



INOX WIND LIMITED
Q4FY17 and FY17 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.

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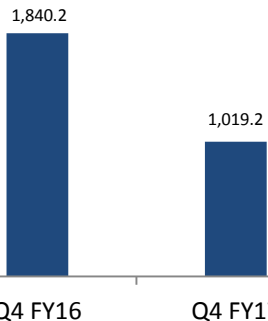


FINANCIAL RESULTS HIGHLIGHTS

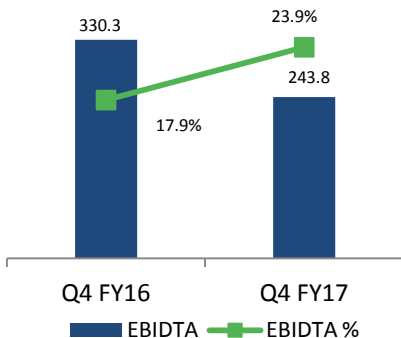
- ✓ 1st tranche of SECI wind auction of 1GW completed
 - ✓ Inox Wind wins 250MW by becoming the lowest bidder at Rs3.46 per unit
 - ✓ Another 50MW already tied up with a winning IPP
 - ✓ In active negotiations for additional 250MW with another winning IPP.
- ✓ Achieved highest ever commissioning of 422MW in a quarter
- ✓ Sales: Nacelles & Hubs 94 MW, Blades 144 MW, Towers 170 MW
- ✓ Sales and commissioning during the quarter adversely impacted due to abrupt stoppage in signing PPAs as a result of the market shifting to the auctioning regime

Q4 FY17 YoY ANALYSIS

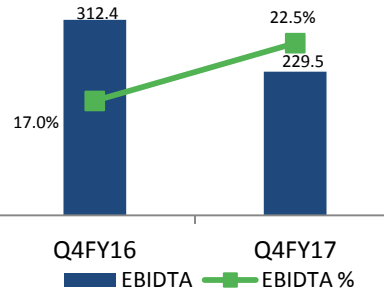
REVENUES



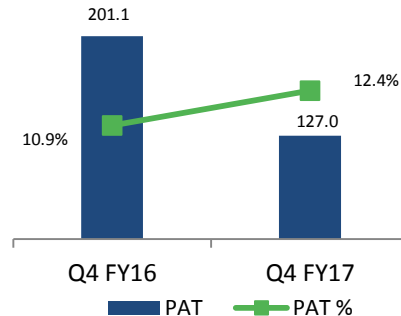
EBITDA (Incl. OI) & EBITDA MARGIN (%)



EBITDA & EBITDA MARGIN (%)

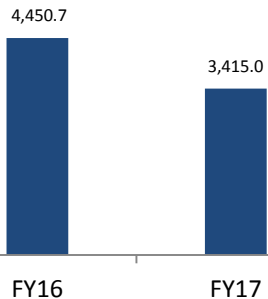


PAT & PAT MARGIN (%)

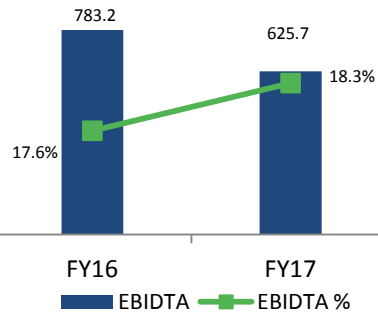


FY17 YoY ANALYSIS

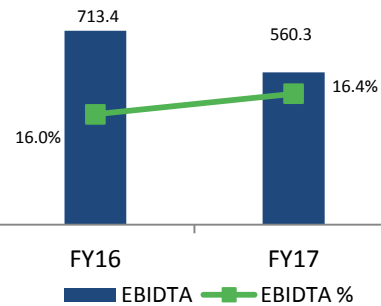
REVENUES



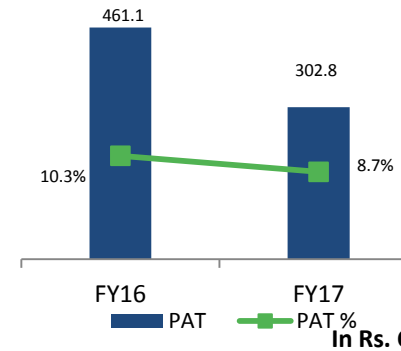
EBITDA (Inc OI) & EBITDA MARGIN (%)



EBITDA & EBITDA MARGIN (%)

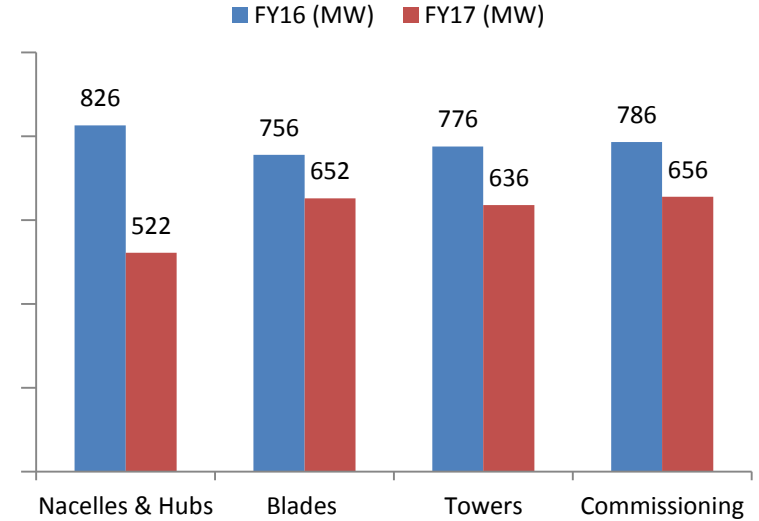
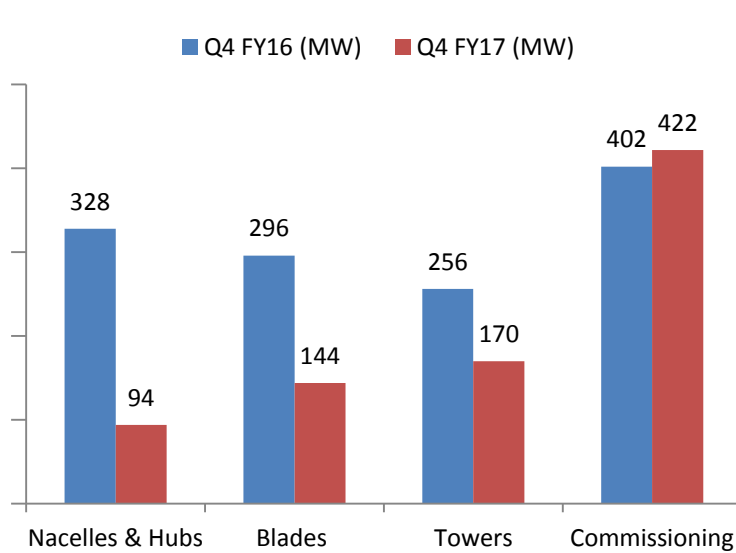


PAT & PAT MARGIN (%)



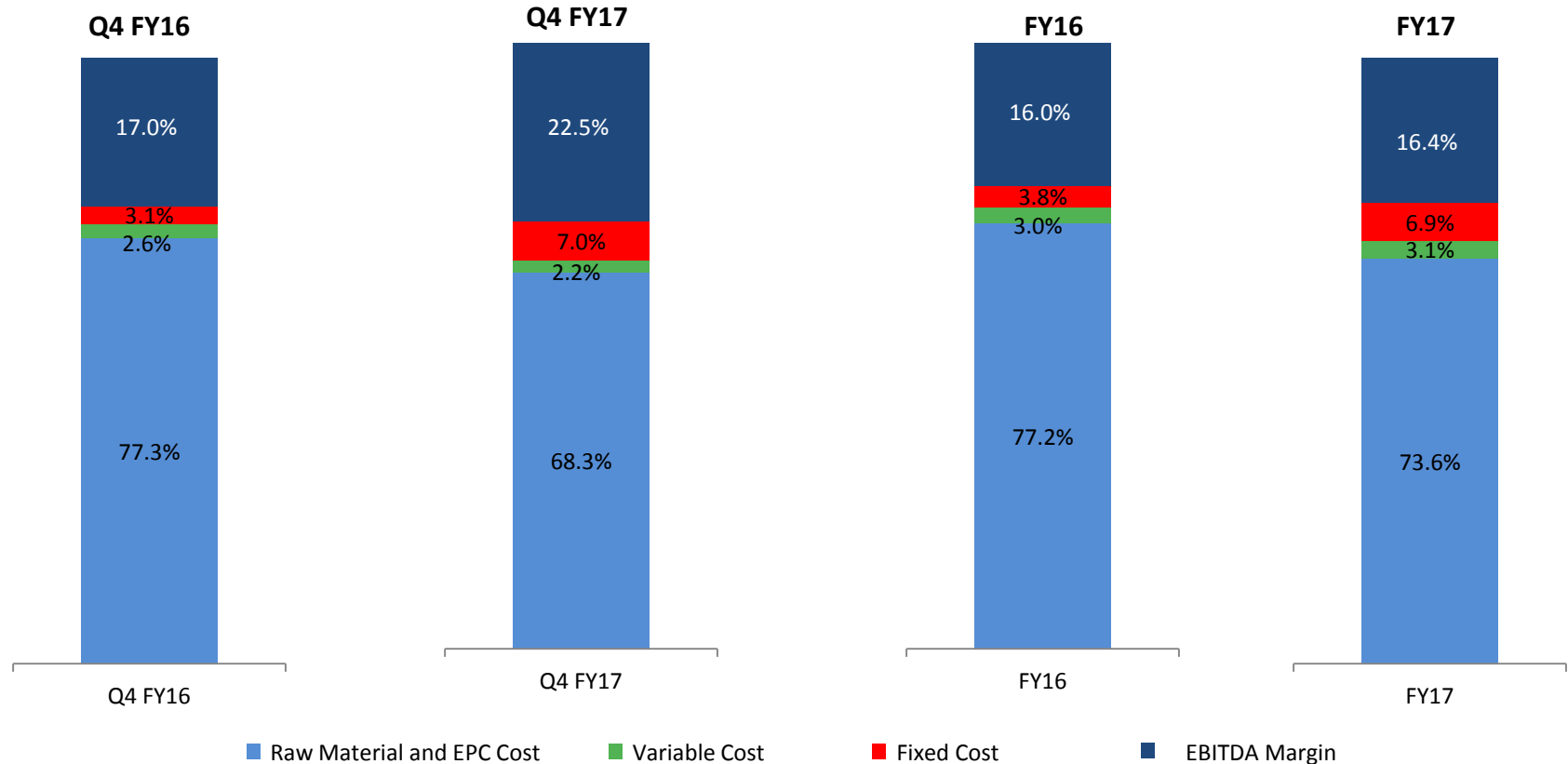
Consolidated Financials as per IND AS.

In Rs. Cr.

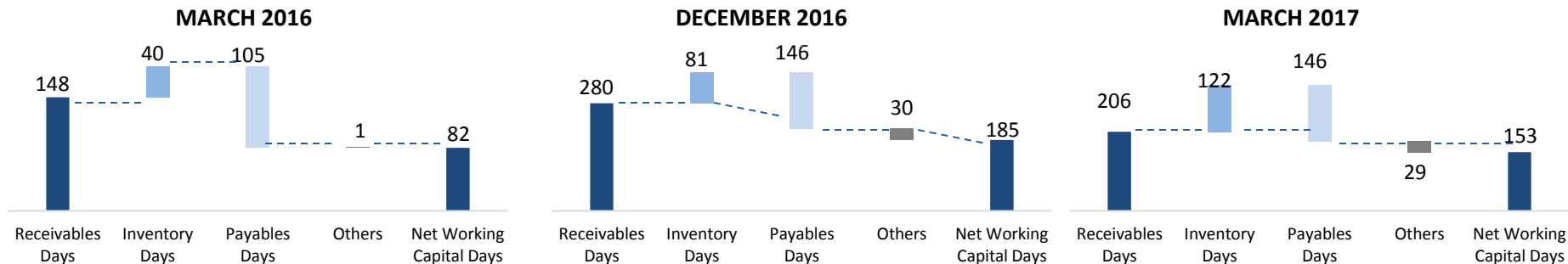


- ✓ Achieved highest ever commissioning of 422MW in a quarter,
- ✓ Annual commissioning and sales would have been significantly higher, had it not been hit by States abruptly stopping signing PPAs post SECI auctions in February 2017

COST ANALYSIS



- ✓ Continues to show improvement in raw material cost
- ✓ Fixed cost could have been at historic/lower levels had we seen normalized sales momentum which was hit by abrupt signage of PPA by states



Particulars (Rs Cr)	Mar-16	Sept-16	Dec -16	Mar-17
Inventory	541.6	672.7	745.6	690.4
Receivables	2,414.3	2418.2	2488.6	2382.3
Payables	1,177.8	887.7	1152.4	968.7
Others	137.4	177.4	118.6	300.1
Net Working Capital	1,640.8	2025.9	1963.2	1803.9

- ✓ Expect working capital to ease going forward as auctions ensure better production and inventory planning along with PPA security

	Q4 2017	FY 2016	FY 2017
Opening Net debt	(946)	(5)	(641)
Cash Profit	138	487	347
Gross working capital	159	(617)	(163)
Capex	(200)	(411)	(352)
Others	70	(94)	30
Closing Net debt	(779)	(641)	(779)

(In Rs Cr)	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Net Debt	641	1,225	890	946	779
Net Debt: Equity (x)	0.35	0.64	0.45	0.45	0.36

- ✓ Comfortable net D/E ratio of 0.36x
- ✓ We would have been in a much stronger financial position incase the States had not stopping signing PPAs abruptly

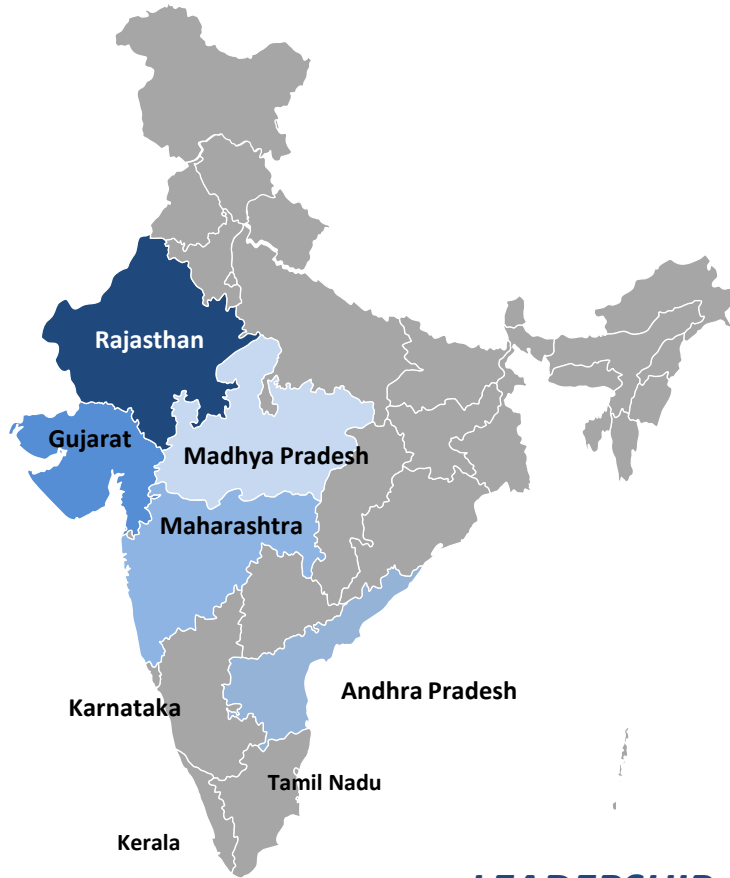
- ✓ The industry is under-going a significant change in market dynamics by shifting from the FIT based market to an auction based market
- ✓ Under the new scenario, our conventional order book loses its relevance, since these orders were under an FIT based market regime
- ✓ Going ahead, orders are expected to come through the auction route apart from PSUs and captives
- ✓ Current order book on auction based market includes:
 - ✓ 250 MW won by Inox directly
 - ✓ Another 50MW already tied up with a winning IPP
 - ✓ In active negotiations for additional 250MW with another winning IPP
- ✓ The 2nd 1GW SECI auction circular has been released on 4th May and is expected to conclude by June. We are in talks with multiple IPPs for bidding in the 2nd SECI auction as well.
- ✓ The Central Government is expected to auction 4GW* of capacity through SECI and the State Governments are expected to auction an incremental 3GW of taking the market to 7GW annually

* Mr Asvhini Kumar, Chairman, SECI

- ✓ 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

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

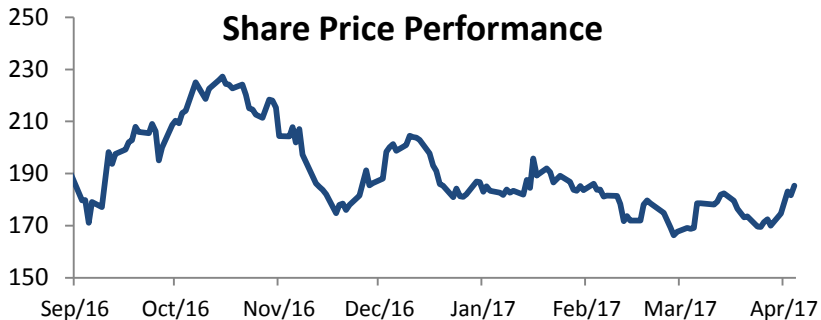
- With doubling of Blade manufacturing capacity to 1,600 MW and enhanced tower manufacturing capacity, the production capacities of Nacelles, Hubs, Blades and Towers are now aligned.
- With minor capex we can significantly enhance our in-house tower manufacturing capacity and de bottle our nacelle capacity. Also, tower manufacturing can be outsourced depending on the location of the project being executed.



- ✓ 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 as of March 2017 for installation of an aggregate capacity of more than 5,000 MW

LEADERSHIP ACROSS WIND RICH STATES

SHAREHOLDING STRUCTURE



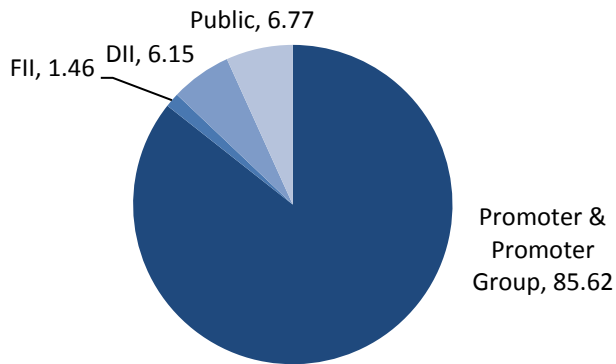
Source - BSE

Market Data	As on 11.05.17 (BSE)
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Market capitalization (Rs. Cr)	4,400
Price (Rs.)	200
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

% Shareholding – 31st Mar 2017



Source - Company

Key Institutional Investors at 31 st Mar 2017	% Holding
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Reliance Mutual Fund	2.02%
Reliance Life Insurance	0.74%
Bio Action of Veda Research	0.45%
Jai-Vijay Resources	0.43%
Grandeur Peak Emerging Markets	0.27%
The Master Trust Bank of Japan	0.26%
HSBC Mutual Fund	0.19%

Source – Company

DETAILED FINANCIALS

CONSOLIDATED P&L STATEMENT



	Q4FY17	Q4FY16	YoY	Q3FY17	QoQ	FY17	FY16	YoY	
1	Income								
	(a) Revenue from operations (net of taxes)	101,922	184,018	-45%	116,062	-12%	341,500	445,067	-23%
	(b) Other income	1,433	1,785		1,444		6,532	6,984	
	Total Income (a+b)	103,355	185,803	-44%	117,506	-12%	348,032	452,052	-23%
2	Expenses								
	a) Cost of materials consumed	36,677	107,782	-66%	78,901	-54%	191,967	271,569	-29%
	b) Changes in inventories of finished goods and WIP	2,362	5,997	-61%	-2,762	-186%	-2,995	2,853	-205%
	c) Employee benefits expense	2,895	2,788	4%	2,813	3%	11,736	9,189	28%
	d) Finance costs	4,417	2,724	62%	4,070	9%	15,512	9,778	59%
	e) EPC, O&M, and Common Infrastructure Facility expenses	26,660	24,223	10%	8,970	197%	48,735	54,002	-10%
	f) Foreign Exchange Fluctuation (Gain)/Loss (net)	-1,043	-50		-313		-1,878	2,135	
	g) Depreciation and amortization expense	1,135	1,126	1%	1,179	-4%	4,375	3,603	21%
	h) Other expenses	11,420	13,396	-15%	10,045	14%	37,901	35,342	7%
	Total Expenses (a to h)	84,521	157,986	-47%	102,903	-18%	305,351	388,470	-21%
	Less: Expenditure capitalized	-	1,359		1,359		-	1,359	
	Net Expenditure	84,521	156,627	-46%	102,903	-18%	305,351	387,112	-21%
3	Profit/(Loss) before exceptional item & tax (1-2)	18,833	29,176	-46%	14,603	-18%	42,681	64,940	-46%
4	Exceptional item							-	
5	Profit/Loss before tax (3-4)								
6	Tax Expense								
	Total Tax Expense	6,079	9,064	-33%	3,852	58%	12,351	18,823	-34%
7	Profit for the period (5-6)	12,754	20,113	-37%	10,751	19%	30,329	46,117	-34%
8	Other Comprehensive Income (after tax)	-50	-2		-6		-53	-6	
9	Total Comprehensive Income for the period comprising Net Profit for the period & Other Comprehensive Income (7+8)	12,704	20,111	-37%	10,745	18%	30,276	46,111	-34%
10	Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	24,384	33,026	-26%	19,852	23%	62,566	78,320	-20%
11	Paid-up Equity Share Capital (Face value of Rs 10 each)	22,192	22,192		22,192		22,192	22,192	
12	Basic & Diluted Earnings per share (Rs) (Face value of Rs 10 each)	5.75	9.06	-26%	4.84	23%	13.67	20.78	-26%

DETAILED FINANCIALS

CONSOLIDATED BALANCE SHEET

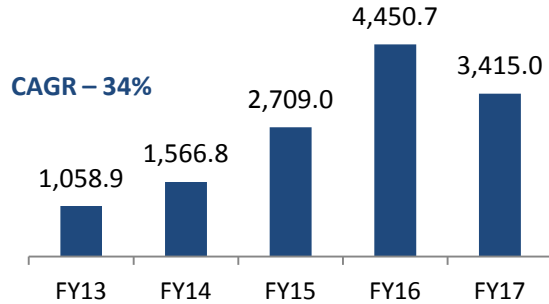


Particulars	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	22,192	22,192
(b) Other Equity	196,767	166,491
Total equity (I)	218,959	188,683
Liabilities		
Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	18,623	5,491
(ii) Other financial liabilities	240	240
(b) Provisions	778	495
(c) Deferred tax liabilities (Net)	1,240	-
(d) Other non-current liabilities	9,055	4,237
Total Non - Current Liabilities	29,936	10,463
Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	134,163	138,247
(ii) Trade payables	96,870	118,633
(iii) Other financial liabilities	25,155	10,326
(b) Other current liabilities	8,414	7,065
(c) Provisions	294	177
(d) Current Tax Liabilities (Net)	1,666	4,219
Total Current Liabilities	266,562	278,667
Total Equity and Liabilities (1+2+3)	515,457	477,813

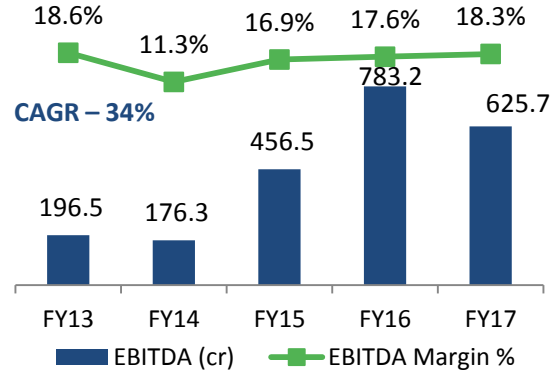
Particulars	As at March 31, 2017	As at March 31, 2016
Assets		
(1) Non-current assets		
(a) Property, Plant and Equipment	73,456	49,298
(b) Capital work-in-progress	11,246	4,266
(c) Other Intangible assets	3,036	3,379
(d) Financial Assets		
(i) Investments	5,325	0.26
(ii) Loans	1,590	1,178
(iii) Other financial assets	843	1,362
(e) Deferred tax assets (Net)	-	839
(f) Other non-current assets	25,669	23,180
(g) Tax assets	508	1,430
Total Non - Current Assets	121,673	84,932
(2) Current assets		
(a) Inventories	69,037	55,967
(b) Financial Assets		
(i) Investments	20,008	6,287
(ii) Trade receivables	238,243	240,897
(iii) Cash and cash equivalents	20,423	7,593
(iv) Bank Balances other than (iii) above	23,319	41,785
(v) Loans	8,679	30,402
(vi) Other financial assets	651	1,680
(c) Other current assets	13,424	8,270
Total Current Assets	393,784	392,881
Total Assets (1+2)	515,457	477,813

In Rs. Cr

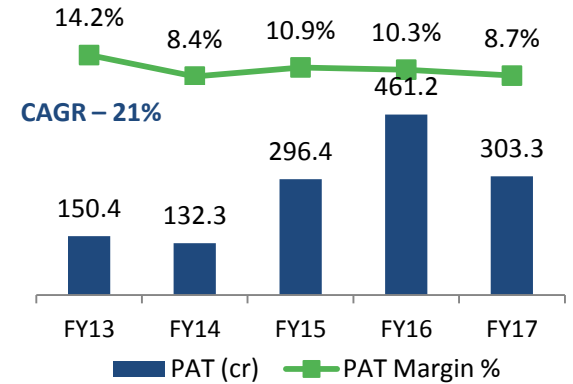
Revenue from Operations



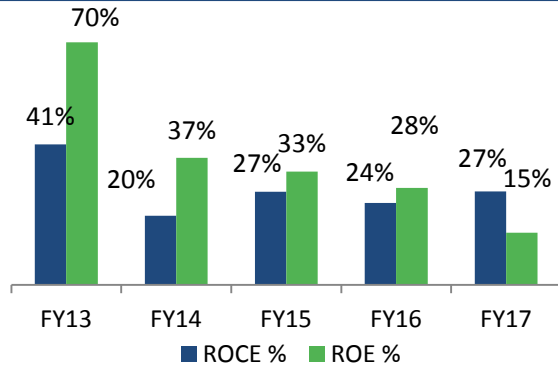
EBIDTA (Inc OI) & EBIDTA Margin %



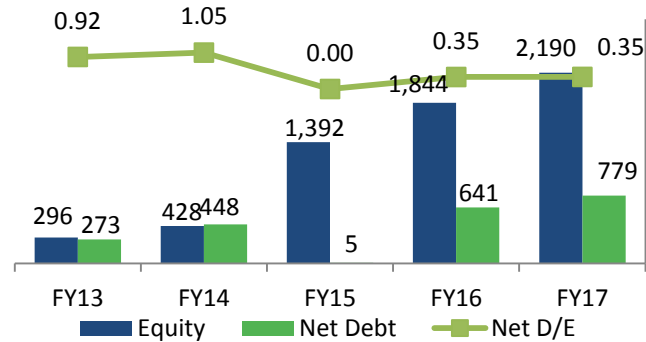
PAT & PAT Margin %



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

IWL WON 250MW AS A DEVELOPER

- ✓ The industry is under-going a significant change in market dynamics by shifting from the FIT based market to an auction based market
- ✓ Under the 1st reverse auction for wind power in India, Inox was the only WTG manufacturer to have won a 250 MW project directly at a tariff of Rs 3.46/unit inspite of multiple WTG manufacturers bidding
- ✓ Another 50 MW already tied up with a winning IPP. Inox is negotiating another 250 MW with another successful IPP.
- ✓ Other winners include Mytrah Energy, Green Infra & Ostro Kutch Wind, all IPPs who will need to source WTGS from WTG manufacturers
- ✓ The central government is expected to auction 4GW of capacity annually through SECI* and state governments should auction 3GW to take the market to a 7GW capacity addition
- ✓ Circular for 2nd 1GW SECI auction has been released in May 2017 and we expect the auction to conclude by June
- ✓ Inox is amongst the most cost competitive WTG producers globally.

* Mr Asvhini Kumar, Chairman, SECI

32.2 GW

- INDIA'S INSTALLED WIND CAPACITY MARCH 17*

60GW

- TARGET WIND INSTALLATION BY 2022**

**> 7 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



Significantly lower power costs for consumers

LOWER FINANCIAL RISK

LOWER COST OF DEBT TO
BE AVAILABLE

HIGHER DURATION LOANS
AVAILABLE

LOWER INVESTOR
RETURN EXPECTATION



Strong market expansion

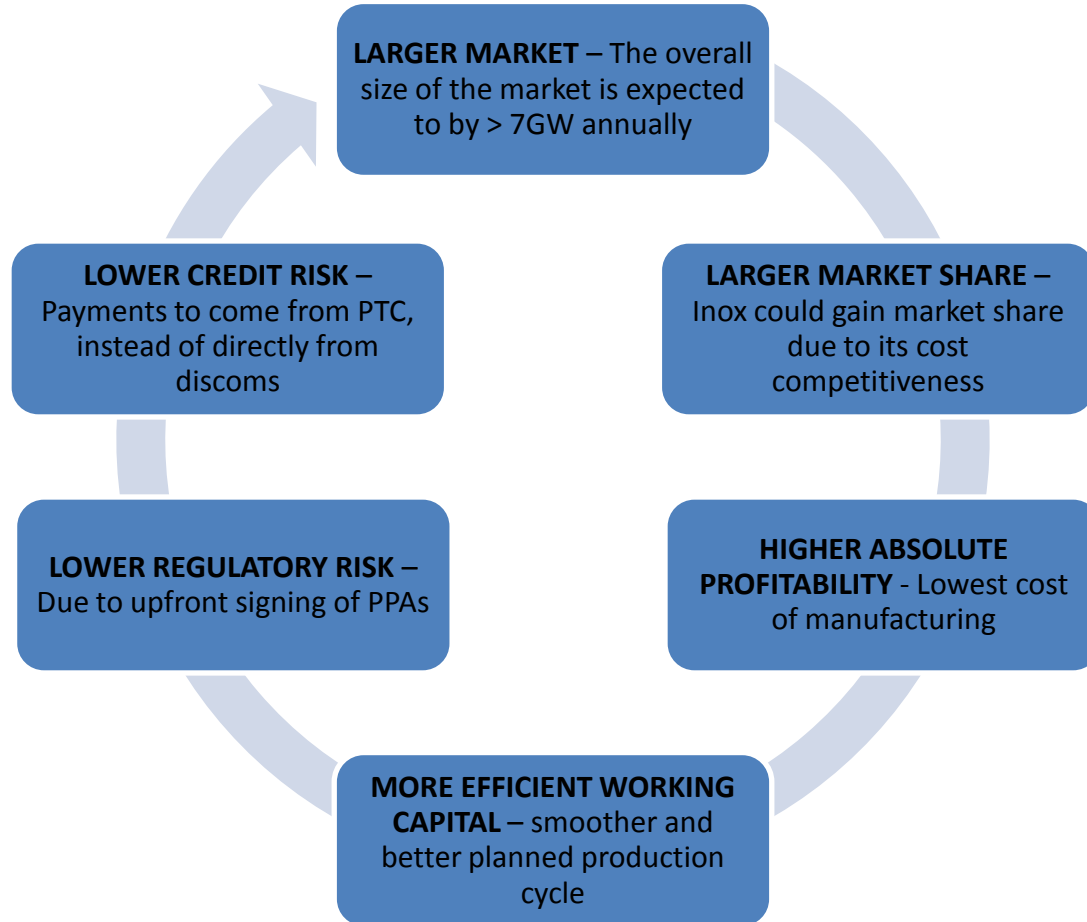
OTHERS

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?



- ✓ Will winning the 250MW bid in the auctions require us to invest / put in equity / make investments?
 - ✓ No, we would be entering into back to back arrangement with IPPs who would be investing into the SPV. We would exit the SPV post the commissioning of the project in accordance with the SECI auction guidelines
- ✓ What is the financial criteria for participating in the auctions?
 - ✓ Apart from the technical criteria to bid in the auctions, there is a financial criteria of net worth to not be less than Rs1.5cr per MW of the capacity quoted. Thus some players not fulfilling the criteria would be ineligible to participate in the bidding.
- ✓ What is the max bid that a group or entity can bid in the auction?
 - ✓ Any single group/entity can bid for 250MW in the auction
- ✓ Would auctions lead to lower margins for WTG suppliers?
 - ✓ Because of significantly improved WTG efficiencies and lower cost of capital, impact on margins is not expected to be material

Moving towards bigger turbines on the same platform

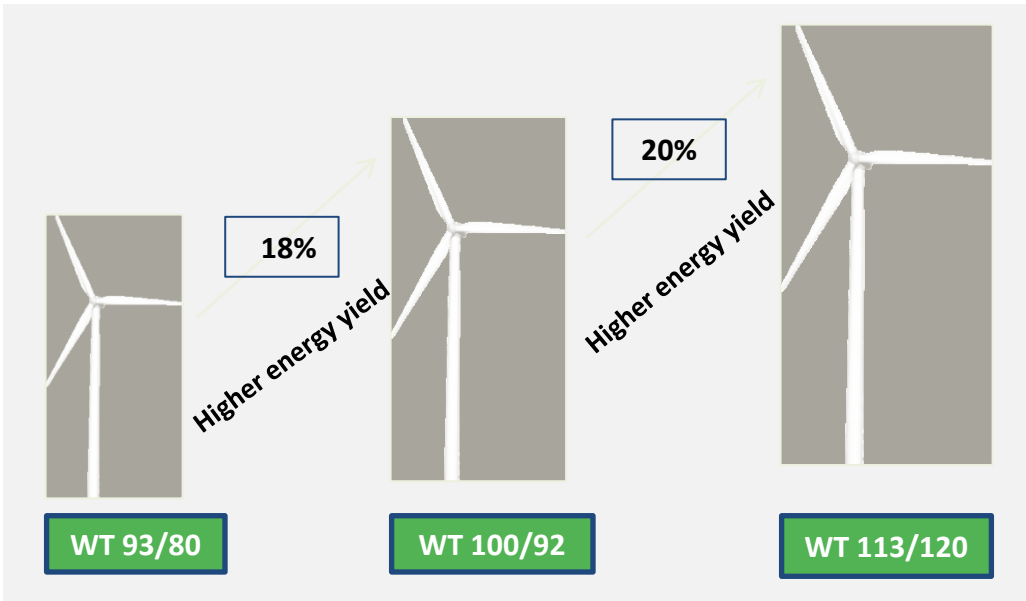
Higher Energy Yield



Lower Energy Cost



Higher Returns



- ✓ Inox Wind is in advanced stages of creating the next generation of Wind turbines
- ✓ In advanced stages of launching “Power Booster” technology upgrade leading to enhancing output by 6%-7% across the operating fleet
- ✓ One of the few players to have 120m hybrid towers in India

FOR FURTHER QUERIES :



THANK YOU



Mr. Atul Soni

Head - Investor Relations- Inox Wind

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