



IWL: NOI: 12: 2018

6th March, 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 – Investors Presentation

Dear Sir/ Madam,

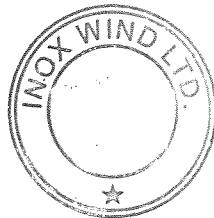
Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Investors Presentation to be made during the investors road show in Singapore and Hong Kong on 6th & 7th March, 2018.

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



COMPANY PRESENTATION

FEBRUARY 2018

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TRANSACTION BACKGROUND



Regulatory Framework



- 01 —●— Inox Wind Limited (IWL) got listed on 9 April, 2015
- 02 —●— Current promoter shareholding is ~86% and public shareholding is ~14%
- 03 —●— Under SEBI Regulations (Rule 19(2)(b) and 19A) all listed companies are to maintain minimum public shareholding (MPS) at 25%
- 04 —●— Last date of compliance is within 3 years of listing
- 05 —●— Methods of achieving MPS include Offer for Sale through Stock Exchange (OFS-SE)

Transaction Summary

(No. of shares)

	Present Shareholding	Offer for Sale	Post Offer for Sale
Gujarat Fluorochemicals Limited	14,00,00,000 (63.09%)	(-) 1,35,61,331	12,64,38,669 (56.98%)
Promoter owned LLPs	5,00,00,000 (22.53%)	(-) 1,00,00,000	4,00,00,000 (18.02%)
Public	3,19,18,226 (14.38%)	(+) 2,35,61,331	5,54,79,557 (25.00%)
Total	22,19,18,226		22,19,18,226

Share Price Performance



Major Public Shareholders

FII's 1.36%

- MV SCIF Mauritius 0.2%
- Indiaman Fund Mauritius 0.1%
- Altius Capital Fund 0.1%
- Acquirius India Opportunities Fund 0.1%
- DFA Investment Trust Company 0.1%
- Prime India Opportunity Fund 0.1%

DII's 5.20%

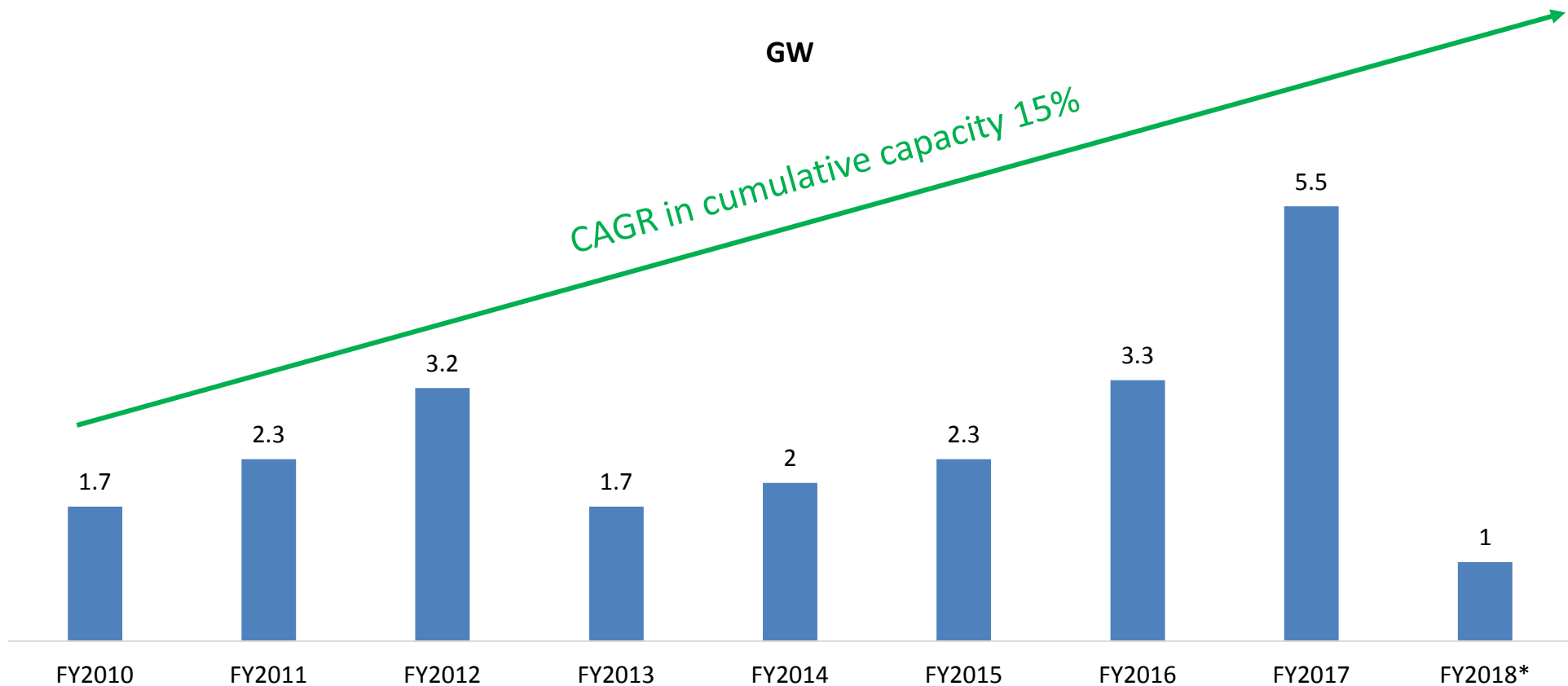
- Aadi Financial Advisors 2.0%
- HSBC Midcap Equity Fund 0.1%
- Aditya Birla Sunlife Manufacturing Equity Fund 0.1%

Retail 7.55%

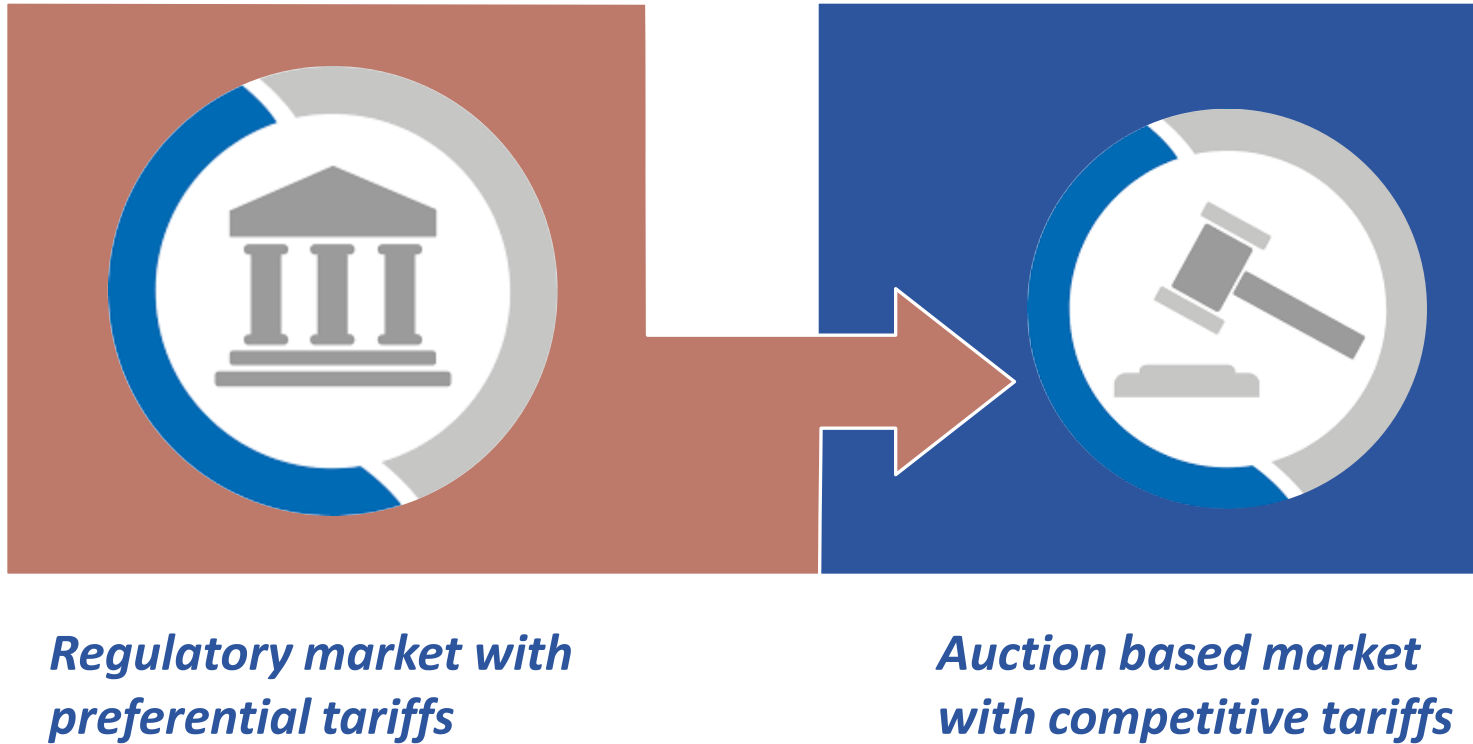


SECTOR OUTLOOK





* Expected



Erstwhile market structure

Feature	Impact
RPO – Demand for wind energy came through regulation – Renewable Purchase Obligations	Reluctance in complying with RPO, since there was no economic incentive to buy wind energy
Preferential Tariffs – State Electricity Regulatory Commissions fixed feed in tariffs for wind energy projects	Since preferential tariffs were substantially higher than cost of power from other sources, there was a natural aversion to buy from renewable sources
Delayed tariff orders – Preferential tariffs were usually announced after a considerable delay – often after more than half the year was over	Inefficiency in operations (limited time for project execution) and working capital management (funds blocked in inventory and receivables)
PPA uncertainty – State Discoms stopped signing PPAs as soon as their RPO was reached	Stranded assets led to financing uncertainty at IPP's end and blockage of funds at project developers' end
Time bound incentive expiry – accelerated depreciation, generation based incentives, preferential tariffs would expire at end of year	Risk for project developer, distorted financials led to contract renegotiation

New market structure

Feature	Impact
Lower tariffs – in fact the lowest cost of power, guaranteed for the next 25 years	Strong economic incentive for States to buy wind power – market set to expand significantly
Central auctions for non-windy States and State auctions for windy States	Much larger market since auctioning structure will ensure demand from both windy and non-windy States
Tariff known upfront and sufficient time provided for project execution	Efficient management of operations, project execution and working capital management
PPAs signed upfront	Project financing for IPPs easier, no risk of stranded assets for project developer
Project financials not dependent on regulatory incentives	No risk of project financials getting distorted due to expiry of incentives, no risk of contract renegotiation

Impact on Sector

Lower regulatory risk

- Tariffs known upfront
- No dependence on regulatory incentives
- Assurance of grid-connectivity with CTU

Lower financial risk

- Long term (~25 years) PPAs signed upfront
- Easier to source long term debt at very low cost
- Lower investor return expectation due to lower risk

Others

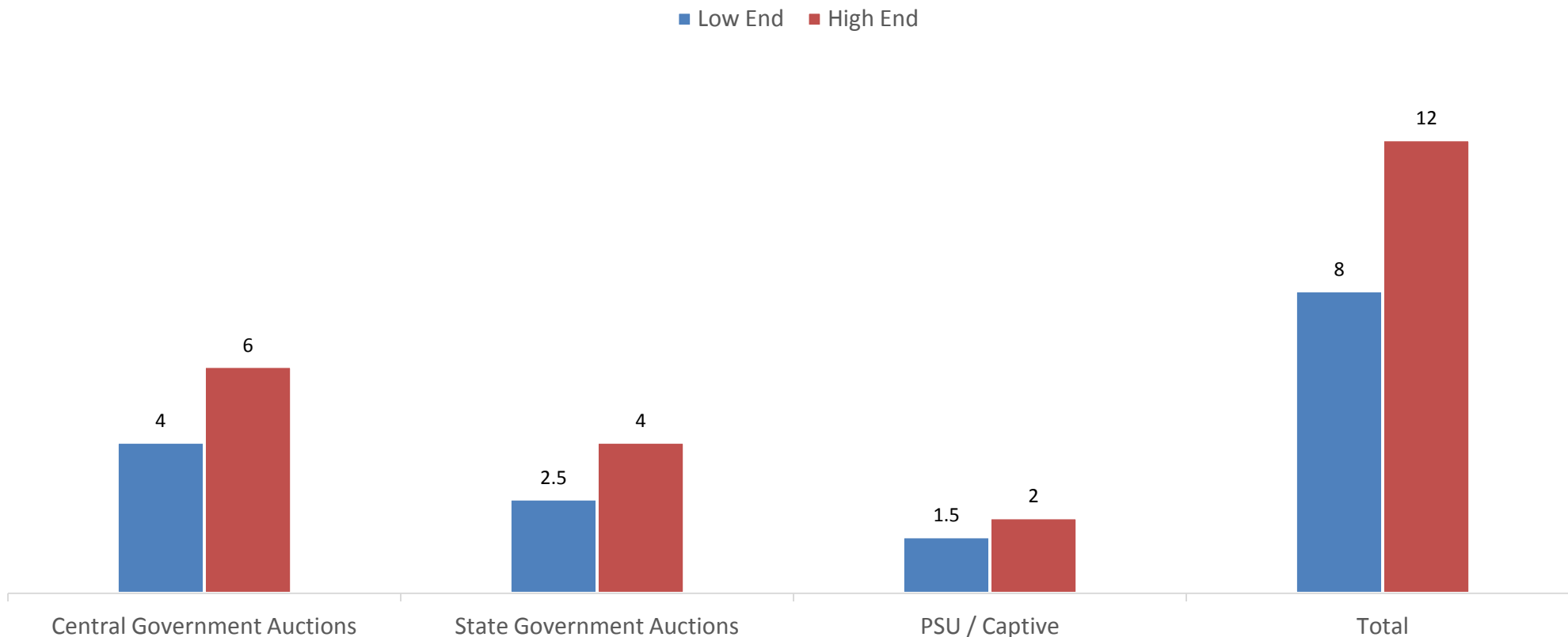
- Smoother operations due to comfortable project execution timelines
- Better working capital management
- Lower counter-party risk

Market size

- Significantly larger market due to commercial competitiveness and demand from both Central and State Auctions

Market size (estimated)

(Nos. In GW)



The industry expects the size of the market to be around 8 – 12 GW per annum over the next few years

Market size

“ MNRE press release dated 18/12/2016

The Government of India has set a target of 175 GW renewable power installed capacity by the end of 2022. This includes 60 GW from wind power, 100 GW from solar power, 10 GW from biomass power and 5 GW from small hydro power. ”

“ Financial Express dated 21/08/2017

Anand Kumar, secretary, ministry of new and renewable energy, told FE that the government intends to auction 6,000 MW of wind energy before January 2018 ”

“ Economic Times 24/11/2017

India has so far commissioned 32 GW of the 60 GW capacity target for wind power projects. “The government also intends to issue bids for cumulative capacity of about 8 GW this year. Out of this, 5 GW (including present 2 GW) have already been bid out while 1,500-2,000 MW will be bid out in January 2018 and 1,500-2,000 MW in March 2018,” the ministry said. A total of 10 GW capacity of wind projects will be bid out in the current fiscal and 10 GW in 2019 ”

“ Mint dated 25/11/2017

Against the target of 60GW for wind power, 32GW has already been commissioned. The central government, along with the state governments, intends to issue bids of cumulative capacity of about 8GW this year. Out of this, 5GW has already been bid out, 1,500-2,000MW will be bid out in January 2018 and 1,500-2,000MW in March 2018. A total of 10GW will be bid out in the financial year 2018 and 10GW in 2019 ”

“ Business Standard 17/02/2018

Rating agencies upgrade wind sector outlook..... Favorable environment, bids driven by Centre and friendlier PPAs are major reasons for the upgrade ”

“ Industry expert 18/02/2018

While the wind industry's transition to the bidding regime created short-term challenges in 2017, it has laid the foundation for sustainable and inclusive sector growth. The wind industry is poised to grow to about 8-10 Gw annually, with 5-6 Gw annual bidding at the Central Government level, 3-4 Gw capacity auctions from the nine windy states and one Gw capacity expected from the PSU and captive markets. This will pave the way to unlock 300 Gw wind energy potential in India and harness the latent potential of non-windy states ”

Overall Sector Rating Upgrade by leading Rating Agencies

Auction Flow – FY2018

Auction	Month	Volume (MW)
SECI 1	February 2017	1050 MW
Tamil Nadu	August 2017	500 MW
SECI 2	October 2017	1000 MW
NTPC	November 2017	250 MW
Gujarat	December 2017	500 MW
SECI 3	February 2018	2000 MW
Sub-total		5300 MW
SECI 4	March 2018	2000 MW
Maharashtra	March 2018	500 MW
Gujarat	April 2018	500 MW + 500 MW
Sub-total		3500 MW
Total		8800 MW



COMPANY PERFORMANCE



- IWL expects to capture a significant market share of the (larger) market due to its inherent cost competitiveness
- While EBITDA margins under the auctioning regime would be lower than earlier, the impact on absolute profitability is expected to be positive, because:
 - Higher volumes due to much larger market and improved market share
 - Operating leverage in fixed costs and supply chain efficiencies in variable costs
 - Introduction of the more efficient Wind Turbine Generators (WTGs) providing much higher plant load factors (PLFs)
 - Lower cost of capital for Independent Power Producers (IPPs)
 - Higher O&M revenues as operating fleet expands
- No strain on IWL Balance Sheet, since these projects awarded to IWL will be in SPVs that will be sold off to IPPs
- Working Capital management would be much more efficient in the auctioning regime

IWL Performance in past SECI auctions

SECI 1

1050
MW

Inox won 250 MW @ Rs 3.46 per unit

Inox was the only WTG manufacturer to be a successful bidder

Balance 800 MW won by IPPs

Inox has already tied up with an IPP for additional 50 MW out of the 800MW won by IPPs

Total order book from SECI 1 = 300 MW = 29% market share

SECI 2

1000
MW

Inox won 250 MW @ Rs 2.65 per unit

Balance 750 MW won by IPPs

Inox has already tied up with an IPP for additional 50 MW out of the 750MW won by IPPs

Total order book from SECI 2 = 300 MW = 30% market share

SECI 3

2000
MW

Inox won 200 MW @ Rs 2.44 per unit

Balance 1800 MW won by IPPs

Inox has already tied up and is in advanced stage of contracting for another 250 MW out of this balance

Total order book from SECI 3 = 200 MW (potentially up to 450 MW) = 10% market share (potentially up to 22.5% market share)

Impact of tariffs on IWL margins

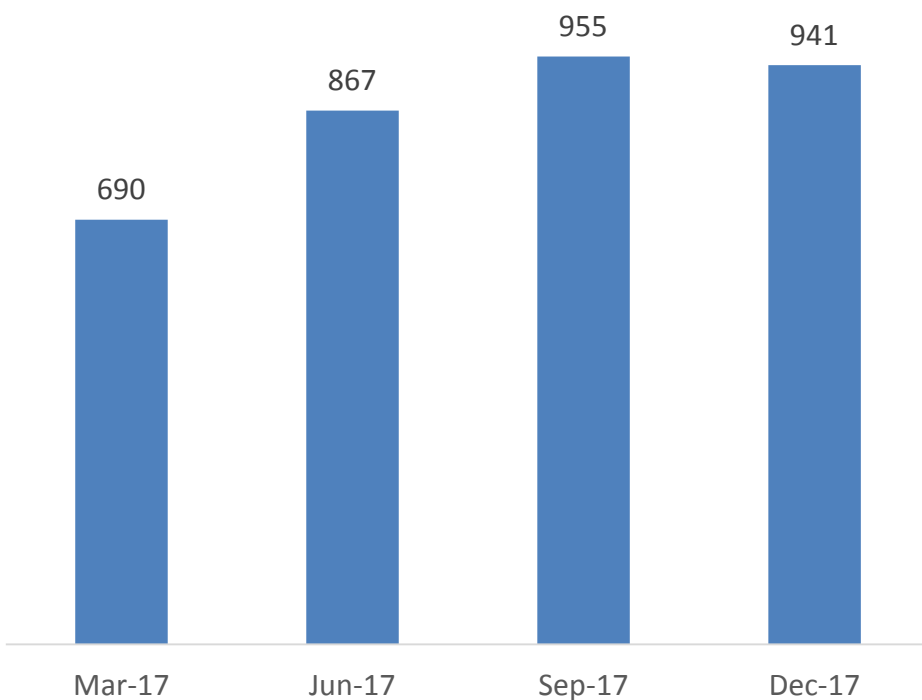
Broad financials for IPPs

PLF	40%	
Generation	35 lakhs	Units per MW pa
Tariff	Rs 2.50	Per unit
Revenues	Rs 87.50 lakhs	Per MW pa
O&M cost	Rs 9 lakhs	Per MW pa
EBITDA	Rs 78.50 lakhs	Per MW pa
WTG cost	Rs 6.50 crores	Per MW
EBITDA / WTG cost	12%	Per annum

Return on equity much higher due to leveraging

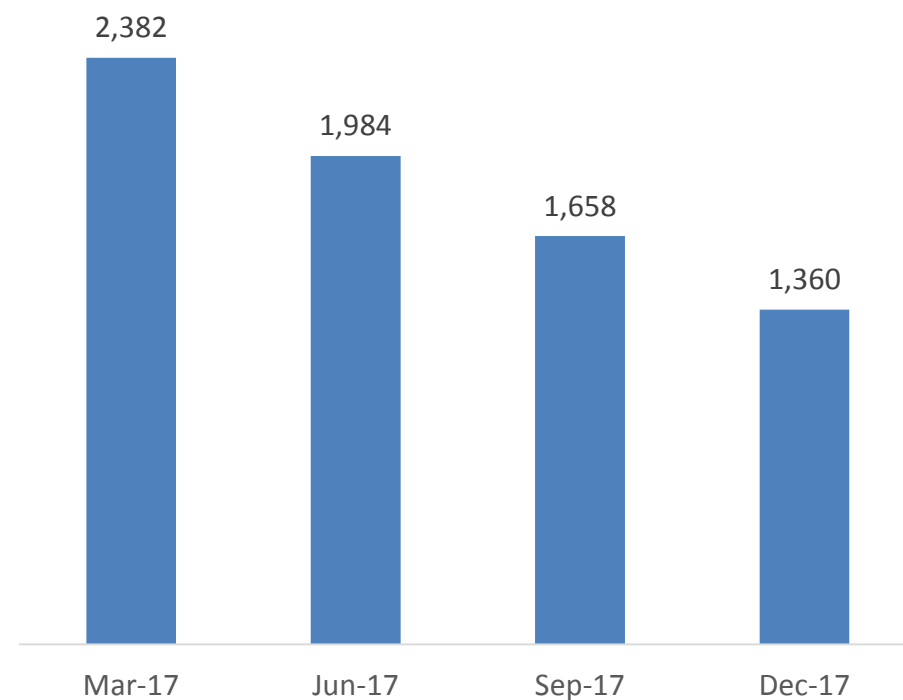
(Figs. In Rs Crs.)

Inventory



➤ To be used up in execution of SECI orders

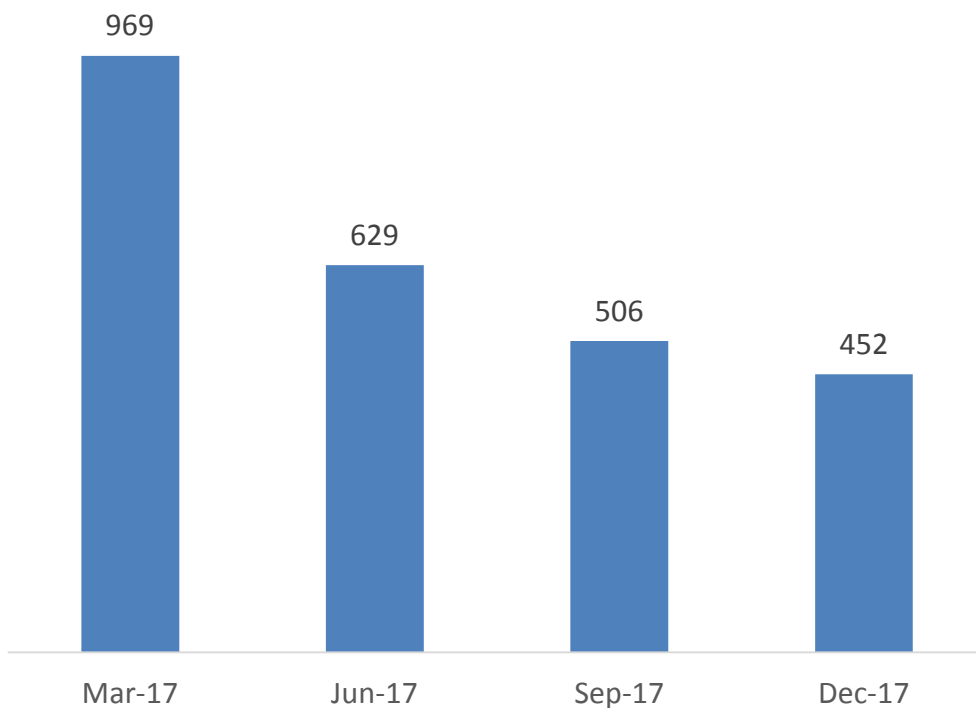
Receivables



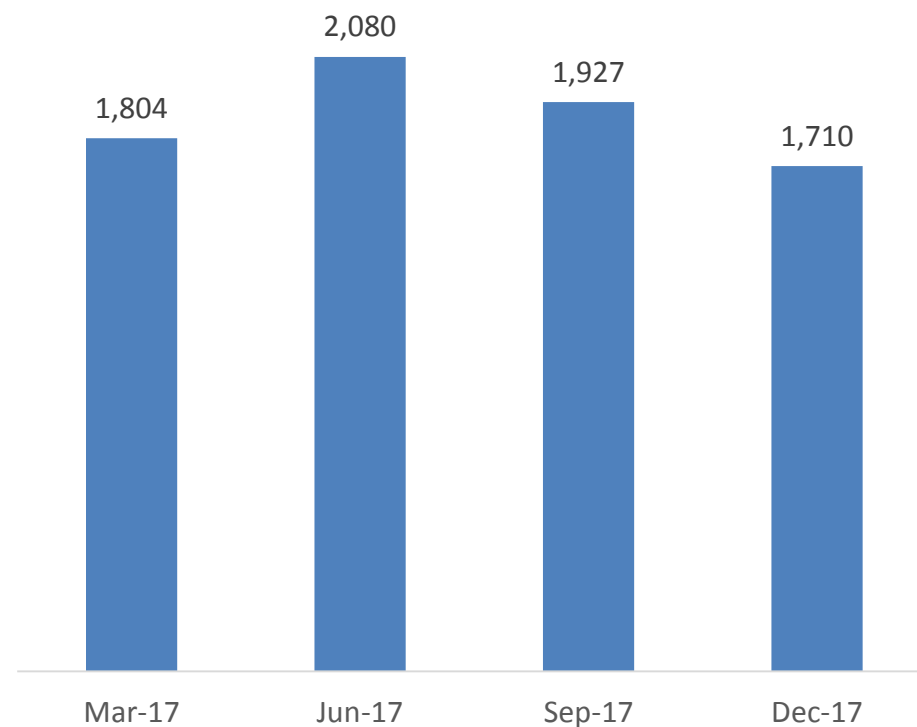
➤ Expected to be much lower after Q4 execution

(Figs. In Rs Crs.)

Creditors

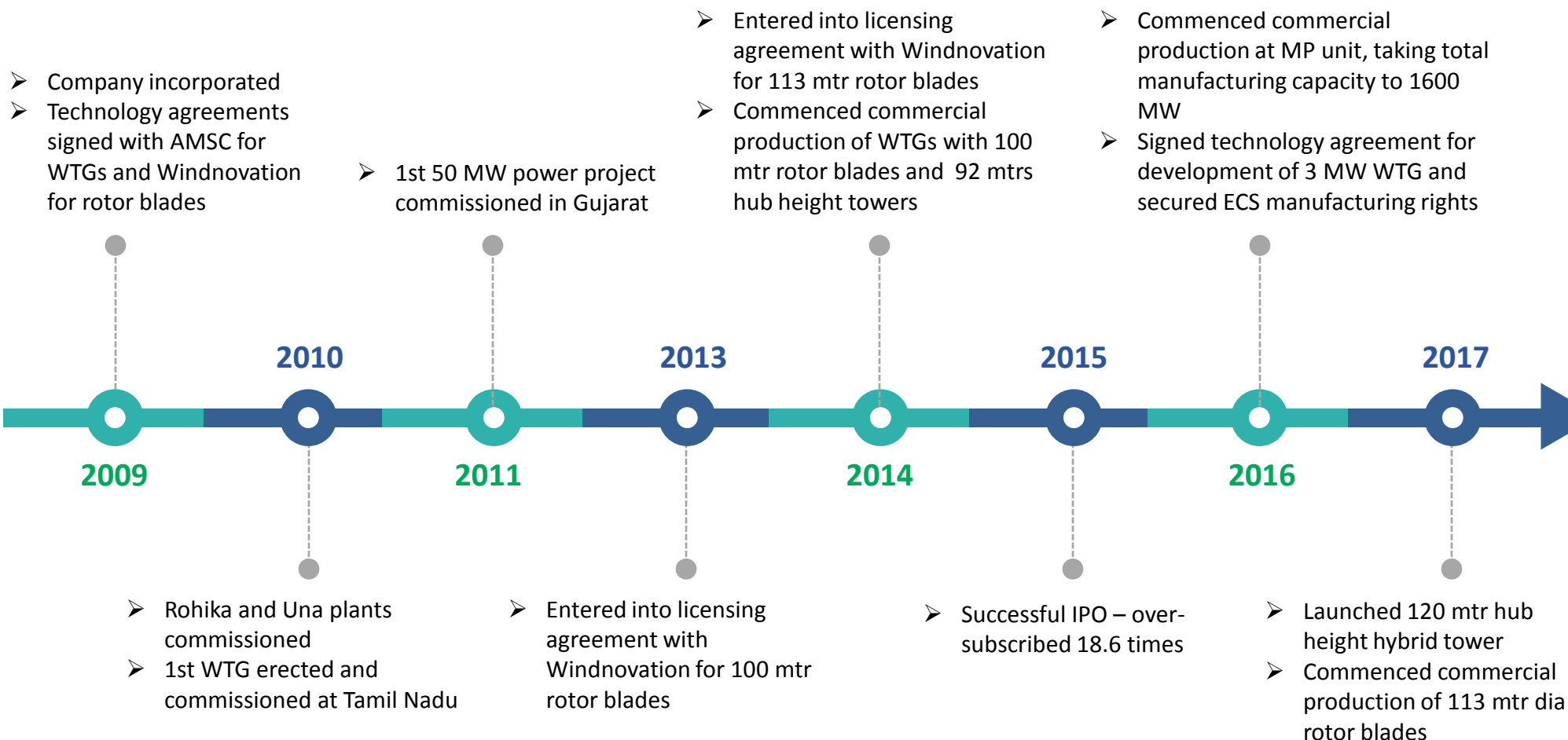


Net Working Capital



- Expect much improved working capital cycle under the auctioning regime

Company History



Ability to provide end-to-end solutions



Wind Farm Identification

- Identification of land
- Wind resource assessment
- Energy assessment of site
- Physical assessment of site
- Approach road and logistic feasibility



Power Evacuation

- Study of power evacuation options
- Finalization of evacuation grid substation
- Land or right of way for the transmission line



Infrastructure Development

- Development and construction of infrastructure for wind farm
- Land development to enable installation of WTGs



Support for all Government Approvals

- Assistance in connection with obtaining all statutory approvals
- Support in connection with power purchase agreements and wheeling and banking agreements with state distribution companies



Engineering, Procurement & Construction

- Construction of WTG tower foundations
- Supply, erection and installation of WTGs
- Construction and installation of unit sub-station and switchyard at each WTG
- Installation of an energy meters
- Pre-commissioning tests
- Commissioning of WTGs



Operation and Maintenance

- 24/7 O&M of WTGs and wind farms
- Maintain spares and consumables for O&M
- Installation and operation of SCADA
- Security and safe-keeping of all wind farm assets



Post Commissioning Support

- Support for regulatory registrations like REC, CDM etc
- Dedicated customer relationship management for customers' daily generation reports, monthly billing and other support

Manufacturing capacity and Project Sites

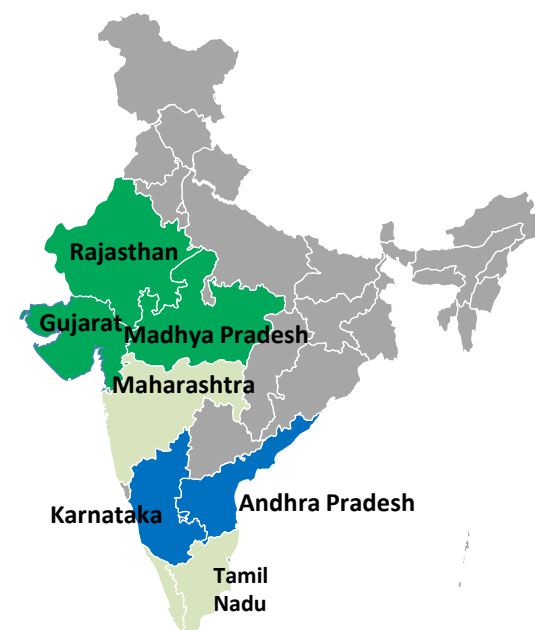
Manufacturing Capacity (MW)

	Nacelles	Blades	Towers
Himachal Pradesh	1,100		
Gujarat		800	300
Madhya Pradesh		800	300
Total	1,100	1,600	600

- Nacelle and tower capacity can be debottlenecked with minimal investments
- Tower manufacturing can also be outsourced

Project Sites

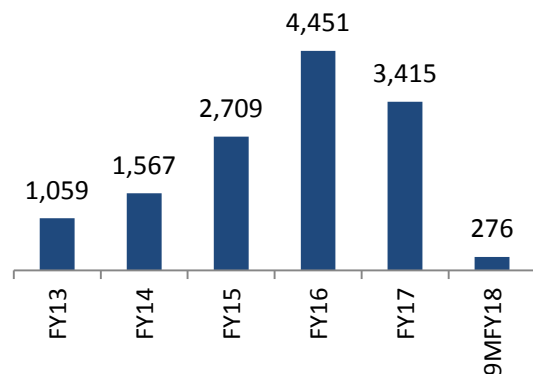
- Sufficient project site inventory for installation of over 5000 MW capacity
- Amongst largest holders of project sites in Gujarat, Rajasthan and Madhya Pradesh



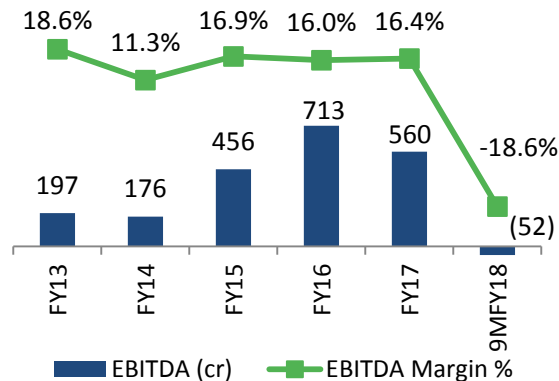
Financial Summary

(Figs. In Rs Crs.)

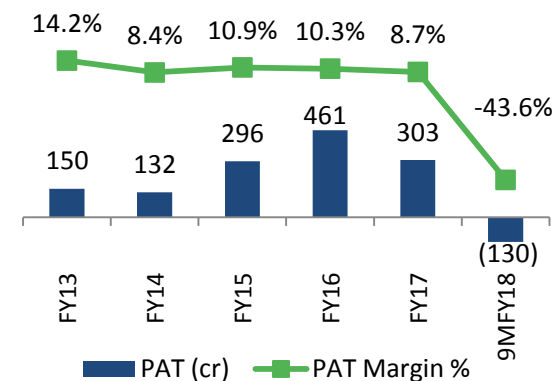
Revenue from Operations



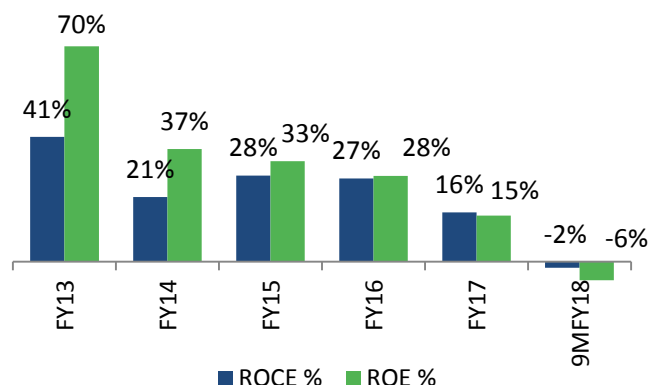
EBIDTA & EBIDTA Margin %



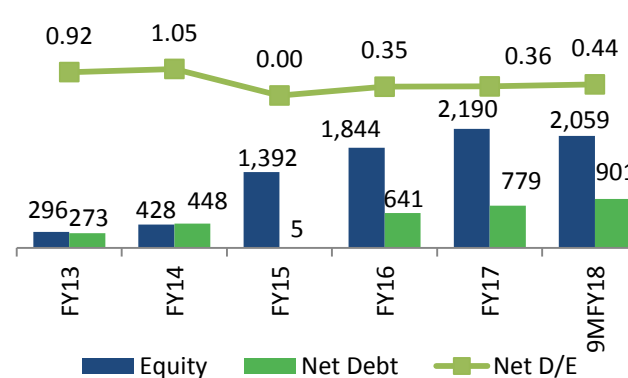
PAT & PAT Margin %



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



Thank You