

1 - Wind Reflections

Volume II, Issue I, April'2015

Launch of INOX Wind's IPO

INOX Wind came out with an Initial Public Offer (IPO) in third week of March, 2015 with an objective of:

- Expansion and Up-gradation of the existing Manufacturing Facilities,
- Long term Working Capital requirements,
- Investment in its Subsidiary for the purpose of development of Power Evacuation Infrastructure and,
- Other Infrastructure Development and General Corporate purposes.

The IPO was oversubscribed 19 times and received bids for over 43.08 crore shares as against the issue size of more than 2.32 crore shares. The Company has allocated shares worth Rs. 306 crore to anchor investors.

INOX Wind's WTG sales are expected to increase from 330 MW in FY14 to 600 MW in FY15 and 1-1.2GW in FY16 hence providing interesting investing opportunities to the investors.

Direct Line.....from the CEO's Desk

Welcome to the first newsletter for the year 2015-2016. I am happy to share with you that the year 2014-15 saw tremendous growth in the terms of new business acquisition and project execution yielding to higher revenue. We also introduced some of the new techniques to ensure the best quality and the safety measures in our project, finishing the bottlenecks by keeping in mind and focusing on future prospective lines. I am also immensely proud of the team which successfully manufactured our new 100 meter diameter blade offering higher efficiency and is the most competitive product in the market today. I have no doubts in my mind, that Inox Wind is well positioned to grow at a very healthy rate over the next few years.

Looking forward, our IPO (Initial Public offer) has been successfully launched and rolled out in India and has a record to be subscribed at 19 times. With the IPO success, INOX has proved their continuous presence in the market and has brought the focus back in the wind industry in the financial community. With this fund, we are planning to expand manufacture facilities as well new project development. I would like to thank all the team members who have been working tirelessly from last 2 years.

As mentioned in the last issue of the newsletter, orders for TATA, Green Infra, Continuum, Rites, NHPC are in the pipeline for execution in the current year. We are also executing projects in the state of Gujarat, Rajasthan and Madhya Pradesh. We are targeting to complete 54 MW Tata Project by June'15.

Continuum our largest order in MP for 170 MW with 100 meter diameter is moving ahead in full speed and is targeted for completion by July end. We are in talks with them for extension for phase 2 for 176 MW. For the financial year 2015-2016, our target is 1000MW, out of which we plan to do around 600 MW turnkey and 400 MW as equipment supply deals. All our individual targets for the year will be evolving around this overall business objective so that we are all aligned and work synergistically. Safety will obviously be our overriding priority in whatever we do.

Keeping this scale in mind and as we look forward, we must zero in on what INOX can uniquely contribute to our customer. The opportunity ahead will require us to restructure the entire operation to become more process based and develop systems rather than attack on ad hoc basis. Wish you all the best...

" Together we can & Together we will always"

In the News

Calculus
Ramkrishna.Kashekar
@timesgroup.com

Gujarat Fluorochemicals
Price on BSE (₹) 722.7 783.1
Dec 9, 2014 Mar 9, 2015

Inox Wind IPO Set to Unlock Value for Gujarat Fluorochem

ET Intelligence Group: The Inox Wind IPO scheduled for the third week of March could be a way to unlock value for the promoter Gujarat Fluorochemicals (GFL), which owns 75% in the company. Post-IPO, the company's investments in listed subsidiaries may be around ₹6,400 crore, out of its present market capitalisation of ₹8,600 crore. With its core business of chemicals on growth path, this could boost the Gujarat Fluorochemicals' valuations.

The IPO, which is expected to value the wind power solution provider at ₹7,500 crore, will value the company's investment in the business at ₹5,825 crore. The company's 48% stake in the multiplex business — Inox Leisure (a listed entity) — is valued of ₹805 crore.

The specialty chemical business of refrigerants, fluoro-chemicals and PTFE (poly-tetra-fluoro-ethylene) farm and posted ₹26 crore of net profit from revenues of ₹155 crore for the 9-month period ended December 2014. It is an annuity business with high cash flows that is sufficient to service the debt.

Going by the sum of parts valuation methodology, Gujarat Fluorochemicals' listed entities contribute nearly ₹6,400 crore to its value. The chemical business is enjoying EBITDA margins of 26% currently and the management has given a guidance of 30% EBITDA margins as capacity utilisation improves at the PTFE plant by December 2015. Vinati Organics, a chemical company with similar high margins, enjoys market valuation 27-28 times its annualised profits. Considering GFL's high return on capital employed (RoCE), cash generation and growth visibility, the chemical business can be valued at 28-30 times its annual earnings. The standalone valuation of the chemicals business should be of around ₹3,300 crore.

The wind farm business, a profitable cash-generating business, has slow growth, but high RoCE. This entity can be valued 15 times its annualised profits or around ₹600 crore.

What's inside this Issue:

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Kailash Tarachandani

A Round of Applause: You have made the 'DIFFERENCE'

Employees at INOX Wind are recognized spontaneously across locations for taking initiatives and making small contributions thus, making it a great place to work.

Adding to this, a new initiative has been taken up for all the employees at Una. An Employee Motivational Meet was organized in the month of November at Hotel PMR, Una wherein all the employees were invited along with their families.

In the meet, employees were awarded Best Achievement Award, Best Implementation Award and all the employees were given a T-shirt by Mr. Debasish Gupta (VP – Operations).

A motivational movie was shown in the end and high tea was served to the employees as well as their families.



Employee Motivational Meet at Una

Our Achievements

The year 2014 saw an improved business environment for the Wind Business. It was the persistent effort of INOX Team which finally saw:

- A Joint Venture of Indian Railways & RITES Limited awarding the work contract to INOX Wind Limited for the installation of 26MW Windmill Farm in Jaisalmer District, Rajasthan. Under this, a Letter of Award (LOA) of work was signed between REMCL and INOX Wind Ltd in presence of Minister of Railways – Shri. Suresh Prabhu.
- IWL has received a 166MW contract from Green Infra to set up projects in Gujarat, Madhya Pradesh and Rajasthan in the sector where the government has restored tax benefits to promote clean energy.
- IWL got two Wind Farm Projects of 54MW and 118MW in Gujarat and Rajasthan from Tata Power Renewable Energy Limited.
- NHPC has accorded its approval to the proposal for the award of EPC contract for the development of 50MW Wind Power

At IWL, we owe our success to the skill, commitment, and loyalty of our people.

With this in mind, Long Term Service Recognition Program was organized in Plants/Offices for the employees who have been associated with us for 5 years. Each award recipient was given a Certificate and a bouquet of flowers.

Our 2014 Long Term Awardees, each with at least 5 years of service in the Company are listed below:

- Abhay P. Singh
- Bapulal Labana
- Bhagwati P. Joshi
- Gaurav Saxena
- Hireen Kumar Patel
- K. Tulsi Naga V. Rao
- Kirtan K. Nath
- Karansinh A. Chauhan
- Munagala V. Rao
- Laxmi Narayan Rao
- Neeraj Singh
- Nitn B. Chaudhari
- Phool Chand Verma
- Rajeev Kumar
- Ram K. Kapila
- Rajeev K. Jain
- Rajesh K. Singh
- Rakesh Singh
- Saroj Kumar
- Sebastian Mathew
- Surinder Pal
- Vir Singh



Long Term Service Recognition at Rohika



Employee Recognition at Gujarat Site



Signing of LOA in the presence of the Minister of Railways



100 mtr Rotor Blade manufactured at Rohika

Project at Lakmana, Jaisalmer District In Rajasthan along with its comprehensive O & M for 10 years to IWL.

- IWL was presented an award for having developed one of the best HR Best Practices by implementing 'Skill-Will' Model for Training and Development of an Employee. Mr. Magan from Una received the award on behalf of the Company on 18th February, 2015 at Eros Hotel, New Delhi.

New Product Development

Team Una has achieved another mile stone by assembling a complete new design (GL 2010) of WTG for 100 meters tower height with Swing Dia of the Blade of 100 meters, in the month of January-2015.

In Rohika, 48.8 Meter Blade Manufacturing started in January 2015. Inauguration Puja for WT100 Model was held at the plant.



New Design of WTG at Una

Keep on the good work Team!!

44th National Safety Week Celebration

At INOX Wind, Safety is an organizational commitment that the company holds very highly. The company is committed to promote and inculcate safety consciousness among the employees.



Safety Badges distribution at Kukru

To further improve the safety system, Awareness Campaigns involving interactive modules such as: mock drills, fire fighting sessions were organized across plants/sites to make the employees more vigilant ensuring zero accident occurrence at the workplace.



Safety Oath by all the Employees at Rozmal

Moreover, National Safety Week was celebrated across plants/sites from 4th – 10th March, 2015 to create awareness among the employees. It was celebrated with wide spread employee participation across locations.



Inspection of Lifting Tools & Equipments at Nipaniya

It is with this intention various Safety initiatives like: Inox Wind Infrastructure Services Limited (IWISL) Ten Cardinal Safety Rules & EHS Manual for Wind Sites, Safety Buddy, Safety Year Long Program (Una), Safety Audit, Usage of PPE's and Contract Labor Safety were taken up for the employee safety.

A training session on Road Safety & Safe Driving was organized at Gujarat site for all the transporters wherein training on safety precautions, safe driving, restriction on driving and traffic rules was imparted to increase safety awareness among drivers of both of the transport company involved in our blade and the material movement.

During the Occasion, various safety related activities like: Unfurling of NSD flag, Admission of safety pledge by the employees, Demonstration on use of Safety Equipments, Inspection of Tools & Equipments, Safety Badge distribution, Safety Competitions were undertaken wherein all the employees took part. Various Prizes were given away to the winners under various categories.



First Aid Awareness Session at Una



Safety Quiz Competition at Vaspeth



Slogan Prize Distribution at Jaisalmer

We Train for **Results**, not for **Hours**...

Continuous development and improvisation of workforce and workplace has always been a key to success for INOX Wind. With this objective, various learning and development workshops are organized across locations for developing employee's potential.

A 7 Habits Workshop and 7 QC Tools was conducted at Una on 20th November, 2014 and 25th January, 2015. The workshops were acknowledged and appreciated very well by all the participants.

A new initiative has been taken up at Rohika for imparting training on blade manufacturing to the students of ITI – Modasa. As per the MOU, an arranged Curriculum Development Program was organized for the students in



7 Habits Workshop at Una

In addition to this, Skill Certification Process has been started at Rohika plant with the coordination of GCVT, Government of Gujarat.

70 No's of Non – ITI technicians have already been registered online for Skill Certification. Exam has also been conducted & Certification shall be provided soon.

Moreover, INOX Wind is already registered as Specific Skill Training Centre under i-KVK Scheme for Rotor Blade Technician Course. Two batches of 40 technicians have already been registered under i-KVK and have completed 3 months training on Rotor Blade Technician.



Training Program for Students at ITI - Modasa

Training sessions were conducted on Stress Management, Communication Skill, Team Building, Hygiene Practices, HR Policy, Electrical Hazards, Conflict Management, Presenting Skills for the employees across locations.

Coordination with Blade & QA Engineers & Faculties of ITI. With this initiative, Rohika plant has ensured that we get a steady supply of trained technicians.

Your Good Health is your Greatest "Wealth"

We at IWL have always strived to provide caring, supportive and healthy environment to all our employees.

Upholding this commitment, Vaspeth team organized a health camp at the site. The camp included the routine check-up, vision and ECG test.



Health Check up at Vaspeth (Maharashtra)

In the Corporate Office, a health check up was organized wherein Bone Density and Routine check- up was conducted for all the employees.

A Health check up and Swine Flu Awareness camp was organized for all the employees and the contract workers on 6th January, 2015 at the Rohika plant.



Awareness Camp at Rohika

The employees appreciated the efforts made by the Company and requested to organize more such camps to spread awareness on healthcare and hygiene.



IWL lays great emphasis on safety of each member of their team. With this objective, we have launched the "Safety Buddy" on 1st February, 2015. It is a one click safety information and email based communication channel through which you can:

- Ask safety related queries pertaining to IWISL SHE guideline.
- Provide HSE related suggestions.
- Provide information of an unsafe condition and unsafe act across various locations along with photographs.

Mail your queries to safetybuddy@inoxwind.com.

Republic Day Celebration

The 66th Republic Day was celebrated in its solemnity and grandeur across plants/sites.

The Employees saluted the National Flag and pledged themselves of upholding the honor and integrity, diversity and uniqueness that is "India".



National Anthem at Bhendwade

The celebration started off with Flag Hosting followed by National Anthem and stationery and sweet distribution among the school children from the districts. The students dispersed after sweet distribution with the image of the fluttering tricolour in their minds.



Stationery Distribution at Nipaniya Site (M.P.)

The efforts made by the INOX team was appreciated very well by the Villagers.

Together "We Celebrate"



International Women's Day Celebration at Noida

In honour of International Women's Day, a new initiative was taken up to celebrate the women's successes and achievements at the Corporate Office, Noida.

The program started off with cake cutting followed by a short motivational movie and a women oriented quiz.

This initiative received an overwhelming response from all the attendees.

Knowing People...

There is no denying to the fact that it is our employees who create value for the business today. With this belief various engagement activities across the Company include: Monthly Employee Engagement Calendar, Let's Talk for New Employees, Quarterly Communication, Festival Celebration, Wall of Fame Board, Birthday Celebration and providing Training to the employees.



Birthday Celebration at Jath

To encourage a work environment of open communication, a new initiative: 'Tea with VP – Operations' has been taken up at Una. It is a monthly activity organized in the 4th week of every month where in skip level employees are invited to interact with



Tea with VP – Operations at Una

VP - Operations to know more about the organization and discuss their view points with an objective of improving worker management relationship.



EE2 Survey at Una

Moreover, to ensure that the job and work environment support the employees, a new initiative of conducting Employee Satisfaction (E-SAT) & Employee Effectiveness Survey (EE2) is taken up across locations. The surveys shall be conducted twice a year to highlight the strengths and link the major areas of improvement.

The E-SAT Survey is for Technicians (L7) and EE2 is from Engineer/Executive up to General Manager level.