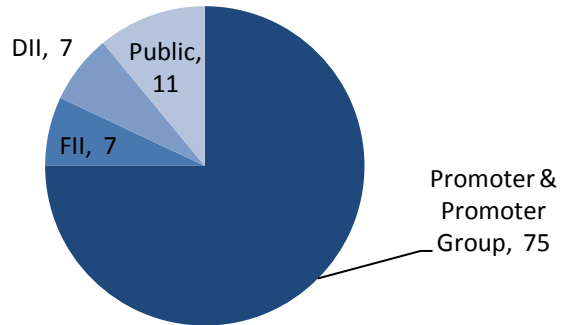
- ✓ Inox Wind has an installed wind turbine base of approx 2.4GW in India with multi year O&M agreements
- ✓ We expect this revenue stream to pick up strongly in the coming years as the fleet size increases on back of strong auction order inflow.
- ✓ O&M revenues are noncyclical in nature, have steady cash flow generation and higher margins

# SHAREHOLDING STRUCTURE



Source - BSE

## % Shareholding – As of 30<sup>th</sup> Sept 2018



Source - Company

Market Data	As on 02.11.18 (BSE)
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Market capitalization (Rs. Cr)	1950
Price (Rs.)	88
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Institutional Investors as of 30 <sup>th</sup> Sept 2018	% Holding
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Varanium India Opportunity Ltd	2.8%
Nomura Singapore	2.3%
Aadi Financial Advisors	1.4%
Elaara India Opportunity Fund	1.0%
Blue Diamond Properties	0.7%
India Opportunities Growth Fund	0.5%

Source – Company

# DETAILED FINANCIALS

## CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q2FY19	Q2FY18	YoY	Q1FY19	QoQ	H1FY19	H1FY18	YoY
<b>Income</b>								
a) Revenue from operation (net of taxes)	43,666	7,951		43,045		86,711	18,550	
Other Income	500	764		329		829	1,833	
<b>Total Income from operations (net)</b>	<b>44,166</b>	<b>8,715</b>	<b>407%</b>	<b>43,374</b>	<b>2%</b>	<b>87,540</b>	<b>20,383</b>	<b>329%</b>
<b>Expenses</b>								
a) Cost of materials consumed	26,524	444	5875%	25,060	6%	51,584	1,860	2673%
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(415)	1,996	na	193	na	(222)	192	na
c) Employee benefits expense	2,382	2,598	-8%	2,232	7%	4,614	5,284	-13%
Finance costs	3,934	4,449	-12%	3,914	1%	7,848	8,690	-10%
e) Erection, Procurement & Commissioning Cost	2,744	2,900	-5%	3,773	-27%	6,517	10,057	-35%
d) Foreign Exchange Fluctuation (Gain)/Loss (net)	510	239	113%	(240)	na	270	(323)	-184%
e) Depreciation and amortization expense (refer note 4)	1,649	1,352	22%	1,636	1%	3,285	2,662	23%
f) Other expenses	6,623	1,797	268%	4,987	33%	11,610	4,835	140%
<b>Net Expenditure</b>	<b>43,922</b>	<b>15,775</b>	<b>178%</b>	<b>41,562</b>	<b>6%</b>	<b>85,484</b>	<b>33,257</b>	<b>157%</b>
<b>Profit/(Loss) from ordinary activities before tax</b>	<b>244</b>	<b>(7,060)</b>	<b>103%</b>	<b>1,812</b>	<b>-87%</b>	<b>2,056</b>	<b>(12,874)</b>	<b>116%</b>
Total Provision for Taxation	92	(2,379)	na	775	-88%	867	(4,291)	na
<b>Profit/(Loss) for the period</b>	<b>152</b>	<b>(4,681)</b>	<b>103%</b>	<b>1,037</b>	<b>-85%</b>	<b>1,189</b>	<b>(8,583)</b>	<b>114%</b>
Other Comprehensive Income (after tax)	27	71		(13)		14	110	
<b>Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period &amp; Other Comprehensive Income</b>	<b>179</b>	<b>(4,610)</b>	<b>104%</b>	<b>1,024</b>	<b>-82%</b>	<b>1,203</b>	<b>(8,473)</b>	<b>114%</b>
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	5,827	(1,259)	563%	7,362	-21%	13,189	(1,522)	967%
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192		22,192		22,192	22,192	
<b>Basic &amp; Diluted Earnings per share (Rs)</b>	<b>0.07</b>	<b>(2.11)</b>	<b>103%</b>	<b>0.47</b>	<b>-85%</b>	<b>0.54</b>	<b>(3.87)</b>	<b>114%</b>
<b>(Face value of Re 10 each) - Not annualized</b>								

# DETAILED FINANCIALS

## CONSOLIDATED BALANCE SHEET STATEMENT



Particulars (Rs. in Lakhs)	As of	As of
	30-Sep-18	31-Mar-18
<b>Assets</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	92,505	95,511
(b) Capital work-in-progress	3,099	1,957
(c) Intangible assets	2,687	2,972
(d) Financial Assets		
(i) Investments	4,824	2
(ii) Loans	1,451	1,494
(iii) Other financial assets	29,840	25,218
(e) Deferred tax assets (Net)	8,488	8643
(f) Income tax assets (Net)	1,432	1787
(g) Other non-current assets	10,456	10,040
<b>Total Non - Current Assets</b>	<b>1,54,782</b>	<b>1,47,624</b>
<b>(2) Current assets</b>		
(a) Inventories	76,377	92,936
(b) Financial Assets		
(i) Investments	136	5
(ii) Trade receivables	1,65,610	1,33,867
(iii) Cash and cash equivalents	384	4,558
(iv) Bank Balances other than (iii) above	15,107	8,110
(v) Loans	3	3
(vi) Other financial assets	5,140	4,350
(c) Other current assets	28,063	18,349
<b>Total Current Assets</b>	<b>2,90,820</b>	<b>2,62,178</b>
<b>Total Assets (1+2)</b>	<b>4,45,602</b>	<b>4,09,802</b>

Particulars (Rs. in Lakhs)	As of	As of
	30-Sep-18	31-Mar-18
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity Share capital	22,192	22,192
(b) Other Equity	1,79,439	1,78,236
(c) Non Controlling Interest	5	
<b>Total equity</b>	<b>2,01,636</b>	<b>2,00,428</b>
<b>Liabilities</b>		
<b>(2) Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	39,973	34,779
(ii) Other financial liabilities	183	183
(b) Provisions	732	737
(c) Other non-current liabilities	2,350	2,403
<b>Total Non - Current Liabilities</b>	<b>43,238</b>	<b>38,102</b>
<b>(3) Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	48,622	48,272
(ii) Trade payables	83,824	53,625
(iii) Other financial liabilities	28,027	34,098
(b) Provisions	39333	34800
(c) Current Tax Liabilities (Net)	304	323
(d) Other current liabilities	618	154
<b>Total Current Liabilities</b>	<b>2,00,728</b>	<b>1,71,272</b>
<b>Total Equity and Liabilities (1+2+3)</b>	<b>4,45,602</b>	<b>4,09,802</b>

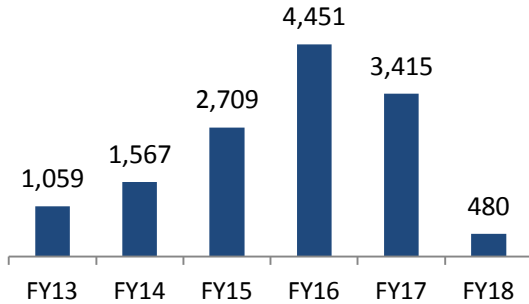
# FINANCIAL SUMMARY



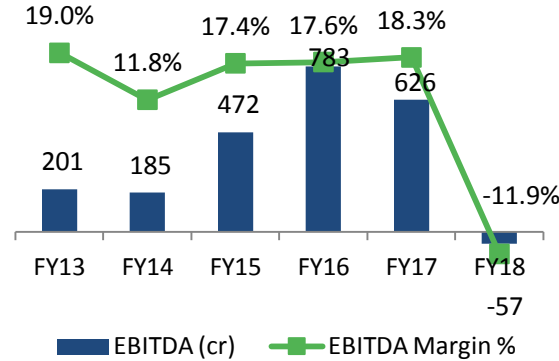
ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

Consolidated financials, FY13-15 as per IGAAP, FY16-17 as per Ind AS

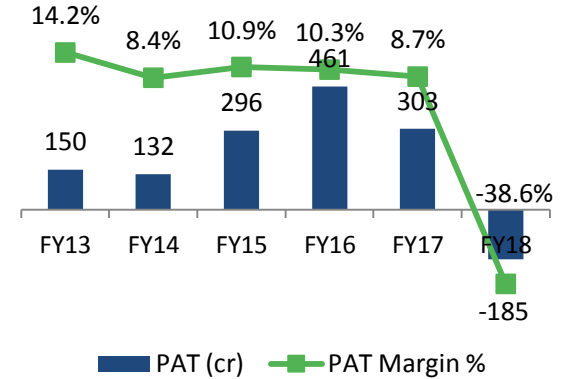
## Revenue from Operations



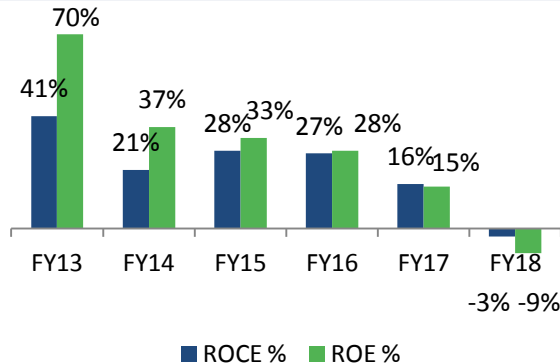
## EBIDTA (Inc OI) & EBIDTA Margin %



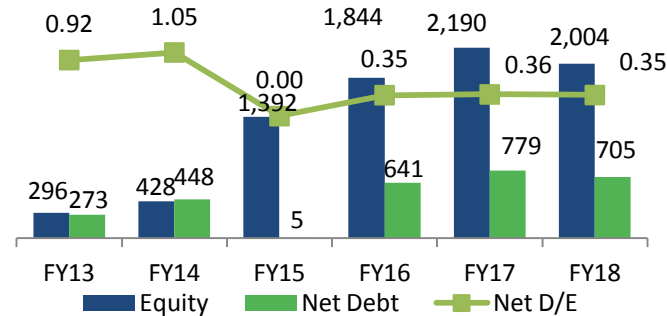
## PAT & PAT Margin %



## Return Ratios



## Net Debt/Equity



**FY18 results reflect the transition to the auction regime in the Indian Wind Power sector**

In Rs. Cr



# THANK YOU



**Mr. Jitendra Mohananey**

**Chief Financial Officer**

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Email : [Investors.iwl@inoxwind.com](mailto:Investors.iwl@inoxwind.com)