



IWL: NOI: 55: 2016

28th October, 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 Sirs,

Sub: Disclosure of Material Event/Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Presentation

Pursuant to the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Earnings Presentation that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 28th October, 2016 at 5.00 P.M. is enclosed.

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
Q2 & H1FY17 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.

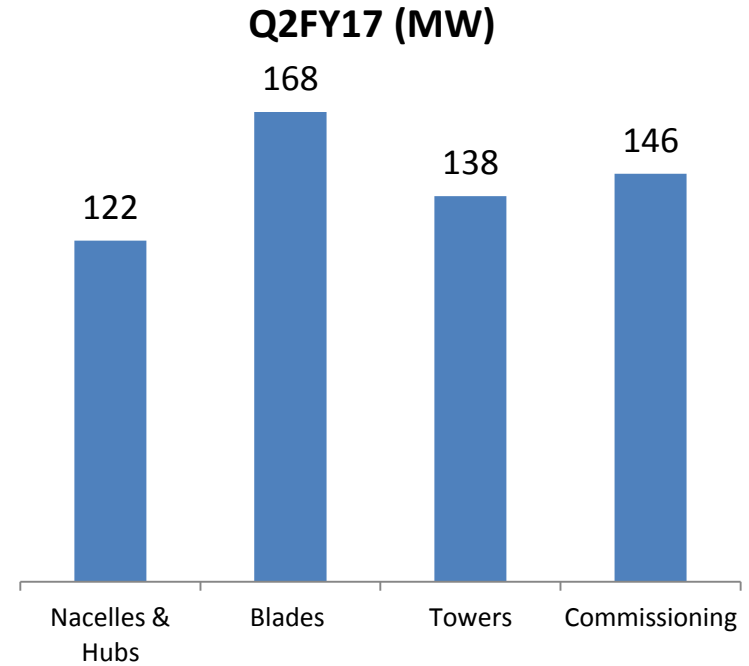
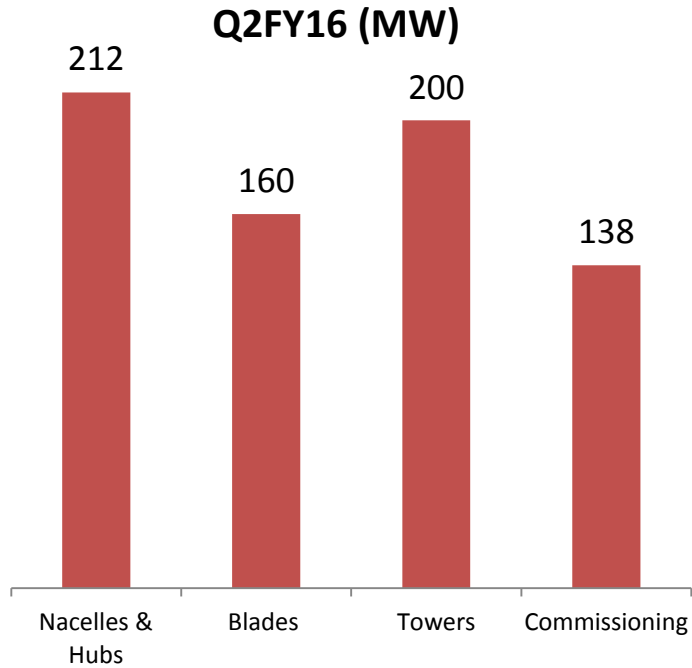
- ☐ Q2 & H1FY17 OPERATIONAL HIGHLIGHTS
- ☐ Q2 & H1FY17 RESULT ANALYSIS
- ☐ WORKING CAPITAL
- ☐ ORDER BOOK UPDATE
- ☐ MANUFACTURING CAPACITY
- ☐ PROJECT SITES
- ☐ TECHNOLOGICAL ADVANCES
- ☐ SECTOR UPDATE
- ☐ SHAREHOLDING STRUCTURE
- ☐ CONSOLIDATED FINANCIALS



Production during the quarter further geared towards improving Working Capital Cycle

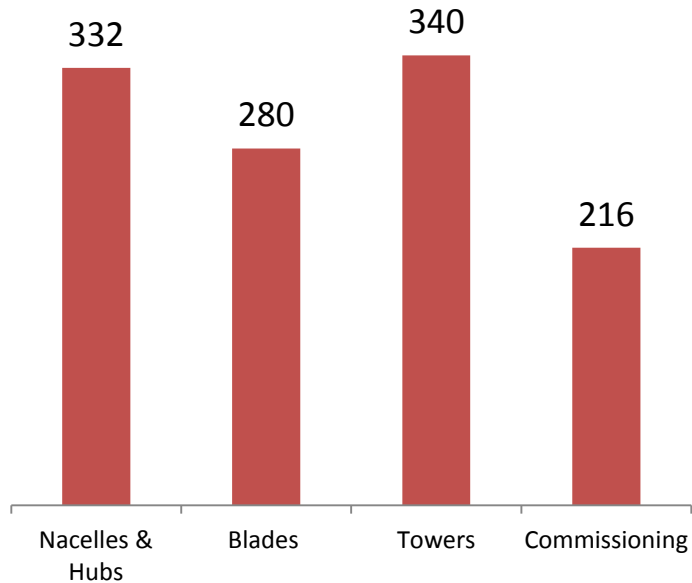
- ✓ **84 Blade Sets produced during the quarter (168 MW)**
- ✓ **69 Towers produced during the quarter (138 MW)**
- ✓ **61 Nacelles and Hubs produced during the quarter (122 MW)**
- ✓ **As of Q2 end, blade inventory backlog has been cleared, production synchronized across nacelles, hubs, blades and towers**
- ✓ **Significant Orders closed over the quarter, fresh order inflow of 322 MW**
- ✓ **Improvement in Working Capital Cycle, further improvements expected**
- ✓ **120 meter tower certified and launched**

The Inter Corporate Deposit of Rs. 278 crores given to a Group Company as of March 31, 2016 has been brought down by Rs. 152 crores as of September 30th, earlier expected to be reduced by March 2017

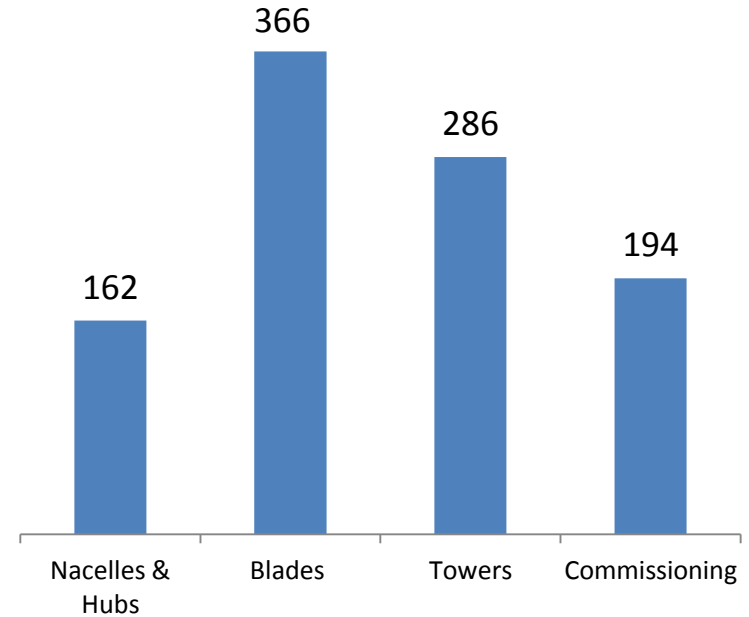


Entire Blade Inventory Cleared, Execution Pick Up Post Monsoon

H1FY16 (MW)



H1FY17 (MW)

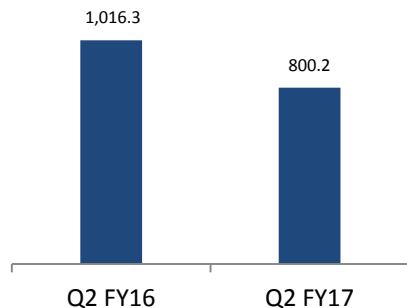


Higher Production of Blade Sets and Towers in Q2FY17 has Cleared Inventory Backlog

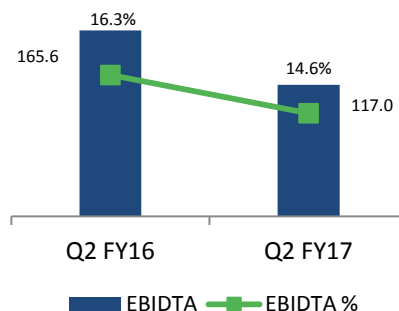
RESULT ANALYSIS- Q2 & H1FY17

Q2 FY17 YoY ANALYSIS

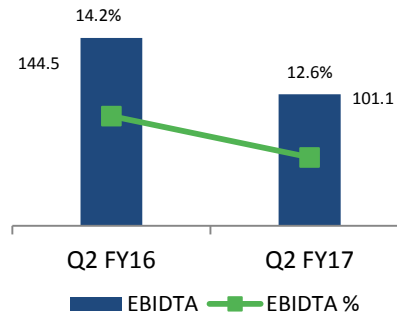
REVENUES*



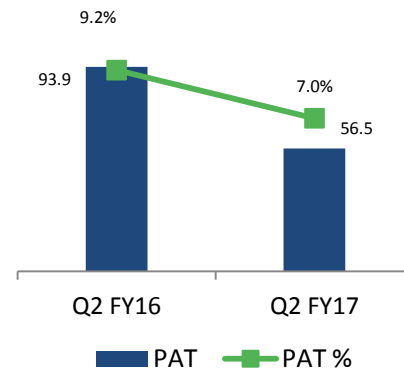
EBITDA (Incl. OI) & EBITDA MARGIN (%)



EBITDA & EBITDA MARGIN (%)

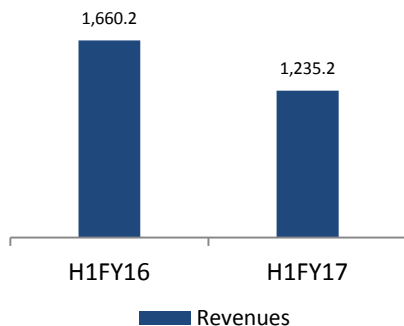


PAT & PAT MARGIN (%)

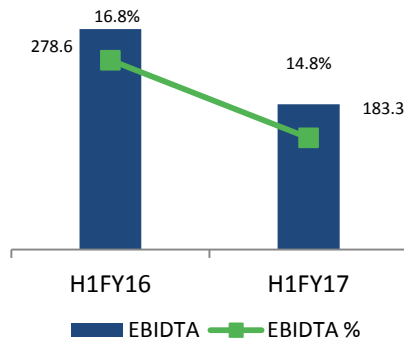


H1FY17 YoY ANALYSIS

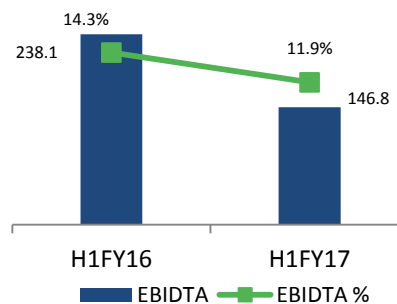
REVENUES*



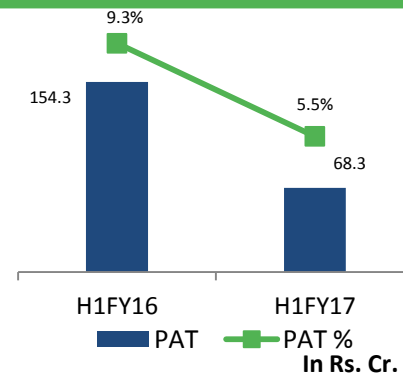
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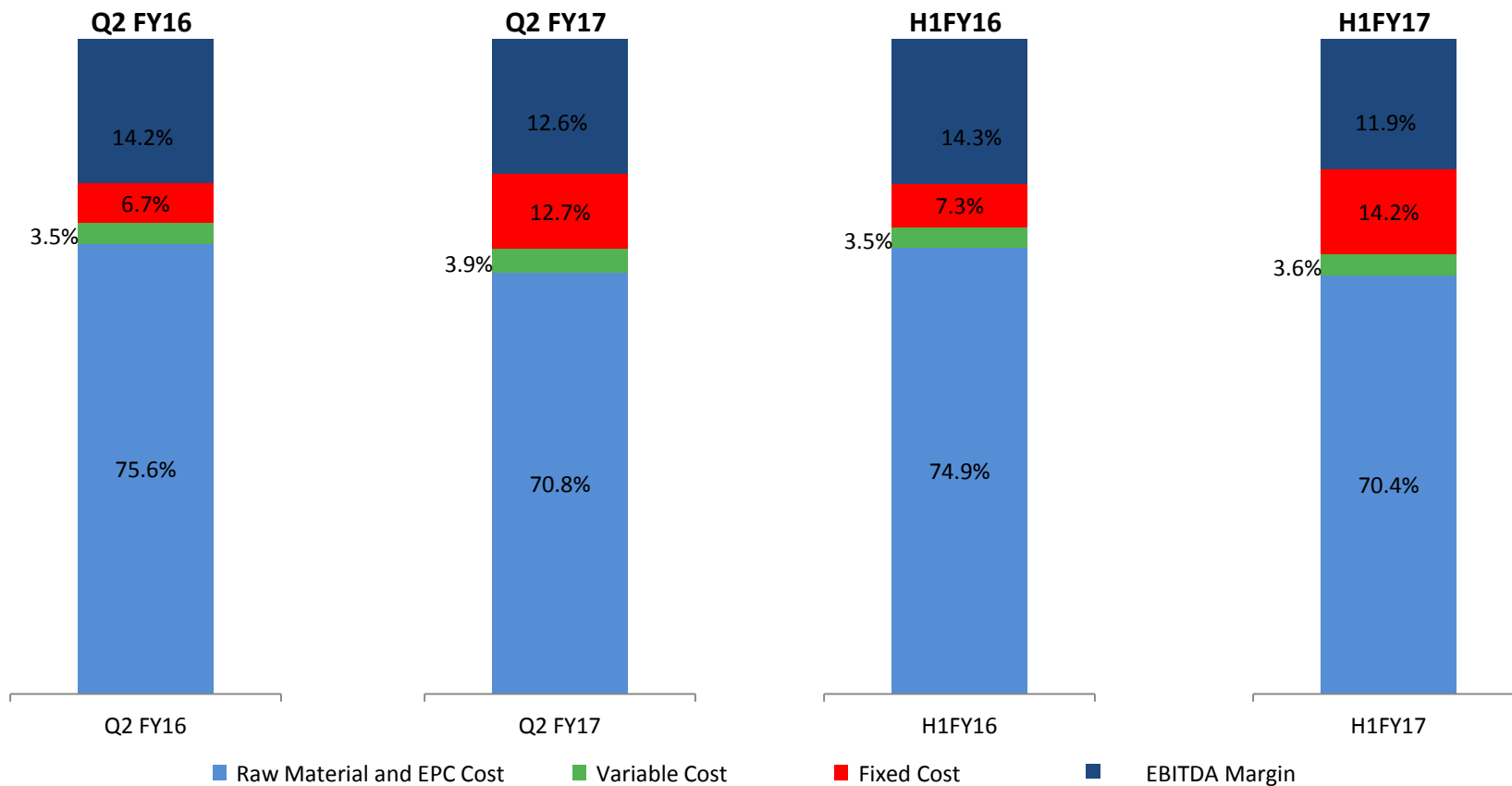


PAT & PAT MARGIN (%)



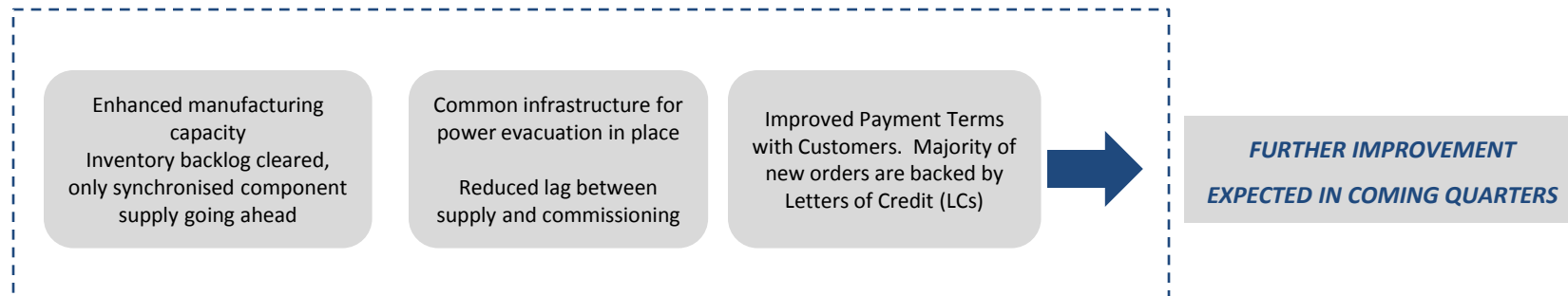
Note: * Revenue from Operations, ** OI = Other Income

Q2 & H1FY17 – COST ANALYSIS



Higher Fixed Cost due to Lower Nacelle & Hub Production, Remain on Track for Annual Performance Targets

Particulars (Rs Cr)	Mar-16	June-16	Sept-16
Inventory	541.6	688.4	672.7
Receivables	2,414.3	2,417.6	2418.2
Payables	1,177.8	801.7	887.7
Others	137.4	76.6	177.4
Net Working Capital	1,640.8	2,227.7	2025.9



Significant traction seen in collection of Receivables in Q2

Order Book Update

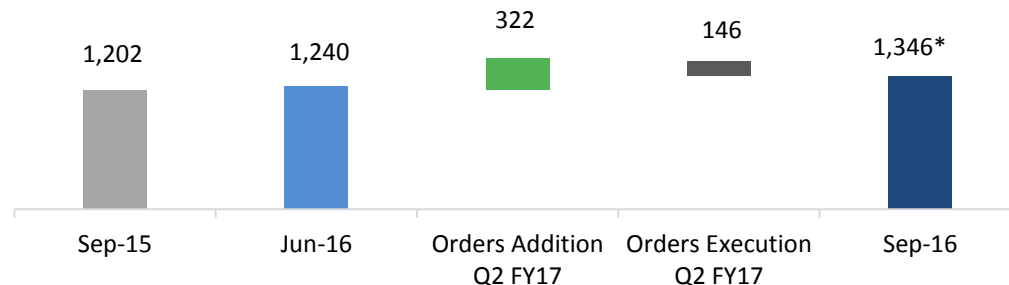
30th Sept 2016

Total Order Book (MW) **1,346**

Estimated Execution Period **12 - 15 Months**

Order Addition – Q2 FY17 (MW) **322**

MOVEMENT IN ORDER BOOK (MW)



Key Highlights:

- Continue to strengthen position and increase market share across IPPs, PSUs, utilities, corporates and retail customers
- Repeat Orders bagged from Renew Power, PTC Green Energy, CESC, Malpani Group Etc.
- Maiden Orders bagged for execution in Karnataka

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.

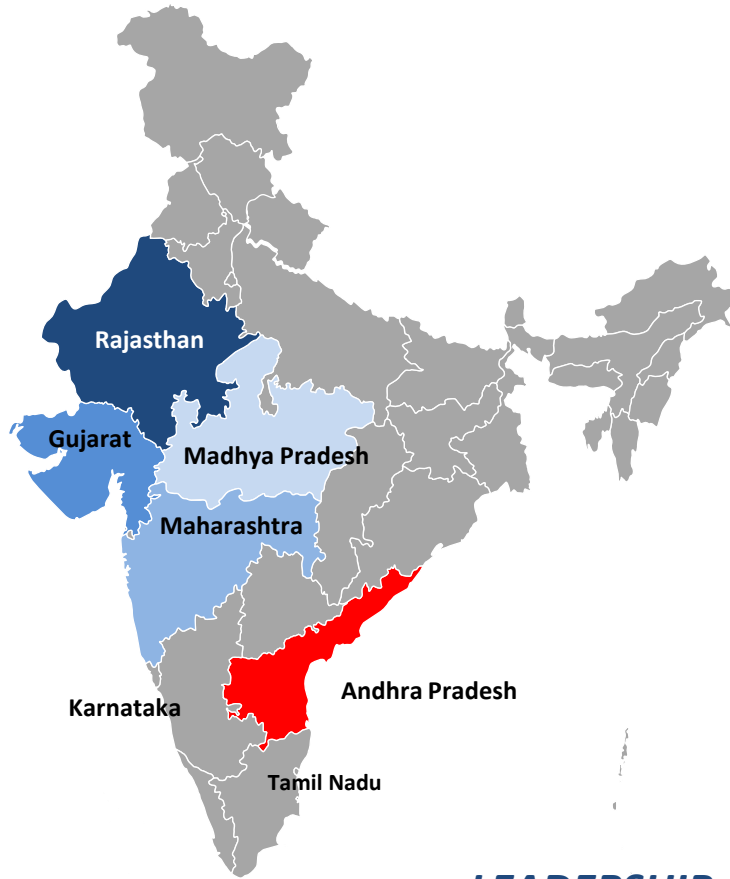
One of the largest Order Books in the Industry

Note: * Order Book= 1,416 – 70 = 1,346 MW. 70 MW Order removed from Order Book due to financial issues at customer end

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 further improvements in Working Capital Cycle



Amongst the largest land bank owners in

1. Gujarat
 2. Rajasthan
 3. Madhya Pradesh
- Expanded presence in Andhra Pradesh and Karnataka with sizeable project site inventory in South India
 - Sufficient Land Bank as of September 2016 for installation of an aggregate capacity of more than 4,500 MW

LEADERSHIP ACROSS WIND RICH STATES

Launched 113 Meter Turbines with 120 meter Tower



WT 113/120

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

120 meter Tower certified and launched

One of the Two Players to Offer the 120 meter Tower in India

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. **PPAs started getting signed**

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

Final Public Hearings held

Draft Wind Solar Wind Hybrid Policy formulated

Optimal utilisation of transmission infrastructure & land

UDAY scheme to ensure stricter enforcement of RPO

Collections improved across Rajasthan & Maharashtra

- 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

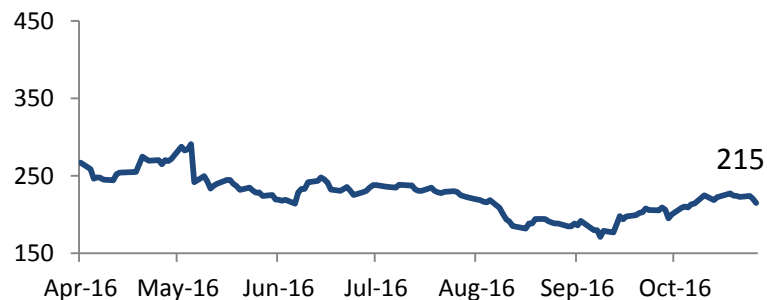
According to various industry estimates, total wind market size is expected to be 4,000 MW to 4,500 MW in FY17

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

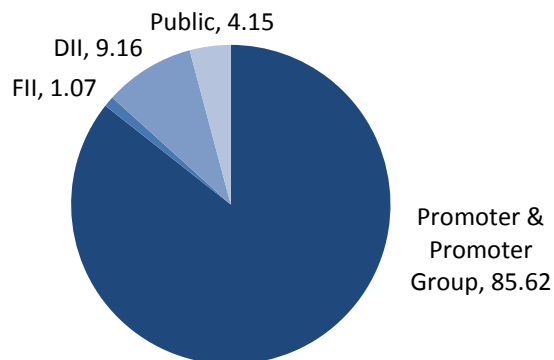
Wind		Solar	Observations
PLF	<ul style="list-style-type: none"> • ~30% with latest technology 	<ul style="list-style-type: none"> • ~21% with current technology 	<ul style="list-style-type: none"> • Wind energy offers superior returns and better utilisation of transmission infrastructure
Land & Water	<ul style="list-style-type: none"> • Land - 1 acre per MW • No water required 	<ul style="list-style-type: none"> • Land – 5 acres per MW (contiguous land) • Sizable water requirement 	<ul style="list-style-type: none"> • Wind requires less amount of land and water
Variability	<ul style="list-style-type: none"> • Forecasting implemented in Rajasthan, Gujarat, M.P, A.P. and Tamil Nadu 	<ul style="list-style-type: none"> • Forecasting is also getting implemented in solar 	<ul style="list-style-type: none"> • Improved accuracy of ~90%
Make in India	<ul style="list-style-type: none"> • 30% Import Content 	<ul style="list-style-type: none"> • 90% Import Content 	<ul style="list-style-type: none"> • Solar will lead to massive foreign exchange outgo

Share Price Performance



Source - BSE

% Shareholding – Sep 2016



Source - Company

Market Data

As on 27.10.16 (BSE)

Market capitalization (Rs. Cr)	4,800
Price (Rs.)	215.0
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Institutional Investors at Sep 2016

% Holding

Reliance Mutual Fund	2.03%
Birla Mutual Fund	1.46%
Sundaram Asset Management	1.11%
Reliance Life Insurance	0.95%
Aadi Financial Services	0.37%
Grandeur Peak Emerging Markets	0.35%
Nissay India Equity Fund	0.30%
HSBC Mutual Fund	0.23%

CONSOLIDATED P&L STATEMENT



Particulars (Rs Cr.)	Q2 FY16	Q2 FY17	YoY %	H1 FY16	H1 FY17	YoY %
Revenue from Operations	1016.3	800.2	-21	1,660.2	1,235.2	-26
Cost of Material Consumed	679.9	467	-31	1,088.2	763.9	-30
Changes in inventories of finished goods & work-in-progress	3.2	4.6	46	-13.6	-25.9	91
EPC, O&M, Common Infrastructure Facility and Site Development expenses	78.1	95.4	22	151.4	131.1	-13
Employee Expenses	19.9	31.3	57	38.8	60.3	56
Other Expenses	83.1	103.6	25	139.9	164.4	17
Foreign Exchange Fluctuation (Gain)/Loss (net)	7.5	-2.9		17.3	-5.2	
EBITDA	144.5	101.1	-30	238.1	146.8	-38
EBITDA Margin %	14.2	12.6		14.3	11.9	
Depreciation	8.6	10.8	27	15.5	20.6	33
Other Income	21.2	15.9	-25	40.5	36.6	-10
Finance Cost	28.4	31.6	11	50.5	70.3	39
PBT	128.7	74.6	-42	212.6	92.4	-57
Tax Expense	34.8	18.2	-48	58.3	24.2	-58
PAT	93.9	56.5	-40	154.3	68.3	-56
PAT Margin %	9.2	7.0		9.3	5.5	
Earnings Per Share (EPS)	4.23	2.54		6.9	3.1	

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



Particulars (Rs Cr)	FY16	H1FY17
Share Holders' Funds:		
Equity share capital	221.9	221.9
Reserves and Surplus	1,621.9	1,750
Total of Shareholder funds	1,843.8	1,972.2
Non-current liabilities:		
Long term Borrowings	50.9	44.8
Deferred tax liabilities (Net)	44.8	0
Other Long Term Liabilities	2.4	2.4
Long Term Provisions	5.0	6.9
Total of Non-current liabilities	103.1	66.9
Current liabilities:		
Short-term borrowings	1,398.8	1,653.9
Trade payables	1,177.8	887.7
Other current liabilities	196.8	155.3
Short-term provisions	44.0	41.6
Total of Current liabilities	2,817.4	2,820
Total Equity & Liabilities	4,764.3	4,858.6

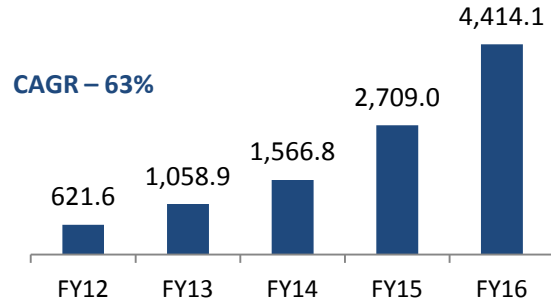
Particulars (Rs Cr)	FY16	H1FY17
Non-current assets:		
Goodwill on Consolidation	17.4	
Fixed Assets	594.2	665.1
Non-current investments	0.0	50.8
Deferred Tax Assets (Net)	34.7	0
Long-term loans and advances	164.1	6.4
Other non-current assets	13.6	246.5
Total non-current assets	229.9	319.7
Current assets:		
Current Investments	62.2	86.7
Inventories	541.6	672.7
Trade receivables	2,414.3	2,418.2
Cash and bank balances	478.8	402.7
Short-term loans and advances	389.3	252
Other Current Assets	53.9	17.5
Total Current Assets	3,940.2	3,873.8
Total Assets	4,764.3	4,858.6

FINANCIAL SUMMARY – LAST 5 YEAR PERFORMANCE

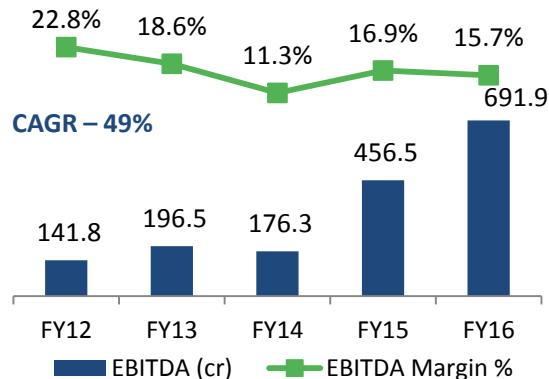


Financial Summary as per IGAAP

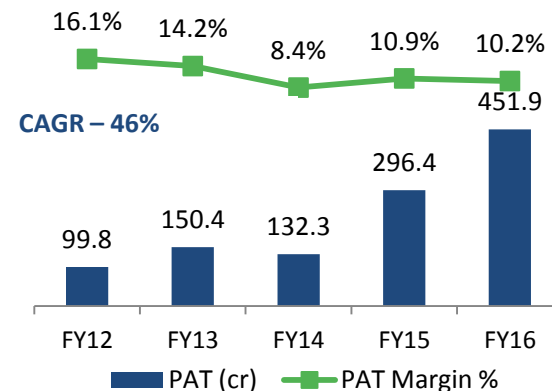
Revenue from Operations



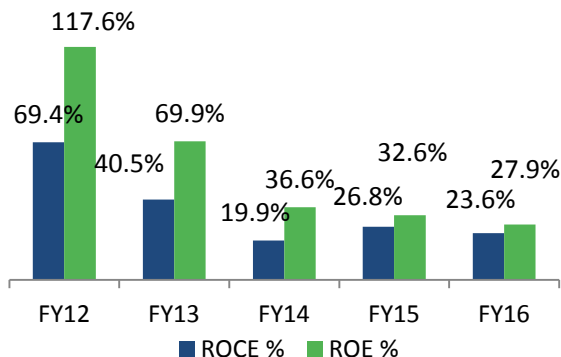
EBIDTA & EBIDTA Margin %



PAT & PAT Margin %

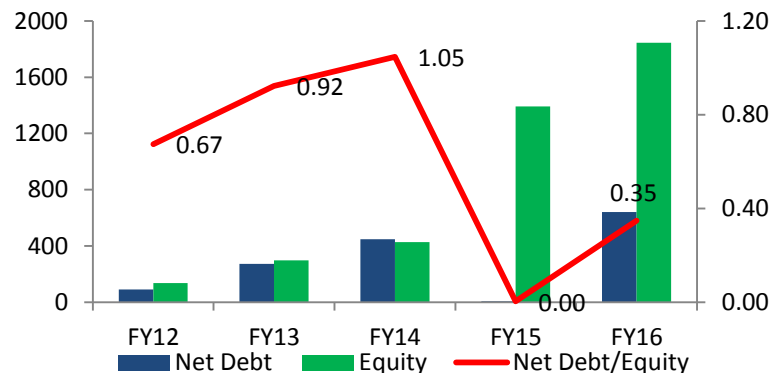


Return Ratios



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

Net Debt/Equity



In Rs. Cr

FOR FURTHER QUERIES :



THANK YOU



Mr. Dheeraj Sood

Head IR- Inox Group

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Email : dheeraj.sood@inoxwind.com