

IWL: NOI: 122: 2021

25th June, 2021

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
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Scrip code: 539083**Scrip code: INOXWIND****Sub: Disclosure of Material Event/ Information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Earnings 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 Earnings Presentation on the Standalone and Consolidated Audited Financial Results of the Company for the quarter and financial year ended 31st March, 2021 that we propose to make during the Conference Call for analyst and investors scheduled to be held on Friday, 25th June, 2021 at 5:00 P.M. The said Earnings Presentation is also being uploaded on the Company's website, www.inoxwind.com.

You are requested to take the above on record.

Thanking You

Yours faithfully,
For **Inox Wind Limited**
Deepak Banga
Company Secretary

Encl: a/a



INOX WIND LIMITED
Q4 AND FY 21 INVESTOR UPDATE

DISCLAIMER



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



- ❑ OPERATIONAL HIGHLIGHTS
- ❑ FINANCIAL HIGHLIGHTS
- ❑ NEW HOLDING COMPANY OF WIND BUSINESS
- ❑ STRATEGIC INITIATIVES – FY 22 & ONWARDS
- ❑ SIGNIFICANT MARKET OPPORTUNITIES
- ❑ ORDER BOOK
- ❑ TECHNOLOGY
- ❑ O&M – STRONG ANNUITY MODEL
- ❑ COMPONENTS OF WORKING CAPITAL
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- ❑ WIND SECTOR: GAINING STRENGTH
- ❑ MANUFACTURING CAPACITY
- ❑ SHAREHOLDING STRUCTURE
- ❑ FINANCIALS



Operations

- ✓ The Company has recorded Gross Revenue of Rs. 847 Crs. for FY21 as compared to Rs.760 Crs. for FY20 resulting in an increase of ~ 12%.
 - Revenue of Rs. 847 Crs includes Rs. 136 Crs, towards supply to step down subsidiary Nani Virani (SECI II SPV) which has got eliminated in the process of consolidation.
- ✓ The Company continued to be EBITDA positive (excluding exceptional provision of ECL), as a result of ramp up in new supplies.
- ✓ We have commissioned 80 MW during FY21, which includes commissioning for Continuum, Renew Power and certain retail customers.
- ✓ We have multi year O&M agreements with customers. During the year, a significant volume (324 MW) was added to the paid O&M services, taking the revenue earning fleet to 1514 MW.
- ✓ The foundation work of the 3.3 MW turbine is complete and the supply chain is now in place for serial production. The first turbine will be operational in the ongoing wind season and commercial production shall commence immediately thereafter.
- ✓ Our consolidated order book stands at 1324.7 MW.

Operations

- ✓ Execution of the Continuum project, Nani Virani (SECI II SPV) and various retail orders are in full swing and commissioning of turbines is taking place progressively.
- ✓ We have already achieved financial closure for un commissioned 100 MW of SECI SPVs with PFC. This will enable us to free up significant short term capital blocked in a 50 MW un commissioned SPV.
- ✓ All future project executions at Dayapar (Gujarat) including the Continuum order will be on a plug and play basis given the common infrastructure which includes the 220 KV transmission line, the 220 KV substation and bay are already in place.

Key Balance Sheet Actions

- ✓ During the year, the Company has raised ~ Rs.400 crs by issuing Non Convertible Debentures (NCDs) at 9.5%, the proceeds were utilised *inter alia* to optimise working capital and retire high cost debt. It also led to improve the short term fund availability of the Company.
- ✓ On the front of raising equity, IWISL has already started allocating the equity against multiple EOIs(Expression of Interest) received by the Company to further strengthen the balance sheet and leverage the embedded value of the O&M business.
- ✓ Post the transition from the FIT regime to the auction regime, the Company has put in place a very robust and conservative system for evaluation of Debtors. For FY21, the Company has provided for Expected Credit Loss (ECL) amounting to Rs.95 crs, which together with the ECL provided in FY21 stands at ~ Rs. 300 crs.
- ✓ Certain other initiatives are in progress which will lead to significant reduction in financial costs.

Financials

- ✓ The Company continued to be EBITDA positive (excluding exceptional provision of ECL), as a result of ramp up in new supplies.
- ✓ Revenue and EBITDA compared to preceding quarter :
- ✓ Revenue of Rs. 375* crs in Q4FY21 against revenue of Rs.204 crs in Q3FY21
- ✓ EBITDA of Rs. 14 crs in Q4FY21 against EBITDA of Rs. 13 crs in Q3FY21 – without exceptional ECL

* Includes Rs. 136 crs towards supplies to step down subsidiary Nani Virani.

- ✓ Inox is committed to creating value for its stake holders. As a part of the same, the Wind Business has been demerged from GFL Limited and a new entity Inox Wind Energy Limited (IWEL) is now the new holding company of IWL by the way of a Composite Scheme of Arrangement between GFL Limited, Inox Renewables Limited and Inox wind Energy Limited (the "Scheme") approved by National Company Law Tribunal (NCLT) on 25th January 2021, Ahmedabad Bench with appointed date 01st July 2020 effective from 09th February 2021.
- ✓ The consolidation of the Wind Business under the new holding company called Inox Wind Energy Limited (IWEL) will:
 - result in unlocking the value of the wind business;
 - enable pooling of homogenous assets and expertise for better synergy realization, administrative efficiencies, independent collaboration and expansion and
 - provide better management focus and specialization for sustained growth etc.

STRATEGIC INITIATIVES - FY22 & ONWARDS



- ✓ With our 3.3 MW Wind Turbine Platform, we are well placed to thrive under the auction regime and achieve sustainable margins which we used to enjoy during the FIT regime. We see a significant opportunity to further leverage, by being amongst the lowest cost producer of wind turbines globally.
- ✓ We are fully focused and on track for the launch of 3.3 MW WTG. The foundation work of the first turbine is completed and the supply chain is now in place for serial production. The first turbine will be operational in the ongoing wind season and the commercial production shall commence immediately thereafter.
- ✓ We are seeing a major thrust in the retail, captive and C&I segment of the market; additionally, the PSU segment which was virtually negligible during the transition period (from FIT to auction regime) is also now looking very promising. We are well positioned to cater to both these segments besides IPPs.
- ✓ Given the way the market is developing, we expect to have an increased proportion of equipment supply which will reduce the EPC work and related risks to a significant extent.
- ✓ We will continue taking certain key balance sheet actions including but not limited to:
 - Retiring high cost debts
 - Reduction in financial costs
 - Leveraging IWISL equity amongst others

- ✓ Globally there is a huge thrust on renewable energy. Across the world, the marginal cost of renewable energy today is the lowest within the energy basket. Recently the United States of America has rejoined the Paris Climate Accord. Tackling climate change and ESG compliance today are global priorities.
- ✓ India has announced a renewable energy target of 175 GW by 2022 and a target of 450 GW by 2030. Similar major announcements have been made by various countries globally including China to the tune of 1200 GW by 2030.
- ✓ Prime Minister Narendra Modi inaugurated the world's largest Hybrid Renewable Energy Park in the district of Kutch in Gujarat - 30 GW !! More such hybrid parks are expected to be developed across the country on the lines of solar parks. These hybrid parks will be on a plug and play model where in the land and power evacuation facilities will be provided by the state/development agencies.
- ✓ Hybrid Tenders are increasingly gaining traction wherein the minimum wind capacity will be 33% of the contracted capacity.

SIGNIFICANT MARKET OPPORTUNITIES



✓ SECI has recently floated three more tenders:

- SECI XI Wind Tender of 1200 MW;
- Hybrid IV 1200 MW and
- RTC II Tender of 5000 MW*

*RE 51%, with coal based thermal power

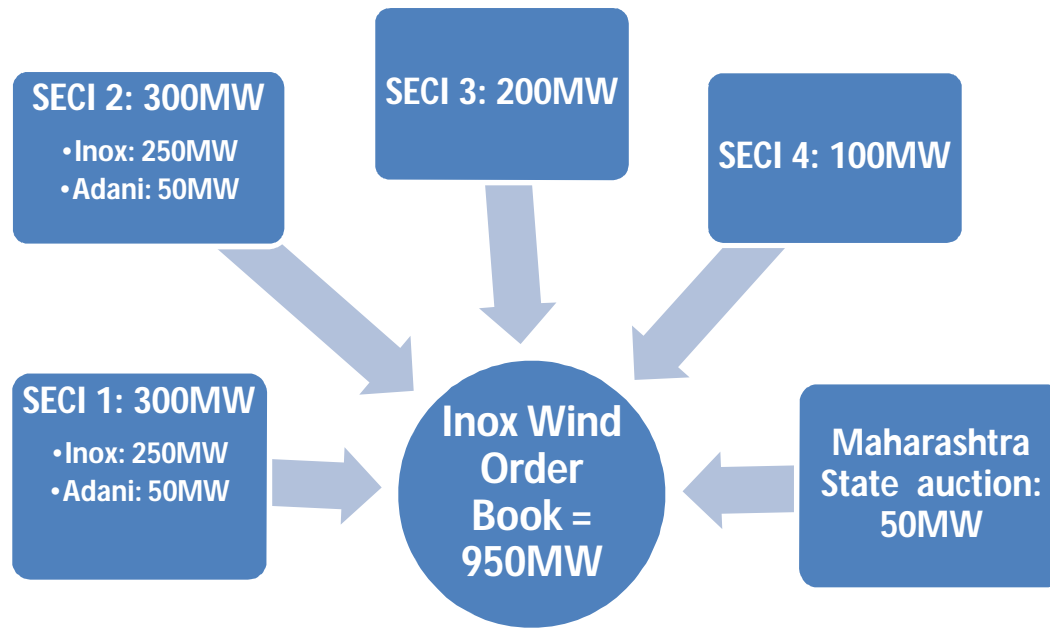
✓ NTPC has recently doubled its renewable target to 60 GW to be achieved by 2032.

✓ The Union Government is working on a “green tariff” policy that will help electricity distribution companies (DISCOMs) supply electricity generated from clean energy projects at a cheaper rate as compared to power from conventional fuel source such as coal.

✓ The Ministry of Power has announced an extension to the inter state transmission system (ISTS) charges waiver on solar and wind energy projects commissioned up to June 30, 2025.

✓ The sector is witnessing active participation by multiple existing players as well as seeing entry of players like JSW, O2, Ayana and creation of new renewable energy platform of investors backed by private equity and pension funds like KKR, Edelweiss, Sekura, CPPIB etc.

ORDER BOOK



Particulars	Capacity MW
Auction based order book	950
Others	94
Supplied	(402)
Net order book (A)	642
+	
LOI for 3.3 MW from Adani (B)	501.6
Agreement signed with leading MNC IPP for 3.3 MW (C)	23.1
Order from Continuum	250
Supplied	(92)
Net order book (D)	158
=	
Total (A+B+C+D)	1324.7

•Above order book will translate into revenues of ~Rs.7800 crores over the next ~ 24 months.



✓ Inox Wind extends its existing 2MW product offering with the launch of the 3.3MW wind turbines which are ideally suited for low wind regimes in India.

✓ The 3.3MW turbine is a globally operating proven platform which will further improve energy yields and reduce levelized cost of electricity.

✓ The 3.3MW wind turbine will have a 146 meter rotor dia which will probably be the largest rotor dia in India and will be available in a host of hub heights which can be selected as per site conditions.

Technical Specification

✓ Rated power: 3300KW

✓ Drive Train : DF, 6 Pole Generator

✓ Turbine Design : AMSC, Austria

✓ Rotor diameter : 146m

✓ Tower construction type : Tubular Steel

✓ Cut-in wind speed (10 min mean) V_{in} : 2.9 m/s

✓ Rated wind speed (steady wind) V_r : 9.5 m/s

✓ Cut-out wind speed (10 min mean) V_{out} : 20 m/s

- ✓ Inox Wind has multi year O&M agreements with customers. During the year, a significant volume (324 MW) was added to the paid O&M services, taking the revenue earning fleet to 1514 MW.
- ✓ Moreover, with the increase in the fleet size on the back of strong auction order inflow, we expect this revenue stream to pick up strongly in the coming years.
- ✓ O&M revenues are noncyclical in nature, have steady cash flow generation and higher margins.
- ✓ Our O&M business gives us a “*real*” significant opportunity for monetization and has the potential for significant organic and inorganic growth and we have already started leveraging this through equity allotment in IWISL.

COMPONENTS OF WORKING CAPITAL



In Rs. Cr.

Particulars	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Inventory	993	994	1,115	1,020	958	917
Net Receivables	519	110	65	70	22	(161)
Net Payables	623	656	760	644	496	448
Others	255	296	311	231	165	193
Net Working Capital	635	152	109	214	320	115

•**Inventory:** Consolidated Inventory levels are lower due to execution of Continuum and other orders. This also includes the project work in progress at sites which will be commissioned over the coming quarter(s). Going ahead, we expect inventory levels to further come down as the execution picks up pace in the coming quarters. Inventories will also be consumed towards new orders bagged by the Company.

•**Net Receivables:** Net receivables are favorable due to continued collection from past receivables.

•**Net Working Capital:** There is an improvement in the net working capital primarily due reduction in inventory levels, receivables. As we ramp up supply and execution, we expect this to improve further.

WIND AUCTIONS



Auction	Period	Volume (MW)
SECI 1 – SECI 3	Feb'17 – Mar'18	4050MW
State Auctions	Feb'17 – Mar'18	1500MW
SECI 4	Apr-18	2000MW
NTPC	Aug-18	1200MW
SECI 5	Sep-18	1200MW
Hybrid 1	Dec-18	840MW
SECI 6	Feb-19	1200MW
Gujarat	May-19	745MW
Hybrid 2	May-19	720MW
SECI 7	Jun-19	480MW
SECI 8	Aug-19	440MW
Hybrid 3	Mar-20	1200MW
RTC 1	May-20	400MW
SECI 9	Aug-20	970MW
SECI 10	Mar-21	1200MW
RTC 2	Expected date 05th July, 2021	5000MW [@]
Hybrid 4	Expected date 07th July, 2021	1200MW
SECI 11	Expected date 09th July, 2021	1200MW
Total		25545MW

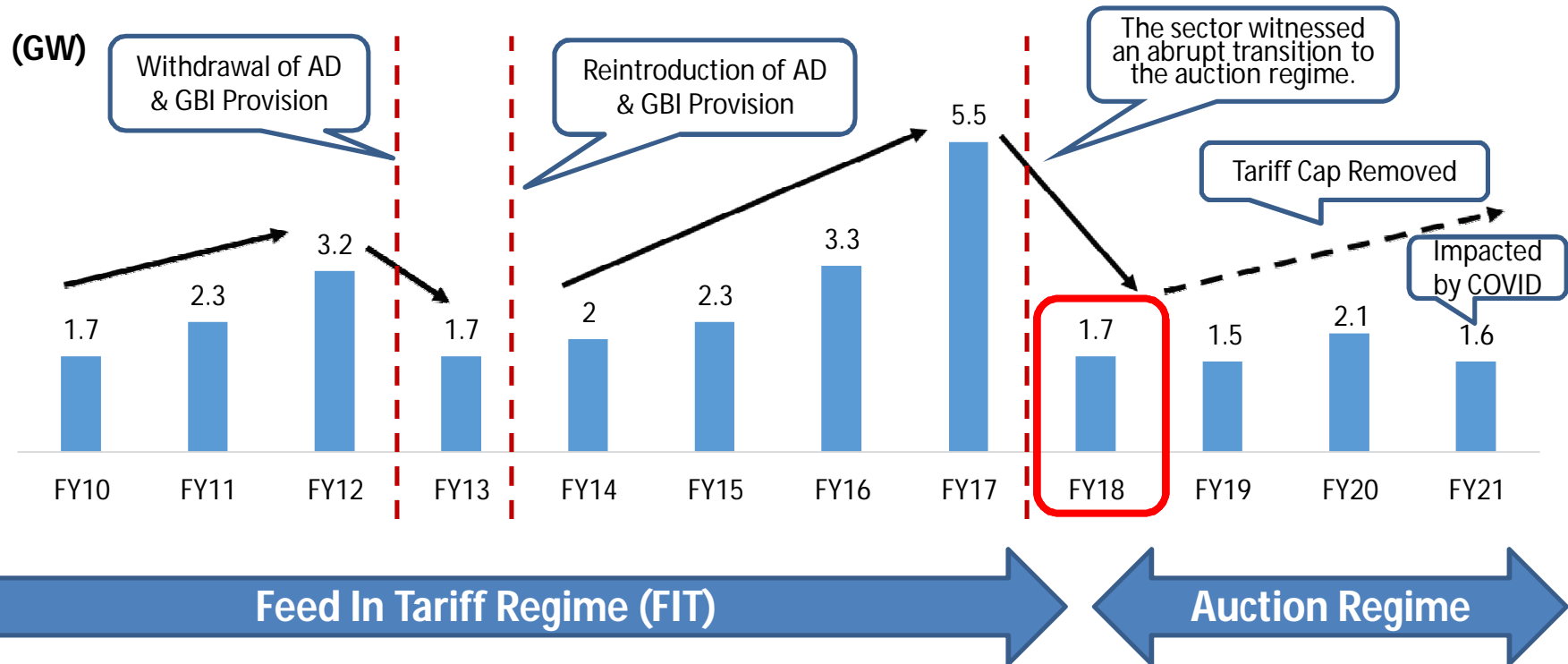
- The ~25 GW auctions conducted in the past 36 months should reflect in capacity addition over FY22 ~ FY25. About 4~6 GW of this has been commissioned to date.
- In addition, the government has announced wind auctions of 10GW per annum till 2028* which provides huge potential runway for the sector.
- RPO target increased to 21% for FY22 for state discoms from 17% in FY19**.
- Significant volumes are expected from upcoming auctions from SECI, across wind and wind solar hybrid tenders in the coming months.

* <https://www.financialexpress.com/economy/india-to-auction-40-gw-renewables-every-year-till-2028/1226479/>

** <https://www.livemint.com/Money/enQ7h8JaD6rKXGXiMTsORM/Govtsrenewableenergyusagetargets-ambitious-scaling-up.html>

@ Hybrid with Thermal where minimum 51% from Renewable Power.

WIND SECTOR: GAINING STRENGTH

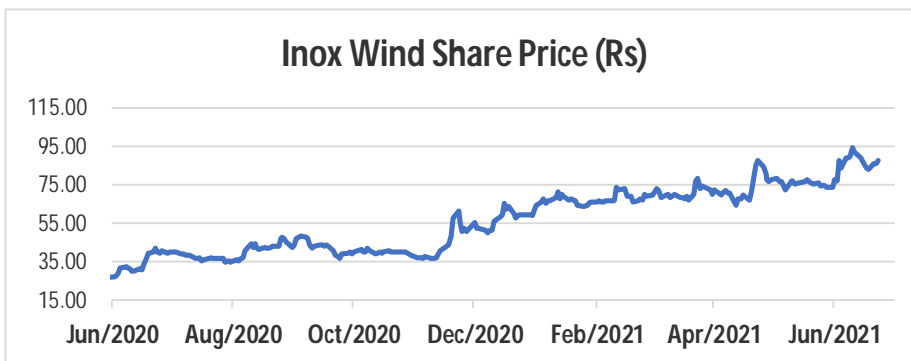


Impact of the abrupt transition to Auction Regime from FIT Regime seen in wind installations in FY18, FY19 and FY 20. Going forward we expect 3~5 GW of wind installations will take place every year.

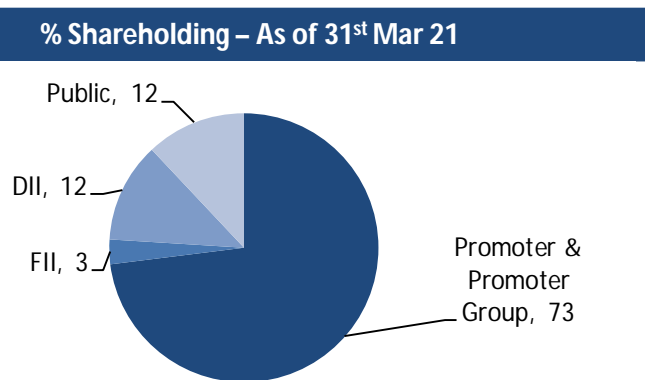
CURRENT CAPACITY (MW)				
Plant Location	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	1,100	-	-	1,100
Blades	-	800	800	1,600
Towers	-	300	300	600

- ✓ Well positioned to take advantage of the growing market.
- ✓ Potential to debottleneck our nacelle and tower capacity with minor capex. Tower capacity can also be outsourced depending on project location.
- ✓ Manufacturing operations have been fully established at the newly set up plant at Bhuj, Gujarat and are in full swing.

SHAREHOLDING STRUCTURE



Source - BSE



Source - Company

Market Data	As on 24 th Jun 21 (BSE)
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Market capitalization (Rs. Cr)	1881
Price (Rs.)	84.75
No. of shares outstanding (Cr)	22
Face Value (Rs.)	10.0

Source - BSE

Key Investors as of 31 st Mar 21	% Holding
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Progressive Star Finance Pvt. Ltd.	2.6%
Lend Lease Company India Limited	2.1%
Aadi Financial Advisors LLP	1.3%
Elara India Opportunities Fund Ltd.	1.0%

Source – Company



FINANCIALS : CONSOLIDATED P&L STATEMENT



(In Rs Lakhs)	Q4FY21	Q4FY20	Q3FY21	FY21	FY20
Income					
a) Revenue from operation (net of taxes)	23,917	18,925	20,380	71,073	76,019
Other Income	5,629	749	564	7,269	2,419
Total Income from operations (net)	29,547	19,675	20,944	78,342	78,438
Expenses					
a) Cost of materials consumed	8,833	3,894	13,333	28,185	18,037
b) Purchases of stock-in-trade	1,514	6,809	267	14,042	11,495
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,911	(2,758)	330	3,439	(2,917)
d) Employee benefits expense	1,988	2,152	2,509	9,259	9,022
e) Finance costs	6,094	9,588	7,045	25,548	24,377
f) Erection, Procurement & Commissioning Cost	4,753	5,244	1,172	12,575	25,768
g) Foreign Exchange Fluctuation (Gain)/Loss (net)	(208)	965	(334)	(356)	1,379
h) Depreciation and amortization expense	2,287	2,289	2,288	8,803	8,030
i) Other expenses	4,841	2,315	2,319	11,730	7,513
Net Expenditure	36,570	30,499	28,929	1,14,782	1,02,680
Profit/(Loss) before exceptional items & tax	(7,023)	(10,824)	(7,985)	(36,440)	(24,242)
Exceptional item - One time provision for expected credit losses	7,749	18,739	543	9,469	18,739
Profit/(Loss) from ordinary activities before tax	(14,772)	(29,563)	(8,528)	(45,909)	(42,981)
Total Provision for Taxation	(4,185)	(10,346)	(3,331)	(15,197)	(15,041)
Profit/(Loss) for the period	(10,587)	(19,217)	(5,197)	(30,712)	(27,940)
Other Comprehensive Income (after tax)	1	9	39	26	100
Total Comprehensive Income for the period comprising Net Profit/(Loss) for the period & Other Comprehensive Income	(10,586)	(19,208)	(5,158)	(30,686)	(27,840)
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income (Without Exceptional Provision)	1,357	1,052	1,348	(2,090)	8,165
Earning Before Interest, Tax, Depreciation & Amortization (EBITDA) Incl Other Income (With Exceptional Provision)	(6,392)	(17,687)	805	(11,559)	(10,574)
Paid-up Equity Share Capital (Face value of Re 10 each)	22,192	22,192	22,192	22,192	22,192
Basic & Diluted Earnings per share (Rs) (Face value of Re 10 each) - Not annualized	(4.81)	(8.66)	(2.34)	(13.87)	(12.59)

DETAILED FINANCIALS CONSOLIDATED BALANCE SHEET STATEMENT



Particulars (Rs. in Lakhs)	As of		Particulars (Rs. in Lakhs)	As of	
	31-Mar-21	31-Mar-20		31-Mar-21	31-Mar-20
Assets			EQUITY AND LIABILITIES		
(1) Non-current assets			(1) Equity		
(a) Property, Plant and Equipment	1,17,194	1,20,009	(a) Equity Share capital	22,192	22,192
(b) Capital work-in-progress	23,029	3,336	(b) Other Equity	1,09,403	1,46,372
(c) Intangible assets	1,950	2,768	(c) Non Controlling Interest	16	(7)
(d) Financial Assets			Total equity	1,31,611	1,68,557
(i) Investments	3,251	6,955	Liabilities		
(ii) Loans	1,440	1,341	(2) Non-current liabilities		
(iii) Other financial assets	45,814	39,493	(a) Financial Liabilities		
(e) Deferred tax assets (Net)	40,847	26,048	(i) Borrowings	44,837	11,858
(f) Income tax assets (Net)	1,345	2,785	(ii) Other financial liabilities	183	183
(g) Other non-current assets	6,612	7,135	(b) Provisions	1,098	829
			(c) Other non-current liabilities	4,347	1,881
Total Non - Current Assets	2,41,482	2,09,870			
			Total Non - Current Liabilities	50,465	14,751
(2) Current assets			(3) Current liabilities		
(a) Inventories	91,684	99,410	(a) Financial Liabilities		
(b) Financial Assets			(i) Borrowings	98,994	72,731
(i) Investments	-	2,444	(ii) Trade payables	1,03,752	1,05,466
(ii) Trade receivables	1,04,846	1,32,232	(iii) Other financial liabilities	34,599	41,292
(iii) Cash and cash equivalents	12,919	730	(b) Provisions	171	285
(iv) Bank Balances other than (iii) above	11,316	15,380	(c) Current Tax Liabilities (Net)	-	11
(v) Loans	879	8,056	(d) Other current liabilities	1,26,848	1,26,065
(vi) Other financial assets	4,352	4,618			
(c) Income tax assets (net)	726	932	Total Current Liabilities	3,64,365	3,45,850
(d) Other current assets	78,237	55,486	Total Equity and Liabilities (1+2+3)	5,46,441	5,29,158
Total Current Assets	3,04,959	3,19,288			
Total Assets (1+2)	5,46,441	5,29,158			

THANK YOU



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