



IWL: NOI: 37: 2016

02nd September, 2016

The Secretary BSE Limited Phiroze Jeejeebhoy Towers Limited Dalal Street , Mumbai 400 001	The Secretary National Stock Exchange 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

Dear Sir,

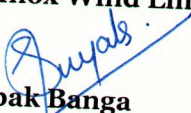
Sub: Investor presentation for the Quarter ended 30th June, 2016 as per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Investor's presentation for the Quarter ended 30th June, 2016.

We request you to please take the above on record.

Yours faithfully,

For Inox Wind Limited


Deepak Banga
Company Secretary

Encl.: As Above



INOX WIND LIMITED
Q1FY17 EARNINGS PRESENTATION



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.

DISCUSSION SUMMARY



- ☐ Q1FY17 OPERATIONAL HIGHLIGHTS
- ☐ Q1FY17 RESULT ANALYSIS
- ☐ WORKING CAPITAL
- ☐ ORDER BOOK UPDATE
- ☐ MANUFACTURING CAPACITY
- ☐ PROJECT SITES
- ☐ TECHNOLOGICAL ADVANCES
- ☐ SECTOR UPDATE
- ☐ SHAREHOLDING STRUCTURE
- ☐ CONSOLIDATED FINANCIALS



Production during the quarter Geared towards improving Working Capital Cycle

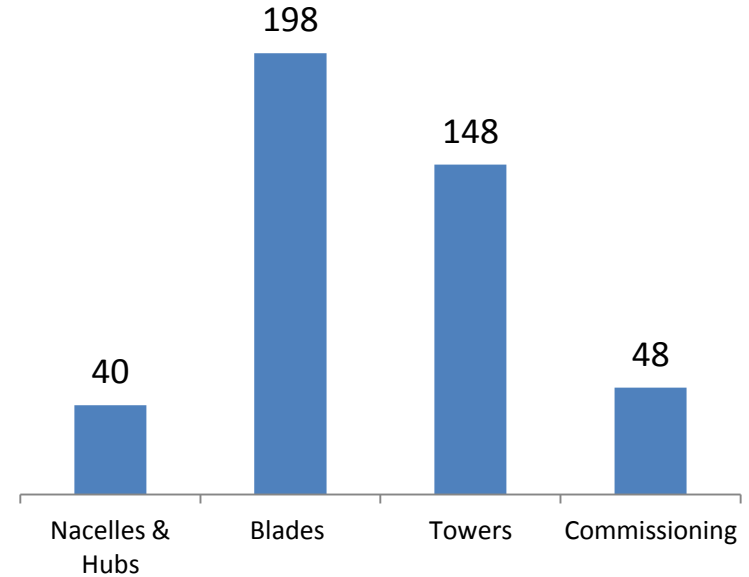
- ✓ 99 Blade Sets produced during the quarter (198 MW)
- ✓ 74 Towers produced during the quarter (148 MW)
- ✓ 20 Nacelles and Hubs produced during the quarter (40 MW)
- ✓ As of Q1 end, significant Inventory Backlog cleared with higher production of blade sets and towers
- ✓ As of date, Entire Inventory Backlog has been cleared

**Clearing of Inventory Backlog will lead to Significantly Improved
Working Capital Cycle**

Q1FY16 (MW)



Q1FY17 (MW)



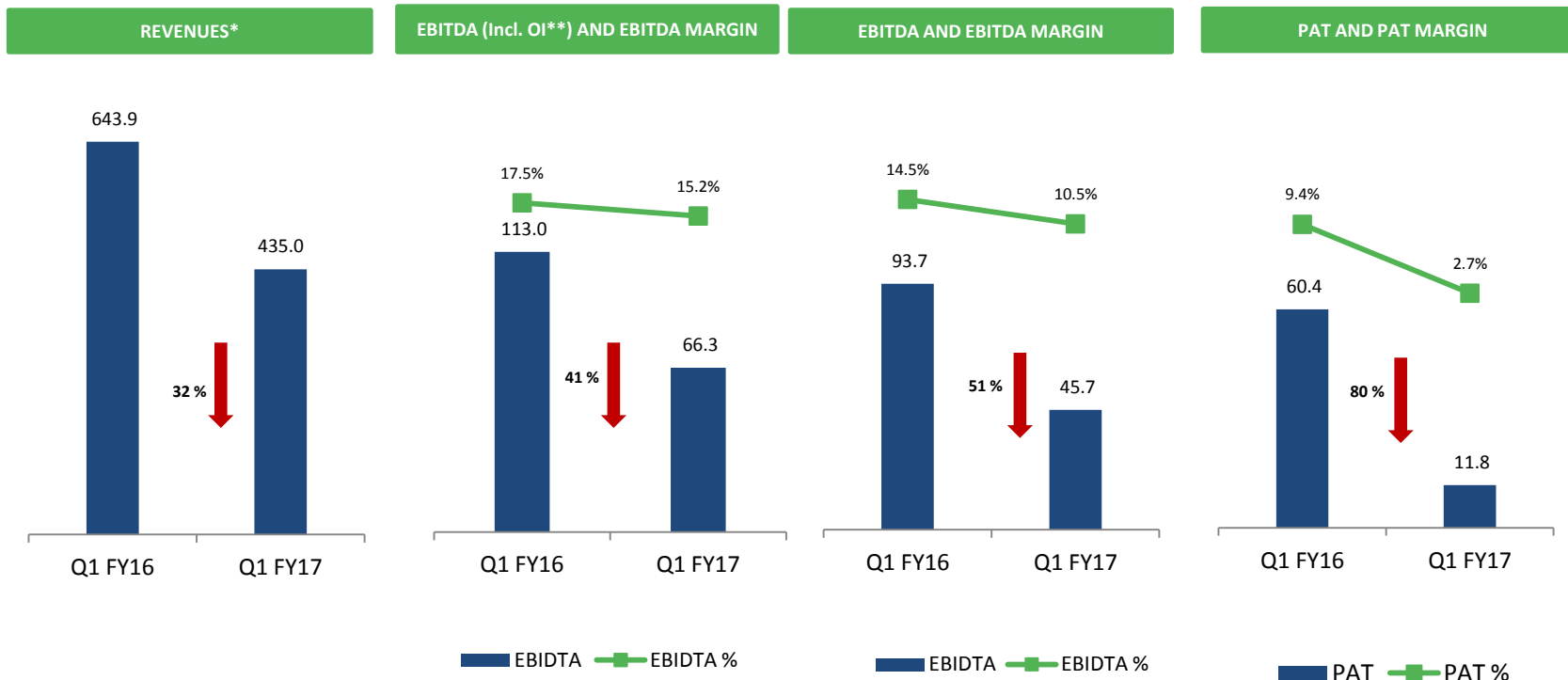
Higher Production of Blade Sets and Towers in Q1FY17 has Cleared Inventory Backlog

Commissioning Activity to Pick Up Significantly in the Current Year with State Policies Announced

Q1 FY17 – RESULT ANALYSIS



Q1 FY17 YoY ANALYSIS



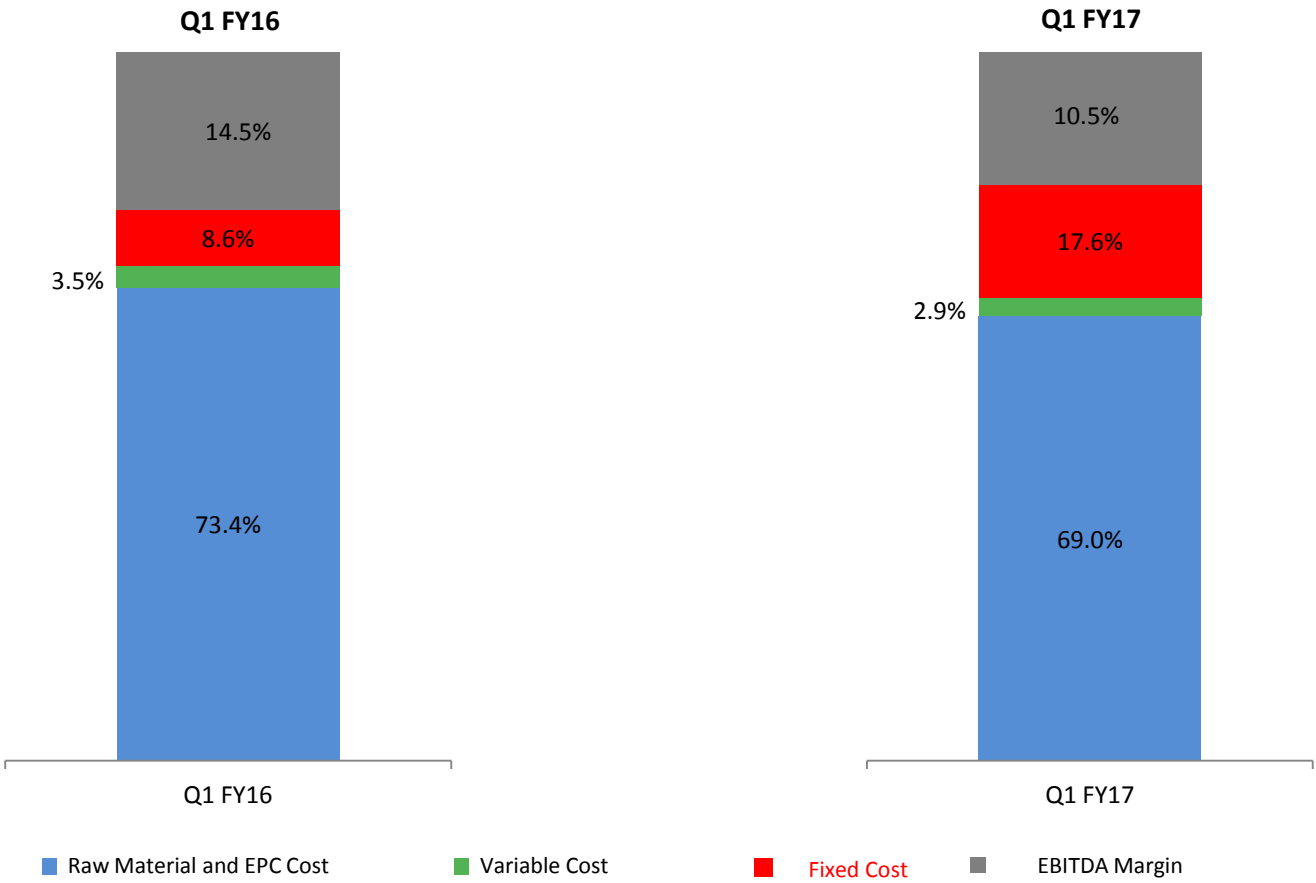
Higher Production of Blade Sets & Towers vis-a-vis Nacelles & Hubs led to lower realisations and margins Year on Year. Henceforth, with synchronised component production, margins are expected to return to historical levels on a full year basis

Note: * Revenue from Operations, ** OI = Other Income

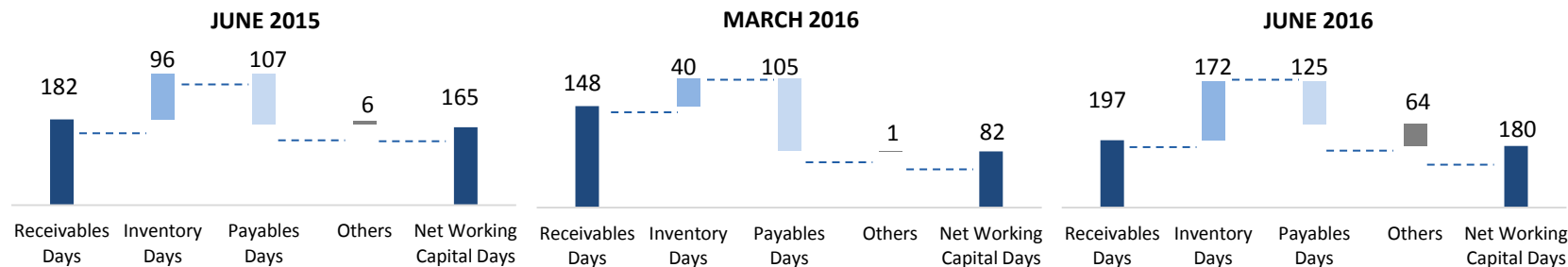
In Rs. Cr



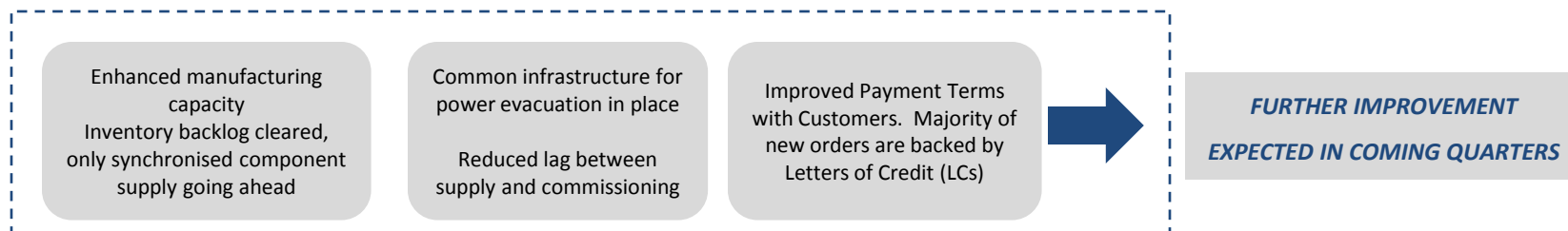
Q1 FY17 – COST ANALYSIS



WORKING CAPITAL ANALYSIS



Particulars (Rs Cr)	June-15	March-16	June-16
Inventory	495.2	541.6	688.4
Receivables	1,573.2	2,414.3	2,417.6
Payables	615.7	1,177.8	801.7
Others	52.3	137.3	76.6
Net Working Capital	1,400.4	1,640.8	2,227.7



Post Q1, The Inter Corporate Deposit of Rs. 278 crores given to a Group Company as of March 31, 2016 has been brought down by Rs. 200 crores, earlier expected to be reduced by March 2017

Order Book Update

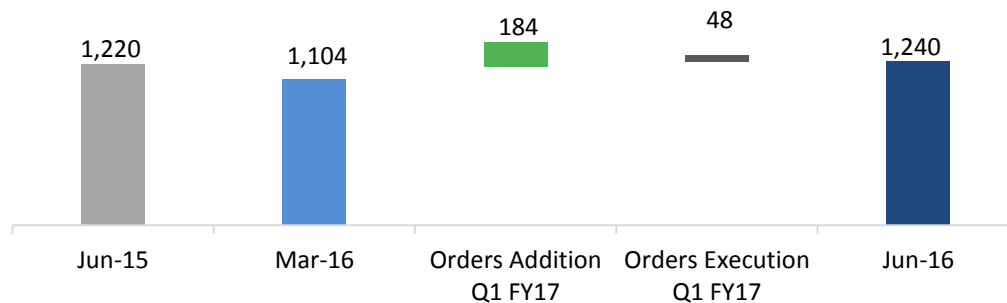
30th June 2016

Total Order Book (MW) **1,240**

Estimated Execution Period **12 - 15 Months**

Order Addition – Q1 FY17 (MW) **184**

MOVEMENT IN ORDER BOOK (MW)



Significant Orders Closed post Q1

Key Highlights:

- Continue to strengthen position and increase market share across IPPs, PSUs, utilities, corporates and retail customers
- Maintaining momentum in tender market- Orders bagged from IOCL, PTC India & GIPCL

Diversified & Reputed Clientele

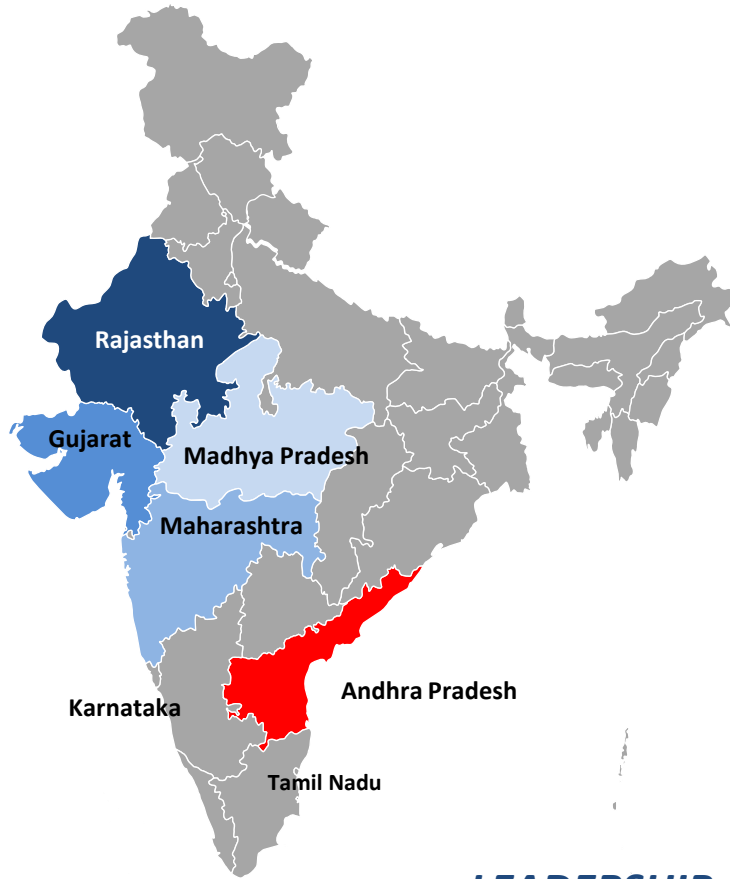
IPPs: Adani Enterprises, Sembcorp Green Infra, Atria, Tata Power, CESC, Malpani Group, Renew Wind Energy, Ostro Energy amongst others

PSUs: IOCL, NHPC, RITES, GACL, GMDC, PTC Green Energy amongst others.

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
- Tower Manufacturing can be Outsourced depending on the location of the project being executed

Synchronized production of Nacelles, Hubs, Blades and Towers together with supply of Complete Sets of WTGs to lead to better Working Capital Cycle

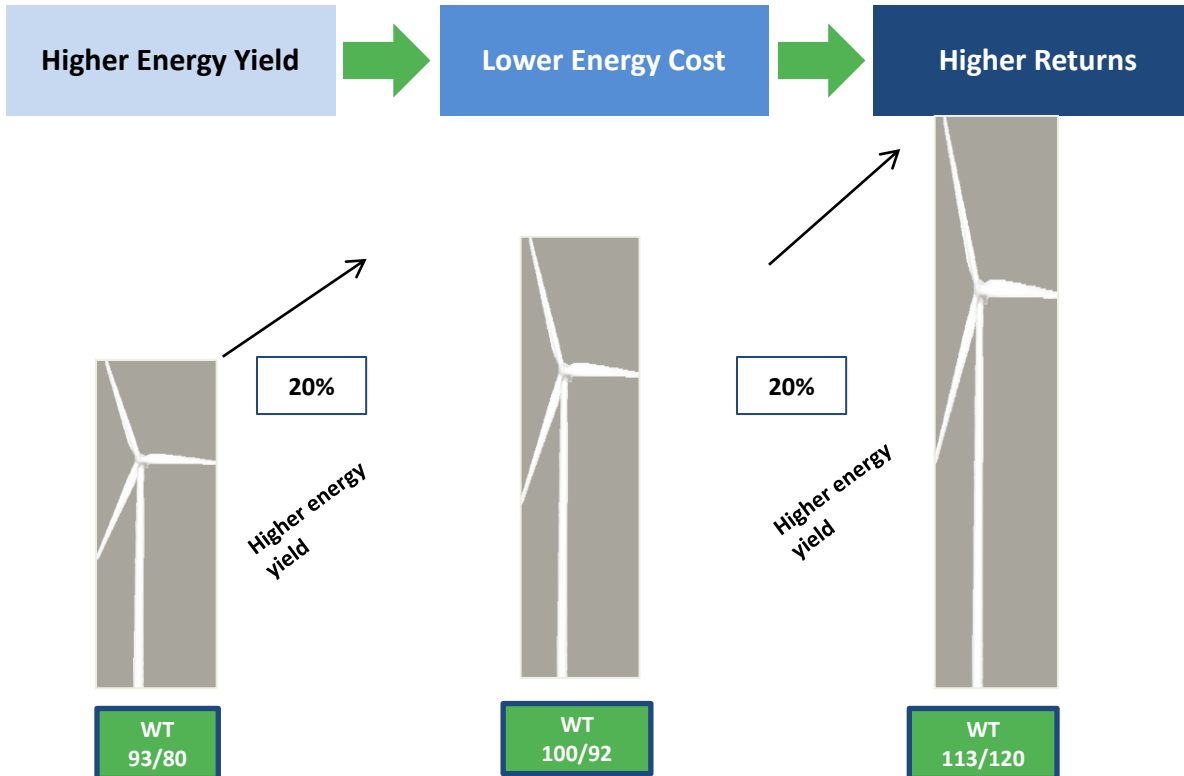


Amongst the largest land bank owners in

1. Gujarat
 2. Rajasthan
 3. Madhya Pradesh
- Focused on increasing land bank further in South India. Multiple sites acquired at very competitive acquisition cost in Andhra Pradesh. Have entered Karnataka as well making Inox Wind a pan India player
 - Sufficient Land Bank as of June 2016 for installation of an aggregate capacity of more than 4,500 MW

LEADERSHIP ACROSS WIND RICH STATES

Launched 113 Meter Turbines



IWL's Technology Edge:

- More efficient power curves
- Higher uptime
- Lower O&M
- Increased margins
- Higher market share
- Higher IRR for investors
- Expands market – Ideal for low wind pockets

Set to Launch 120 m Hybrid Tower in September-October 2016

POSITIVE SECTOR TAILWINDS - FY17 and BEYOND



Sector Initiatives

Industry Impact

Advantage Inox Wind

Non Solar Renewable Purchase Obligation - Guidelines issued from 8.75% in FY17 to up to 10.25% in FY19

Increased demand from states like Madhya Pradesh and Gujarat

Gujarat Policy announced on 30th August 2016 - Tariff at Rs.4.19 for 5 Years

Gujarat to be major player with significant unfulfilled RPO

Scheme sanctioned by the Government for 1,000 MW Central Transmission Utility connected wind power projects

Will facilitate supply of wind power to non windy states

Draft Wind Solar Wind Hybrid Policy formulated

Optimal utilisation of transmission infrastructure & land

UDAY scheme to ensure stricter enforcement of RPO

Total of 16 States/UT have joined the scheme till date

- Pan India presence
- One of the largest project site inventories
- Leading player in Gujarat, Madhya Pradesh
- Lowest cost producer
- Ready common infrastructure for faster commissioning

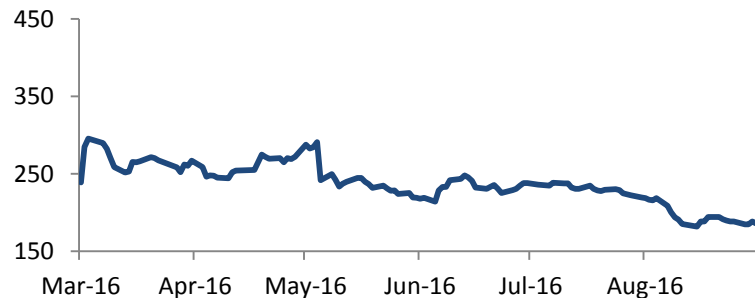
According to various industry estimates, total wind market size is expected to be 4,000 MW to 4,500 MW in FY17

AGGRESSIVE SOLAR BIDS

- Wind Tariffs are lower than Solar tariffs in most states
- Aggressive bids and unproven technology are raising concerns regarding viability of solar projects
- Lenders have concerns in financing solar projects with tariffs as low as some of the bids seen, which seem to suggest some of the projects may not be commissioned
- Proven technology and superior returns make wind energy the preferred sector for lenders

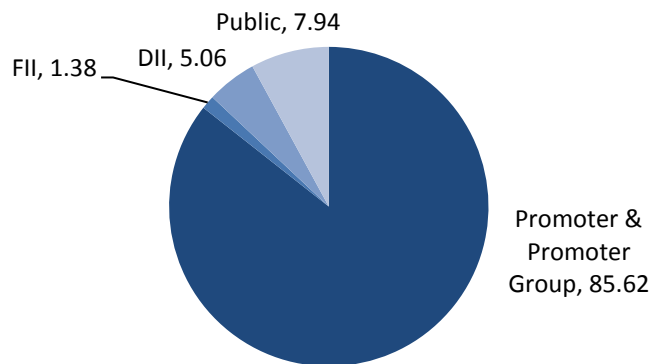
Wind		Solar	Observations
PLF	• ~30% with latest technology	• ~21% with current technology	• Wind energy offers superior returns and better utilisation of transmission infrastructure
Land & Water	• Land - 1 acre per MW • No water required	• Land – 5 acres per MW (contiguous land) • Sizable water requirement	• Wind requires less amount of land and water
Variability	• Forecasting implemented in Rajasthan, Gujarat, M.P, A.P. and Tamil Nadu	• Forecasting is also getting implemented in solar	• Improved accuracy of ~90%
Make in India	• 30% Import Content	• 90% Import Content	• Solar will lead to massive foreign exchange outgo

Share Price Performance



Source - BSE

% Shareholding – June 2016



Source - BSE

Market Data

As on 01.09.16 (BSE)

Market capitalization (Rs. Cr)	4,127.6
Price (Rs.)	186.0
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	411.5 – 181.0

Source - BSE

Key Institutional Investors at June 2016

% Holding

Reliance Capital	2.49%
Sundaram Asset Management	1.13%
Reliance Life Insurance	0.86%
Birla Sun Life Asset Management	0.77%
SBI Life Insurance	0.37%
Grandeur Peak Emerging Markets	0.35%
IDFC Mutual Fund	0.30%

Source – Company

DETAILED FINANCIALS

CONSOLIDATED P&L STATEMENT



Particulars (Rs Cr)	Q1 FY16	Q1 FY17	YoY%
Revenue from Operations	643.9	435.0	-32.4%
Cost of Material Consumed	408.3	296.9	-27.3%
Changes in Inventories of Finished Goods & Work-in-Progress	-16.7	-30.6	-82.8%
EPC, O&M, Common Infrastructure Facility and Site Development Expenses	73.3	35.7	-51.3%
Employee Expenses	18.8	29.0	54.2%
Forex Fluctuation (Gain)/Loss (net)	9.8	-2.4	-124.2%
Other Expenses	56.8	60.8	6.9%
EBITDA	93.7	45.7	-51.3%
EBITDA Margin %	14.5%	10.5%	
EBITDA Excluding Forex Impacts	103.5	43.3	
EBITDA Margin % Excluding Forex Impacts	16.1%	10.0%	
Depreciation	6.9	9.8	40.9%
Other Income	19.3	20.7	7.0%
Finance Cost	22.1	38.7	74.9%
PBT	83.9	17.9	-78.7%
Tax Expense	23.5	6.0	-74.3%
PAT	60.4	11.8	-80.4%
PAT Margin %	9.40%	2.7%	
Earnings Per Share (EPS)	2.72	0.53	-80.5%

DETAILED FINANCIALS

CONSOLIDATED P&L STATEMENT



P&L Statement is as per IGAAP

Particulars (Rs Cr)	FY16	FY15	YoY %
Revenue from Operations	4,414.1	2,709.0	62.9%
Cost of Material Consumed	2,714.8	1,815.2	49.6%
Changes in Inventories of Finished Goods & Work-in-Progress	28.5	-144.1	-
EPC, O&M, Common Infrastructure Facility and Site Development Expenses	534.6	363.6	47.0%
Employee Expenses	92.0	54.9	67.5%
Foreign Exchange Fluctuation (Gain)/Loss (net)	18.7	-31.6	
Other Expenses	347.2	194.5	78.5%
Expenditure Capitalized	-13.6	-	-
EBITDA	691.9	456.5	51.6%
EBITDA Margin %	15.7%	16.9%	-118bps
EBITDA Excluding Forex Impacts	710.6	424.9	67.2%
EBITDA Margin % Excluding Forex Impacts	16.1%	15.7%	41bps
Depreciation	35.0	20.4	71.97%
Other Income	66.5	15.3	335.4%
Finance Cost	96.0	62.3	54.1%
PBT	627.4	389.1	61.2%
Tax Expense	175.5	92.7	89.3%
PAT	451.9	296.4	52.4%
PAT Margin %	10.2%	10.9%	-71bps
Earnings Per Share (EPS)	20.36	14.81	37.5%

DETAILED FINANCIALS

CONSOLIDATED BALANCE SHEET



Balance Sheet is as per IGAAP

Particulars (Rs Cr)	FY16	FY15
Share Holders' Funds:		
Equity share capital	221.9	221.9
Reserves and Surplus	1,621.9	1,170.0
Total of Shareholder funds	1,843.8	1,391.9
Non-current liabilities:		
Long term Borrowings	50.9	78.9
Deferred tax liabilities (Net)	44.8	20.9
Other Long Term Liabilities	2.4	2.4
Long Term Provisions	5.0	2.5
Total of Non-current liabilities	103.1	104.7
Current liabilities:		
Short-term borrowings	1,398.8	767.1
Trade payables	1,177.8	711.2
Other current liabilities	196.8	190.0
Short-term provisions	44.0	52.3
Total of Current liabilities	2,817.4	1,720.6
Total Equity & Liabilities	4,764.3	3,217.2

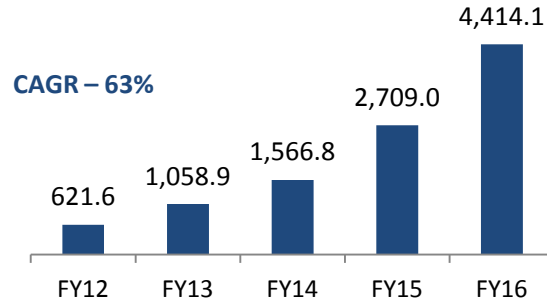
Particulars (Rs Cr)	FY16	FY15
Non-current assets:		
Goodwill on Consolidation	17.4	1.6
Fixed Assets	594.2	250.3
Non-current investments	0.0	0.0
Deferred Tax Assets (Net)	34.7	22.4
Long-term loans and advances	164.1	108.1
Other non-current assets	13.6	4.6
Total non-current assets	229.9	136.8
Current assets:		
Current Investments	62.2	0.0
Inventories	541.6	423.8
Trade receivables	2,414.3	1,432.2
Cash and bank balances	478.8	709.6
Short-term loans and advances	389.3	235.5
Other Current Assets	53.9	29.0
Total Current Assets	3,940.2	2,830.2
Total Assets	4,764.3	3,217.2

FINANCIAL SUMMARY – LAST 5 YEAR PERFORMANCE

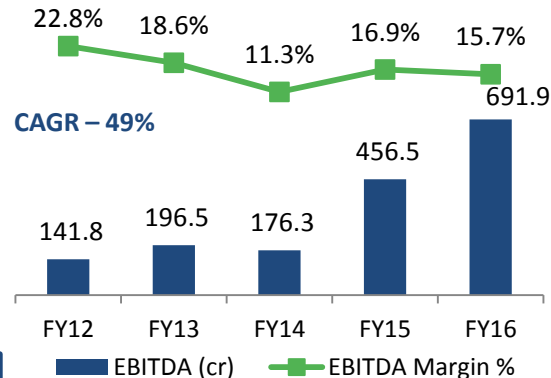


Financial Summary as per IGAAP

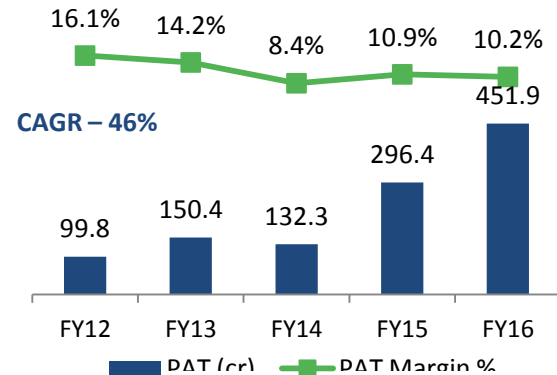
Revenue from Operations



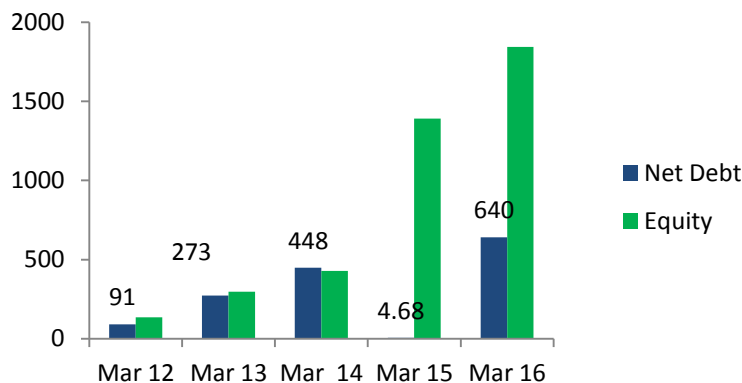
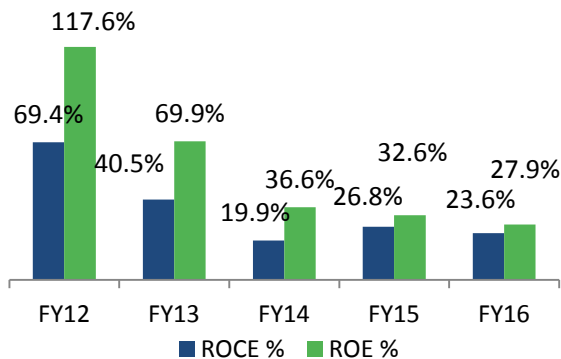
EBIDTA & EBIDTA Margin %



PAT & PAT Margin %



Return Ratios



ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]

In Rs. Cr



THANK YOU



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