



IWL: NOI: 8: 2018

2<sup>nd</sup> February, 2018

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,

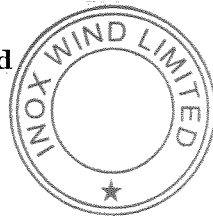
Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Earnings Presentation on the Standalone and Consolidated Unaudited Financial Results of the Company for the quarter and nine months ended 31<sup>st</sup> December, 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**  
**Q3FY18 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.*

- ❑ GOVT SHARES ROADMAP FOR INDIAN WIND SECTOR
- ❑ SECTOR POISED FOR TAKE OFF ON BACK OF AUCTIONS VISIBILITY
- ❑ INOX WIND – THE PATH AHEAD
- ❑ Q3 HIGHLIGHTS
- ❑ Q3 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



- ✓ Q3FY18 was a landmark quarter for the Indian wind energy sector on back of the following policy announcements:-
  - ✓ **Stronger than expected roadmap – Provides clarity on future auction volumes.** The Honourable Power Minister, Shri R K Singh, announced the roadmap to reach the government’s target of 60GW of wind power installations by 2022 through wind auctions of 10GW in FY19 & FY20 each.\* This is a major step in providing an order pipeline of the future wind auctions to come for all stakeholders in the wind sector including IPPs, WTG manufacturers , financial institutions etc.
  - ✓ **FY18 set for a strong finish on the auctions front.** Government all set to finish FY18 by conducting over 4000MW of auctions in the Jan-March quarter via SECI-3 (2000MW), Maharashtra (500MW) \*\* and SECI-4. This is on back of the 3000MW auctions already done so far in the year (SECI-1, SECI-2, Tamil Nadu & Gujarat state auctions) which, if they happen as scheduled, should take the total volume of auctions in FY18 to 6GW-7GW. \*\*\*
  - ✓ **PPA ratification issue in Karnataka resolved.** Karnataka govt invokes Section 108 of Electricity Act & KERC starts to ratify and honour earlier signed PPA’s . \*\*\*\*
  - ✓ **Auction regime drives higher & faster adoption of renewable energy.** The reduced cost of power from renewable auctions provide a strong economic rationale for preferring renewables vs. Fossil fuels. At today’s auction prices, wind energy is the lowest cost of power amongst the various options available for discoms.

\* <http://www.livemint.com/Industry/1yhOAeUgYHEolNADdwPS3L/India-to-auction-100GW-of-green-energy-contracts-by-March-20.html>

\*\* [http://www.mahadiscom.in/TCIL\\_W\\_22122017.shtm](http://www.mahadiscom.in/TCIL_W_22122017.shtm)

\*\*\* <http://www.livemint.com/Industry/z29IEYul5GI995os5zSqHK/India-readies-green-energy-auction-rounds.html>

\*\*\*\* <https://economictimes.indiatimes.com/industry/energy/power/kerc-okays-wind-ppa-at-old-tariff-to-assess-other-projects/articleshow/61826953.cms>

- ✓ Central Auctions – SECI
  - ✓ SECI-1 (1000MW) & SECI-2 (1000MW) already conducted .
  - ✓ SECI 3 (2000MW) – Bid documents submitted. Auction expected to be held in February, 18.
  - ✓ SECI 4 (2000MW) – Expected to be conducted by March, 18 \*
  - ✓ FY19 – 10GW via central and state auctions.\*\*
  - ✓ FY20 - 10GW via central and state auctions.\*\*
- ✓ State Auctions
  - ✓ Tamil Nadu (500MW) and Gujarat (500MW) state auctions already conducted.
  - ✓ Maharashtra – 500MW auctions announced. \*\*\*
  - ✓ Rajasthan – Announced 250MW wind auctions. Would follow up with tender documents and guidelines.
  - ✓ Other windy states are working on their tender documents which should be released in due course of time.
- ✓ PSU/Captives
  - ✓ Over 500MW of PSU tenders in the public domain.

**We anticipate FY19 as the beginning of a phase of robust growth for the wind industry backed by a trajectory of significant volume of auctions of 6GW-10GW on a sustainable basis.**

\*<http://www.livemint.com/Industry/z29IEYu5GI995os5zSqHK/India-readies-green-energy-auction-rounds.html>

\*\* <http://www.livemint.com/Industry/1yhOAeUgYHEoINADdwPS3L/India-to-auction-100GW-of-green-energy-contracts-by-March-20.html>

\*\*\* [http://www.mahadiscom.in/TCIL\\_W\\_22122017.shtm](http://www.mahadiscom.in/TCIL_W_22122017.shtm)

**Indian WTG market expected to be 6GW-10GW per annum on a sustainable basis vs. average historic levels of 3GW+ p.a.**

- Auction regime is expected to increase the WTG market to 6GW-10GW annually on a sustainable basis. This is driven by cost of wind power now being even lower than conventional sources of power.
- Indian wind power market expected to be as follows:-
  - 4GW-6GW from SECI auctions,
  - 2GW-3GW from state auctions,
  - 1GW+ from PSU/captives.

**Inox Wind market share increasing with sustainable profits**

- We have captured 30% market share in SECI-1 and 30% 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 300MW from SECI 2 auctions showing 30% market share.

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

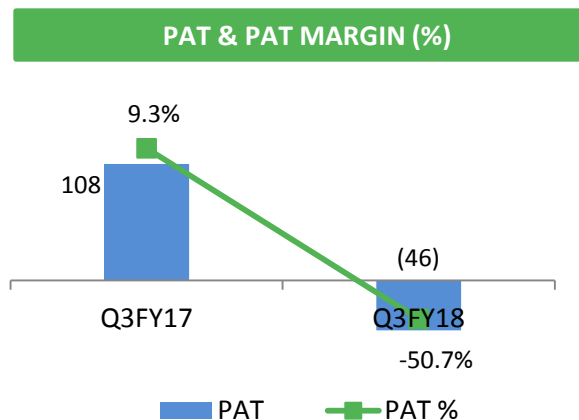
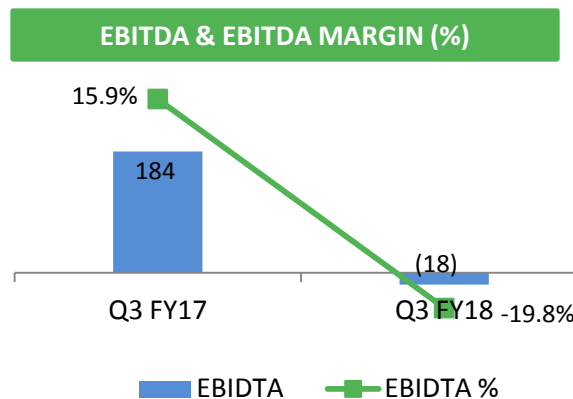
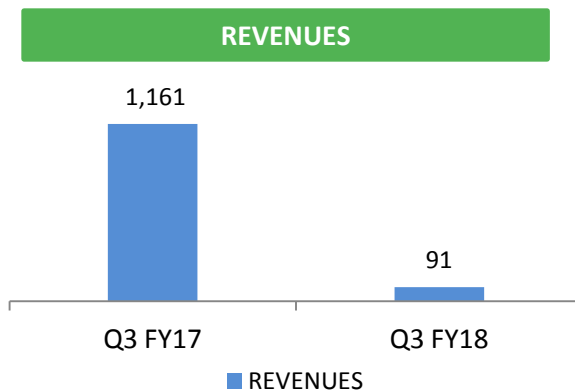
- With the nature of business changing in the auction regime vs. FIT regime, we are looking at lower levels of investments in working capital and inventory since the wind business would not be a “4th quarter” phenomenon.
- Smoother trajectory of production & execution cycle leading to improved working 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.**

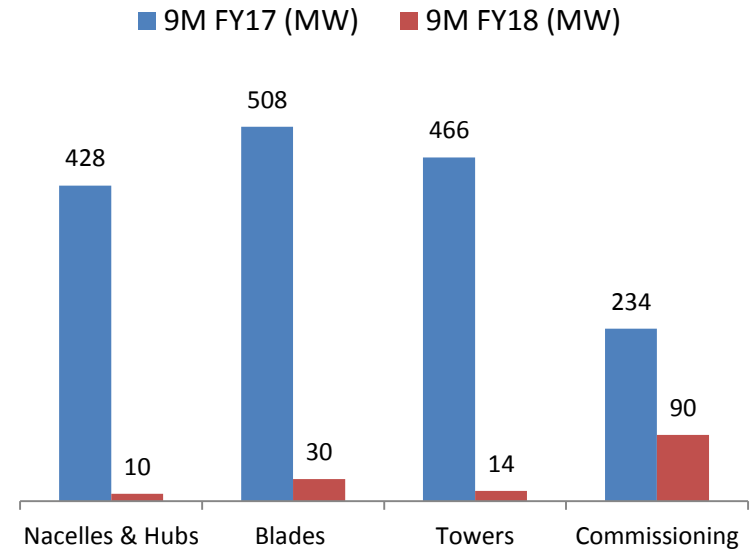
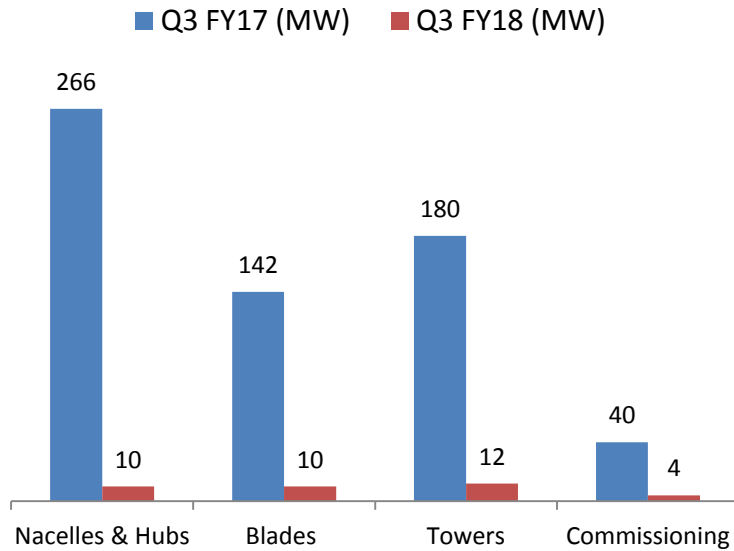
- ✓ **The sector is coming back much stronger on back of the clear & visible roadmap on auctions provided by the government for wind power auctions in the future to reach India's target of achieving wind power installations of 60GW by 2022. The government has guided for 10GW auctions in FY19 & FY20 each.**
- ✓ **Update on SECI-2 win.** Having tied up SECI-1, we have tied up major capacities of our SECI-2 win with two large IPPs.
- ✓ **Order book.** Won order of 50MW from Adani Green from their SECI-2 win. **This takes our total auction based order book to 600MW.**
- ✓ **Karnataka issue resolved for Inox Wind.** We have started execution in full swing of our stuck Karnataka orders since the regulator has started ratifying earlier signed PPAs post the invocation of Section 108 by the Karnataka government.
- ✓ Net receivables reduced by Rs298cr to Rs1,360cr (vs. Rs 1,658cr in Sept17) in Q3FY18 and by Rs1,022cr YTD FY18 (Rs 2,382cr in March, 17).



In Rs. Cr.



*Q3 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 FY18*

Particulars (Rs Cr)	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Inventory	745.6	690.4	866.5	955.4	940.6
Receivables	2,488.6	2,382.4	1,984.3	1,658.3	1,360.3
Payables	1,152.3	968.7	628.8	506.1	451.7
Others	118.7	300.2	142.3	180.8	139.7
<b>Net Working Capital</b>	<b>1,963.2</b>	<b>1,804.0</b>	<b>2,079.8</b>	<b>1,926.9</b>	<b>1,709.5</b>

- Net receivables reduced by Rs298cr to Rs1,360cr (vs. Rs 1,658cr in Sept17) in Q3FY18 and by Rs1,022cr YTD FY18 (Rs 2,382cr in March, 17).
- Net Working capital reduced by Rs217cr to Rs1,709cr (vs. Rs1,927cr in Sept, 17) in Q3FY18.

(In Rs cr)	Q3FY17	FY17	Q3FY18
Opening Net debt	(1,027)	(641)	(1,037)
Cash Profit	119	347	(32)
Net working capital	63	(163)	217
Capex	(53)	(303)	(16)
Other	(48)	(19)	(34)
Closing Net debt	(946)	(779)	(901)
(In Rs cr)	Q3FY17	FY17	Q3FY18
Net Debt	946	779	901
Equity	2,080	2,190	2,059
Net Debt: Equity (x)	0.45	0.36	0.44

✓ Net D/E ratio of 0.44x

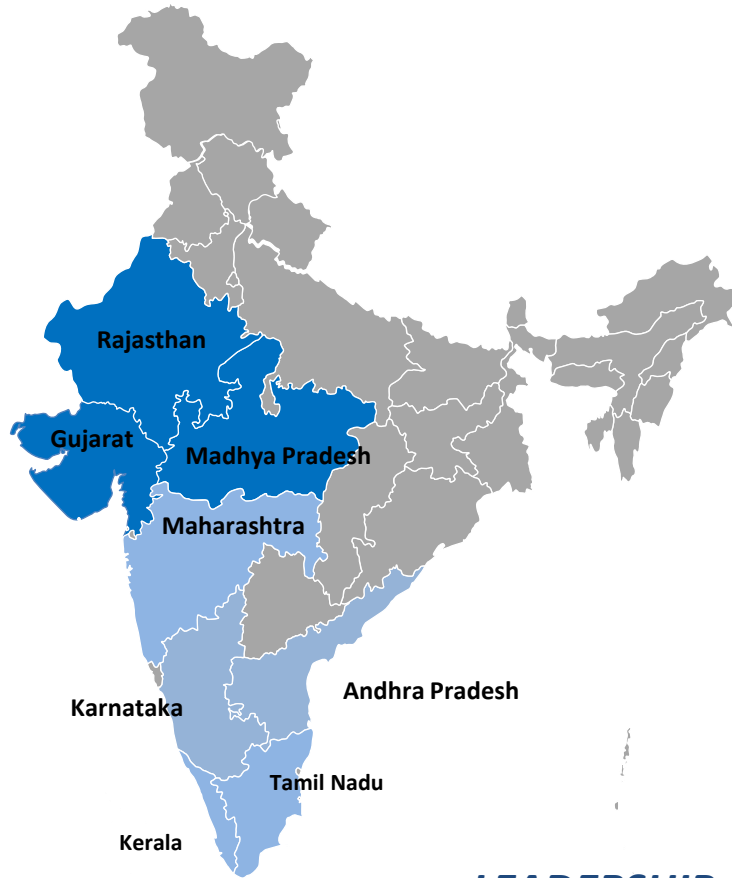
- ✓ Current order book stands at 600MW based on SECI-1 & SECI-2 auctions. During the quarter, we won an order of 50MW from Adani Green from their SECI-2 win.
- ✓ **Expected auction pipeline as follows :**
  - ✓ **Jan- March, 18 \***
    - ✓ **SECI-3 – 2000MW**
    - ✓ **SECI -4 – 2000MW**
    - ✓ **Maharashtra state auction – 500MW**
  - ✓ **FY19 & FY20 - 10GW each \*\***
- ✓ 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.

\* <http://www.livemint.com/Industry/1yhOAeUgYHEoINADdwPS3L/India-to-auction-100GW-of-green-energy-contracts-by-March-20.html>

\*\* <http://www.livemint.com/Industry/z29IEYul5GI995os5zSqHK/India-readies-green-energy-auction-rounds.html>

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

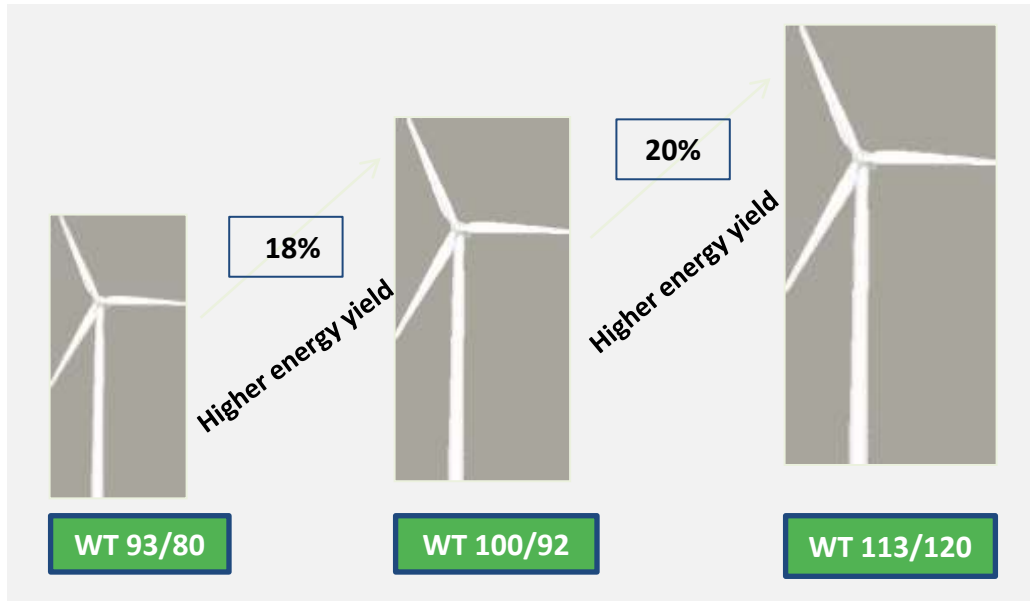
Higher Energy Yield



Lower Energy Cost



Higher Returns



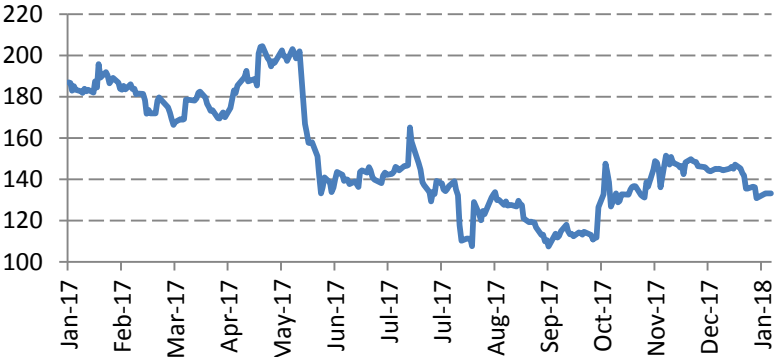
- ✓ Inox Wind is working towards creating the next generation of Wind turbines.
- ✓ Launched “Power Booster” technology upgrade leading to enhancing output across the operating fleet.
- ✓ One of the few players to have 120m hybrid towers in India.



- ✓ Inox Wind has an installed wind turbine base of approx 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

**Inox Wind Share Price (Rs)**



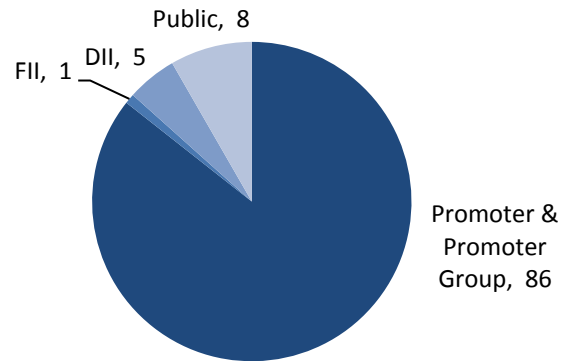
Source - BSE

Market Data	As on 01.02.18 (BSE)
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Market capitalization (Rs. Cr)	2845
Price (Rs.)	128
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

**% Shareholding – As of 31<sup>st</sup> Dec 2017**



Source - Company

**Key Institutional Investors as of 31<sup>st</sup> Dec 2017**

Key Institutional Investors as of 31 <sup>st</sup> Dec 2017	% Holding
Aadi Financial Advisors	2.0%
Indiaman Fund (Mauritius)	0.2%
MV SCIF Mauritius	0.2%
HSBC Mutual Funds	0.2%
Aditya Birla Sun Life Funds	0.1%

Source – Company

# DETAILED FINANCIALS

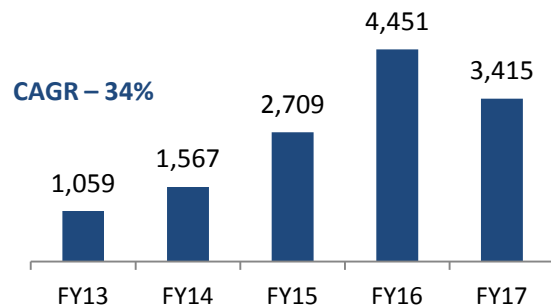
## CONSOLIDATED P&L STATEMENT



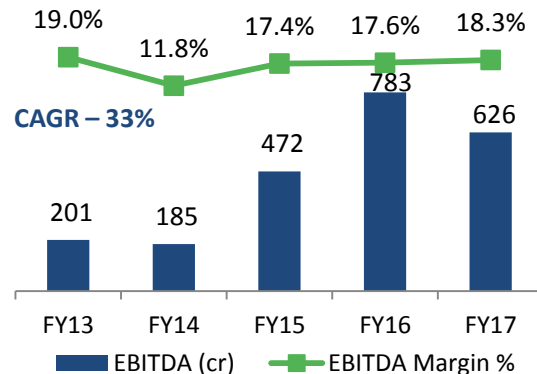
(In Rs Lakhs)	Q3FY18	Q3FY17	YoY	Q2FY18	QoQ	9MFY18	9MFY17	YoY
<b>Income</b>								
(a) Revenue from operations (net of taxes)	9,093	116,062		7,951		27,643	239,578	
(b) Other income	380	1,444		764		2,213	5,099	
<b>Total Income (a+b)</b>	<b>9,473</b>	<b>117,506</b>	<b>-92%</b>	<b>8,715</b>	<b>9%</b>	<b>29,856</b>	<b>244,677</b>	<b>-88%</b>
<b>Expenses</b>								
a) Cost of materials consumed	1,367	78,901	<b>-98%</b>	444	<b>208%</b>	3,227	155,290	<b>-98%</b>
b) Changes in inventories of finished goods and work-in-progress	1,925	-2,762	<b>-170%</b>	1,996	<b>-4%</b>	2,117	-5,357	<b>-140%</b>
c) Employee benefits expense	2,408	2,813	<b>-14%</b>	2,598	<b>-7%</b>	7,692	8,841	<b>-13%</b>
d) Finance costs	4,063	4,070	<b>0%</b>	4,449	<b>-9%</b>	12,753	11,095	<b>15%</b>
e) EPC, O&M, and Common Infrastructure Facility expenses	3,010	8,970	<b>-66%</b>	2,900	<b>4%</b>	13,067	22,075	<b>-41%</b>
f) Net (gain)/loss on foreign exchange fluctuation and derivatives	-225	-313	<b>-28%</b>	239	<b>-194%</b>	-548	-835	<b>-34%</b>
g) Depreciation and amortization expense	1,340	1,179	<b>14%</b>	1,352	<b>-1%</b>	4,002	3,240	<b>24%</b>
h) Other expenses	2,411	10,045	<b>-76%</b>	1,797	<b>34%</b>	7,246	26,481	<b>-73%</b>
<b>Total Expenses (a to h)</b>	<b>16,299</b>	<b>102,903</b>	<b>-84%</b>	<b>15,775</b>	<b>3%</b>	<b>49,556</b>	<b>220,830</b>	<b>-78%</b>
<b>Net Expenses</b>	<b>16,299</b>	<b>102,903</b>	<b>-84%</b>	<b>15,775</b>	<b>3%</b>	<b>49,556</b>	<b>220,830</b>	<b>-78%</b>
<b>Profit/(Loss) before tax</b>	<b>-6,826</b>	<b>14,603</b>	<b>-147%</b>	<b>-7,060</b>	<b>-3%</b>	<b>-19,700</b>	<b>23,847</b>	<b>-183%</b>
Total Tax Expense	-2,214	3,852	<b>-157%</b>	-2,379	<b>-7%</b>	-6,505	6,272	<b>-204%</b>
<b>Profit/(Loss) for the period</b>	<b>-4,612</b>	<b>10,751</b>	<b>-143%</b>	<b>-4,681</b>	<b>-1%</b>	<b>-13,195</b>	<b>17,575</b>	<b>-175%</b>
Other Comprehensive Income	72	-6		71		182	-3	
<b>Total Comprehensive Income/(Expense) for the period comprising Net Profit/(Loss) for the period &amp; Other Comprehensive Income (7+8)</b>	<b>-4,540</b>	<b>10,745</b>	<b>-142%</b>	<b>-4,610</b>	<b>-2%</b>	<b>-13,013</b>	<b>17,572</b>	<b>-174%</b>
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	-1,423	19,852	<b>-107%</b>	-1,259	<b>13%</b>	-2,945	38,182	<b>-108%</b>
Paid-up Equity Share Capital (Face value of Rs. 10 each)	22,192	22,192		22,192		22,192	22,192	
<b>Basic &amp; Diluted Earnings per share (Rs) (Face value of Rs 10 each) -Not annualized</b>	<b>-2.08</b>	<b>4.84</b>	<b>-143%</b>	<b>-2.11</b>	<b>-1%</b>	<b>-5.95</b>	<b>7.92</b>	<b>-175%</b>

In Rs. Cr

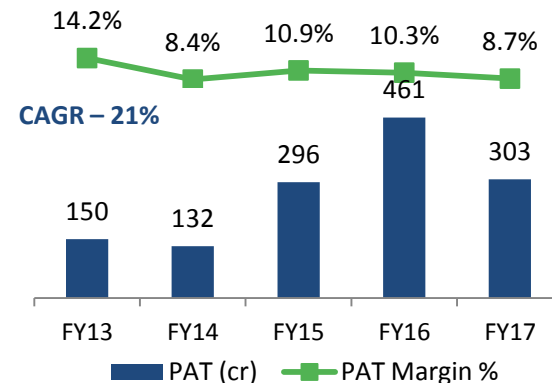
## Revenue from Operations



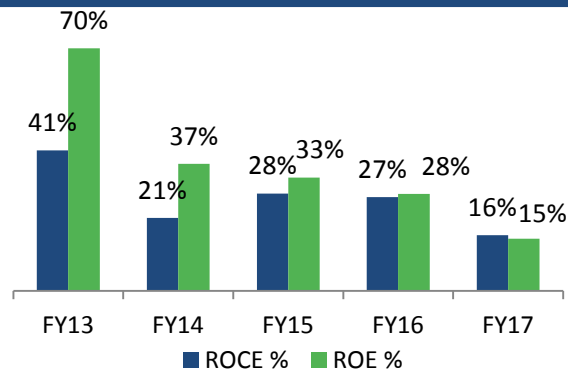
## EBIDTA (Inc OI) & EBIDTA Margin %



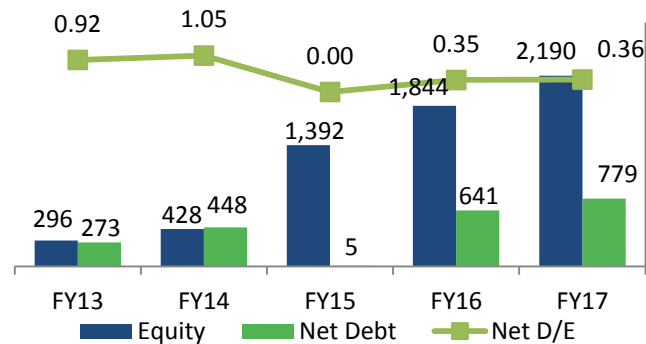
## PAT & PAT Margin %



## 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

FOR FURTHER QUERIES :



THANK YOU



**Mr. Atul Soni**

**Head - Investor Relations- Inox Wind**

Contact No: 0120 6149881

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