

# Suzlon Energy Limited

H1 FY19

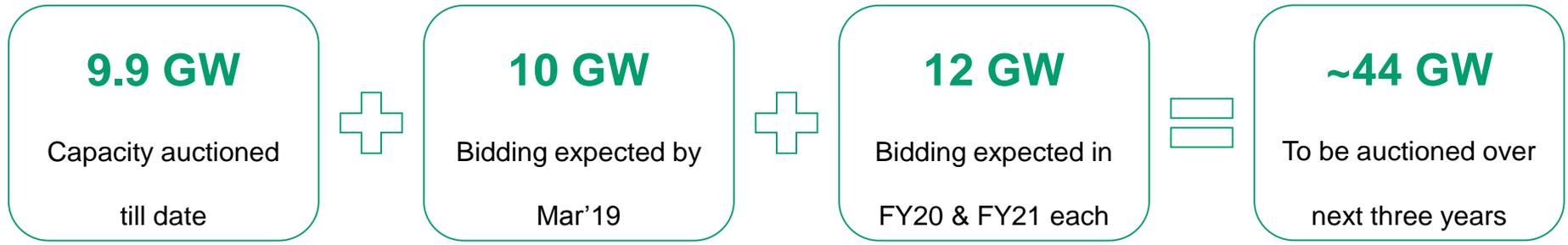
14 November 2018



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# Industry Poised For Huge Growth



Will lead to

Year	FY19	FY20	FY21	FY22	Total
Turbine Supply	3 GW	10 GW	12 GW	12 GW	37 GW
Commissioning	2 GW	8 GW	11 GW	12 GW	<b>33 GW</b>

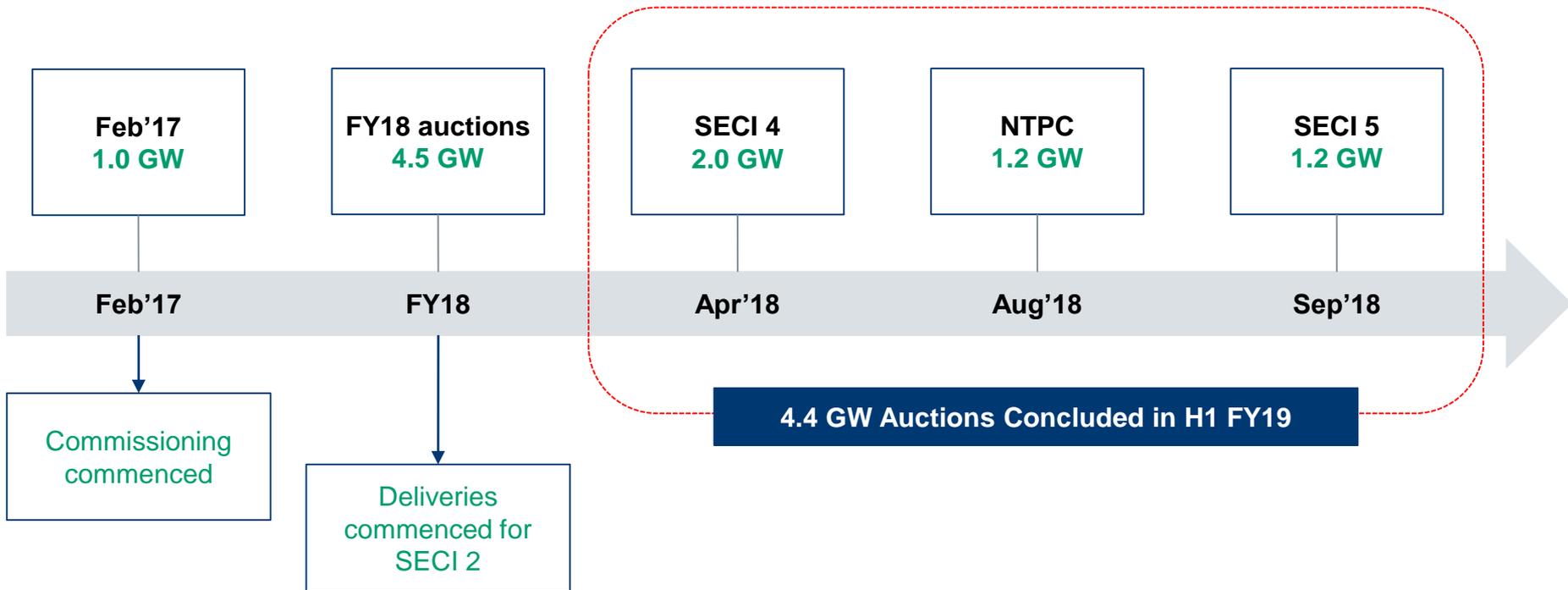


Source: Internal estimates

**Government pushing industry to achieve its 67 GW target for wind by 2022**

Volumes to significantly grow over the next three years

# Traction In Auctions In FY19



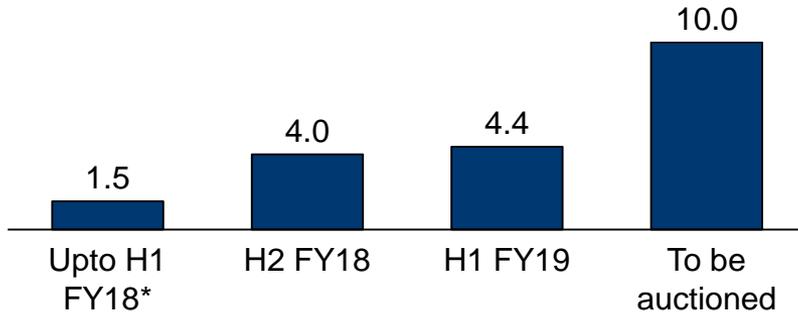
**~30% of the concluded auctions is yet to close orders**

**9.9 GW of auctions already concluded till date, more in pipeline**

# FY19 Outlook: Another Challenging Year For Execution

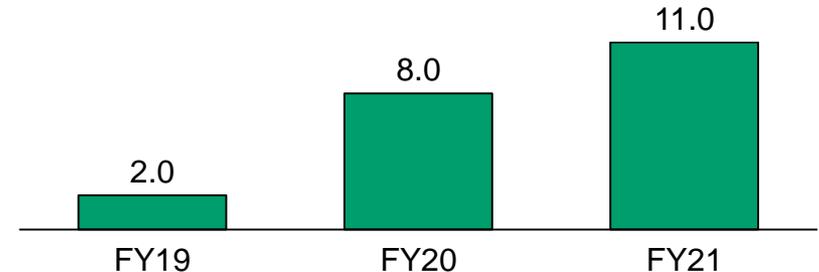
(GW)

**FY18 and FY19: High bidding activity**



\* Includes 1GW auctioned in Feb'17

**FY20 and FY21: High commissioning activity**



## Transitional delays impact FY19 execution

- Delay in central and state bidding guidelines
- Delay in evacuation approvals
- Few state auctions temporarily deferred
- Delay in approvals for state PPAs

## Strong commissioning outlook for FY20 & FY21

- 21 months execution timeline for auctioned projects
- 8.4GW auctioned in last 12 months
- Connectivity granted for completed bids
- Approval process initiated for state PPAs

***FY19, an opportunity for order book build up***

**Long term outlook remains bullish**

# Suzlon Only Player To Commission Entire SECI-1 Project



- Commissioned 1<sup>st</sup> SECI-1 project despite initial challenges
- Delivered 6 months ahead of revised schedule
- Provide comprehensive O&M services for entire project life



Customer	Sembcorp Energy India
Project Size	250 MW
Project Scope	Full Scope Turnkey Solution
State	Tamil Nadu
Auction Date	Feb'17
PPA Signing Date	July '17
Commissioning Date	Oct '18
Turbine Model	S111-120
Total Area	252 sq km

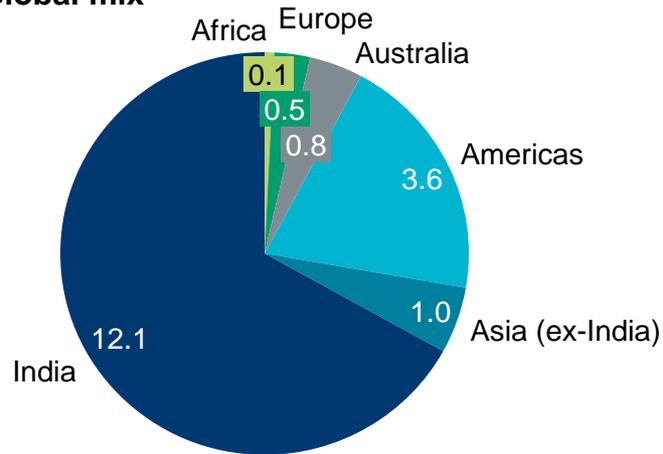
Progressing well on other auction projects

Superior execution capabilities demonstrated



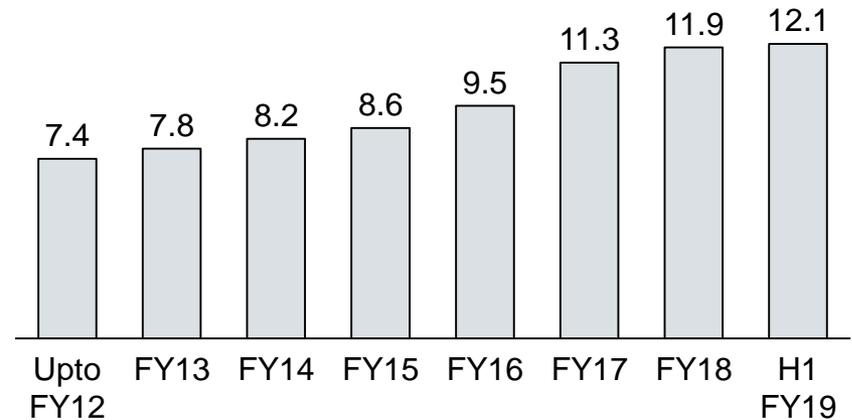
# 18+ GW Global Installations

Global mix



India cumulative installed base

(GW)



## Strongly positioned in India market

Presence across all  
**9 states** in India

**1,700+** customers across all  
segments

**7 R&D facilities** spread  
across **4 countries**

India Market Share  
(Cumulative Capacity)

**35%**

Successfully maintained

**97+%** fleet availability

12+ GW milestone achieved in India

# Introduced Tallest Hybrid Concrete Tower S120-140



- Hybrid Concrete Tubular Tower
  - Offers greater stability
  - Cost efficient vis-à-vis all steel towers
- Concrete tower manufactured at site
  - Reduces logistics complexity
- Harnesses better availability of wind at higher altitudes
- Testing underway, Certification expected shortly
- Reduces LCoE and improves ROI for customers

Prototype Installation Date	Sep'18
Proto Site	Tamil Nadu
Improvement in Generation	6 - 7% over S111

**Started to offer the product in auctions**

**State of the art technology, 1<sup>st</sup> time in India**

# Accolades



## World's 1st solar project quality certification for Suzlon's 100 MW project

- Certificate from DNV GL confirms safety features and technical compliance
- Testament of our commitment to high quality standards

## CII Southern Region's 13<sup>th</sup> Kaizen Competition

- Suzlon's Coimbatore Generator Unit wins award
- Competing against 100 companies
- For uniform profile of copper bar with higher productivity, achieving best quality level



## Suzlon's Generator Unit wins award at Manufacturing Today Summit

- Won the Quality Improvement Project competition on Cost Optimization
- Evaluated across cost optimization, quality, technology, safety and sustainability



## SKOCH Corporate Excellence Silver Award

- SB63 Full Carbon Girder Blade
- Felicitated with Order of Merit certificate for S128
- Award for Innovative two fold transport system: Telescopic Trailer and Rotor Blade Adapter Trailer

Testament to our focus on quality and technology

# FY19 Debt Reduction Target

<b>Debt Reduction Target</b>	<b>30% - 40%</b>
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**Plan to reduce debt through strategic initiatives**

**Medium to long term outlook for wind continues to remain positive**

**Financial Performance**

Debt Overview

Industry Outlook

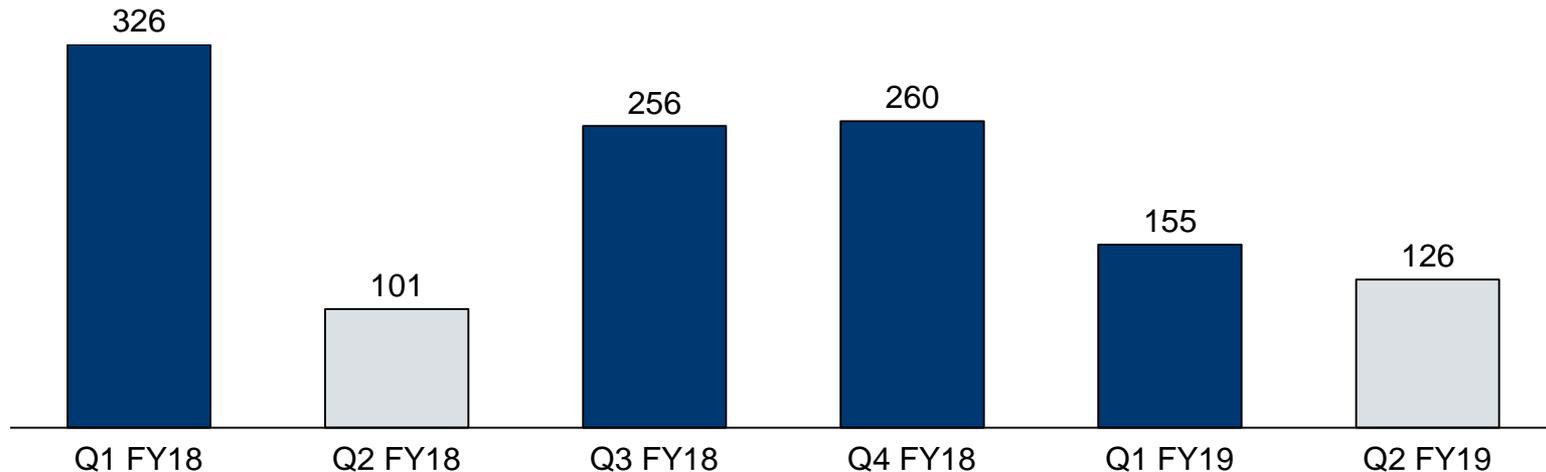
Technology

Suzlon Strengths

Detailed Financials

# Wind Volumes: Low Volumes Due To Back Ended Auctions In FY18

(MW)



### **FIT Order Book Executed in H1 FY18**

- Auction regime setting in
- Last leg of High tariff FiT regime
- Rush to capitalize FiT volumes

### **FY19 Volumes to be back ended**

- 6 GW of auctions concluded between Oct'17 – Apr'18
- 18 months execution timeline from PPA signing
- Part of SECI II and Captive orders delivered in H1

**H1 FY18 auction standstill period + connectivity delays = H1 FY19 executions impacted**

## Q2 FY19 Financial Highlights

(₹ Cr.)

Particulars	Q2 FY19 Unaudited	Q2 FY18 Unaudited	Remarks
Revenue	1,195	1,151	
<b>Gross Profit</b>	<b>539</b>	<b>521</b>	
<b>Gross Margin</b>	<b>45.1%</b>	<b>45.3%</b>	
Employee Expenses	213	208	
Other Expenses (net)	211	206	
<b>EBITDA (Pre FX)</b>	<b>115</b>	<b>107</b>	
<b>EBITDA Margin (Pre FX)</b>	<b>9.6%</b>	<b>9.3%</b>	
Depreciation	88	79	
Net Finance Cost	308	303	Primarily due to: <ul style="list-style-type: none"> <li>• Lower finance income</li> <li>• Forex Impact</li> </ul>
Taxes	(3)	1	
Share of (Profit) / Loss of Associates / JV	2	9	
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>(280)</b>	<b>(285)</b>	
Exchange Loss / (Gain)	348	99	Primarily <ul style="list-style-type: none"> <li>• Translational impact</li> <li>• Non cash in nature</li> </ul>
Exceptional Loss / (Gain)	0	(455)	
<b>Reported Net Profit</b>	<b>(627)</b>	<b>71</b>	
Non Controlling Interest	(3)	3	
<b>Net Profit attributable to Shareholders</b>	<b>(624)</b>	<b>68</b>	

Forex loss translational and non cash in nature

# H1 FY19 Financial Highlights

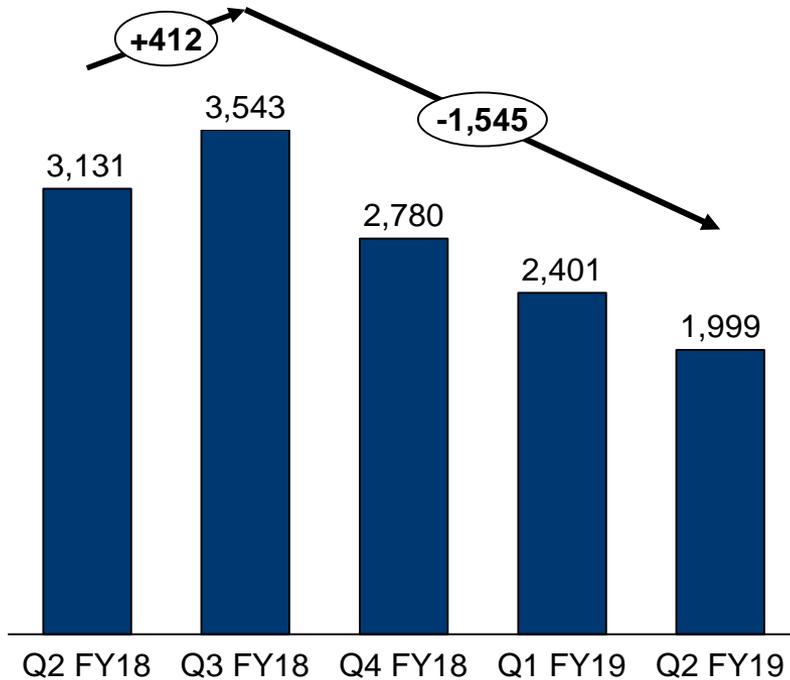
(₹ Cr.)

Particulars	H1 FY19 Unaudited	H1 FY18 Unaudited	Remarks
Revenue	2,467	3,722	Primarily due to low volume
<b>Gross Profit</b>	<b>1,028</b>	<b>1,529</b>	
<b>Gross Margin</b>	<b>41.7%</b>	<b>41.1%</b>	
Employee Expenses	407	409	
Other Expenses (net)	429	538	Includes partly variable cost
<b>EBITDA (Pre FX)</b>	<b>192</b>	<b>582</b>	Primarily due to lower operating leverage
<b>EBITDA Margin (Pre FX)</b>	<b>7.8%</b>	<b>15.6%</b>	
Depreciation	172	161	
Net Finance Cost	623	589	Primarily due to: <ul style="list-style-type: none"> <li>• Lower finance income</li> <li>• Forex Impact</li> </ul>
Taxes	(5)	2	
Share of (Profit) / Loss of Associates / JV	3	25	
<b>Net Profit (Pre Fx and Ex. Items)</b>	<b>(601)</b>	<b>(195)</b>	
Exchange Loss / (Gain)	601	141	Primarily <ul style="list-style-type: none"> <li>• Translational impact</li> <li>• Non cash in nature</li> </ul>
Exceptional Loss / (Gain)	0	(455)	
<b>Reported Net Profit</b>	<b>(1,202)</b>	<b>119</b>	
Non Controlling Interest	(6)	1	
<b>Net Profit attributable to Shareholders</b>	<b>(1,197)</b>	<b>117</b>	

Transition period impacting financials

# Consistent Reduction In Net Working Capital

Fig. in ₹ Cr.

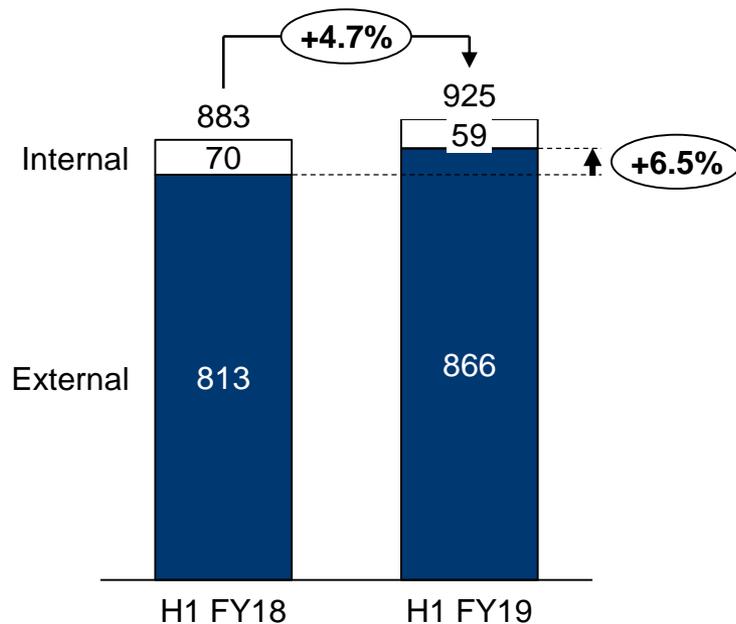


## Working Capital to optimize under Auction regime

- Reduced regulatory uncertainty
- Elongated execution schedule
- Smoothened out quarterly volumes
- Large scale project size
- Make to Order

# Stable Service Revenue Insulated From Business Cycles

## Operations and Maintenance Revenues (₹ Cr.)



- ✓ **~15 GW of Assets under Management (AUM)**
  - 12+ GW in India; ~3 GW Overseas
  - 2<sup>nd</sup> Largest O&M player in India Power Sector, after NTPC
- ✓ **100% renewal track record in India**
  - Every turbine sold by us in India is under our Service fold
  - Custodian of 12+ GW of assets in India
  - 23 years of track record in India
- ✓ **External OMS revenue is 35% H1 FY19 revenue**

# Largest Backlog In India Wind Industry

Particulars	Capacity	Remarks
Auction based Order Book	958 MW	All orders backed by signed PPA's
Retail, Captive, PSU & IPP	99 MW	Backed by advance, Not dependent on PPAs
<b>Wind Firm Order Book</b>	<b>1,057 MW</b>	
<b>Value of Order Book</b>	<b>₹6,306 Cr.</b>	
	<b>+</b>	
<b>Framework Agreements / PPA in hand</b>	<b>&gt;700 MW</b>	✓ PPA Signed, Ratification Awaited
	<b>+</b>	
<b>Letter of Intent (LOI)</b>	<b>484 MW</b>	✓ Contract finalisation in progress

~1.8 GW Backlog

SEFL and Service orders over and above this order book

~30% of the auctioned capacity is yet to be tied up

Financial Performance

**Debt Overview**

Industry Outlook

Technology

Suzlon Strengths

Detailed Financials

## Term Debt Profile

(Excl. FCCB)	30 <sup>th</sup> Sep'18	30 <sup>th</sup> Jun'18	Back Ended Maturity Profile
SBLC Backed AERH Loans	US\$ 569 M (₹ 4,110 Crs.)	US\$ 569 M (₹ 3,881 Crs.)	(₹ Cr.)
<b>Increase only due to FX; No change in US\$ value</b>			
Other FX Term Debt	US\$ 64 M (₹ 460 Crs.)	US\$ 64 M (₹ 441 Crs.)	
<b>Increase only due to FX; No change in US\$ value</b>			
Rupee Term Debt	₹ 2,772 Cr.	₹ 2,815 Cr.	
<b>Gross Term Debt</b>	<b>₹ 7,343 Cr.</b>	<b>₹ 7,136 Cr.</b>	
Net Term Debt	₹ 6,803 Cr.	₹ 6,611 Cr.	
Working Capital Debt	₹ 3,395 Cr.	₹ 3,471 Cr.	

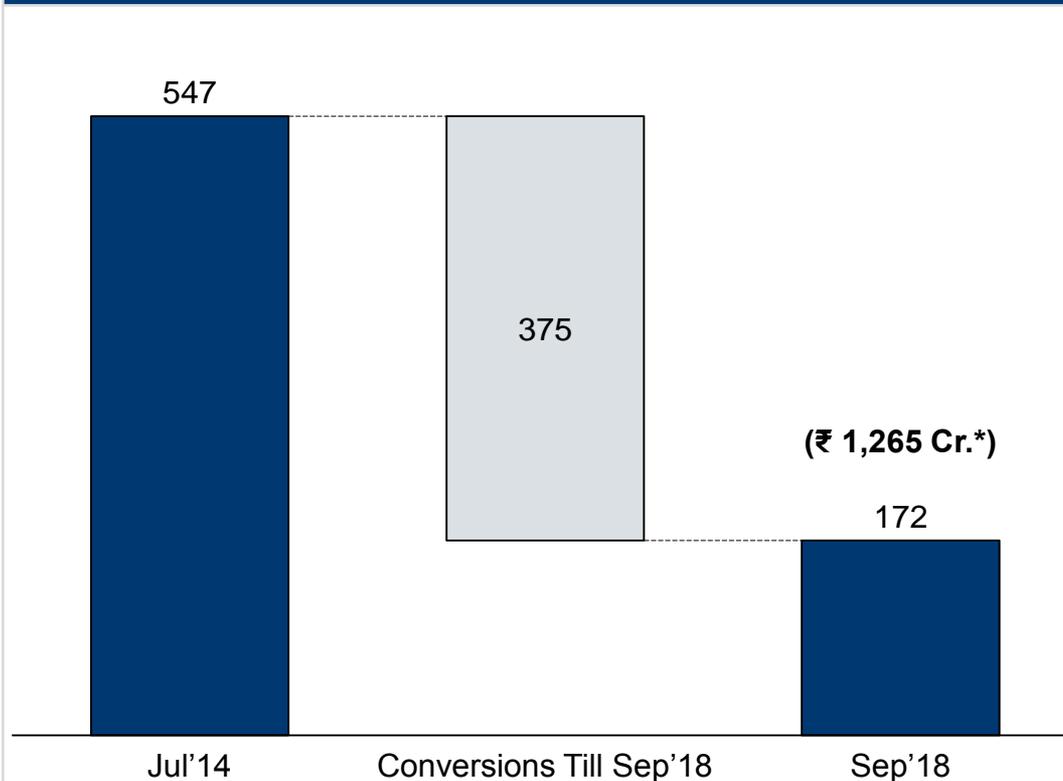
Fiscal Year	Value (₹ Cr.)
FY19	273
FY20	582
FY21	772
FY22	817
FY23 & Beyond	4,898

FY19-22 Repayments: 33%

# July 2019 FCCB Series Overview

(US\$ Mn)

## FCCB Principal Value



### No. of Shares (Cr.)

Current Outstanding	532
Pending Conversion	67
Post Full Conversion	599

### Conversion Details

Price (Per Share)	₹ 15.46
Exchange Rate	₹ 60.225

**69% FCCBs already converted till date**

Financial Performance

Debt Overview

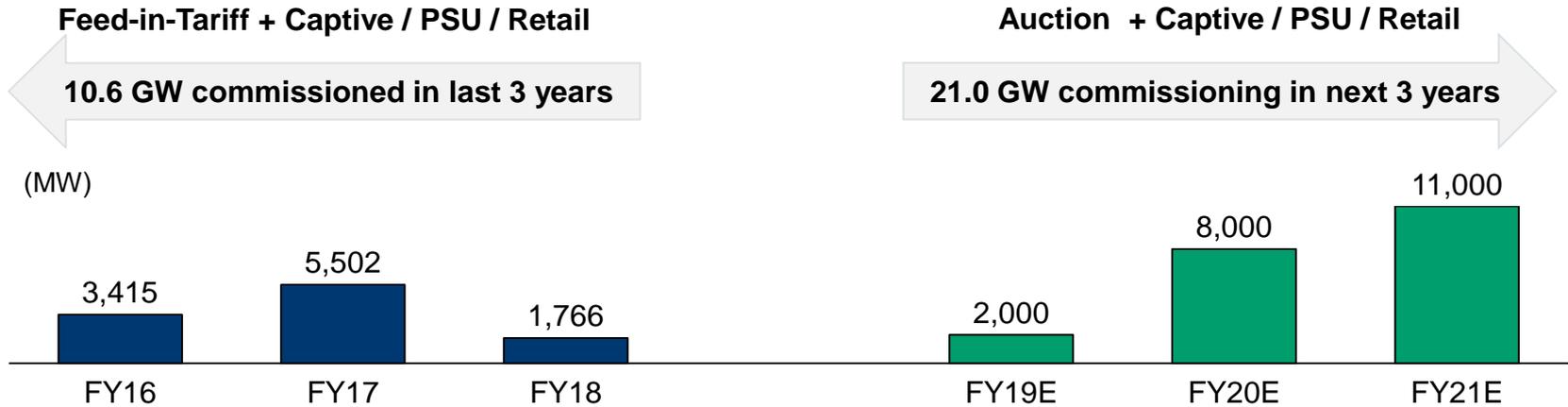
**Industry Outlook**

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# Strong Visibility On Growth For India Wind Market



Source: MNRE

Source: Internal Estimates

## Key Drivers:

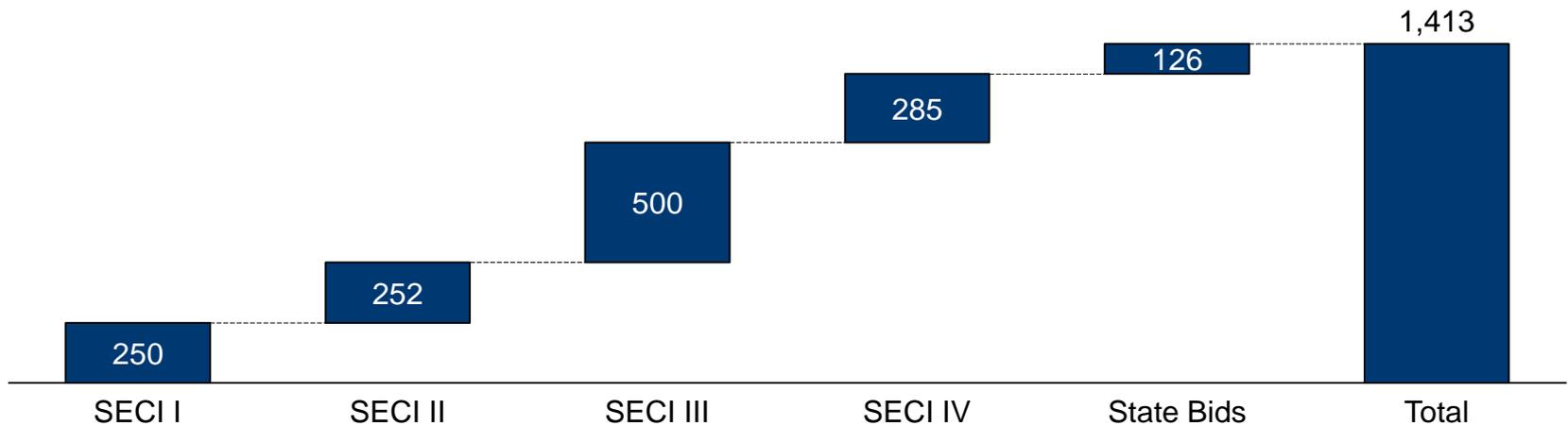
- ✓ Increasing power demand with supply only from renewables
- ✓ Push for clean, affordable and scalable power source
- ✓ Wind most competitive source of power in India
- ✓ Large untapped potential
- ✓ Auction based procurement
  - Market expanding from 8 wind states to pan India
  - Making wind subsidy free
- ✓ Unlocking emerging areas potential
  - Wind solar hybrid, offshore, repowering

## Key Challenges:

- X Infrastructure constraints
- X Auction delays & sector uncertainties

# Largest Order Volume Share In Auctions Concluded Till Date

Auction Wise Order Wins for Suzlon (MW)



→ **~98%** volumes under full turnkey scope

→ **~92%** volumes from Large Utility Companies – Top Quality Customer Profile

Around 30% of 9.9 GW auctioned capacity is still open in market – *Incremental Potential for Suzlon*

Zero reliance on self bidding

## ~1.5 GW Announced Pipeline For Wind Solar Hybrid

### Announced Pipeline

**1.2 GW Hybrid**  
(New Hybrid)

**160 MW Hybrid**  
(in Andhra Pradesh)

**190 MW NTPC Hybrid**  
(in Karnataka)

- **Wind Solar Hybrid Gaining Traction**
  - **14<sup>th</sup> May 2018:** Wind Solar Hybrid Policy issued by MNRE
  - **25<sup>th</sup> May 2018:** Bidding Guidelines Issued
  - **22 June 2018:** RFS issued
- **Key Features of Policy and Guidelines**
  - >25% of the capacity of other source to qualify as hybrid
  - Fulfilment of solar / non solar RPO in the proportion of rated capacity
  - SECI will be the Nodal Agency
  - Bid Capacity 200-500 MW; 25 years PPA; Annual CUF > 40%

Demonstrated Turnkey Capabilities of both Wind and Solar

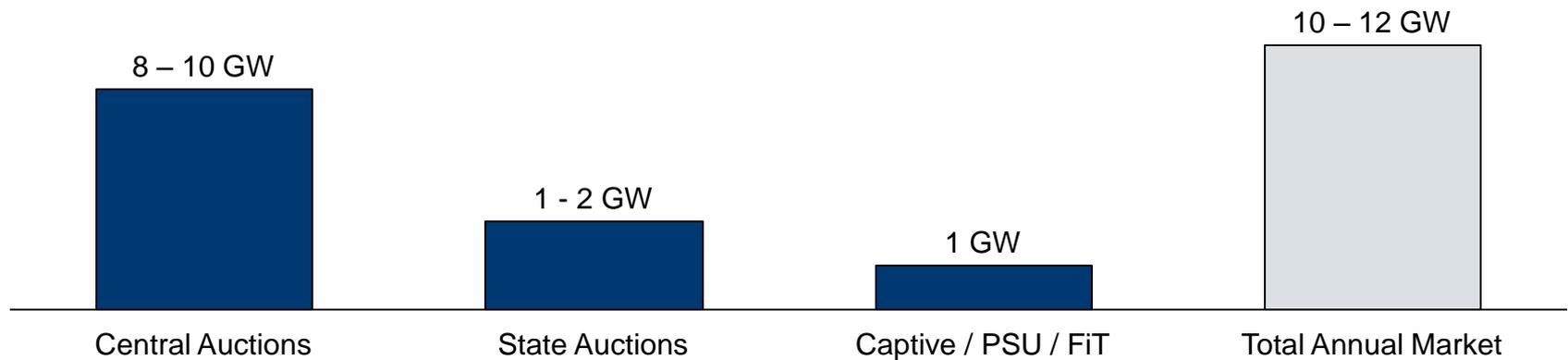
**12,000 MW**  
**India Wind**  
**Commissioned**

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**340 MW**  
**India Solar**  
**Commissioned**  
**+ Sold**

# Poised To Become A 10+ GW Annual Market

## India Annual Wind Market Potential Size and Segmentation



***“India plans to auction 10 GW of wind energy for the next 10 years”, MNRE Secretary, Anand Kumar***

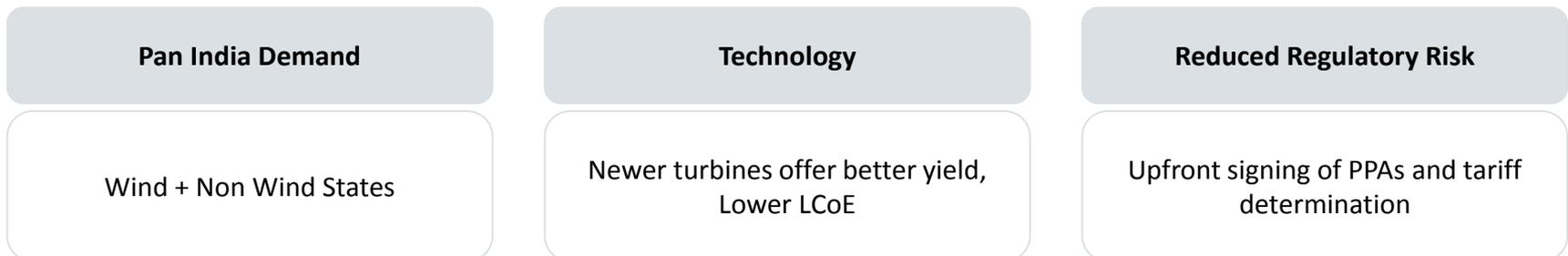
### **Power Grid working on creation of transmission infrastructure**

- Increasing inter-regional capacity
  - Laying new high capacity lines
  - Upgrading exiting substation facilities
- Work commenced on connecting southern, western and northern regions
- KfW Development Bank and Asian Development Bank to finance these projects

## Nearing The End Of Transition Phase

Parameter	Upto FY17	Apr'17 – Mar'19	FY19 Onwards
PPA Mechanism	Feed-in-Tariff	Transition from FiT to Auction impacted turbine sales due to no clarity on PPA	Competitive Bidding
Wind Tariff	₹ 4.0 – 5.0 /unit		₹ 2.5 – 3.0 /unit
Annual Market Size	3 – 4 GW		10 – 12 GW
Order Book Coverage	3 – 6 months		12 months
Execution Timeline	6 – 9 months		18 – 21 months
Commissioning	Back-ended, Q4 heavy		Equally spread
Project Size	50 – 100 MW		200 – 300 MW

### Aspects supporting tariffs in competitive bidding



**Favourable macro environment for acceleration in capacity addition**

# Other Emerging Opportunities For Growth

## Offshore

**1 GW**

Expression of Interest

**5 GW**

Targeted auctions until 2020

- National offshore policy already notified
- Suzlon has commissioned 1<sup>st</sup> Offshore Met Station
- Offshore Advantage: Higher PLF due to high wind power density and shallow water depth enables lower cost in terms of project execution
- 35 participants evinced interest for 1 GW Expression of Interest

## Repowering

**3 GW**

Estimated Potential  
of < 1,000 kw turbines

- Policy already announced and notified in 2016
- Repowering is replacing old technology low capacity wind turbines with the latest large sized wind turbines
- Govt. keen on harnessing this potential and working on right set of policies incentivizing Repowering

Financial Performance

Debt Overview

Industry Outlook

**Technology**

Suzlon Strengths

Detailed Financials

# 3 New Turbines Launched In FY18: Pushing Technology Boundaries

## S111-140

2.1 MW

India's Tallest Wind Turbine

Proto Commissioned

Aug'17

S111-140

~5-6%  
Higher Energy Yield

S111-120

## S120-140

2.1 MW

India's Largest 2.1 MW Turbine

Proto	Status	Date
S120-105	Commissioned	Jun '18
S120-140 HCT	Commissioned	Sep '18
S120-140 HLT	Expected	Q3 FY19

S120

~6-7%  
Higher Energy Yield

S111

## S128-140

2.6 – 2.8 MW

India's Largest Rotor Diameter

Proto	Status	Date
S128-105	Commissioned	Jan '18
S128-140	Expected	Q3 FY19

S128

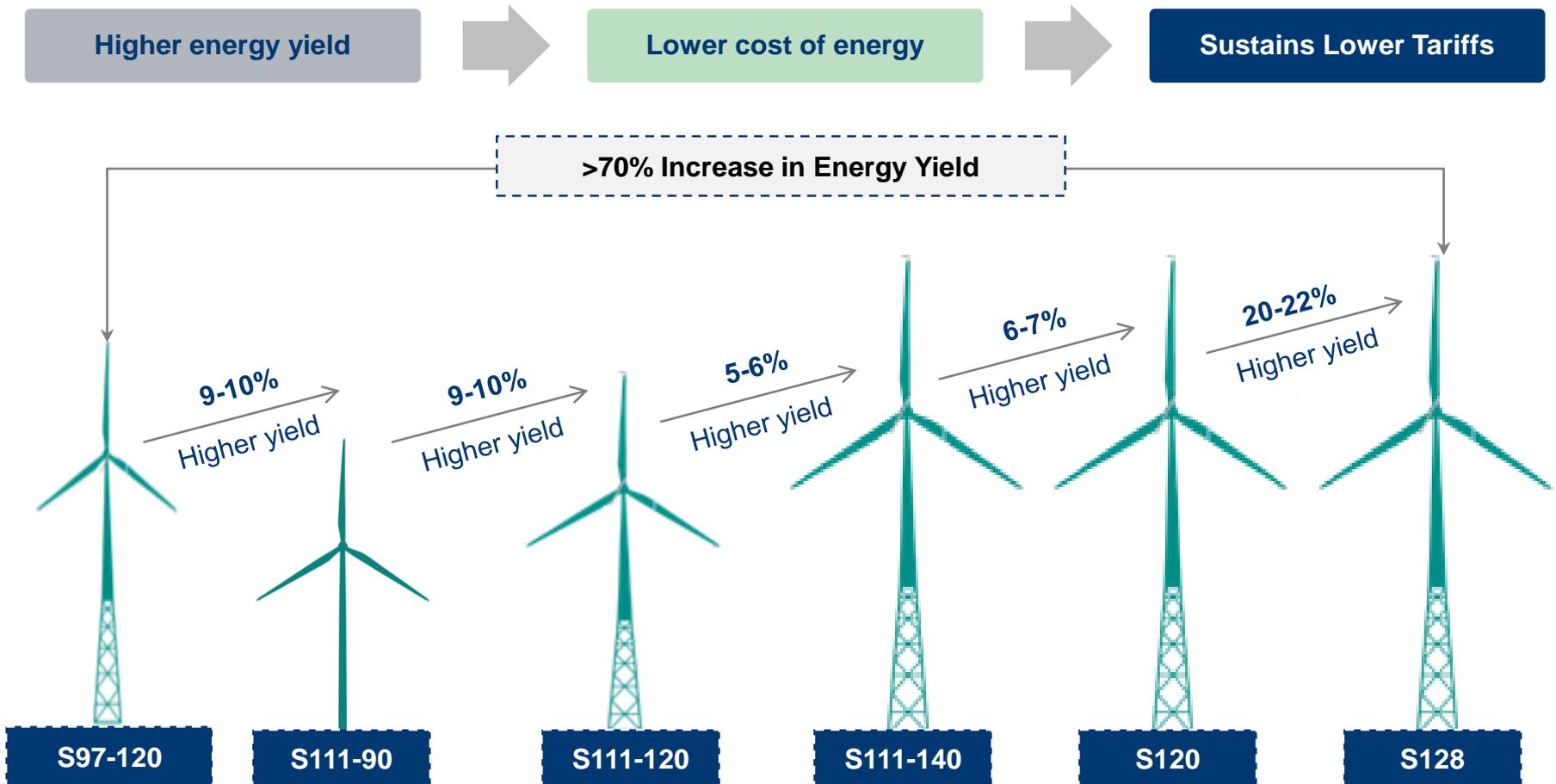
~20-22%  
Higher Energy Yield

S120

HCT: Hybrid Concrete Tower  
HLT: Hybrid Lattice Tower

Gaining competitive edge in auction regime

# Focus On Reducing LCOE



Over 4,500 turbines of 2.1 MW platform across 17 countries

# Pioneer In India Offshore

Support Platform



Offshore LiDAR



Powered Through Solar



- **India's 1<sup>st</sup> Private Far Offshore Met Station**
  - Opportunity to harness India's 7,600km coastline
  - Government plans to auction 5 GW of Offshore project next year
- **State of Art Installation**
  - 16km from the Shore
  - 11m Water depth
  - 14m support platform height above water level
  - LiDAR based met station
  - Remote monitoring

# Global In-House R&D Capabilities

Suzlon Technology Locations:		
Germany	Hamburg	<ul style="list-style-type: none"> <li>- Development &amp; Integration</li> <li>- Certification</li> </ul>
	Rostock	<ul style="list-style-type: none"> <li>- Development &amp; Integration</li> <li>- Design &amp; Product Engineering</li> <li>- Innovation &amp; Strategic Research</li> </ul>
The Netherlands	Hengelo	<ul style="list-style-type: none"> <li>- Blade Design and Integration</li> </ul>
India	Pune	<ul style="list-style-type: none"> <li>- Design &amp; Product Engineering</li> <li>- Turbine Testing &amp; Measurement</li> <li>- Technical Field Support</li> <li>- Engineering</li> </ul>
	Vadodara	<ul style="list-style-type: none"> <li>- Blade Testing Center</li> </ul>
	Chennai	<ul style="list-style-type: none"> <li>- Design &amp; Product Engineering (Gear Box Team)</li> </ul>
Denmark	Aarhus Vejele	<ul style="list-style-type: none"> <li>- SCADA</li> <li>- Blade Science Center</li> </ul>



Hamburg



Rostock



Hengelo



Pune



Aarhus



Vejele

Best match between skills & location – Efficient leverage of R&D spending

Financial Performance

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Technology

**Suzlon Strengths**

Detailed Financials

# Suzlon Strengths In India Wind Market

**Full Turnkey Solution  
Provider**

**Pan India Presence**

**Technology Leadership**

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**Strong Customer  
Relationship**

**Best In Class Service  
Capabilities**

**23+ Years Track Record**

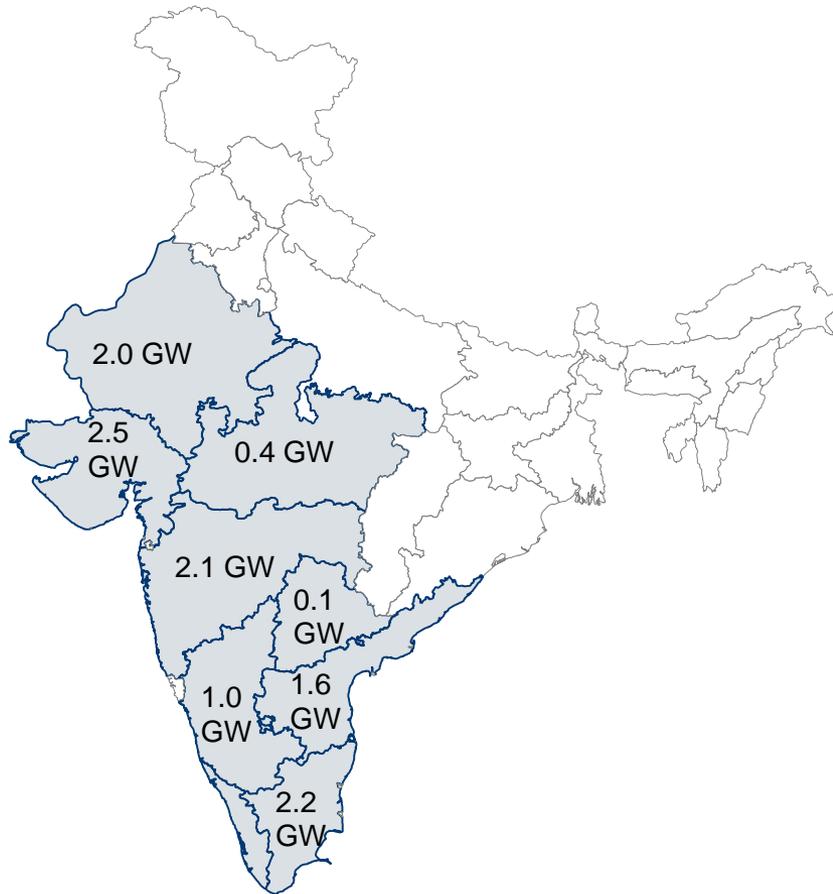
**End-to-end service provider with strong presence across value chain & customer segments**

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# ~12 GW Wind Energy Installations In India

Ranked **No. 1** in Renewables Sector  
 Ranked **No. 2** in Power Sector

Largest fleet under Operation and Maintenance fold in India



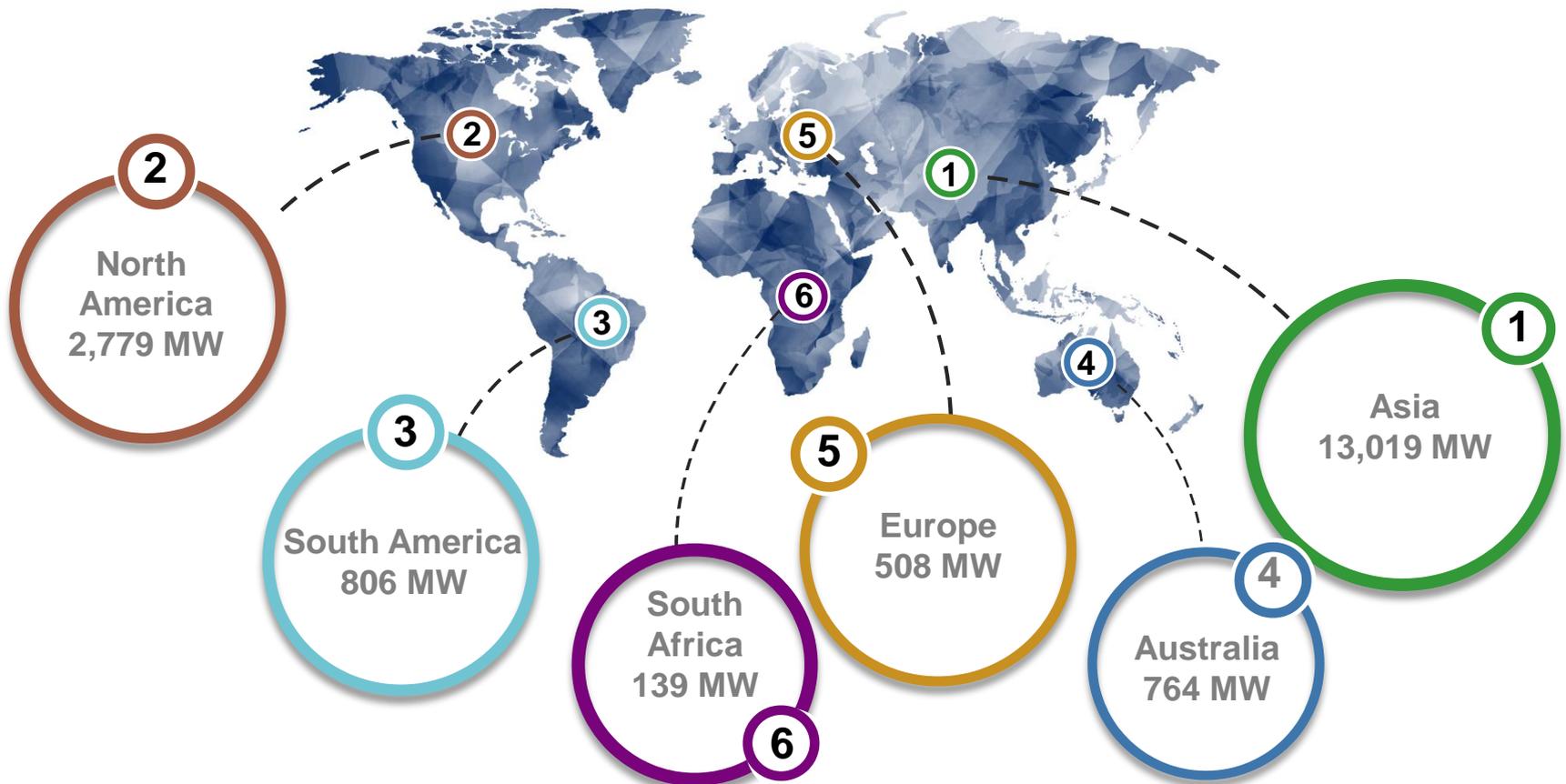
(31 <sup>st</sup> Mar'18)	# of Turbines	MW
<= 1 MW	1,678	777
>1 MW < 2 MW	4,268	5,774
=>2 MW	2,557	5,368
Total	8,503	11,919

- **35% - All India installed wind capacity**
- **~17% - All India installed renewable capacity**
- **~1,800 customer relationships**
- **22 years of operating track record**
- **26 TWh estimated of annual clean energy;**  
 =2,125 mn trees planting p.a.  
 =~19.3 mn tonnes coal avoidance p.a.  
 =~25.5 mn tonnes CO2 emission savings p.a.

**Custodian of 2nd highest installed power capacity (from all sources) in India**

# Suzlon's Global Presence

As on 30<sup>th</sup> Sep 2018



Suzlon's strong relationships across regions positions it well

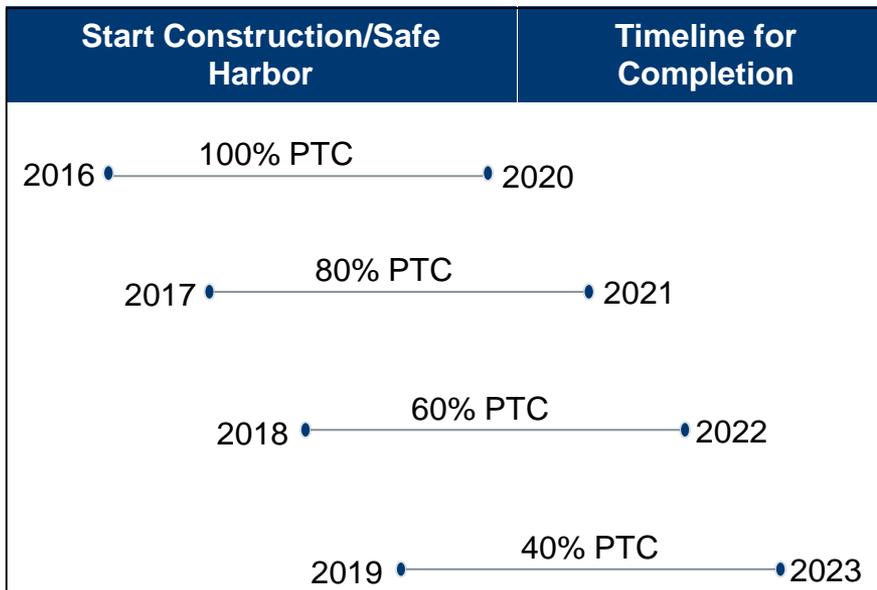
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Map not to scale. All data, information, and map is provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

# USA PTC Volume: ~500 MW Pipeline Created For 100% PTC Projects

## Production Tax Credit (PTC) Extension: Huge Volume Opportunity

- PTC in USA extended until 2019 with benefits stepping down every year before phase out
- In order to qualify, projects only need to start construction and make a minimum 5% investment (“Safe Harbour Investments”)
- Thus projects which meet safe harbour investments in 2016, will be eligible for 100% PTC benefit, while projects which meet safe harbour investments in 2017 will be eligible for 80% PTC benefit
- Timeline for completion of the projects is 4 years from the start of construction



### Suzlon Strategy

- Established SPVs to implement Safe Harbor Projects and develop project pipeline
- ~500 MW Pipeline created of projects eligible for 100% PTC
- To translate into firm orders for execution over the next couple of years

Financial Performance

Debt Overview

Industry Outlook

Technology

Suzlon Strengths

**Detailed Financials**

# Consolidated Income Statement

(₹ Crs.)

Particulars	H1 FY19 Unaudited	H1 FY18 Unaudited	FY18 Audited
Revenue from operations	2,467	3,722	8,075
Less: COGS	1,439	2,193	5,116
<b>Gross Profit</b>	<b>1,028</b>	<b>1,529</b>	<b>2,959</b>
<i>Margin %</i>	<i>41.7%</i>	<i>41.1%</i>	<i>36.6%</i>
Employee benefits expense	407	409	805
Other expenses (net)	429	538	1,006
Exchange Loss / (Gain)	601	141	146
<b>EBITDA</b>	<b>(409)</b>	<b>441</b>	<b>1,003</b>
<b>EBITDA (Pre-FX Gain / Loss)</b>	<b>192</b>	<b>582</b>	<b>1,149</b>
<i>Margin %</i>	<i>7.8%</i>	<i>15.6%</i>	<i>14.2%</i>
Less: Depreciation	172	161	342
<b>EBIT</b>	<b>(581)</b>	<b>280</b>	<b>661</b>
<b>EBIT (Pre-FX Gain / Loss)</b>	<b>20</b>	<b>421</b>	<b>807</b>
<i>Margin %</i>	<i>0.8%</i>	<i>11.3%</i>	<i>10.0%</i>
Net Finance costs	623	589	1,502
<b>Profit / (Loss) before tax</b>	<b>(1,204)</b>	<b>(310)</b>	<b>(840)</b>
Less: Exceptional Items Loss / (Gain)	0	(455)	(450)
Less: Share of (Profit) / Loss of Associates & JV	3	25	(5)
Less: Taxes	(5)	2	(2)
<b>Net Profit / (Loss) after tax</b>	<b>(1,202)</b>	<b>119</b>	<b>(384)</b>
Less: Non-Controlling Interest	(6)	1	(7)
<b>Net Profit Attributable to Shareholders</b>	<b>(1,197)</b>	<b>117</b>	<b>(377)</b>

## Consolidated Net Working Capital

(₹ Cr.)

	30 <sup>th</sup> Sep'18	30 <sup>th</sup> Jun'18	30 <sup>th</sup> Sep'17
Inventories	3,151	2,923	4,518
Trade receivables	2,297	2,720	3,131
Loans & Advances and Others	1,889	1,749	1,900
<b>Total (A)</b>	<b>7,336</b>	<b>7,392</b>	<b>9,549</b>
Sundry Creditors	2,902	2,627	3,390
Advances from Customers	992	935	1,616
Provisions and other liabilities	1,444	1,429	1,411
<b>Total (B)</b>	<b>5,337</b>	<b>4,991</b>	<b>6,417</b>
<b>Net Working Capital (A-B)</b>	<b>1,999</b>	<b>2,401</b>	<b>3,131</b>

# Consolidated Balance Sheet

(Rs. Crs.)

Liabilities	Sep-18	Mar-18
<b>Shareholders' Fund</b>	(8,122)	(6,967)
<b>Non controlling interest</b>	5	10
	(8,117)	(6,957)
<b>Non-Current Liabilities</b>		
<b>(a) Financial Liabilities</b>		
(i) Long Term Borrowings	6,918	7,716
(ii) Other Financial Liabilities	55	55
<b>(b) Provisions</b>	119	120
<b>(c) Deferred Tax Liabilities</b>	-	-
<b>(d) Other Non-Current Liabilities</b>	20	30
	7,112	7,921
<b>Current Liabilities</b>		
<b>(a) Financial Liabilities</b>		
(i) Short-term borrowings	3,395	3,889
(ii) Trade payables	2,902	2,527
(iii) Other financial liabilities	2,918*	1,598
<b>(b) Other current liabilities</b>		
(i) Due to customers	-	10
(ii) Other non-financial liabilities	1,093	1,026
<b>(c) Short-term provisions</b>	861	819
	11,169	9,869
<b>Total Equity and Liabilities</b>	<b>10,164</b>	<b>10,834</b>

Assets	Sep-18	Mar-18
<b>Non Current Assets</b>		
(a) Property, Plant and Equipment	1,248	1,267
(b) Intangible assets	325	155
(c) Investment property	39	41
(d) Capital work-in-progress	228	353
	1,840	1,816
(e) Investments in an associate and JVs	64	67
<b>(f) Financial assets</b>		
(i) Investments	0	0
(ii) Loans	1	1
(iii) Trade receivables	-	5
(iv) Other Financial Assets	641	581
(g) Other non-current assets	119	139
	826	793
<b>Current Assets</b>		
(a) Inventories	3,151	3,026
<b>(b) Financial Assets</b>		
(i) Investments	1	-
(ii) Trade receivables	2,297	2,985
(iii) Cash and bank balances	121	581
(iv) Loans	40	50
(v) Other financial assets	299	266
(c) Other current assets	1,214	940
	7,122	7,849
Assets held for sale (net)	376	375
<b>Total Assets</b>	<b>10,164</b>	<b>10,834</b>

\*Includes FCCB maturing in July 2019

## Key Accounting Policies – Revenue Recognition And Order Booking

Opening Order Book	
<b>(-) Sales during the period</b>	<ul style="list-style-type: none"><li>• <b>Sales (WTG Revenue Recognition)</b><ul style="list-style-type: none"><li>– WTG revenue is recognised upon transfer of risks and rewards to the buyer of complete WTG viz: Nacelle, Blade and Tower.</li></ul></li></ul>
<b>(+) Order Intake during the period</b>	<ul style="list-style-type: none"><li>• <b>Order Intake during the period</b><ul style="list-style-type: none"><li>– Only orders backed by certainty of PPAs</li></ul></li></ul>
<b>Closing Order Book</b>	<ul style="list-style-type: none"><li>• <b>Closing Order Book</b><ul style="list-style-type: none"><li>– Represents MW value of contract against which no revenue is recognized in the income statement</li></ul></li></ul>

# Key Accounting Policy: Maintenance Warranty Provisions

## Maintenance Warranty Provisions

### ✓ Accounting Policy:

- Comprise of provisions created against maintenance warranty issued in connection with WTG sale
  - Created when revenue from sale of wind turbine is recognized
- Provisions estimated based on past experience
- Reversals of unused provision on expiry of Maintenance warranty period

### ✓ Global Wind Industry Standard Practice:

- Followed by top listed global industry leaders
- Despite Insurance and back to back warranty from suppliers



**THANK YOU**

