

IWL: NOI: 60: 2017

4th November, 2017

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

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 30th September, 2017.

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
Q2FY18 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.

- AUCTION MARKET PICKING PACE
- INOX WINS ROBUST MARKET SHARE IN SECI AUCTIONS
- INOX WIND – THE PATH AHEAD
- Q2 HIGHLIGHTS
- Q2 RESULT ANALYSIS
- H1 RESULT ANALYSIS
- SALES & COMMISSIONING
- WORKING CAPITAL ANALYSIS
- CASH FLOW AND DEBT ANALYSIS
- ORDER BOOK
- MANUFACTURING CAPACITY
- PROJECT SITES
- TECHNOLOGY
- O&M – ANNUITY BUSINESS
- SHAREHOLDING STRUCTURE
- DETAILED FINANCIALS
- FINANCIAL SUMMARY
- INDUSTRY SECTION – EXPLAINING THE AUCTION REGIME



- ✓ Central Auctions – SECI
 - ✓ SECI 1 – Held in February, 17. Inox Wind won orders of 300MW translating into ~30% market share.
 - ✓ SECI 2 – Held in October, 17. Inox wind won orders of 250MW translating into 25% market share
 - ✓ Government looking to conduct wind power auctions of 4500MW by February, 2018 via 3 tranches of 1500MW each by SECI *.
- ✓ State Auctions
 - ✓ Gujarat – 500MW auction to be concluded in November. Bid documents already submitted.
 - ✓ Rajasthan – Has announced 250MW wind auctions. Would follow up with tender documents and guidelines.
 - ✓ In addition, Madhya Pradesh is working on their tender document which should be released soon. We expect all other wind states to come out with their auction guidelines within FY18 itself.
- ✓ PSU/Captives
 - ✓ Over 700MW of PSU tenders in the public domain from NTPC, GIPCL, TDHC, SJVNL, REMCL etc.

We anticipate FY19 as the beginning of a phase of robust growth for the wind industry having auctions of 6GW+ on a sustainable basis.

<https://economictimes.indiatimes.com/industry/energy/power/wind-power-capacity-addition-put-on-fast-track-4500mw-up-for-auction/articleshow/61094453.cms>

- ✓ SECI 1
 - ✓ Several IPPs and WTG manufacturers bid under the reverse auction tender. All other WTG manufacturers walked away at a price of around Rs 3.75.
 - ✓ Inox was the only WTG manufacturer who was a successful bidder. Inox won 250 MW at Rs 3.46/unit.
 - ✓ The balance 800 MW was won by IPPs (Mytrah Energy, Green Infra, Ostro, Adani Green)
 - ✓ Inox has already tied up with Adani Green Energy for an additional 50 MW under this auction taking the total order book from 1st SECI auction to 300MW or **~30% market share in the SECI 1 auction.**
 - ✓ **We have down sold our SECI -1 order win to India's leading IPPs during the quarter.**
- ✓ SECI 2
 - ✓ Inox was again the only WTG manufacturer who was a successful bidder in the auction. Inox won 250 MW at Rs 2.65/unit. There were a total of 9 bidders in the auction with tariffs in the range of Rs2.65-Rs2.80/unit.
 - ✓ The balance 750 MW was won by IPPs (Renew, Green Infra, Orange & Adani Green).
 - ✓ Our SECI-2 order book stands at 250MW translates into a **25% market share in the SECI-2 auction.**

Our current order book stands at 550MW including 300MW from SECI-1 & 250MW from SECI-2.

Indian WTG market expected to reach 6GW+ per annum vs. average historic levels of 3GW+ p.a.

- Auction regime is expected to increase the WTG market to over 6GW annually. The cost of wind power is now lower than even conventional sources of power.
- Market expected to be as follows:-
 - 4GW+ from SECI auctions,
 - 2GW+ from state auctions,
 - 1GW+ from PSU/captive orders.

Inox Wind market share increasing with sustainable profits

- We have captured 30% market share in SECI-1 and 25% in SECI-2 auctions vs. our historic market share of 15-20%.
- Our cost competitiveness gives us an edge in winning market share from incumbents. In the auction regime, we are gaining market share and maintaining healthy profitability at the same time.
- SECI 1 – Inox wind won an order book of 300MW from SECI 1 auctions showing ~30% market share.
- SECI 2 – Inox wind won an order book of 250MW from SECI 2 auctions showing 25% market share. We are in discussions with other winning IPPs and our market share could be higher if we win orders from them.

Working capital & inventory levels to come down under the auction regime

- With the nature of business changing in the auction regime vs. FIT regime, we are looking at lower levels of investments in working capital and inventory since the wind business would not be a “4th quarter” phenomenon.
- Smoother trajectory of production & execution cycle leading to improved working capital management
- No risk of stuck assets due to non signing of PPAs.

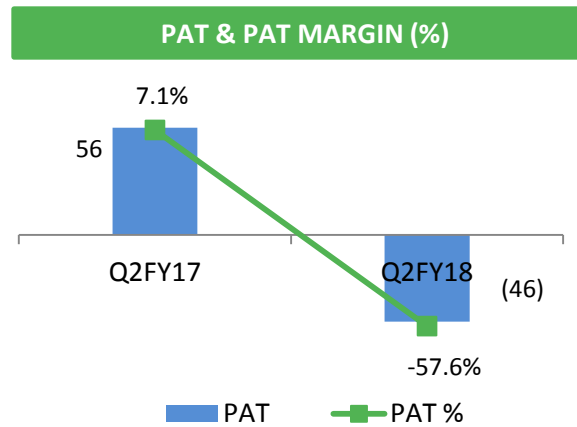
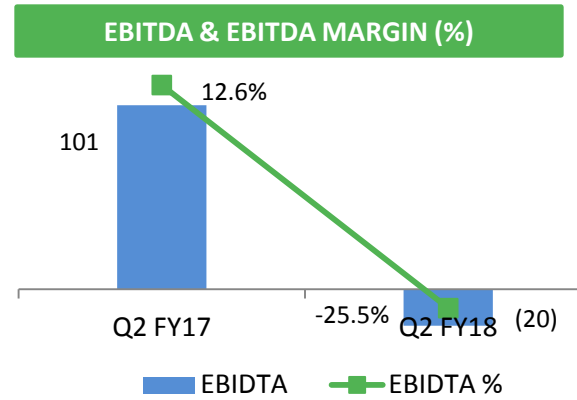
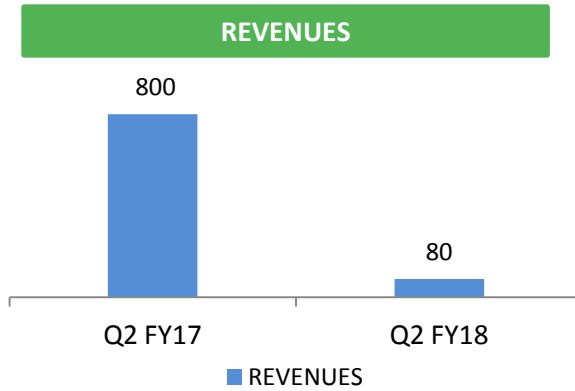
Our cost focus and competitiveness leads us to focus on growth while maintaining healthy profitability levels.

- ✓ Down sold 250MW from our SECI-1 order win to some of the largest IPPs in the country.
- ✓ SECI conducted the 2nd wind auction of 1000MW. Besides other players in the fray, Inox was again the only WTG manufacturer to become successful in the auction winning 250MW at a quote of Rs 2.65/unit.
- ✓ The CERC order clarifying on connectivity issues was finally released on September 29th which paved the way for SECI-2 auctions.
- ✓ Karnataka government overrules Karnataka Electricity Regulatory Commission (KERC) order and confirms that PPA signed till March 2017 will have tariff of Rs4.5/unit and not Rs3.74/unit as per KERC order. The state govt. invoked special provisions under Section 108 of the Electricity Act to veto the decision of KERC.*
- ✓ Net receivables reduced by Rs326cr to Rs1,658cr (vs Rs 1,984cr in June 17) in Q2FY18 and by Rs724cr in 1HFY18 (Rs 2,382cr in March, 17).
- ✓ Commissioned 40MW during the quarter taking H1FY18 commissioning to 86MW. The industry added 421MW in H1FY18 leading to installation market share of 20% for Inox Wind. **

* <https://economictimes.indiatimes.com/industry/energy/power/karnataka-overrules-order-to-reduce-discom-tariff/articleshow/61348882.cms>

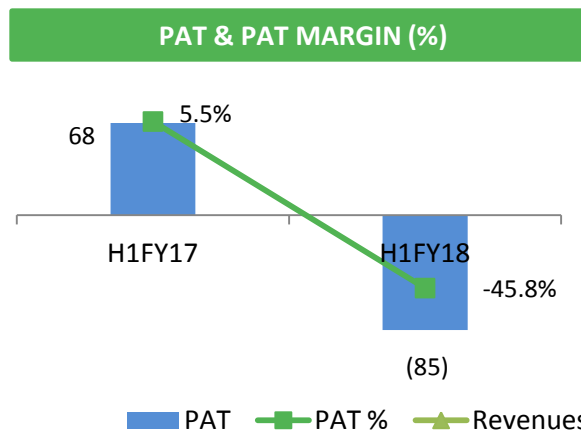
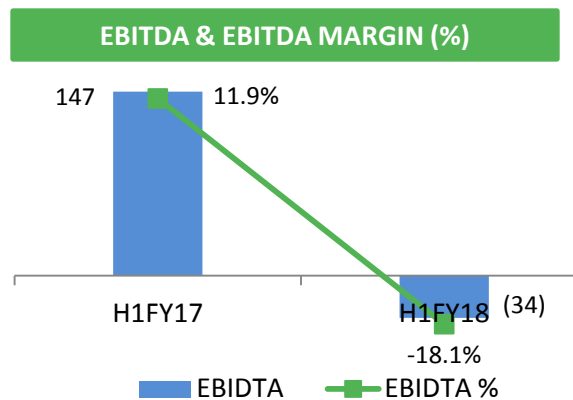
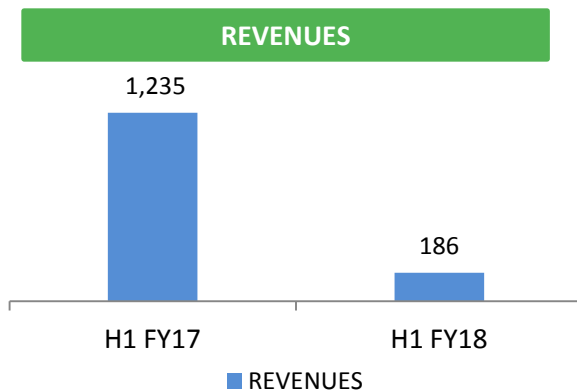
** <http://mnre.gov.in/mission-and-vision-2/achievements/>

In Rs. Cr.

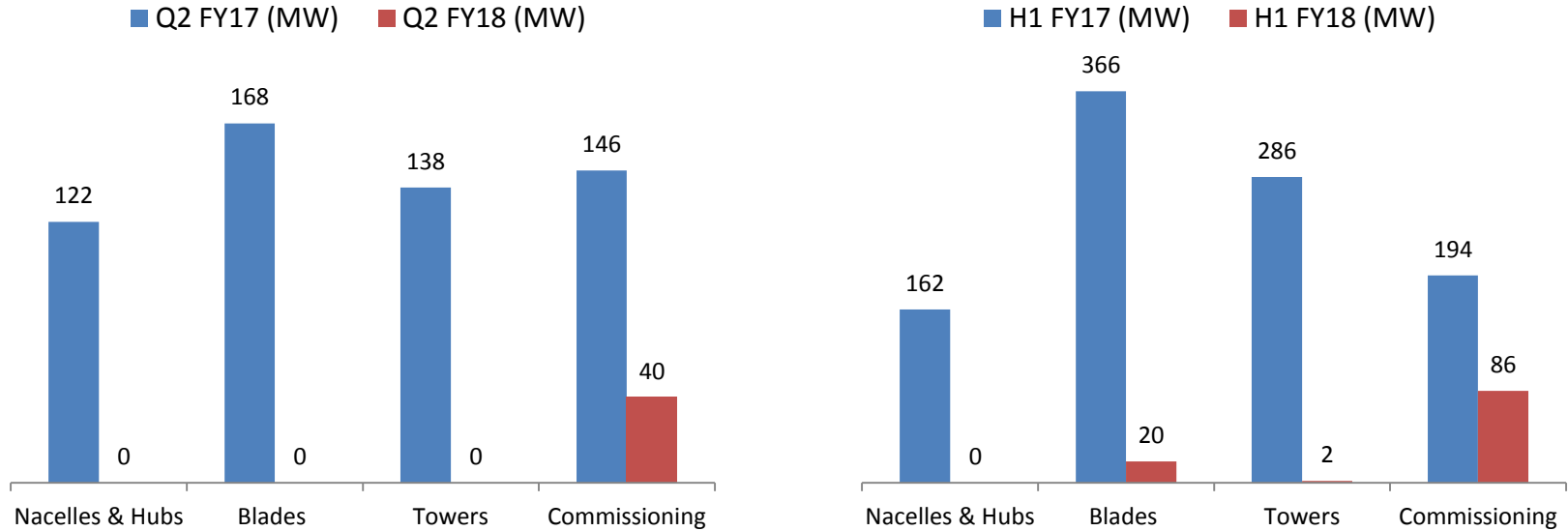


Q2 results reflect the ongoing transition to the auction regime in the Indian Wind Power sector

In Rs. Cr.



H1 results reflect the ongoing transition to the auction regime in the Indian Wind Power sector



The sales & commissioning data reflects the ongoing transition to the auction regime in the Indian Wind Power sector during H1FY18

Particulars (Rs Cr)	Sept 2016	March 2017	June 2017	Sept 2017
Inventory	672.7	690.4	866.5	955.4
Receivables	2418.2	2382.3	1984.3	1658.3
Payables	887.7	968.7	628.8	506.0
Others	177.4	300.1	142.2	180.8
Net Working Capital	2025.9	1803.9	2079.8	1926.9

Net receivables reduced by Rs326cr to Rs1,658cr (vs. Rs 1,984cr in June 17) in Q2FY18 and by Rs724cr in 1HFY18 (Rs 2,382cr in March, 17).

(In Rs Cr)	Q2 FY17	FY 17	Q2 FY18
Opening Net debt	(1,225)	(641)	(1,110)
Cash Profit	67	347	(33)
Net Working capital	202	(163)	153
Capex	(32)	(303)	(7)
Other	(39)	(19)	(40)
Closing Net debt	(1,027)	(779)	(1,037)

(In Rs cr)	Q2 FY17	FY17	Q2 FY18
Net Debt	1,027	779	1,037
Equity	1,972	2,190	2,105
Net Debt: Equity (x)	0.52	0.36	0.49

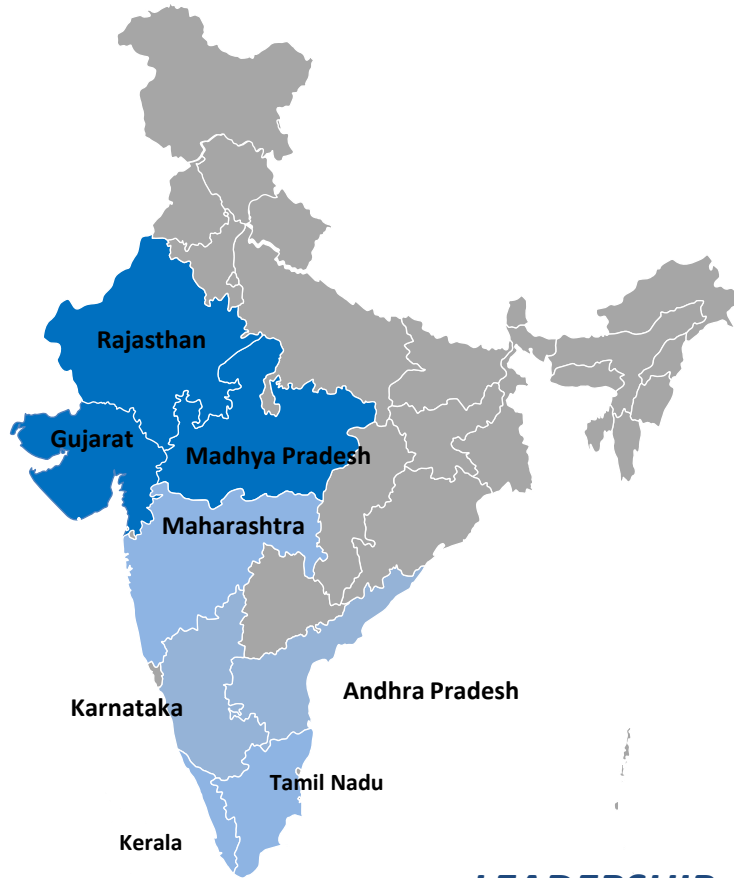
✓ Net D/E ratio of 0.49x

- ✓ Current order book of the company stands at 550MW based on SECI-1 & SECI-2 auctions.
- ✓ We anticipate FY19 as the beginning of a phase of robust growth for the wind industry. We believe that Inox Wind, on the back of its cost-competitive advantage of being amongst the lowest cost producer of wind turbines globally, would be a major beneficiary in the auctioning regime.

*** <https://economictimes.indiatimes.com/industry/energy/power/wind-power-capacity-addition-put-on-fast-track-4500mw-up-for-auction/articleshow/61094453.cms>

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

- 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

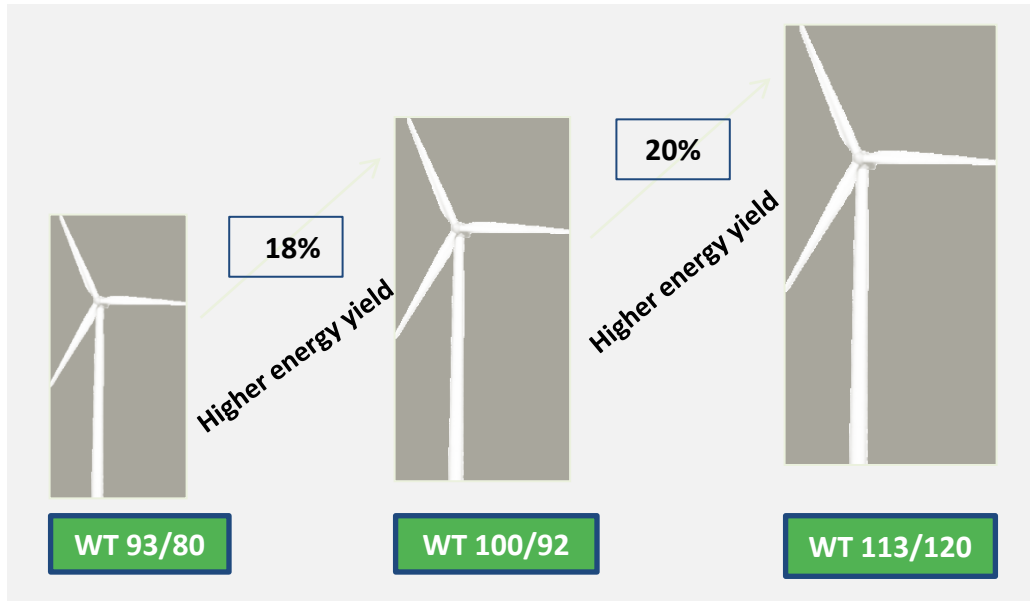
Higher Energy Yield



Lower Energy Cost



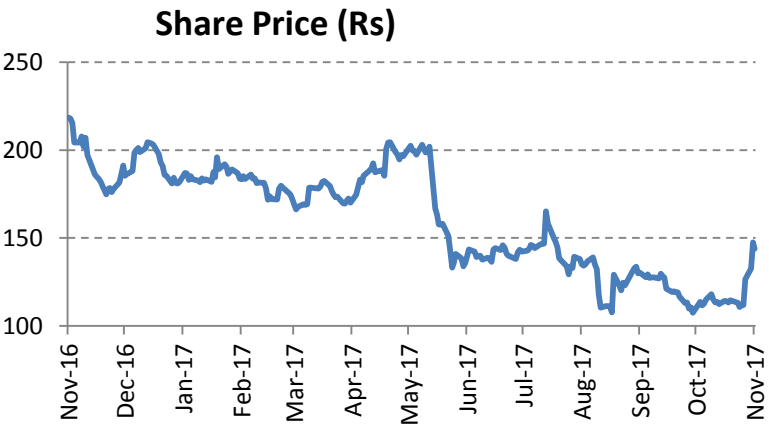
Higher Returns



- ✓ Inox Wind is in advanced stages of creating the next generation of Wind turbines
- ✓ Launched “Power Booster” technology upgrade leading to enhancing output across the operating fleet
- ✓ One of the few players to have 120m hybrid towers in India

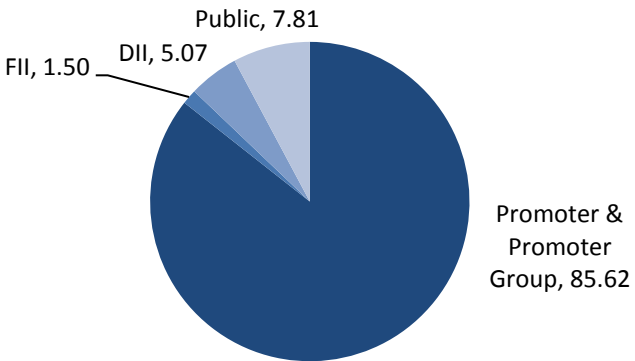
- ✓ Inox Wind has an installed wind turbine base of 2.2GW in India with multi year O&M agreements
- ✓ In FY17, O&M revenues are ~3% of our revenues but we expect this revenue stream to pick up strongly in the coming years as the fleet size increases
- ✓ O&M revenues are noncyclical in nature, have steady cash flow generation and higher margins

SHAREHOLDING STRUCTURE



Source - BSE

% Shareholding – 30th Sept2017



Source - Company

Market Data	As on 03.11.17 (BSE)
-------------	----------------------

Market capitalization (Rs. Cr)	2815
Price (Rs.)	127
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Institutional Investors as of 30 th Sept2017	% Holding
---	-----------

Reliance Mutual Fund	1.4%
Aadi Financial Advisors	0.7%
Reliance Life Insurance	0.3%
Indiaman Fund (Mauritius)	0.2%
MV SCIF Mauritius	0.2%
HSBC Mutual Fund	0.1%

Source – Company

DETAILED FINANCIALS

CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q2FY18	Q2FY17	YoY	Q1FY18	QoQ	H1FY18	H1FY17	YoY
Income								
a) Revenue from operation (net of taxes)	7,951	80,017		10,599		18,550	123,516	
Other Income	764	1,589		1,069		1,833	3,655	
Total Income from operations (net)	8,715	81,606	-89%	11,668	-25%	20,383	127,171	-84%
Expenses								
a) Cost of materials consumed	444	46,701	-99%	1,416	-69%	1,860	76,389	-98%
b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,996	463	331%	(1,804)	na	192	(2,595)	na
c) Employee benefits expense	2,598	3,132	-17%	2,686	-3%	5,284	6,027	-12%
Finance costs	4,449	3,157	41%	4,241	5%	8,690	7,025	24%
e) Erection, Procurement & Commissioning Cost	2,900	9,535	-70%	7,157	-59%	10,057	13,105	-23%
d) Foreign Exchange Fluctuation (Gain)/Loss (net)	239	(285)	-184%	(562)	na	(323)	(522)	-38%
e) Depreciation and amortization expense (refer note 4)	1,352	1,083	25%	1,310	3%	2,662	2,061	29%
f) Other expenses	1,797	10,362	-83%	3,038	-41%	4,835	16,437	-71%
Net Expenditure	15,775	74,148	-79%	17,482	-10%	33,257	117,927	-72%
Profit/(Loss) from ordinary activities before tax	(7,060)	7,458	-195%	(5,814)	21%	(12,874)	9,244	-239%
Total Provision for Taxation	(2,379)	1,816	-231%	(1,912)	na	(4,291)	2,420	na
Profit/(Loss) for the period	(4,681)	5,642	-183%	(3,902)	20%	(8,583)	6,824	-226%
Other Comprehensive Income (after tax)	71	4		39		110	3	
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(4,610)	5,646	-182%	(3,863)	19%	(8,473)	6,827	-224%
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income	(1,259)	11,698	-111%	(263)	na	(1,522)	18,330	na
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192		22,192		22,192	22,192	
Basic & Diluted Earnings per share (Rs)	(2.11)	2.54	-183%	(1.76)	20%	(3.87)	3.08	-226%
(Face value of Re 10 each) - Not annualized								

DETAILED FINANCIALS

CONSOLIDATED BALANCE SHEET STATEMENT

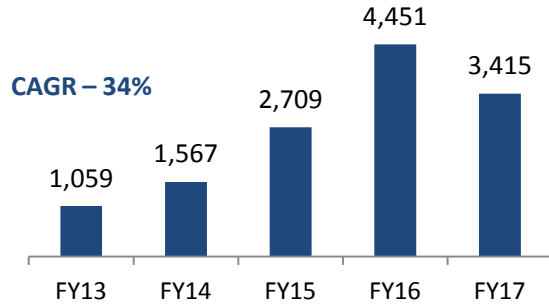


Particulars (Rs. in Lakhs)	As of	As of
	30-Sep-17	30-Mar-17
Assets		
(1) Non-current assets		
(a) Property, Plant and Equipment	72,338	73,456
(b) Capital work-in-progress	12,488	11,246
(c) Intangible assets	2,774	3,036
(d) Financial Assets	-	-
(i) Investments	-	5,325
(ii) Loans	1,495	1,590
(iii) Other non-current financial assets	20,885	17,533
(e) Deferred tax assets (Net)	2,480	508
(f) Income tax assets (Net)	3,314	-
(g) Other non-current assets	8,658	8,979
Total Non - Current Assets	124,432	121,673
(2) Current assets		
(a) Inventories	95,543	69,037
(b) Financial Assets	-	-
(i) Investments	-	20,008
(ii) Trade receivables	165,832	238,243
(iii) Cash and cash equivalents	1,718	20,423
(iv) Bank Balances other than (iii) above	19,693	23,320
(v) Loans	-	8,679
(vi) Other current financial assets	3,020	1,273
(c) Other current assets	17,715	12,802
Total Current Assets	303,521	393,785
Total Assets (1+2)	427,953	515,458

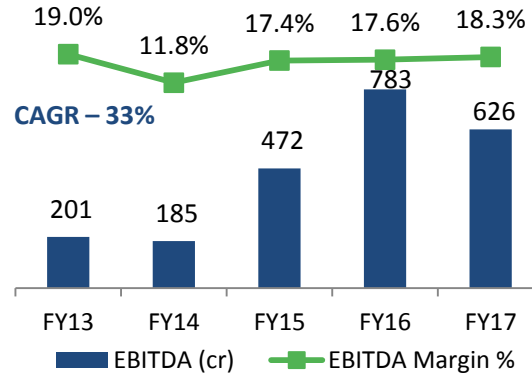
Particulars (Rs. in Lakhs)	As of	As of
	30-Sep-17	30-Mar-17
EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share capital	22,192	22,192
(b) Other Equity	188,293	196,767
Total equity	210,485	218,959
Liabilities		
(2) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	43,709	18,623
(ii) Other non-current financial liabilities	240	240
(b) Provisions	831	778
(c) Deferred tax liabilities (Net)	-	1,240
(d) Other non-current liabilities	2,590	9,055
Total Non - Current Liabilities	47,370	29,936
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	81,430	134,163
(ii) Trade payables	50,608	96,870
(iii) Other current financial liabilities	30,642	25,156
(b) Provisions	337	293
(c) Current Tax Liabilities (Net)	2,854	1,666
(d) Other current liabilities	4,227	8,415
Total Current Liabilities	170,098	266,563
Total Equity and Liabilities (1+2+3)	427,953	515,458

In Rs. Cr

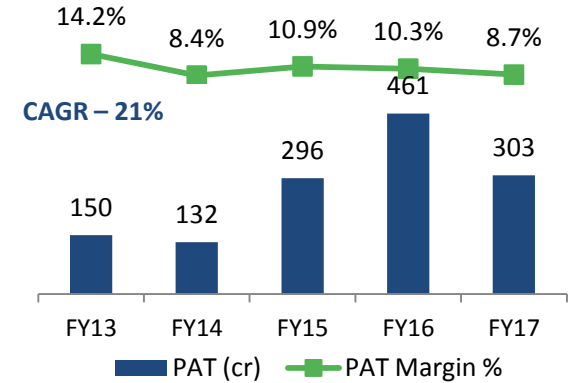
Revenue from Operations



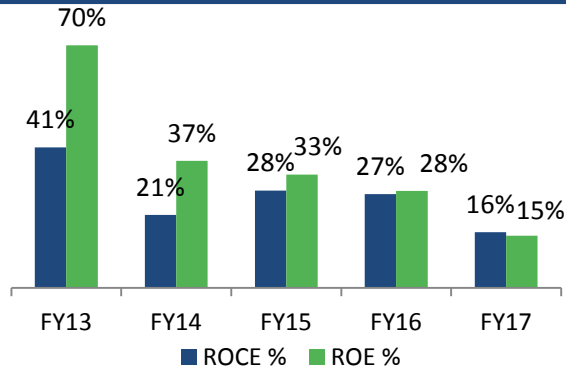
EBIDTA (Inc OI) & EBIDTA Margin %



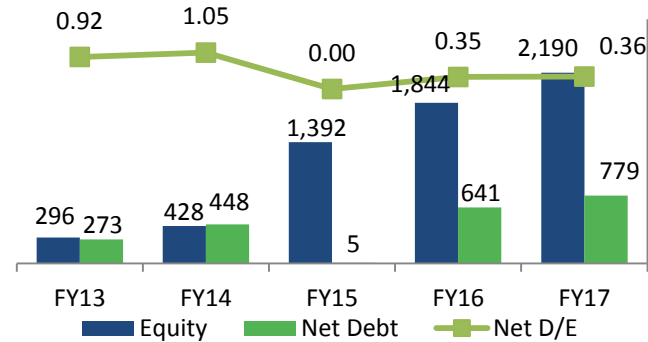
PAT & PAT Margin %



Return Ratios



Net Debt/Equity



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

INDUSTRY SECTION – EXPLAINING THE AUCTION REGIME

32.2 GW

- INDIA'S INSTALLED WIND CAPACITY MARCH 17*

60GW

- TARGET WIND INSTALLATION BY 2022**

**> 6 GW ANNUAL
ADDITION EXPECTED
IN NEXT FIVE YEARS**

- ANNUAL ADDITION OF WIND ENERGY PRODUCTION TO DOUBLE ON BACK OF-:
 - CENTRAL AUCTIONS – ~4GW/YEAR
 - STATE AUCTIONS – ~3GW/YEAR
 - PSU/OTHERS – ~1GW/YEAR

* http://www.cea.nic.in/reports/monthly/installedcapacity/2017/installed_capacity-03.pdf

** <http://pib.nic.in/newsite/PrintRelease.aspx?relid=155612>

LOWER REGULATORY RISK

LONG TERM (~25 YRS)
PPA SIGNED UPFRONT

ASSURANCE OF GRID
CONNECTIVITY TO BE
DONE WITH CENTRAL
TRANSMISSION UTILITY



Lower power cost

LOWER FINANCIAL RISK

LOWER COST OF DEBT TO
BE AVAILABLE

HIGHER DURATION LOANS
AVAILABLE

LOWER INVESTOR
RETURN EXPECTATION



Market expansion

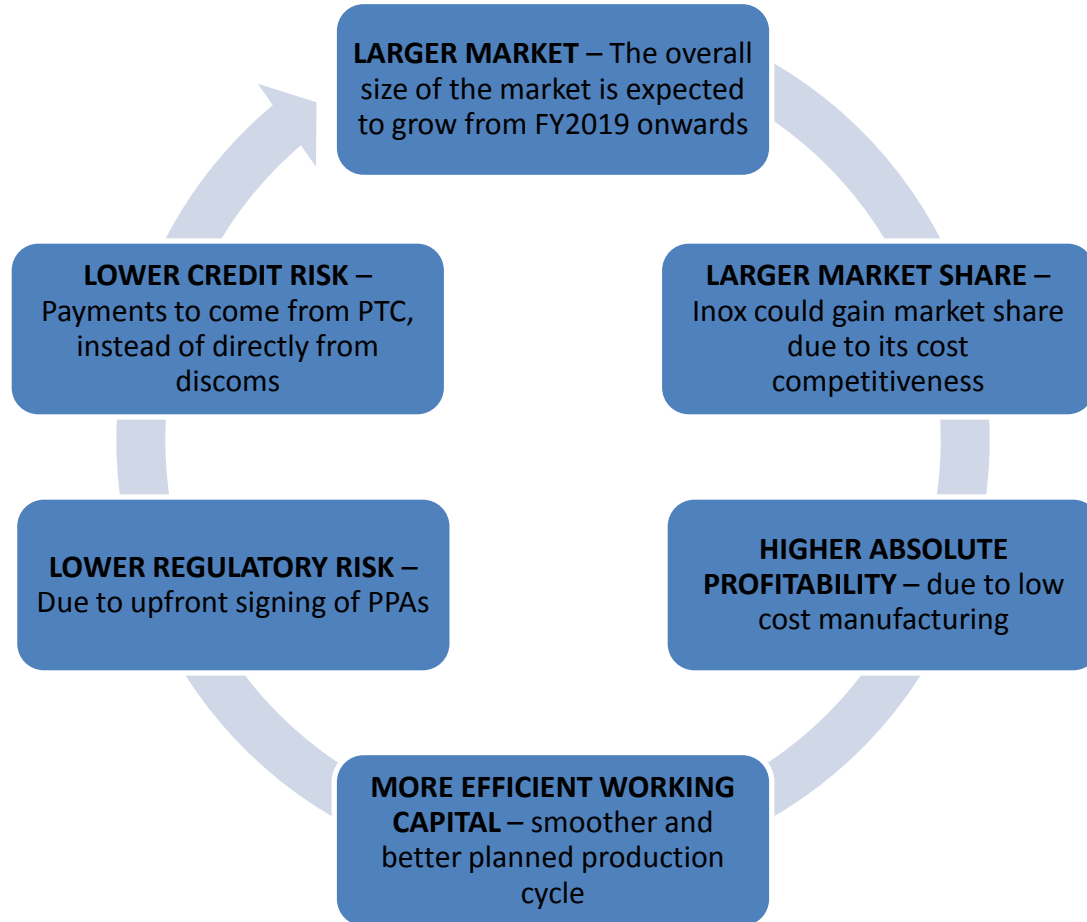
OTHERS

INDUSTRY TO MOVE
AWAY FROM "4TH
QUARTER/MARCH"
DEPENDENCE

STABLE SET OF "LONG
ONLY" INVESTORS TO
ENTER THE SPACE



WHY IS INOX WIND A WINNER IN THE AUCTION REGIME?



FOR FURTHER QUERIES :



THANK YOU



Mr. Atul Soni

Head - Investor Relations- Inox Wind

Contact No: 0120 6149881

Email : Investors@inoxwind.com