

1 - Wind Reflections 2013

Volume I, Issue I, April'2014



From the Director's Desk

Here it is - the first issue for our newsletter, your source for information about developments at Inox Wind, best practices, successes and learnings, upcoming events, new resources and informing you about the corporate goals, industry news and highlight the employee accomplishments. So, I encourage you to read as a way to stay informed, feel inspired, and share your news as the employees who are better informed are more satisfied, feel more involved with the company and ultimately, contribute more to its success.

In FY 2013-14, we have manufactured in excess of 300MW of WTG's. In the new financial year 2014-15, INOX has set itself a target of doing in excess of 600 MW across states such as Gujarat, Rajasthan, Maharashtra and Madhya Pradesh. Adding to the list of satisfied customers, we have renowned and prestigious names such as Hero Future Energies, NSL and Malpani Group, besides a host of other names. We are also proud to see that we have received repeat orders from over 75% of past customers. In line with our aim of providing the most appropriate technology suited to Indian climatic conditions, INOX Wind is in the final phase of launching its 100 meters Rotor Dia Turbine which will make our product one of the most advanced and competitive turbines in the market. Seeing the increasing demand for INOX Wind products', we will also be expanding our Nacelle and Blade manufacturing facilities to deal with the increased demand.

The coming year opens up huge opportunities given that there is more stability on the policy front, INOX Wind has a large order book and we have established our infrastructure capabilities across multiple states. Moreover, the key focus areas for us this year will include cost reduction across the board and quality execution of projects in a timely manner. It is my hope that this newsletter helps connect all of us in the work we are doing in getting several creative inputs into future activities. Last of all, I would like to express my sincere thanks to the Human Resources Team for making every effort to start the newsletter for the Wind Business.

Devansh Jain

CEO Says

Welcome to the first Newsletter of the Wind Business. I hope that you will find the information contained in this and the future newsletters informative.

There's an old saying: "When the going gets tough, the tough gets going". How apt it is for the INOX Wind team when we look back to the year gone by. The last financial year was filled up with lot of uncertainties and ambiguities so far as the Wind Business scenario was concerned. Delays in Policy announcements by Governments and a sustained slow down in the Economy added to this uncertain business scenario. However, the INOX Wind team fought through the adversaries, united as a team, strong in their collective will and finished up with a very positive financial result and a roadmap for the future.

In the first year, we started business in Tamil Nadu and Gujarat. In 2012, we entered Rajasthan and last year, we worked in Gujarat, Rajasthan and Maharashtra among other states. During the year 2013, Inox has spread it's presence in Maharashtra for the first time by setting up 130 MW in a record time setting up landmark in the Wind Industry. Moreover, we expanded our client base and established long term relationship with some of the leading customers like: Oil India Limited, Welspun Energy Ltd., Bhilwara Energy, etc and further in talks with big names like Tata, Green Infra, Renew, Continuum etc. We now presently have ongoing projects in Maharashtra, Gujarat, Rajasthan and Madhya Pradesh. The Wind Business is an integral part of the Inox group and its revenue share is increasing year on year.

INOX Wind's success till date has been greatly assisted by a large number of people, who provide their time and energy assisting the INOX Wind's team to help in reaching great heights. It is clear to me, through their continuous efforts; there is a genuine desire to improve the safety and productivity through a common set of national standards, codes, rules and regulations.

Our journey towards growth doesn't end here, but will continue unabated. With a clear vision of over 600MW in this financial year, we are poised to become the industry leader in the wind turbine market. Our goal is to offer solutions across Indian states and be the most preferred wind solutions provider. We plan to continue an Organization, which is robust, sustainable and innovative in its provision of providing high quality services to our customers.

Kailash Tarachandani

INOX Wind launches 1st Newsletter!!

IWL is growing. We want everyone to know about the work & events happening throughout the Company. The Employee Newsletter has been launched for you – IWL's most valuable resource – in order to keep you informed about what has happened, what is currently happening, and what is on the horizon.

What's inside this Issue:

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Inauguration of Wind Power Project for Oil India Limited

2nd April, 2013 saw the Inauguration of the 54MW Wind Power for Oil India Limited. The Project comprised of 27 WTG's of 2MW each. The tireless effort and outstanding commitment of the Jaisalmer team, ensured the project got commissioned in record time of four months.



The ceremony was inaugurated by Mr. S.K. Srivastava, Chairman and Managing Director of Oil India, Mr. V.K Jain - Managing Director and Mr. Devansh Jain – Director. In the welcome address of Mr. V.K Jain, Managing Director welcomed the assembled audience and provided an overview of the rapid growth at INOX Wind. He also shared the background against which the project was conceived and commissioned in a record time.



Besides this, he underscored the importance of the project by outlining the cost-estimate for the project and also highlighted the positive responses received from every corner. Shri S.K. Srivastava, Chairman & Managing Director of Oil India, enlivened the programme through his luminous and inspiring talk.



He also elucidated the technical aspects of inception, design and execution of the project.

Star Achievers Award: Where the inspired becomes the inspiration

As we closed the financial year 2012-13 in high note where we achieved commissioning of 264 MW and became the 3rd biggest wind energy company in India, it is an opportune moment for all of us to come together and celebrate our success as a team. It is for this endeavor of ours that we assembled on 13th April, 2013 for the "Star Achievers Award" function.

In this programme, which was graced by the presence of Mr. V.K. Jain and Mr. Devansh Jain, we celebrated the outstanding achievement of our star achievers who had gone that extra mile, shown the energy where it mattered the most – who were better than the best. In the function, outstanding achievers from Marketing, Operations, Finance etc. were awarded for their exemplary contribution in their domains.

A total of 41 team members from across the sites and locations were presented Star Achievers memento and a certificate in three different categories. Special mention should be made of Mr. Mukesh Manglik who was bestowed with the honor for his – "Outstanding Commitment & Contribution to Business".

The programme ended with all the members of the team joining in for a lunch together with the top management of the Company including Mr. V.K. Jain and Mr. Devansh Jain, as one big family.

Congratulations to all our award winners...!!



The Award Winners along with Mr. Vivek Jain (Managing Director), Mr. Devansh Jain (Director), Mr. Rajeev Gupta (Director) and Mr. Bhupesh Juneja (Director)

INOX in the News

COMPANIES

Inox Wind

Making its way to the top

By Dolly Khattar and Rahul Jain

With four years of its incorporation in 2009, Inox Wind has emerged as the fourth largest wind engineering, procurement and construction (EPC) company in terms of annual capacity installation. It installed 264 MW of wind power projects in 2012-13, marginally lower than ReGen Powertech, which commissioned 268 MW of projects and ranked third.

The key projects set up by Inox include those for independent power producers (IPPs) like UNU Power Ventures Limited (owned by the Bhilwara Group) and Welspun Solar Rajasthan Private Limited (Welspun Group) corporates like DVA, (a subsidiary of CESC Limited) and MAC Private Limited (J.N. Bangur Group), and government utilities like Oil India Limited.

Inox Wind is part of the \$2 billion Inox Group, which has a presence across sectors like cryogenic engineering, entertainment, industrial gases, chemicals and renewable energy. Inox Wind has a sister concern in the renewable energy sector, Inox Renewables, which operates as an IPP. At present, Inox Renewables has operational wind power projects aggregating 250 MW in the country including a 50 MW project in Mahisad, Gujarat; a 30 MW plant in Osapur, Rajasthan; a 4 MW project in Tamil Nadu; a 100 MW project in Dargol, Rajasthan; and a 23.1 MW project in Sattar, Maharashtra.

The two companies registered a combined top line of Rs 10 billion in 2012-13. "From 2013-14, Inox Wind and Inox Renewables will make a significant contribution to the group's total revenues," says Devansh Jain, director, Inox Wind. To this

end, Inox Wind is targeting a capacity installation of over 500 MW, of which it has already secured an order book of 300-350 MW. Meanwhile, of the total capacity installed by Inox Renewables so far, 150 MW was added in early 2013-14. With an operational capacity of 250 MW, the IPP should have a top line of at least Rs 2.5 billion during 2013-14, even if no additional capacity is commissioned.

Manufacturing facilities
Like most other turbine manufacturers, Inox Wind provides turnkey solutions for wind power projects. This business model helps the company to commission projects within deadlines and to sell electricity at the prevailing preferential tariffs, which are revised annually.

Inox Wind procures land, sets up infrastructure and then invites companies on board. This way, it is able to avoid risks like losing the tariff period and missing commissioning schedules due to delays on the customer front. The company also attributes its ability to deliver projects on time to its Austria-based turbine technology provider AMSC Windtech, which has provided the technical know-how for the company's manufacturing facilities.

The company has two manufacturing facilities – an 800 MW plant in Himachal Pradesh for nacelles and hubs, and a 500 MW unit in Gujarat for rotor blades and towers. These units are spread across 17 acres and 32 acres of land respectively, and were commissioned in 2010 at a combined investment of Rs 2.5 billion.

Growth plans
Targeting IPPs and large corporates, Inox Wind is looking to set up wind farms in states that are preferred by players from both these segments owing to high tariffs and timely payments. It has already created a sizeable land bank for setting up wind power projects across four states – Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. This is a well-thought-out strategy as tariffs in Rajasthan, Maharashtra and Madhya Pradesh are over

COMPANIES

Interview with Devansh Jain, Director, Inox Wind

"GBI will be an additional source of revenue for projects."

What synergies does Inox Wind derive from its other group companies?
All our group companies are leaders in their area of operations and have credibility, which has proved beneficial for our wind business. When it comes to corporate functions such as finance and human resources, group synergies are tapped into whenever required; otherwise, all our businesses operate independently. The group's wind business has about 1,000 employees and a chief executive officer will be appointed in the near future.

What is the company's equipment portfolio? Is this equipment available for projects set up by other contractors?
The company manufactures nacelles, hubs, rotor blades and towers. When we introduced rotor blades in 2010, they were the largest in the country (length of 45.3 metres); however, now blades of 47-48 metres are being manufactured in India. We are also working towards manufacturing longer blades. We are not a contract manufacturer and, therefore, all our equipment is reserved for Inox Wind's projects and is not sold to third parties. We had the option of buying generic blades, but having proprietary blades is far more efficient. The efficiency of an Inox turbine that uses a generic blade would be 7-8 per cent lower than a turbine using proprietary blades.

Manufacturing towers is a standard procedure. Initially, our manufacturing plant had a capacity of 250 MW per annum, which has been expanded to 500 MW per annum.

What has been the impact of the withdrawal of the GBI scheme?
Withdrawal of the GBI scheme has had a major impact on the wind power segment. The last financial year saw a significant decrease in capacity additions. As of now, IPPs are holding back investments because there is clarity on the contours of the revised GBI scheme, which was announced in the Union Budget for 2013-14. In a power deficit country like India, it is imperative to get timely policy support for the overall progress of the country.

Re 5 per kWh, which are among the highest in the country. Therefore, these states are attracting the maximum interest from IPPs. Gujarat is another key market for the risk-averse IPPs as the state utilities make timely payments, despite the tariffs being relatively low.

In line with the ongoing trend of wind capacity addition moving away from the southern region, the company is developing projects in only two states – Andhra Pradesh and Kerala. Although the Andhra Pradesh government has formulated a supportive policy, the state discoms are financially weak and grid connectivity is an issue. "No IPP wants to operate a 50 MW plant at 70-80 per cent grid availability in the high wind season, when 70-80 per cent of the annual revenues are generated by the project," says Jain.

The way forward
The company is targeting a wind capacity

addition of about 800 MW per annum for the next two to three years. In this regard, Inox Wind is also exploring overseas markets for growth opportunities.

In order to service a larger project base, the company will need to scale up its manufacturing capacity. It is in the process of increasing the capacity of its Gujarat facility to 800 MW in 2013-14. However, one of the key issues faced by the wind industry is the lack of clarity on the generation-based incentive (GBI) scheme. Policy delays (below targets) in 2012-13, continue to discourage IPPs from making investments. This may impact the operations of wind turbine manufacturers including Inox Wind.

Another issue that may impact the company's growth plans is the threat of competitive bidding in some states (such as Rajasthan). The availability of sites where resource monitoring has been undertaken

for a couple of years, and availability of adequate power evacuation infrastructure are essential for the success of the competitive bidding process. However, not many states meet both these criteria.

Meanwhile, the number of manufacturers that installed wind turbines in 2012-13 has dropped by 42 per cent to 11, with the top five controlling 90 per cent of the market.

However, the competitive pressures in the industry have worked in Inox's favour as unlike some of its rivals, it is a debt-free company, which has allowed it to operate on thin margins.

While the policy uncertainty in the industry is forcing weaker turbine suppliers to halt production, Inox Wind stands a fair chance of achieving its target and be among the top two wind EPC players in the country, given the strong group backing, its assets and the order book. ■

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Extending a Helping Hand the Rohika way

Safety "First", Safety "Always"

Joining hands for Skill Development

The Rohika Unit of IWL organized a Blood Donation Camp on 13th August, 2013 in collaboration with the Red Cross Society at Ahmedabad. On that day, all employees were made aware about the life saving social service of donating blood.



Blood Donation Camp at Rohika

The call for this social service saw a stupendous response from the employees and around 100 bottles of blood were donated. Each donor was given a Certificate and a Card. While expressing his gratitude, the Executive Secretary of Red Cross Society, Ahmedabad said that the collected blood will be used for treatment of children suffering from Thalassemia.



Blood Donation Camp at Rohika

Bringing Smiles to Children

In the faraway villages of Dangri, Bhaisra, Ola, Rajgarh, Balabasti in Rajasthan, the children of several schools got a pleasant surprise, when the Inox team reached there to distribute sweets.



Sweet Distribution among the school children

This gesture was highly appreciated by the Pradhan of the Villages Panchayat.

Across the Company, Safety is our overriding priority. Our ultimate goal is to ensure that "nobody gets hurt" and that "everybody returns home safely".

It with this intention, IWISL rolled out "Inox Wind Infrastructure Services Limited Ten Cardinal Safety Rules". The Cardinal Rules was launched on the National Safety Day which is celebrated across the country on 4th March every year.


While launching these Cardinal Rules, the message across the Company was made clear that no compromises shall be accepted on violation of the Cardinal Safety Rules. Regardless of the levels and designation, violation of any of the Cardinal Rules shall make him/her liable of strict disciplinary action. And the repetition of violation of the Cardinal Safety Rules may result in the separation of the concerned employee. As a part of cascade, it was made mandatory for all the employees to sign a copy of rules as their acknowledgement for abiding by these rules at all point of time and in the work they perform. All employees were communicated that these Cardinal Safety Rules are the life saving rules which will help us to be safe from the Life Threatening Potential Threats.

Kudos to Rohika HR Dream!! It was their persistent effort for past one and a half year which finally saw a Memorandum of Understanding (MOU), signed for skill development of students in Blade Manufacturing with Government of Gujarat.



Signing of MOU in the presence of the Chief Minister of Gujarat

Under this MOU, a blade technician program has been added in ITI syllabus. The cost of training shall be reimbursed by Government of Gujarat. Our Own Managers, Supervisors shall be engaged in imparting training. With this initiative, Rohika plant has ensured that we get a steady supply of trained technicians for the plant.



INOX WIND
INFRASTRUCTURE SERVICES LIMITED

Inox Wind Infrastructure Services Limited Cardinal Safety Rules

Cardinal Safety Rules

Mission


Our mission is to adhere to the Cardinal Safety Rules. It helps to keep us Safe from identified Life Threatening Potential risks.

No compromises or shortcuts Shall be tolerated on any violation of the Cardinal Safety Rules.

All employees, regardless of their title or position, identified as violating of any of the Cardinal Safety Rules shall make him liable for strict disciplinary action. Such repetition of violation of Cardinal Safety Rules may result in the separation of the concerned employee.

Our ultimate goal is to ensure that "Nobody Gets Hurt" and that Everybody returns home safely.

- 1) **Prohibition of Drugs and Alcohol** – Being in possession of and/or under the influence of drugs or alcohol is prohibited. No one will drive any vehicle under influence of Drugs or Alcohol.
- 2) **Mobile Equipment** – The use of a hand-held mobile telephone while operating a motor vehicle, or any vehicle of the company is prohibited. The use of a mobile telephone while operating an Industrial Truck & Crane Operators is prohibited.
- 3) **Isolation** – Isolation of hazardous energy when attempting to repair equipment is mandatory. Proper Tag out/Lock out to isolate equipment is a must.
- 4) **Restricted Areas** – Unauthorized entry into areas that are restricted for operational safety reasons is strictly prohibited. All areas where work is going on in project shall be cordoned off appropriately.
- 5) **Machinery and Working Safety** – Removing or bypassing guards, limit switches, interlocks, or safety devices is prohibited. No work shall be carried out in inadequate illumination and with inadequate or inappropriate jigs/tools and fixtures
- 6) **Suspended Loads** – Working under a suspended load or lifting a load over any person is prohibited. All suspended load shall be carried out using tested Slings, chain, ropes etc. No work shall be carried out inside or outside a suspended load
- 7) **Working at Heights** – Fall protection shall be used when working at heights and in accordance with local regulation or facility rule.
- 8) **Personal Protective Equipment** – PPE appropriate for the nature and scale of work and as required by local regulation or facility rule shall be worn at all times by employees, including when handling erection activities, when working inside machine, when handling sharp objects, when performing non-standard activity.
- 9) **Work Permit system** – No work shall be commenced if a work permit is not issued for such work which have been identified as hazardous in nature and has a process for permit to work associated with it.
- 10) **Incident Reporting** – The immediate reporting of all environmental, safety, and property loss incidents included "near misses" by all employees to his immediate Supervisor/ Manager is mandatory


Kirilash Tarachandani
 Chief Executive Officer

Date – 4th March, 2014

Note – All employees shall be given a copy of the Cardinal Safety Rules under acknowledgement. By Acknowledging the same, the employees agree to abide by the Cardinal Safety Rules at all points of time and in all work they perform

Safety Week Celebration

Safety Day & Safety Week was celebrated across sites and locations with active participation of all the team members.

All sites and locations made their plan which included various activities like: Awareness programmes, mock drills, fire fighting sessions, oath taking assembly etc.



43rd National Safety Week Celebration at Dangri



Fire Fighting Session at Rohika

To further improve safety system at sites, work is on to review the existing systems and come out with a revised Health, Safety and Environment (HSE) guideline for our Wind sites in the near future.

In order to make the factory green, Rohika plant took the initiative of planting 300 trees during the year. 150 trees were planted in Una plant during the year. They also revamped the STP "functioning" to ensure 100% compliance to the Environmental Laws.

Being in the renewable energy industry, our concern for environment can never be over emphasized. Social and Environmental audit was conducted at our Dangri site by an external expert agency.



National Safety Week Awareness Session at Una

IWL showcases superior capabilities in 7th Renewable Energy 2013 Expo

Inox Wind Limited took participation and displayed its multi-dimensional capabilities in Wind Power & Renewable Energy at India's most acclaimed renewable energy event i.e. 7th Renewable Energy India 2013 Expo which was organized by UBM India Private Limited during September 12 – 14 (2013), at India Expo Centre, Greater Noida.



The event focuses on up scaling and mainstreaming environment-friendly renewable energy resources such as solar, wind, biomass, bio-fuel, small hydro, geothermal and energy efficiency, through an international exhibition and conference platform.



As the 3rd largest player in Indian wind power market, IWL highlighted its leading position at this EXPO in a 121 sq. m stall displaying signature projects through eye catching LCD panels. The entire capability spectrum was presented through two WTG Models and five LCD panels which highlighted the domestic footprints and milestones achieved through the commercial movies.

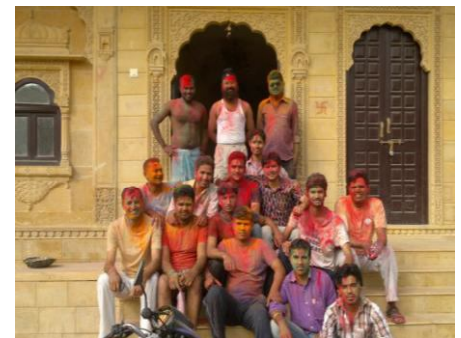
Moreover, the exhibition had over 200 companies showcasing their capabilities in solar, wind, bio-energy, waste-to-energy, energy efficiency and green building. By the foot fall the pavilion had, it can be said with confidence that ours was the show stopper.

Celebrating Festivities

It is not only that we work together, the Inox Wind team across location and sites also celebrate together. Such celebration bring us close to each other and help in building a stronger team. Be it Lohri celebration, Vishvakarma Puja, we saw enthusiastic participation of all the team members in bringing our sites alive with chants and décor of festivities.



Lohri Celebration at Una



Colours of Holi at Jaisalmer

Happy to Serve



"HRBUDDY" is your HR Representative who will address to your worries (HR queries and service level gaps) through an email based single window mechanism. Till date your HR buddy has resolved 391 issues. If you have any query related to:

- Salary processing, LTA, Medical Claim, PF, Income Tax deductions - Contact Mr. Uttam/Mr. Pramod/Ms. Shikha from Inox Wind Payroll Helpdesk at SGC. Contact number: 0120 – 4723419/39/05.
- GPA/GMI - Contact Mr. Vijay Thomas (Contact no: 09310634499) from the Corporate HR and Mr. Shivam Pal (Contact no: 09818084814) from the Unison Insurance Broking Services Pvt. Ltd.
- Mail your queries/service level gaps to hrbuddy@inoxwind.com.

The first wealth is "Health"

Sometimes the most important things are least talked about. But, we at Inox Wind took steps to spread the message for healthy living. The Una plant declared the factory as "Non Tobacco Zone". As a part of the initiative, an awareness program was conducted on 'Tobacco Hazards' wherein all employees took oath to quit tobacco habits. At Jaisalmer site, the Company organized a routine health checkup for the whole team.



Health Check-up at Jaisalmer



Health check-up at Noida

In the Corporate Office, a health check-up camp was organized on 28th September, 2013. The check-up included the routine check-up i.e. body mass index, blood pressure, random sugar test along with a computerized eye check-up. Moreover, ECG was also done for the employees of the age 45 and above, and those recommended by the doctors.



Health Check up at Una

A Health camp was organized at Una by the Company in the factory premises on 20.12.2013. The Team from Indus Hospital, Mohali was called for the general Health check and eye check of the employees. During Medical Camp, First Aid Training was also given to the employees. "A healthier workplace is a productive workplace."

On to the Field

We definitely work hard – but remember, we play hard too. During the year, in which we scaled new heights in operational excellence, we also squeezed out time to have our own field days. The Dangri team played a friendly cricket match with the locals. Sadly, we lost the game - better luck next time. Volleyball Competition at Una saw great enthusiasm generated. The team led by Srikant Rout won the competition.



The Dangri Cricket team



Volleyball Competition at Una

Building a Learning Organization

Training & Development today has to be seen by the business leaders as not only essential but the most critical element for our continuing profitable growth in an increasingly competitive market with discerning customer in the business world.



Quality Awareness session at Rohika

Various training programmes on Quality awareness, HR policy, Technical training, PMSDP etc were conducted across the sites, and locations throughout the year. During the year Una and Rohika Plant completed the Skill Evaluation of all technicians and came out with the Skill – Will Matrix.

Whale Done!

Catching people doing right thing every day, everywhere and appreciating them reinforces positive behavior. This has been our ways of working across the sites and locations.

In Rohika plant, every quarter, team members with 100% attendance are recognized in a quarterly attendance appreciation programme.



Attendance Appreciation Programme at Rohika



Recognition Programme for a Job well done at Una

In Una, the employees are appreciated by the Cross Functional Departmental Heads for their unique contribution.

A new initiative was rolled out on "Spontaneous Recognition" across the sites and locations.



Spontaneous Recognition programme at Jasdán

The program encourages all the Head of Departments and Supervisors to spontaneously recognize their team members for any small but significant contribution in day to day work. Post the launch, the initiative has generated a lot of energy across sites and locations.