TRANSFORMING FOR SUSTAINED VALUE CREATION

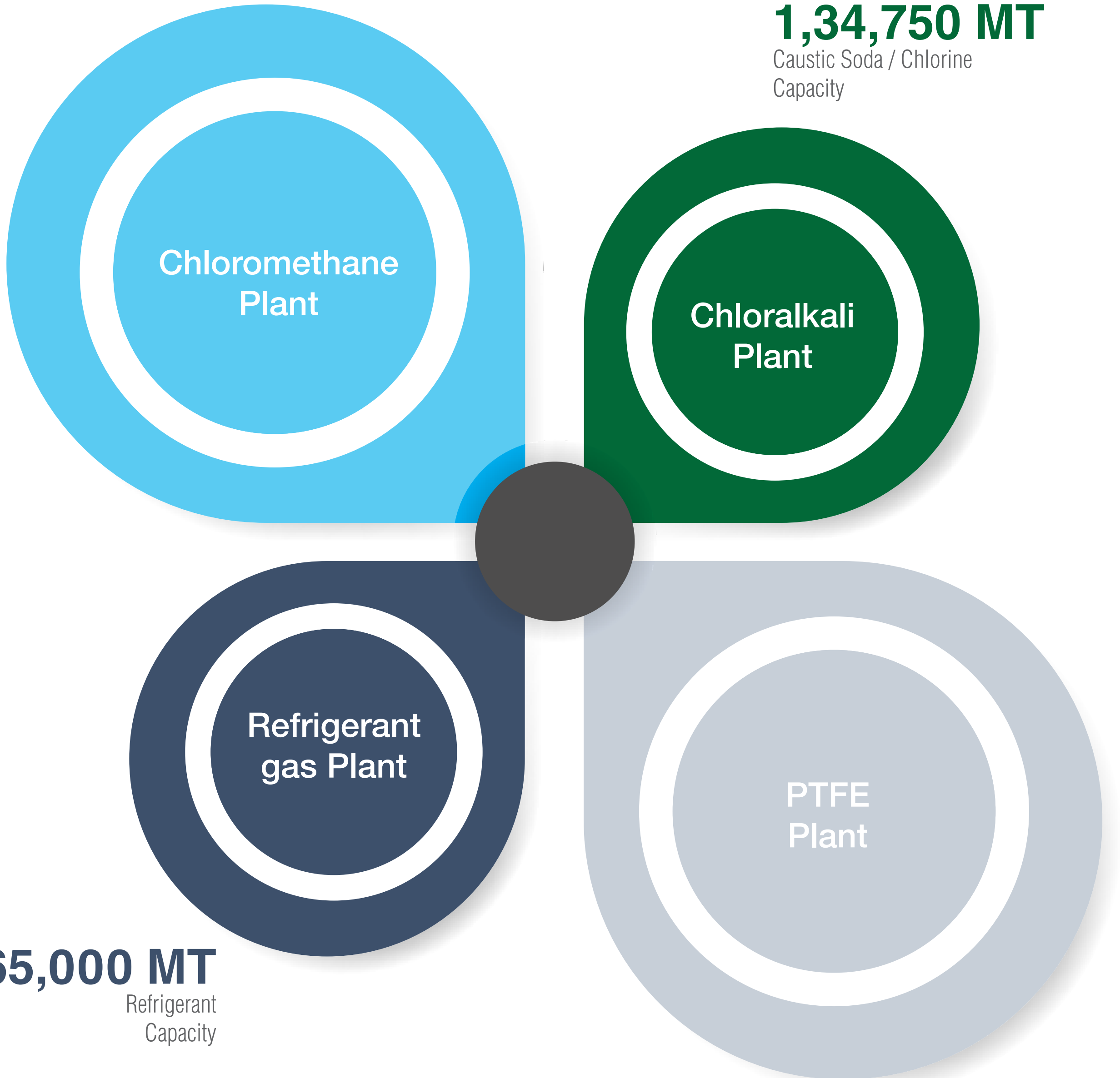
GFL

GUJARAT FLUOROCHEMICALS LIMITED

Annual Report 2016 -17

1,08,500 MT
Chlorometháne
Capacity

1,34,750 MT
Caustic Soda / Chlorine
Capacity



65,000 MT
Refrigerant
Capacity

16,200 MT
India's largest and World's 4th largest
PTFE Capacity

TRANSFORMING FOR SUSTAINED VALUE CREATION

The Company is well-positioned to deliver quality growth and sustained cycles of value creation for its stakeholders.

To achieve lasting growth, we are on a permanent quest to upgrade our portfolio, strengthen our growth engines, and enhance our resilience, profitability, and returns. Through our specialised technological expertise and industrial know-how, we are leveraging on the sectoral opportunities to augment growth.

Gujarat Fluorochemicals Limited (GFL) is well-positioned for generating steady growth for many good reasons. The Company has embarked upon strategic initiatives-including widening its portfolio of new value-added grades of PTFE and fluoropolymers; foraying into fluorine based intermediaries for applications in the pharmaceutical and agro-chemical sectors; and focusing on new generation refrigerant gases.

In FY2017, GFL continued to focus on increasing its product reach and research competencies. In line with this priority, the Company invested in increasing its marketing capabilities to widen its overseas presence and strengthen its efforts in R&D to develop new products. Some of these initiatives have started bearing fruit, which is reflected in the surging demand and sales for its PTFE based products.

GFL's investments towards building growth-generating capabilities are already helping the Company develop value-added chemistries, accelerate product commercialisation, and reinforce its presence in fluorochemicals markets. Going forward, the Company is well-positioned to deliver quality growth and sustained cycles of value creation for its stakeholders.

Corporate Information

BOARD OF DIRECTORS

Shri Devendra Kumar Jain
Chairman and Non-Independent Director

Shri Shailendra Swarup
Independent Director

Shri Pavan Jain
Non-Independent Director

Shri Vivek Jain
Managing Director and
Non-Independent Director

Shri Dinesh Kumar Sachdeva
Whole-Time Director and
Non-Independent Director

Shri Om Prakash Lohia
Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Shanti Prashad Jain
Independent Director

Shri Rajagopalan Doraiswami
Independent Director

Ms Vanita Bhargava
Independent Director

Shri Anand Bhusari
Whole-Time Director and
Non-Independent Director

Shri Chandra Prakash Jain
Independent Director

BOARD LEVEL COMMITTEES

AUDIT COMMITTEE

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Shailendra Swarup
Independent Director

Ms. Vanita Bhargava
Independent Director

COMMITTEE OF DIRECTORS FOR OPERATIONS

Shri Devendra Kumar Jain
Chairman and Non-Independent Director

Shri Vivek Jain
Managing Director and
Non-Independent Director

Shri Deepak Asher
Non-Independent Director

NOMINATION AND REMUNERATION COMMITTEE

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Deepak Asher
Non-Independent Director

Shri Om Prakash Lohia
Independent Director

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Shri Devendra Kumar Jain
Chairman and Independent Director

Shri Pavan Jain
Non-Independent Director

Shri Vivek Jain
Managing Director and
Non-Independent Director

Shri Deepak Asher
Non-Independent Director

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Shri Shanti Prashad Jain
Chairman and Independent Director

Shri Vivek Jain
Managing Director and
Non-Independent Director

Shri Deepak Asher
Non-Independent Director

KEY MANAGERIAL PERSONNEL

Shri Vivek Jain
Managing Director

Shri Manoj Agrawal
Chief Financial Officer

Shri Bhavin Desai
Company Secretary

BANKERS

BNP Paribas

Citi Bank N.A.

Mizuho Bank Limited

HDFC Bank Limited

ICICI Bank Limited

IDBI Bank Limited

IndusInd Bank Limited

Kotak Mahindra Bank Limited

The Hong Kong and Shanghai Banking
Corporation Limited.

Yes Bank Limited

PLANT LOCATION

Ranjitnagar Plant
Survey Number 16/3, 26 and 27, Village
Ranjitnagar-389 380, Taluka Ghoghamba,
District Panchmahal, Gujarat - State

Dahej Plant
Plot Number 12 A GIDC Dahej
Industrial Estate, Taluka Vagra, District
Bharuch-392 130, Gujarat - State

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AUDITORS

M/s Patankar and Associates
Chartered Accountants,
Office No 19 to 23, 4th Floor,
Gold Wings, S No 118/A,
Plot no 543, Singhad Road,
Parvati Nagar, Pune 411030
Tel.: +91 20 2425 2117
Fax: +91 20 2425 2118

REGISTERED OFFICE

Survey Number 16/3, 26 and 27
Village Ranjitnagar 389380
Taluka Ghoghamba
District Panchmahal, Gujarat
Tel.: +91 2678 248153
Fax: +91 2678 248153

VADODARA OFFICE

ABS Towers, 2nd Floor
Old Padra Road
Vadodara – 390007, Gujarat
Tel.: +91 265 6198111
Fax: +91 265 2310312

NOIDA OFFICE

Inox Towers, 17 Sector 16 A,
Noida - 201301, Uttar Pradesh
Tel.: +91 120 6149600
Fax: +91 120 6149610

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Proactive Investments to Sustain Growth.

The Inox Group Overview

About the Inox Group

We are part of the US$ 3 billion Inox Group, which has market leadership positions in various businesses, including industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors.

Amongst other companies, the Group has three listed companies and has a joint venture with global majors, including Fortune-500 companies. The Group employs more than 9,000 people at over 150 business units in the country, with leadership across six sectors. The Group's distribution network spans over 50 countries around the globe.

The Group employs more than 9,000 people at over 150 business units in the country, with leadership across six sectors.

01

Diversified Business Interests

02

Strong Institutional Investor Base

03

Employs More Than 9,000 People at over 150 Business Units Across India

04

Leadership Across Six Sectors

Listed Companies

Gujarat Fluorochemicals Limited

Market Capitalisation

₹ 8,32,883 Lakh

(BSE - 31st March, 2017)

- Largest producer (by volume) of chloromethanes, refrigerants and polytetrafluoroethylene in India

Inox Leisure Limited

Market Capitalisation

₹ 2,76,303 Lakh

(BSE - 31st March, 2017)

- A film exhibition Company in the business of setting up, operating and managing a national chain of multiplexes under the brand name 'INOX'
- Present in 58 cities with 119 multiplexes and 476 screens

Inox Wind Limited

Market Capitalisation

₹ 3,77,261 Lakh

(BSE - 31st March, 2017)

- One of the largest manufacturers of Wind Turbine Generators (WTG) in India
- Manufacturers of key components of WTG, Power Blades, Nacelles and Hubs
- 300 MW Order Book from diversified customers including large IPPs, Utilities, PSUs, Corporates and Retail

Other Key Companies

Inox Air Products Private Limited

- 50:50 joint venture with Air Products Inc., USA
- Manufacturer of industrial gases in India
- 36 plants spread throughout the Company

Inox India Private Limited

- Manufacturer of cryogenic liquid storage and transport tanks in India
- Offers comprehensive solutions in cryogenic storage, vapourisation and distribution engineering
- Has operations in India, USA, Canada, The Netherlands and Brazil

Inox Renewables Limited

- Engaged in the business of setting up and operating of wind farms
- 233 MW installed capacity across three Indian States

Group Business Overview

Inox Wind Limited has manufacturing capacity of 1,600 MW with 656 MW aggregate capacity erected and commissioned. It has a deep order book pipeline of over 300 MW.

Inox Leisure Limited has a 476 multiplex screens, operating 119 multiplexes in 58 cities with a seating capacity of 1,19,395.

GFL is the largest PTFE resin producer in India and the 4th largest in the world. Our manufacturing operations enjoy a total capacity of 16,200 MT PTFE, accounting for 11% of the world's total PTFE capacity.

INOX WIND LIMITED
(63.09% Ownership)

53.4%
WIND TURBINES

INOX RENEWABLES LIMITED
(100.00% Ownership)

3.5%
WIND FARMING

₹ 6,39,300 Lakh
Total Consolidated Revenue

GUJARAT FLUOROCHEMICALS LIMITED
(Standalone)

24%
CHEMICALS

INOX LEISURE LIMITED
(48.09% Ownership)

19.1%
FILM EXHIBITION

Operational & Financial Highlights
Consolidated Business

TOTAL REVENUE
₹6,39,300 LAKH

TOTAL EBITDA
₹1,20,500 LAKH
EBITDA MARGIN 18.8%

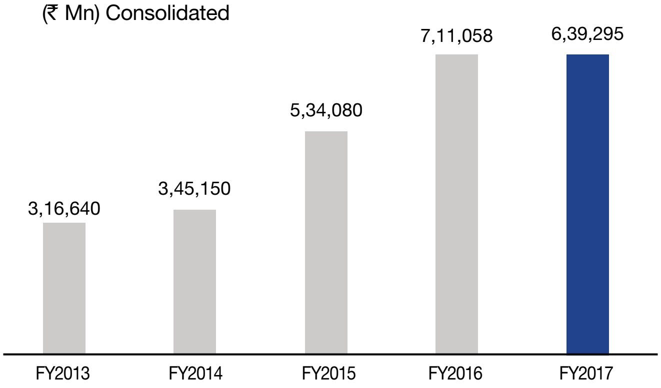
TOTAL PAT
₹21,450 LAKH
PAT MARGIN 1.0%

TOTAL DEBT
₹3,30,800 LAKH
TOTAL EQUITY
₹5,59,970 LAKH
LOW LEVERAGE - 0.6x

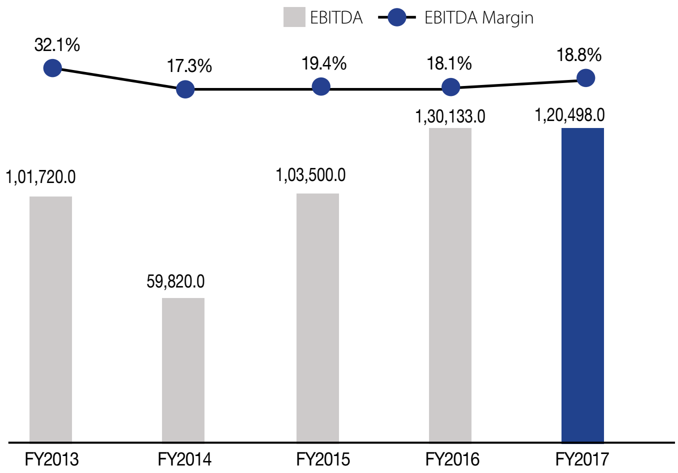
ROCE
9.9%

ROE
3.9%

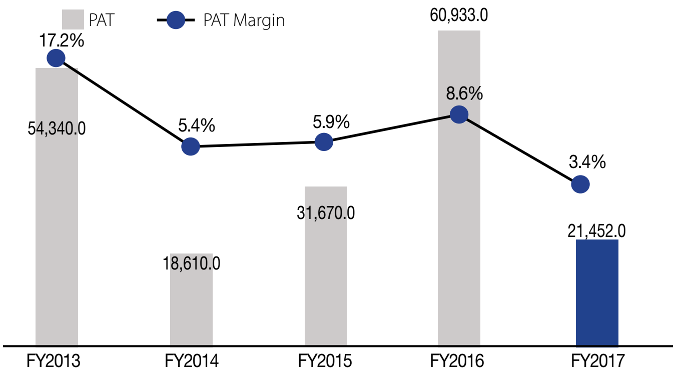
REVENUES
(₹ Mn) Consolidated



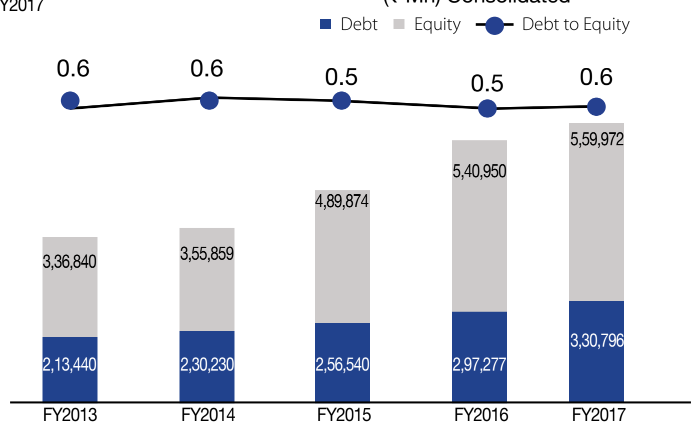
EBITDA & EBITDA MARGIN
(₹ Mn) Consolidated



PAT & PAT MARGIN
(₹ Mn) Consolidated



LEVERAGE ANALYSIS
(₹ Mn) Consolidated



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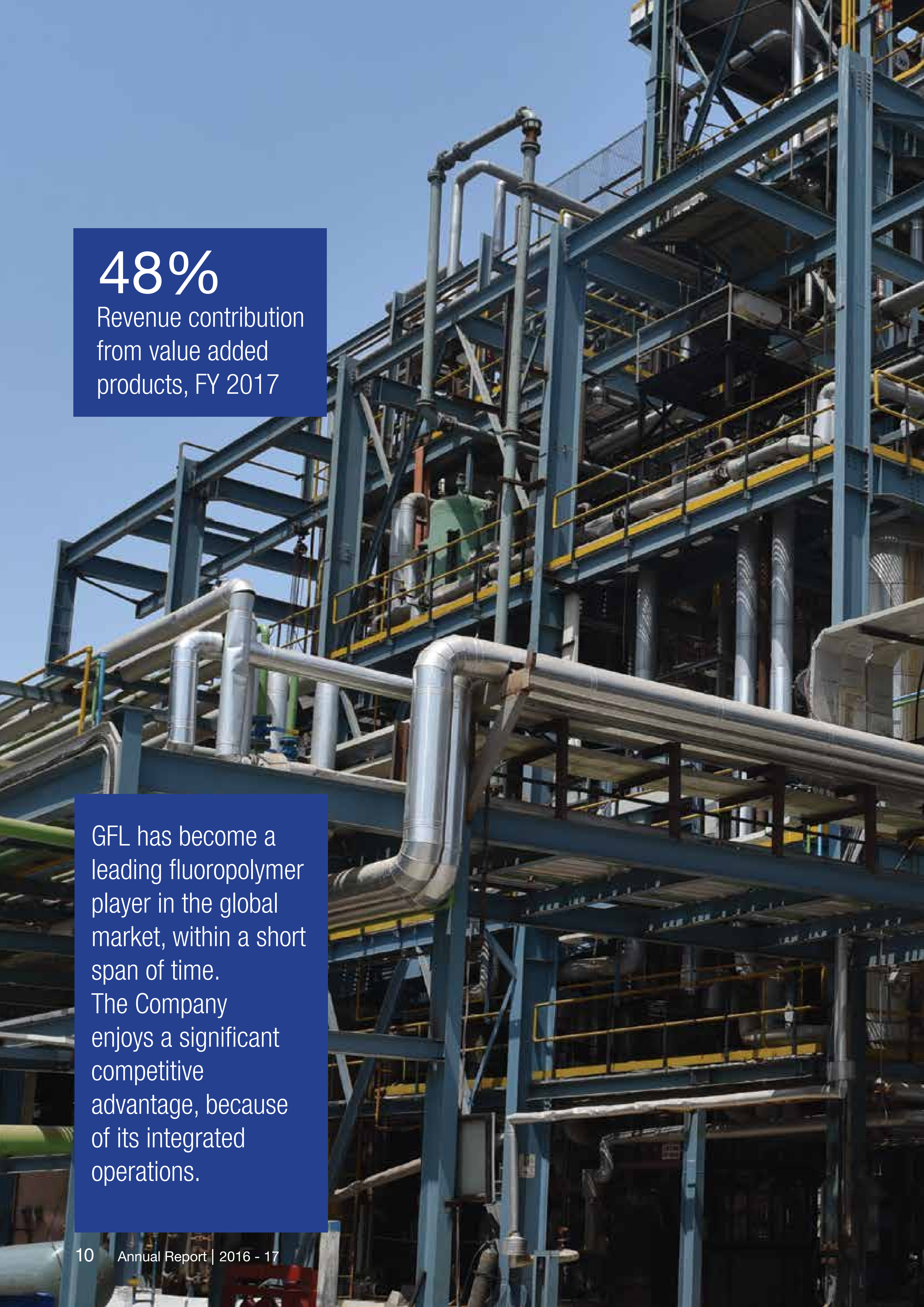


48%
Revenue contribution from value added products, FY 2017

GFL has become a leading fluoropolymer player in the global market, within a short span of time. The Company enjoys a significant competitive advantage, because of its integrated operations.

Creating Value that Lasts

GFL is focused to stay ahead of the curve by developing products that meet the evolving demands of the fluoropolymer market.

GFL's core chemical business is fluoropolymer and it has become a leading player in the global fluoropolymer market within a short span of time. Because of its integrated operations, the Company has been able to enjoy a significant competitive advantage.

Fluoropolymers comprise of PTFE, PVDF, FEP, FKM, PFA and fluoro-additives, among others. Many of these speciality products enjoy higher margins and value addition over the commodity grade PTFE. GFL has embarked upon developing value-added products, which were previously not in GFL's product basket.

GFL forayed into value-added grades in PTFE, including membrane grade, wire and cable grade, and aeronautical tapes. The Company is placing an enormous emphasis on the high and consistent quality of these PTFE grades by ensuring the quality of their operations and regular process improvements. The substantial progress made while developing these value added PTFE grades has enabled the product portfolio to be expected to commercialise by FY2018.

Given the expansion of the product portfolio, GFL is likely to benefit from the cost-value proposition. While the market-price of value added grades are superior, there is no significant increase in the production costs and capital expenditure requirements.

In addition, GFL has made respectable progress in building its pipeline for the diverse needs of the new organic fluorine molecules required by the Pharma and Agrochemicals sectors. Majority of the recently developed agrochemicals contain fluorine because of its efficiency increasing attributes for fungicides, herbicides, and insecticides. GFL is focused to offer top-quality products using innovative, cost-effective production lines, to meet these business challenges faced by the agrochemical industry. Additionally, a growing number of blockbuster pharma drugs contain fluorine atoms as they increase bioactivity of the API. Due to extensive validation process required by each customer, the full commercialisation some of these products are expected in near future.

Going forward, taking advantage of its existing assets, GFL does not expect any substantial Capex for the new Fluoropolymers and Fluorospecialty chemicals.

Proactive Investments to Sustain Growth

GFL will progressively monetise its investments, maximise surpluses, and strengthen its Balance Sheet.

Gujarat Fluorochemicals Limited has proactively invested in building its capabilities by increasing its scalability, cost optimisation, and integration. The result: the Company's chemical facility is India's largest, and most integrated PTFE plant.

Furthermore, GFL's capital expenditure programme is successfully coming to an end. Over ₹ 450 crores of capital expenditure has been invested over the last three years, on account of adding grades of existing products and new Polymers additions, all of which are expected to commercialise by FY2019.

The key objective behind the capital expenditure in the fluoropolymer business has been to leverage the Company's technical skills and surplus TFE capacity to enter the higher value-added fluoropolymer markets. To achieve this, we have invested in de-bottlenecking the PTFE capacities, and setting up capabilities for new fluoropolymers.

In addition, GFL has also incurred capital expenditure to manufacture new generation Refrigerant gases and speciality fluoro-intermediates for the Agro-chemical and Pharmaceutical industries. Majority of these products are currently undergoing the qualification process. With the onset of the commercial sales of these grades, GFL will move towards full capacity utilisation and improved its product mix in favour of these value added products, leading to enhanced overall realisations.

₹ 183 crore

Capital expediture during FY2017

GFL works closely with customers to develop grades and qualities to suit their requirements. A strong focus on service, quality consistency and continual technical support results in high customer retention.

Management Discussion
and Analysis

Gujarat Fluorochemicals Limited is a part of the Inox Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy and entertainment sectors.

Global Economy Overview

Economic activity gained momentum in the second half of 2016, especially for advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth. Growth also remained solid in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union.

Japan's economy performed surprisingly well owing to strong net exports, while European countries - Germany and Spain - performed as a result of a strong domestic demand. On the other hand, the economic performance across emerging markets and developing economies remained mixed. China's growth remained strong, reflecting continued policy support. However, activity slowed down in India, impacted by demonetisation, as well as in Brazil, which has been mired in a deep recession. Activity remained weak in fuel and non-fuel commodity exporters, while geopolitical factors held back growth in parts of the Middle East and Turkey. Overall, the global growth was reported at 3.1% in 2016, projected to increase to 3.5% in 2017 and 3.6% in 2018.

India Economic Review

Against the backdrop of robust macro-economic stability, the year was marked by two major domestic policy developments: the passage of the Constitutional amendment, paving the way for implementing the transformational Goods and Services Tax (GST), and the action to demonetize the two highest denomination notes. The GST will create a common Indian market, improve tax compliance and governance, and boost investment and growth. Demonetisation has had short-term impact, but holds the potential for long-term benefits.

The Indian Economy growth slowed down to 7.1% in FY2017, as opposed to 8% in FY2016. It is expected that during FY2018, cheaper borrowing costs and the fading impact of demonetisation could increase private consumption, thereby driving economic growth. The implementation of the Goods and Services Tax (GST) is expected to improve compliance and governance, and might encourage investment and growth in the country. Due to favorable indicators such as moderate levels of inflation, a reduced current account deficit (CAD), fiscal consolidation and the transitory impact of demonetisation, the country is currently perceived to be in a stable macroeconomic situation.

Company Overview

Gujarat Fluorochemicals Limited (GFL or the Company) is a part of the Inox Group, which is diversified across the industrial gases, engineering plastics, refrigerants, chemicals, cryogenic engineering, renewable energy, entertainment and FMCG sectors.

GFL was incorporated in 1987 and commenced commercial operations in 1989 by setting up India's largest refrigerant plant in Ranjitnagar, Gujarat. The Company primarily supplied CFC and HCFC across the globe. As the CFC and HCFC had eventually to be phased out as per the phase-out schedule under the Montreal Protocol, GFL forward integrated into PTFE (Poly Tetra Fluoro Ethylene) in 2007 by commissioning one of the world's most integrated and technologically advanced PTFE facility in Dahej, Gujarat. Starting with an initial capacity of 6,000 metric tonnes per annum (mtpa), the plant capacity was subsequently scaled to reach 16,200 mtpa, becoming India's largest and the world's fourth largest PTFE facility, accounting for 11% of global PTFE capacity.

GFL embarked on a long-term business diversification strategy in 2002, and mandated McKinsey & Co. Inc. to advise on identifying new business opportunities and developed implementation strategies around them. As a result of that study, GFL decided to foray into Indian theatrical exhibition business. Following another similar study carried out with the help of McKinsey & Co Inc. in 2006, GFL also embarked upon growing a renewable energy business. While the theatrical business was largely in line with India's growing consumption story, the renewables space was gaining importance on the back of the global trends of emission reduction measures and the drive for clean energy sources.

The theatrical exhibition business was implemented through its subsidiary, Inox Leisure Limited, which eventually got listed in 2006. Today, Inox Leisure is India's 2nd largest national multiplex chain operator with 476 screens in 119 properties across 58 cities in India. The renewable energy business consisted wind turbine manufacturing business, which was started in 2009 and carried out by subsidiary Inox Wind Limited. Inox Wind Limited, which eventually got listed in 2015. Today, Inox Wind Limited, is amongst the top 3 wind turbine manufacturers in India, with a total wind turbine manufacturing capacity of 1,600MW and a market share of close to 7% of the cumulative wind energy installed in India on 31st March, 2017.

Chemical Business: Industry Structure & GFL

Polytetrafluoroethylene (PTFE) is a fluoropolymer formed by the polymerization of monomer tetrafluoroethylene (TFE) in presence of an initiator. Its unique features include an extreme chemical inertness, excellent heat resistance, optimum dielectric properties, and a low frictional coefficient. PTFE is also combined with other materials such as glass fibers, carbon, and graphite to improve its mechanical properties.

The market demand for PTFE is growing considerably due to the emerging medical industry applications, and a growing demand in the Asia-Pacific due to its continuous industrial expansion. In terms of revenue, Asia Pacific held the dominant 44.3% of the global PTFE market in 2015, followed by Europe and North America. Domination in the Asia-Pacifics is likely to remain constant on account of the persistent growth witnessed in the region's chemical industry. The consumption of PTFE in medical industry is quite high in the North American and European regions, and is slowly penetrating into the Asia–Pacific market. Also, an increasing purchasing power in developing countries and the need for high performance products may add to the high demand in the future.

In North America, chemical and industrial processing, along with automotive, will emerge as the leading application segments. Over the next few years, the demand for PTFE is expected to rise in the US, giving impetus to the North America PTFE market. Meanwhile, the presence of leading players will steer growth in the Europe market for PTFE. Contrary to this, the Middle East and Africa will offer limited opportunities for growth, as the region is yet to be explored by the leading manufacturers.

Classification of PTFE

PTFE is a fast-growing fluoropolymer. The material is commercially available in four widely classified forms namely granular/molded, fine powder, aqueous dispersion, and micronized powder.

Of these, micro powder PTFE, which leads the overall market with a share of 30.8% in 2015, is a low molecular weight micronized particle and is used as additives in polymers, inks, paints, coatings and grease. The micro powder PTFE segment is likely to continue as the market lead over the next couple of years.

Granular PTFE has emerged as the second-leading product segment. It is generally used for the manufacturing of semi-finished parts such as sheets, rods, billets, and cubes. Fine powder PTFE is paste extruded powder, which is generally used for the manufacturing tapes, tubes, rods and wire coatings. Dispersion PTFE is used as an aqueous dispersion for coatings.

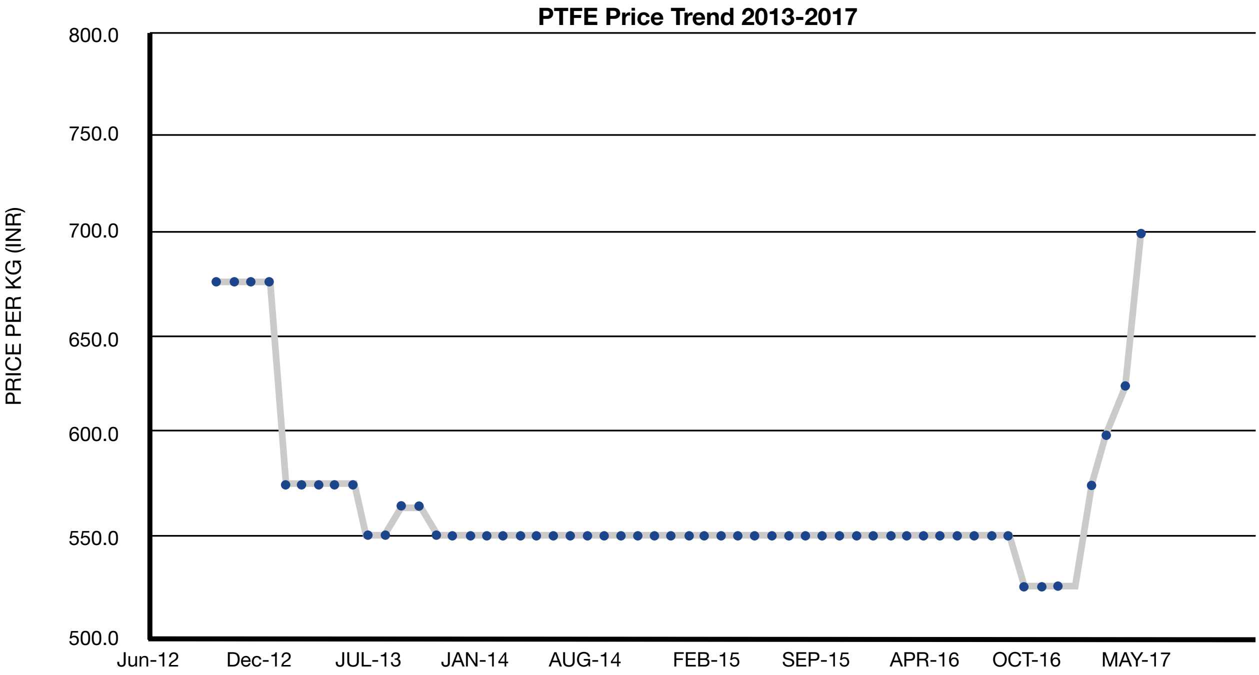
Between 2016 and 2024, the global PTFE market is forecast to exhibit a CAGR of 4.6%. At this pace, the market will reach US$ 5.18 bn by the end of 2024, from US$ 3.48 bn in 2015.

Untapped opportunities across developing regions, besides innovative strategies adopted by the leading players, are expected to result in fast paced growth over the years. As another development, China has been actively seeking to clamp down on environment defaulters and has, in the process, shut down two PTFE plants that were not adhering to the standards. It is from here that the supply constraint has originated, marginally increasing prices for PTFE raw materials in China. Obviously, as the China price is usually the floor price for most goods in the world, this has allowed resin manufacturers around the world to increase rates accordingly.

The global PTFE market is expected to grow at a CAGR of 4.6% between 2016 and 2024.

US$ 5.18 bn

Expected Global PTFE Market Size by 2024



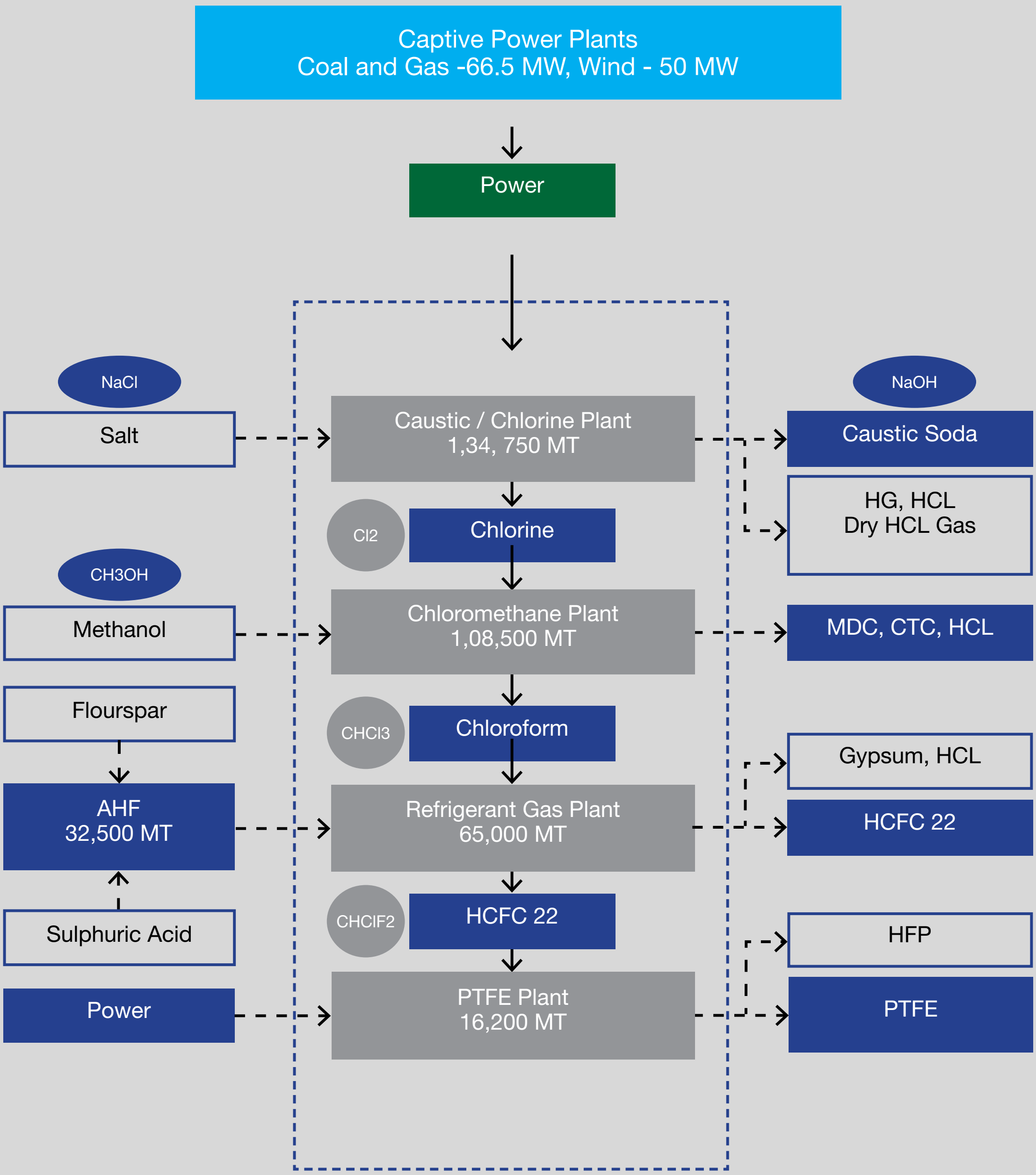
GFL's World Class Fully Integrated Facility

Today, GFL is the largest manufacturer of chloromethanes, hydro-chloro-fluorocarbons (HCFC) and various grades of PTFE in India. PTFE also provides longevity to GFL's refrigerant business, and provides a platform for GFL to enter into the new-age of refrigerants.

GFL operates its PTFE business through its world class manufacturing facility in Dahej, Gujarat, based on state-of-the-art international technology. The facility has a total capacity of 16,200 mtpa, making it the largest PTFE facility in India and 4th largest PTFE facility in the world, accounting for around 11% of global PTFE capacity. The forward and backward integration makes GFL one of the most cost competitive producers of these chemicals globally. The manufacturing complex at Dahej enjoys international quality and process certifications, including ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.

GFL's forward and backward integrated facility makes it one of the most cost competitive producers of PTFE, globally.

The World's most Highly Integrated PTFE Manufacturing Capability



16,200 MT

PTFE Plant Capacity

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27%
Growth in PTFE Sales,
FY 2016-17

GFL Key Operating Metrics for PTFE in FY2016-17

Products/Chemicals	Unit of Sales	Volumes Sold during FY2016	Volumes sold during FY2017	Growth (%)	Annual Capacity
PTFE (Polytetrafluoroethylene)	MT	8,054	10,257	27	16,200

GFL Key Operating Metrics for Caustic Soda in FY2016-17

Products/Chemicals	Unit of Sales	Volumes Sold during FY2016	Volumes sold during FY2017	Growth (%)	Annual Capacity
Caustic Soda	MT	1,14,890	1,24,187	8	1,34,750

GFL Key Operating Metrics for Chloromethane in FY2016-17

Products/Chemicals	Unit of Sales	Volumes Sold during FY2016	Volumes sold during FY2017	Growth (%)	Annual Capacity
Chloromethane	MT	65,837	64,760	(2)	1,08,500

GFL Key Operating Metrics for Refrigerants in FY2016-17

Products/Chemicals	Unit of Sales	Volumes Sold during FY2016	Volumes sold during FY2017	Growth (%)	Annual Capacity
HCFC 22	MT	14,307	14,076	(2)	65,000

Competitive Advantages

Scale:

GFL is a leading player in PTFE market and operates one of the largest PTFE facilities in the world, accounting for 11% of the global PTFE capacity.

High Entry Barriers:

High capex intensity, restricted access to technology, the availability of key raw materials, long and stringent product development, and an approval cycle with customers are the key entry barriers to this industry. GFL benefits from the advantage of these barriers as new players cannot easily enter this market on a standalone basis.

Cost-Competitive:

GFL's ability to produce a wide range of chemicals through its vertically integrated facility makes it one of the most cost competitive producers of PTFE globally. The operational and costing advantage of this integration has ensured that the Company is well placed competitively and is less susceptible to the volatility of the commodity cycle.

GFL's strong focus on service, quality consistency and continual technical support results in high customer retention.

Operating Leverage:

GFL has strong potential for business scalability with only minimal incremental investments in the future.

Future Growth:

GFL is poised to reap benefits from increasing capacity utilisation which will lead to increase in operating leverage, higher operating margins and better return ratios. GFL's gradual shift to value added products for its customers will allow the Company to generate better margins and more stable pricing for its products.

Raw-material Security:

GFL's vertically integrated facility provides its self-sufficiency with respect to availability of key raw materials like Chlorine, Chloroform, Power and HCFC 22. GFL has also safeguarded availability of Fluorspar, a key raw material required for production of PTFE. In addition to own mine in Morocco, GFL also has signed long-term supply agreements for ensuring adequate fluorspar supply.

Customer Stickiness:

GFL works closely with customers to develop grades and qualities to suit customers' requirements. Further, strong focus on service, quality consistency and continual technical support results in high customer retention. GFL is strongly placed to absorb the incremental demand by offering most cost competitive solutions to its customers.

Financial Overview

GFL's Consolidated Business performance has witnessed negative growth during Financial Year 2016-17. On a consolidated business level, for the full Financial Year, Revenues reduced from ₹ 71.11 billion to ₹ 63.93 billion, indicating a de-growth of 10%. EBIDTA went down from ₹ 13.01 billion to ₹ 12.05 billion and ₹ 1.03 billion to ₹ 0.92 billion, indicating a de-growth of 7.4% and 10.7%, respectively. EBIDTA margin for FY2016-17 increased from 18.3% in FY2016 to 18.8%. PAT declined by 25% from ₹ 6.09 billion (before exceptional item) to ₹ 4.60 billion and PAT margin for FY2017 was 7.2%.

GFL's Consolidated Result comprises of essentially four different businesses. The Wind Turbine manufacturing business is housed within GFL itself. There is a Wind Turbine manufacturing business that is conducted by Inox Wind Limited. which is independently listed. The Wind Farming business is owned by Gujarat Fluorochemicals Limited through its subsidiary Inox Renewables Limited. The Film Exhibition business is conducted by Inox Leisure Limited which is also listed independently and, therefore, the consolidated revenues and the consolidated profitability of GFL reflects the revenues and the profitability of all four of these businesses put together.

The key financial highlights in terms of Revenue, EBITDA and PAT for the full Financial Year 2016-17 from all four businesses are:

Revenue

- Revenue growth from the Chemical business (other than subsidiaries) went up by 7% from ₹ 14.35 billion to ₹ 15.32 billion.
- Revenues from the Wind Turbine manufacturing business declined by 23% from ₹ 44.51 billion going up to ₹ 34.15 billion
- Revenues from the Wind Farming business, went increased by 33% from ₹ 1.68 billion to ₹ 2.24 billion.
- Revenues from the Cinema Exhibition business, went up by 5% for the full year from ₹ 11.61 billion going up to ₹ 12.21 billion.
- As a result of which aggregate Revenues for the full year went down by 10% from ₹ 71.11 billion to ₹ 63.93 billion.

EBIDTA

- Chemical business grew by 7% from ₹ 2.81 billion to ₹ 3.00 billion.
- Wind Turbine business declined by 21% from ₹ 7.11 billion to ₹. 5.60 billion.
- Wind Farming went up by 52% from ₹ 1.32 billion to ₹ 2.01 billion.
- Cinema Exhibition business declined by 23% from ₹ 1.89 billion to ₹ 1.46 billion.
- As a result of which EBIDTA for the full year declined by 7.4% from ₹ 13.01 billion to ₹12.05 billion and 10.7% from ₹ 1.03 billion to ₹ 0.92 billion, respectively.

PAT

- Chemicals PAT grew from ₹ 0.95 billion to ₹ 1.46 billion, that is a growth of 53.0%.
- Wind Turbine manufacturing business PAT declined by 34% from ₹ 4.61 billion to ₹ 3.03 billion.
- Wind Farming business PAT was a loss of 0.17 billion which converted to a profit of ₹ 0.02 billion for the full year FY2017.
- Film Exhibition business PAT declined from ₹ 0.81 billion in FY2016 to ₹ 0.31 billion in FY2017 that is a de-growth of 62.0%.
- As a result of which PAT for the full year declined by 25% from ₹ 6.09 billion (before exceptional item) to ₹ 4.60 billion.

Performance of Chemical Business

The Chemical Business standalone product-wise performance for the Financial Year 2016-17 are:

- Caustic Soda revenue grew by 13.0%, from ₹ 3.39 billion to ₹ 3.85 billion.
- Chloromethane revenue declined by 5.0%, from ₹ 2.78 billion to ₹ 2.63 billion.
- Refrigerants revenue decreased by 12.0%, from ₹ 2.72 billion to ₹ 2.40 billion.
- PTFE revenue increased by 21.0%, from ₹ 4.37 billion to ₹ 5.27 billion.
- Other products went up by 7.0% from ₹ 1.01 billion to ₹ 1.17 billion.

As a result, overall sales from the Chemical business, which was ₹ 14.35 billion in FY2016 went up by 7% to ₹ 15.32 billion in FY2017.

GFL remains confident of being able to maintain its competitive position owing to cost efficiencies derived from its integrated operations, and its strong marketing and customer retention strategies.

Risk Management & Internal Control

The Company ensures that all the current and future material risk exposures are identified, assessed, quantified, appropriately mitigated, minimised and managed. The Company has a risk management framework in place to ensure the implementation of a risk management process. This process is formulated on the principles of Business Risk Assessment, Operational Controls and Compliance to various Policies. The Company proactively identifies and systemically resolves all the major risks in business. The Company undertakes the exercise to document all the risks and corresponding controls.

The Company believes that sound internal controls and systems are related to the principle of good governance, and should be exercised within a framework of proper checks and balances. Accordingly, the Company has devised and implemented such internal control systems as are required in its business processes; the adequacies of these are commented upon by the Independent Auditors in their Report.

The Company remains committed to ensuring a reasonably effective internal control environment, that provides assurance on the operations and safeguarding of its assets. The internal controls have been designed to provide assurance about recording and providing reliable financial and operational information, complying with the applicable statutes, safeguarding assets, executing transactions with proper authorization, and ensuring compliance with Corporate Policies.

The Company has devised and implemented such internal financial control systems. These controls are routinely tested and certified by Independent as well as Internal auditors, and covers all the key business operations of the Company. Key Audit findings, along with their action plans, are thereon reported to the Audit Committee, which monitors the overall control environment of the Company.

Opportunities, Risks, Threats And Concerns

Due to the commodity nature of some of the products produced by GFL, the Company is susceptible to the vagaries of the commodity cycle. GFL mitigates the intensity of such fluctuations on both their inputs and outputs through a combination of strategic business approaches, that include value added customisation; higher margin products; low-cost integrated manufacturing; long term supply agreement on raw materials and assuring the continuous sourcing of Fluorspar, a key raw material used by the Company.

GFL has embarked upon significant initiatives in the area of fluoropolymers, specialty intermediates as well as refrigerant gases, which are expected to add handsomely to the bottom line over the next few years, without adding any significant capex. This growth would include addition of new fluoropolymers, new age refrigerant gases, entry into agro and pharma

intermediates as well as increasing capacity utilisation of TFE and PTFE. The Company is well resourced financially for these additions and maintain smooth operations. Its accruals, cash flows, lines of credit and banking arrangements are well balanced to ensure continuity. The Company can comfortably raise more capital at any time should the need arise. However, any non-payment or delayed collection of receivables from customers could materially and adversely affect liquidity, financial condition and results of operations.

With respect the currency volatility, GFL business has a natural hedge. GFL imports raw materials and simultaneously exports its finished goods. It adopts a natural hedge policy by balancing its payables and working capital loans versus its receivables denominated in foreign currencies to mitigate the foreign currency risks to protect its bottom lines and return ratios.

A key risk includes increased competition and impact on pricing, due to any additional capacities set up by Chinese manufacturers. GFL remains confident of being able to maintain its competitive position due to its cost competitiveness derived from its integrated operations and its strong marketing and customer retention strategies.

The key opportunities in the PTFE business include the vast undeveloped potential in the Indian markets that will be converted into market demand by new products and application development. The market gaps created by established players moving to higher value-added polymers also gives GFL the opportunity to absorb new unmet demand. There also exists the potential to work with reputed global players of PTFE based components to expand the PTFE market in India. GFL also sees major opportunities in US, Latin America and Far East to expand its sales and global market share. The Company is considerably strengthening its marketing capability and reach overseas by hiring experienced people from the industry. The Company has taken appropriate steps to market into and service these markets to achieve this goal.

Fluoropolymers and Fluorine based Intermediates

Fluoropolymers is a large global industry including many chemicals such as PTFE, PVDF, FEP, FKM, PFA, Micro powders and ETFE. Over the last 7-8 years, GFL has consolidated its position in the PTFE space and enjoys a top 4 ranking based on its PTFE capacity, making a wide range of variants including Fine Powders, Aqueous Dispersions, Modified PTFE, and Post Treated PTFE Grades. In particular, the commercial plant for manufacturing FKM is already in production and, for other products samples have been sent to the market for approvals, which are in advanced stages. The Company sees substantial opportunities of growth from this family of products.

Agriculture and Pharma use of Flouro-organic compounds

Because natural sources of fluoro-organic compounds are extremely rare, the industrial synthesis of fluorinated organic compounds and production of fluorinated natural product derivatives have greatly expanded in recent years because of their increasing importance in the agrochemical and pharmaceutical industries. Since the use of Fluorine delivers healthier crops and more effective medicines, it is expected that in the next few years, about 40% of all pharma molecules will have F-molecules from 20% now. The Company has 14 products in pipeline, out of which for commercial plants for 7 products have been set up. The Company also expects this family of products to be a robust growth driver for the future.

Human Resources

The Company believes that its employees are its most valuable asset and that our human resources play a pivotal role in realising the Company's strategic goals and ensuring a consistent global quality in the delivery of all its products and services, within the framework of a customer-focused culture. The Company encourages an environment of development and empowerment, enabling each staff member to contribute his/her skills and talents towards sustaining high performance.

The Company has established a structured process to be in touch with the pulse of the people through

We strive to continuously upgrade the skills of our operators and technicians to ensure productivity and enhanced quality output.

annual people surveys. Annual Employee Satisfaction (E-SAT) (for technicians) Survey and Employee Effectiveness Survey (EE2) (engineers and executives up to managerial level) is administered across locations, which highlight the strengths and the major areas of improvement to enhance employee satisfaction and their effectiveness for sustained profitable growth. "Prayas", the employee suggestion scheme, is now a continuous process across sites. To keep employees motivated, Functional Heads and Supervisors are encouraged to spontaneously recognize their team members for a small, but significant, contribution in their day-to-day work.

We strive to continuously upgrade the skills of our operators and technicians to ensure productivity and enhanced output matching the required quality. A special tool 'Skill – Will' has been introduced to determine and to map the performance of operators and technicians based on the skill and willingness of the employees and arrive at their individual training needs.

To ensure sustained profitable growth, it is but pertinent to build continuously on our internal human capital through leadership development. The first step taken towards this end saw the introduction of a Leadership Competency Framework.

This Competency frame work has now been dovetailed into our Performance Management system and will help us to identify the "High Potential" employees who can be groomed for becoming the leaders of tomorrow. Furthermore, the target setting exercise has now been digitised with the implementation of the "eTMS". Every site now has an Annual HR Plan in line with the business plan.

We are an 'Equal Opportunity" employer and we believe that to tap into the country's vast resources, it is essential to reach out to various groups of men and women who are not a part of our workplace as they bring in good talent. The gender ratio in our Company has been steadily increasing and we now have place for young lady engineers in our Company. We also celebrated diversity at our workplace on International Women's Day and Mothers' Day by felicitating our women employees across locations.

Information Technology

GFL deploys nothing but the best-breed IT systems to power every operation it performs and to aid the Management in running its affairs efficiently. At the centre of our business is our SAP-based system, which enables full visibility to our Management of our business operations, marketing and financial goals and allows it to raise its standards for customer service and reliability. In addition, innovative technology solutions differentiate us in the marketplace in terms of both our offerings and operational efficiency. Technology is also the foundation for process improvements that enhance our productivity, improve efficiency and reduce costs.

This year we have introduced analytical tool for molecular study of batch performance monitoring system which collects the data from DCS system and provide accurate data analysis on PTFE product.

IT support system integrated the entire R&D research center for molecular research digitisation and technology transfer for production with ERP integration. Being Information technology is committed to expand its arms in integrated approach to cover up all the essential business operations we have introduced online compliance management system for legal and statutory compliance management.

Considering the critical business operations plan we have established DR Site (Disaster Recovery) site at Noida for SAP towards business continuity plan. In our IT landscape we have added power series 8 high speed SAP servers for fast data and information access within key users along with data security of business critical information. In addition to this, a new UTM (Unified Threat Management) has been installed for better data security and to have efficient controls on information and data. We also implemented P2P structure in SAP to enable internal controls on business commercial operations.. GFL IT is committed to provide complete digital solution for its process and products.

Outlook & Strategy

At the exit of the last quarter of the Financial Year 2017, GFL reached full capacity utilization in PTFE thanks to continuous and relentless efforts to expand customer base and getting our products qualified at number of customers. Such efforts of last several months have now resulted in customers across the globe regarding GFL as a valuable and reliable supplier of PTFE and are allocating higher percentage of the share of their consumption to GFL. Having reached the situation where we have to now turn down orders due to full capacity sell out, GFL is embarking to expand its TFE and PTFE capacities. This will further bolster GFL's market share. Apart from this, GFL is investing to develop more value added high performance and special applications PTFE grades.

GFL has introduced other Specialty Fluoropolymers such as PFA and FEP, Fluoroestomer such as FKM and PTFE Micro-powders and Additives for special applications. Each of these products are typified with host of grades covering different end use applications.

In ensuing months, efforts will be directed towards getting our grades in these products qualified with the customers. These are all value adding Fluoropolymers which will help boost GFL profitability.

Yet another foray GFL has initiated is in specialty Fluorochemicals. These are speciality intermediates having applications in Pharmaceuticals and Agrochemicals. GFL has already introduced some of these chemicals and a number of products are in the pipeline from its R&D.

In addition GFL has initiated addition of new age refrigerant gases with zero ozone depletion potential which will also boost GFL revenues and bottom line.

Due to extensive validation process at each customer, the full commercialisation of these products will happen by end of the next financial year. The adequate investments have been made and the revenue inflow will also start coming in.

The PTFE prices remained subdued over the last few years because of excess capacity in China and sluggish growth in the market. A reversal in trend both in demand and supply has been witnessed and it has helped GFL with better pricing as well as increase in volumes. The supplies from China are expected to continue to ease as they have adopted very strict environmental norms. This will lead to some capacity moving away from China and also the cost of compliance, will push the PTFE prices.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Gujarat Fluorochemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Gujarat Fluorochemicals Limited's Annual Report, 2016-17.

Notice

GUJARAT FLUOROCHEMICALS LIMITED

(CIN: L24110GJ1987PLC009362)

Registered office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal
Telephone: 02678-248153, Fax: 02678-248153
Website: www.gfl.co.in, **Email id:** contact@gfl.co.in

NOTICE is hereby given to the Members of Gujarat Fluorochemicals Limited that the Thirtieth Annual General Meeting of the Company will be held at the Registered Office of the Company at Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat, on Thursday, the 28th September, 2017, at 04:00 pm, to transact the following business:

Ordinary Business

1. Adoption of Financial Statements

To consider and adopt

- the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the report of the Auditors thereon.

2. Declaration of Dividend

To declare Dividend @ ₹ 3.50 per equity share of ₹ 1 each for the Financial Year ended on 31st March, 2017.

3. Re-appointment of Shri Deepak Asher (DIN: 00035371) as Director of the Company

To appoint a Director in place of Shri Deepak Asher (DIN: 00035371) who retires by rotation and being eligible offers himself for re-appointment.

4. Appointment of Independent Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of 35th Annual General Meeting and to fix their Remuneration

To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification, variation or re-enactment thereof), and pursuant to the recommendations of the Audit Committee, approval of the Members of the Company be and is hereby accorded for appointment of M/s. Kulkarni and Company, Chartered Accountants (Firm Registration No. 140959w), as Independent Auditors of the Company, in place of retiring Auditors M/s. Patankar & Associates, Chartered Accountants (Firm Registration No. 107628w), to hold office for a period of five years from the conclusion of this 30th Annual General Meeting (AGM) until the conclusion of the 35th AGM, subject to ratification by the Members every year, as applicable, for audit of Financial Statements and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration, based on the recommendation of Audit Committee, including reimbursement of actual out of pocket expenses."

Special Business

5. Re-appointment of Shri Vivek Jain (DIN: 00029968) as Managing Director of the Company and approve payment of remuneration to him

To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197,198 and any other applicable provisions, if any, of the Companies Act, 2013 (Act), the relevant rules made thereunder read with Schedule V of the said Act (including any statutory modifications and reenactment thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded for the reappointment of Shri Vivek Jain as Managing Director of the Company for a further period of five years commencing from 01st January, 2018 on the terms & conditions and remuneration as set out below:

Remuneration: Basic pay in the grade of ₹ 10,00,000 - 1,00,000 - 15,00,000 per month.

In addition to remuneration within the above range, Shri Vivek Jain would also be entitled to the Company car with driver, telephone facility, furnished Company owned or leased furnished accommodation with all facilities, contribution to provident fund and other perquisites including medical expenses reimbursement and leave travel concession as per the rules of the Company. Use of Car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961. Gratuity and Leave encashment shall be payable in addition to the above remuneration as per the rules of the Company.

Commission

Equivalent to four per cent of the net profits of the Company per annum, or pro-rata for a part of the year subject to a maximum limit of ₹ 5 Crores per annum or pro-rata for the part of the year.

"Resolved further that the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the the terms and conditions of re-appointment of Shri Vivek Jain, Managing Director including remuneration and/ or perquisites payable or to be provided (including any monetary value thereof) to him to the extent the Board of Directors deem fit."

"Resolved further that in the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall pay Shri Vivek Jain, the remuneration by way of salary, perquisites, commission or any other allowances as specified above and in accordance with the limits specified under the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time in this regard, as minimum remuneration."

6. Re-appointment of Shri Dinesh Kumar Sachdeva (DIN: 00050740) as Whole-time Director of the Company and approve payment of remuneration to him

To consider and, if, thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modifications or re-enactment thereof, for the time being in force, Shri Dinesh Kumar Sachdeva (DIN: 00050740) be and is hereby re-appointed, as Whole-time Director of the Company for a further period of one year commencing from 29th November, 2017 on such terms and conditions including remuneration as set out below, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Dinesh Kumar Sachdeva, subject to the same not exceeding limits specified under Schedule V of the Companies Act, 2013 or any statutory modifications (s) thereof:

Remuneration of upto ₹ 30 lakh per annum.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company.

In addition to remuneration within the above range, Shri Dinesh Kumar Sachdeva would also be entitled to the Company car with driver, telephone facility, and insurance for self. Use of car and telephone for the Company's business will not be considered as perquisites. All the perquisites and benefits are to be evaluated as per the Income Tax Rules, 1961."

"Resolved further that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. Re-appointment of Shri Anand Rambhau Bhusari (DIN: 07167198) as Whole-time Director of the Company and approve payment of Remuneration to him

To consider and, if, thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including statutory modifications or re-enactment thereof, for the time being in force, Shri Anand Rambhau Bhusari (DIN: 07167198) be and is hereby re-appointed as Whole-time Director of the Company for a period of one year commencing from 28th April, 2017 on such terms and conditions including remuneration as set out below, with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and /or remuneration as it may deem fit and as may be acceptable to Shri Anand Rambhau Bhusari, subject to the same not exceeding limits specified under Schedule V of the Companies Act, 2013 or any statutory modifications (s) thereof:

Remuneration of upto ₹ 150 lakh per annum.

The aforesaid remuneration is to be bifurcated by way of salary, allowances, performance pay and perquisites as per the rules and regulations of the Company for the time being in force."

"Resolved further that the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. Ratification of approval of payment of remuneration to the Cost Auditor of the Company

To ratify approval of payment of Remuneration to M/s Kailash Sankhlecha & Associates, Vadodara, Cost Auditor of the Company and for this purpose, to pass the following resolution, as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 3,00,000/- (Rupees Three Lakh Only) plus GST as applicable and reimbursement of out of pocket expenses, at actual, as approved by Board of Directors of the Company, to be paid to M/s. Kailash Sankhlecha & Associates, Cost Auditors (Membership No. M / 12055) of the Company for conducting the audit of the cost records of the Company for the Financial Year ending on 31st March, 2018, be and is hereby ratified and confirmed."

"Resolved further that the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds & things and to take all such steps as they may deem necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors

Noida
11th August, 2017

Bhavin Desai
Company Secretary

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (Meeting) is entitled to appoint one or more proxies to attend and vote on a Poll only instead of himself / herself and a Proxy need not be a Member. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent (10%) of the total Share Capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other person or Member.

3. Though not mandatory, the explanatory statement in respect of item no 4 is provided for reference. The Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business as per Item No. 5 to 8 hereinabove is annexed hereto.

4. The Register of Members and Share Transfer Books will be closed from Saturday, 16th September, 2017 to Thursday, 28th September, 2017 (both days inclusive).

5. Members are requested to note that as per Section 124 of the Companies Act, 2013, dividends seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the 'Investor Education and Protection Fund' (IEPF) of the Government. Unclaimed Dividends, as per the details given in the table below, will be transferred to the IEPF on the dates mentioned in the table. Those members who have not, so far, encashed these dividend warrants or any subsequent dividend warrants may claim or approach our Registrars and share transfer agents for payment thereof.

   Please note that Section 124(6) of the Companies Act, 2013 also provides that all shares in respect of the unclaimed dividend shall also be transferred to the IEPF. Hence, it is in the shareholders' interest to claim any uncashed dividends and for future dividends, opt for Electronic Credit of dividend so that dividends paid by the Company are credited to the investor's account on time.

Dividend Period	Type of Dividend	Due date of transfer
2010-11	Interim	6th March, 2018
2010-11	Final	18th August, 2018
2011-12	Interim	10th January, 2019
2011-12	Final	1st September, 2019
2012-13	Interim	5th March, 2020
2012-13	Final	26th September, 2020
2013-14	Final	14th October, 2021
2014-15	Final	2nd November, 2022
2015-16	Final	13th April, 2023

6. Appointment / Re-appointment of Directors:
   The information required to be provided under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Director/s being appointed / re-appointed is given herein below and also in the Corporate Governance Report:

Name of Director	Shri Deepak Asher	Shri Vivek Jain	Shri Anand Rambhau Bhusari	Shri Dinesh Kumar Sachdeva
Date of Birth and Age	15th January, 1959, 58 years	20th August, 1955, 62 years	13th May, 1958, 58 years	12th December, 1944, 72 years
Date of first appointment on the Board	22nd January, 2008	4th February, 1987	28th April, 2015	29th November, 1996
Directors Identification Number	00035371	00029968	07167198	00050740

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Name of Director	Shri Deepak Asher	Shri Vivek Jain	Shri Anand Rambhau Bhusari	Shri Dinesh Kumar Sachdeva
Qualification	Graduate in Commerce and Law, and is a Chartered Accountant and a Cost Accountant.	Graduate in Commerce and MBA from IIM, Ahmedabad.	M.Tech. Chemical Engineer from Indian Institute of Technology, Mumbai.	B.Tech. Chemical Engineer from Indian Institute of Technology, Kharagpur.
Experience / Expertise in Specific Functional Area	Shri Deepak Asher is associated with the Inox Group for more than twenty-seven years now, in different capacities. He is the founder President of the Multiplex Association of India, and was awarded the Theatre World Newsmaker of the Year Award for his contribution to cinema exhibition industry. He has been responsible for spearheading the Group's diversification into the cinema, CDM businesses and Wind energy business.	Shri Vivek Jain has over 33 years of business experience. Shri Vivek Jain is Managing Director of Gujarat Fluorochemicals Limited (GFL) since its inception. Under his leadership, GFL has grown as an Industry with multiple business activities from a single manufacturing unit of refrigerant gases to entire Chemical Complex with manufacturing of Caustic Soda, Chloromethane, and Poly Tetra Fluoro Ethane (PTFE). Shri Vivek Jain has also diversified business activities in the field of Entertainment and Renewable Energy Sector through subsidiaries of GFL.	Shri Anand Rambhau Bhusari is a Post Graduate in Chemical Engineering from Indian Institute of Technology, Mumbai and has over 34 years of experience essentially in Petrochemicals & Refinery Operations, technology management, project execution, debottlenecking, safety & quality systems. He was associated with Reliance Industries for 18 years with his last assignment as COO. Prior to that he was with NOCIL for nearly 10 years. In his past assignments, he has made significant stride towards achieving Operational Excellence. He was also instrumental in deployment of various Business transformation initiatives.	Shri Dinesh Kumar Sachdeva is B. Tech, Chemical Engineer from Indian Institute of Technology, Kharagpur, and has over 47 years of experience in the technical field of various chemical / process plants.
Directorship held in other Companies	1. Inox Leisure Limited 2. Inox Infrastructure Limited 3. Inox Renewables Limited 4. Inox Wind Limited 5. Inox Renewables (Jaisalmer) Limited 6. Swanston Multiplex Cinemas Private Limited	1. Inox Leasing and Finance Limited 2. Inox India Private Limited 3. Inox Air Products Private Limited 4. Inox Leisure Limited 5. Inox Infrastructure Limited 6. Inox Renewables Limited 7. Devansh Gases Private Limited 8. Rajni Farms Private Limited 9. Megnasolace City Private Limited	Nil	Nil

Name of Director	Shri Deepak Asher	Shri Vivek Jain	Shri Anand Rambhau Bhusari	Shri Dinesh Kumar Sachdeva
Membership / Chairmanship of other Companies	Gujarat Fluorochemicals Limited Audit Committee, Member Stakeholders' Relationship Committee, Member Inox Leisure Limited Audit Committee, Member Stakeholders' Relationship Committee, Member Inox Wind Limited Audit Committee, Member Stakeholders' Relationship Committee, Member Inox Infrastructure Limited Audit Committee, Member Inox Renewables Limited Audit Committee, Member Inox Renewables (Jaisalmer) Limited Audit Committee, Member	Gujarat Fluorochemicals Limited Stakeholders' Relationship Committee, Member Inox Leasing and Finance Limited Audit Committee, Member Inox Air Products Private Limited Share Transfer and Stakeholders' Relationship Committee, Member	Nil	Nil
The Number of Meeting of the Board Attended during the year	5	5	2	1
Remuneration last drawn	₹ 2,00,000 (Sitting Fees for Board & Audit Committee Meetings)	₹ 622.56 Lakh	₹ 125.98 Lakh	₹ 24.02 lakh
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	Relatives of Shri Devendra Kumar Jain and Shri Pavan Jain	None	None
Shareholding in the Company	Nil	20,100 shares	Nil	Nil

7. In compliance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014 as amended read with Regulation 44 of the Listing Regulations, Annual Report for Financial Year 2016-17 of the Company has been sent via Electronic Mode (e-mail) to the Members whose e-mail addresses were made available to us by the Depository Participants. We request the Members to register / update their e-mail address with their Depository Participants, in case they have not already registered / updated the same. Members who are holding shares in physical form are requested to get their e-mail address registered with the Registrar and Share Transfer Agents of the Company.

8. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide e-voting facility to all Members through the e-voting platform of CDSL. In this regard, your demat account/folio number has been enrolled by the Company for your participation in e-voting on the resolutions placed by the Company on the e-voting system.

Instructions and manner of e-voting process can be downloaded from the link https://www.evotingindia.com. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on Saturday, 16th September, 2017.

The instructions for Members voting electronically are as under:

(i) The voting period begins on Monday, 25th September, 2017 at 09.00 am and ends on Wednesday, 27th September, 2017 at 05.00 pm. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 16th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

  a. For CDSL: 16 digits beneficiary ID,

  b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

  c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2017. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

a. The voting rights of Members shall be in proportion to their shares of the Paid - Up Equity Share Capital of the Company as on the cut-off date of Friday, 22nd September, 2017. For all others who are not holding shares as on Friday, 22nd September, 2017 and receive the Annual Report of the Company, the same is for their information.

b. A copy of this Notice has been placed on the website of the Company and the website of CDSL.

c. Mr. Satyanarain Samdani, failing him, Mr. Suresh Kumar Kabra, Partner(s) of Samdani Shah & Kabra, has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the Meeting, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Chairman or a person authorised by him in writing shall declare the result of the voting forthwith.

d. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.gfl.co.in and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.

e. Member may address their grievances connected with the e-voting to Mr. Bhavin Desai, Company Secretary, 2nd Floor ABS Towers, Old Padra Road, Vadodara - 390007, Email ID – bvdesai@gfl.co.in, Phone number- 0265 6198 111.

9. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., Link Intime India Private Limited, Unit: Gujarat Fluorochemicals Limited, B – 102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara 390020, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.

10. Members desiring any relevant information on the accounts at the Annual General Meeting are requested to write to the Company Secretary at least seven days in advance at its Registered Office, so as to enable the Company to keep the information ready.

11. Members / Proxies are requested to bring their filled in Attendance Slip and their copy of Annual Report to the Meeting.

12. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send duly certified copy of the Board Resolution authorizing such representative(s) to attend and vote at the Annual General Meeting.

13. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.

14. The relevant documents referred to in the accompanying Notice of Meeting and in the Explanatory Statement are open for inspection by the Members of the Company at the Registered Office on all working days (except Saturdays, Sundays and Public Holidays) between 11.00 a.m. to 01.00 p.m. upto the date of this Meeting and copies thereof shall also be available for inspection in physical form at the Office of the Company situated at 2^{nd} Floor ABS Towers, Old Padra Road, Vadodara - 390007 and also at the Meeting.

15. The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

ANNEXURE TO THE NOTICE

Though not mandatory, this statement is provided for reference.

Item No. 4

Pursuant to provision of Section 139 (2) of the Companies Act, 2013 (the Act), listed Company shall not appoint an audit firm as auditor for more than two terms of five consecutive years.

As per third proviso to Section 139(2) of the Act, a transition period of three years from the commencement of the Act (1st April 2014), was provided to the Companies to comply with the provisions of Section 139 (2) where the existing auditors have completed more than ten years as auditors with the Company.

M/s. Patankar & Associates, Chartered Accountants, had completed more than 10 years as Auditors of the Company as of the commencement of the Act, i.e. 1st April 2014. In terms of third proviso to Section 139 (2) of the Act, they were appointed as auditors of the Company for the period of one year from the conclusion of 27th AGM held on 10th September, 2014 until conclusion of 28th AGM and again for a period of two years at the 28th AGM held on 29th September 2015 from conclusion of 28th AGM until the conclusion of the 30th AGM of the Company and have completed their tenure of 3 years from 01st April, 2014.

In compliance with the aforesaid requirements of the Act, M/s. Patankar & Associates, Chartered Accountants will retire at the forthcoming AGM of the Company.

Brief profile of M/s Kulkarni and Company:

M/s Kulkarni and Company, Chartered Accountants, was established by CA Nikhil Kulkarni and CA Aditya Talavlikar who have experience of statutory audit, tax audit and internal audit assignments of various entities. The partners of M/s Kulkarni and Company have experience in the Ind AS requirements and its implementation. M/s Kulkarni and Company holds Peer Review Certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Based on recommendation of the Audit Committee, the Board of Directors of the Company proposes to appoint M/s. Kulkarni and Company, Chartered Accountants (Firm Registration No. 140959w) as Independent Auditors for a period of 5 years, commencing from the conclusion of 30th AGM till the conclusion of the 35th AGM, subject to ratification by Members at every AGM, as may be applicable.

M/s. Kulkarni and Company, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Independent Auditors in terms of the provisions of the Section 139 and Section 141 of the Act read with the provisions of the Companies (Audit and Auditors) Rules, 2014. Further, M/s. Kulkarni and Company, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution set out at Item No. 4 of the notice.

The Directors recommend the Resolution as stated at Item No. 4 of the Notice for approval of the Members.

Statement pursuant to Section 102(1) of the Companies Act, 2013 for Item Nos. 5 to 8.

Item No. 5

At Twenty- fifth Annual General Meeting held on 27th July, 2012, the Members had re-appointed Shri Vivek Jain as Managing Director of the Company for a period from 01st January, 2013 to 31st December, 2017. Having regard to the performance of the Company, it is considered desirable that the Company should continue to avail his services as the Managing Director of the Company, on the terms as contained in the resolution.

The matter regarding re-appointment of Shri Vivek Jain as Managing Director was placed before Nomination and Remuneration Committee and it has recommended his re-appointment.

In Compliance of Sections 196 and 197 read with Schedule V of the Act and Rules framed thereunder, re-appointment of Shri Vivek Jain as Managing Director of the Company for a period of five years with effect from 1st January, 2018 is being placed before the Members for their approval.

Brief resume of Shri Vivek Jain, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations, are provided at Note No. 6 of the Notice.

Shri Vivek Jain is interested in the resolution set out respectively at Item No. 5 of the Notice with regard to his re-appointment.

None of the Directors of the Company is concerned or interested in the proposed Resolution except Shri Vivek Jain to the extent of his re-appointment and Shri Devendra Kumar Jain and Shri Pavan Jain, being relatives of Shri Vivek Jain and also holding shares in the Company.

The Directors recommend the Resolution as stated at Item No. 5 of the Notice for approval of the Members

Item No. 6

At the Twenty-Ninth Annual General Meeting of the Company, the Members had re-appointed Shri Dinesh Kumar Sachdeva (DIN: 00050740) as a Whole-Time Director of the Company for a period of one year from 29th November, 2016 to 28th November, 2017. It is desirable that the Company should continue to avail the services of Shri Dinesh Kumar Sachdeva as Whole-Time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Shri Dinesh Kumar Sachdeva as Whole-time Director was placed before the Nomination and Remuneration Committee and it has recommended his re-appointment.

In compliance of Sections 196, 197,203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Shri Dinesh Kumar Sachdeva as Whole-time Director of the Company for a period of one year with effect from 28th November, 2017 is being placed before the Members for their approval.

Brief resume of Shri Dinesh Kumar Sachdeva, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations, are provided at Note No. 6 of the Notice.

Shri Dinesh Kumar Sachdeva is interested in the resolution set out respectively at Item No. 6 of the Notice with regard to his re-appointment. The relatives of Shri Dinesh Kumar Sachdeva may be deemed to be interested in the resolution set out respectively at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Directors recommend the Resolution as stated at Item No. 6 of the Notice for approval of the Members by way of a Special Resolution.

Item No. 7

At the Twenty-Ninth Annual General Meeting of the Company, the Members had appointed Shri Anand Rambhau Bhusari (DIN: 07167198) as a Whole-Time Director of the Company for a period of one year from 28th April, 2016 to 27th April, 2017. It is desirable that the Company should continue to avail the services of Shri Anand Rambhau Bhusari as a Whole-Time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Shri Anand Rambhau Bhusari as Whole-time Director was placed before the Nomination and Remuneration Committee and it has recommended his re-appointment.

In compliance of Section 196, 197,203 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Shri Anand Rambhau Bhusari as Whole-time Director of the Company for a period of one year with effect 28th April, 2017 is being placed before the Members for their approval.

Brief resume of Shri Anand Rambhau Bhusari, nature of his experience in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Listing Regulations, are provided at Note No. 6 of the Notice.

Shri Anand Rambhau Bhusari is interested in the resolution set out respectively at Item No. 7 of the Notice with regard to his re-appointment. The relatives of Shri Anand Rambhau Bhusari may be deemed to be interested in the resolution set out respectively at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Directors recommend the Resolution as stated at Item No. 7 of the Notice for approval of the Members.

Item No. 8

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Directors recommend the Resolution as stated at Item No. 8 of the Notice for approval of the Members by way of an Ordinary Resolution.

By Order of the Board of Directors

Bhavin Desai
Company Secretary

Noida
11th August, 2017

Board's Report

To the Members of
GUJARAT FLUOROCHEMICALS LIMITED

Your Directors take pleasure in presenting to you their Thirtieth Annual Report for the Financial Year ended on 31st March, 2017.

1. FINANCIAL RESULTS

Following are the working results for the Financial Year 2016-17:

Sr. No.	Particulars	Consolidated		Standalone	
		₹ in Lakh		₹ in Lakh	
		2016-17	2015-16	2016-17	2015-16
I	Revenue from Operations	6,39,295	7,11,058	1,53,206	1,43,522
II	Other income	11,983	10,258	7,112	5,886
III	Total Revenue Income (I+II)	6,51,278	7,21,316	1,60,318	1,49,408
IV	Less : Total Expenses	5,86,880	6,35,146	1,41,606	1,35,193
V	Share of profit / (loss) of joint ventures and associates	(175)	(444)	-	-
VI	Profit before exceptional items and tax (III-IV+V)	64,223	85,726	18,712	14,214
VII	Exceptional items	(20,082)	(496)	528	
VIII	Profit before tax (VI+VII)	44,141	85,230	19,240	14,214
IX	Total Tax expense	22,690	24,297	4,612	4,674
X	**Profit/(Loss) for the period (X+XIII)**	**21,451**	**60,933**	**14,629**	**9,540**
XI	Other comprehensive income	(2,638)	(575)	147	(116)
XII	**Total other comprehensive income**	**18,813**	**60,358**	**14,776**	**9,424**
	Attributable to				
	- Owners of the Company	6,215	39,367	-	-
	- Non-controlling interests	12,598	20,991	-	-
	Opening balance in Retained Earnings	**1,00,652**	**75,980**	**(1,923)**	**3,785**
	Amount available for appropriation	**1,11,758**	**1,15,908**	**12,618**	**13,333**
	Dividend-Interim-F.Y.2015-16	-	3,845	-	3,845
	Dividend-Final-F.Y.2015-16	-	-	-	-
	Dividend-Final-F.Y.2014-15	-	3,845	-	3,845
	Tax on Dividend	-	1,566	-	1,566
	Transferred to General Reserves	3,000	6,000	3,000	6,000
	Transferred to Other Reserves	(1136)	-	-	-
	Closing balance in Retained Earnings	**1,07,622**	**1,00,652**	**9,618**	**(1,923)**

Detailed analysis of the Financial and Operational Performance of the Company has been given in the Management Discussion and Analysis Report forming part of this Annual Report.

2. CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Consolidated Financial Statements of the Company for the Financial Year 2016-17 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report. The Audited Standalone and Consolidated Financial Statements for the Financial Year 2016-17 shall be laid before the Annual General Meeting for approval of the Members of the Company.

3. DIVIDEND

Your Directors have proposed Dividend of ₹ 3.50 per share (350%). The total dividend pay-out (including dividend distribution tax on dividend pay-out) for the Financial Year 2016-17 will be ₹ 4627 lakh.

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a 'Dividend Distribution Policy' and details of the same have been uploaded on the Company's website www.gfl.co.in.

4. TRANSFER TO RESERVES

During the year under review, the Company has transferred ₹ 3000 lakh to General Reserves.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Directors recommend re-appointment of following Directors:

Re-appointment of Shri Deepak Asher (DIN: 00035371) who retires by rotation and being eligible, offers himself for re-appointment.

Re-appointment of Shri Vivek Jain (DIN: 00029968) as Managing Director of the Company for a further period of five years with effect from 01st January, 2018 and Shri Anand Bhusari (DIN: 07167198) and Shri Dinesh Kumar Sachdeva (DIN: 00050740) as Whole-time Director of the Company for a further period of one year with effect from 28th April, 2017 and 29th November, 2017 respectively.

Necessary Resolutions in respect of Directors seeking re-appointment and their brief resume pursuant to Clause 36 of the Securities and Exchange Board of India (Listing, Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) are provided in the Notice of the Annual General Meeting forming part of this Annual Report.

During the year under review, Shri Chandra Prakash Jain (DIN: 00011964) was appointed as Independent Director of the Company with effect from 11th August, 2016.

During the year there is no change in the Key Managerial Personnel of the Company and Shri Vivek Jain, Managing Director, Shri Manoj Agrawal, Chief Financial Officer and Shri Bhavin Desai, Company Secretary continue as Key Managerial Personnel of the Company.

6. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company is annexed to this report as **Annexure A.**

7. DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 (6) the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Details of Familiarisation Programme for Independent Directors is given in the Corporate Governance Report.

9. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Regulation 17 (10) of the Listing Regulations and the circular issued by SEBI dated 5th January, 2017 with respect to Guidance Note on Board Evaluation, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the Financial Year 2016-17.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this report.

10. MEETINGS OF THE BOARD

During the year under review, the Board met five times and details of Board Meetings held are given in the Corporate Governance Report. The intervening gap between the two Meetings was within the time limit prescribed under Section 173 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

11. DIRECTOR'S RESPONSIBILITY STATEMENT AS PER SUB-SECTION (5) OF SECTION 134 OF THE COMPANIES ACT, 2013

To the best of their knowledge and belief and according to the information and explanations obtained by your Directors, they make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable Accounting Standards and Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;

ii. the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the Directors had prepared the Annual Accounts on a going concern basis;

v. the Directors had laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls were adequate and were operating effectively and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Standalone Financial Statement of the Company. Please refer to Notes no. 20, 21, 24, 46, 49, 9(a) to (c) and 10 to the Standalone Financial Statements of the Company.

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the year under review with Related Parties are approved by the Audit Committee and/or Board, as per the provisions of Section 188 of the Companies Act, 2013 read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Listing Regulations. During the year under review, the Company had not entered into any contract / arrangement / transaction with Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions.

The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board may be accessed on the Company's website at the link: http://www.gfl.co.in/pdf/GFL%20-%20Related%20Party%20Transaction%20Policy.pdf.

All transactions entered with Related Parties for the year under review were on arm's length basis and hence, disclosure in form no. AOC -2 is not required to be annexed to this report.

14. DEPOSITS

The Company has not accepted any deposits covered under Chapter V of the Act.

15. SUBSIDIARY COMPANIES INCLUDING JOINT VENTURE AND ASSOCIATE COMPANIES

A separate statement containing the salient features of financial statements of all Subsidiaries, Associates and Joint Ventures of the Company forms a part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013. In accordance with Section 136 of the Companies Act, 2013, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM'). Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company www.gfl.co.in. The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company www.gfl.co.in.

The Report on the performance and financial position of each of the Subsidiaries, Associates and Joint Venture Companies of the Company is annexed to this report in Form no. AOC-1 pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure B.**

During the year under review, the Company has entered into an agreement for sale of its stake in its Joint Venture Company Xuancheng Hengyuan Chemical Technology Company Limited (XHCT), China with Heng Wei Holding Limited and hence, XHCT has ceased to be a joint venture company with effect from 07th September, 2016. Further, Inox Renewables Limited ("IRL"), a wholly-owned subsidiary of the Company, and Inox Renewables (Jaisalmer) Limited ("IRJL"), a wholly-owned subsidiary of IRL, have on 07th March, 2017 signed certain agreements with Leap Green Energy Private Limited ("Leap Green"), and certain subsidiaries of Leap Green, to sell substantially all of the wind energy-based power projects of IRL and IRJL to these subsidiaries of Leap Green, in each case, on a slump sale basis ("Transaction"). This Transaction is expected to complete over the next few months, subject to satisfaction of certain conditions precedent, including obtaining necessary approvals and consents of regulatory and governmental authorities as well as project lenders.

16. INTERNAL FINANCIAL CONTROLS

The Company has adequate internal controls commensurate with its size and nature of its business. The Board has reviewed internal financial controls of the Company and the Audit Committee monitors the same in consultation with Internal Auditors of the Company.

17. INDEPENDENT AUDITORS' REPORT

There are no reservations, qualifications or adverse remarks in the Independent Auditors' Report.
The notes forming part of the accounts are self-explanatory and do not call for any further clarifications under Section 134 (3) (f) of the Companies Act, 2013.

18. INDEPENDENT AUDITORS

Members at their 28th Annual General Meeting held on 29th September, 2015 had appointed M/s Patankar & Associates, Chartered Accountants, Pune as Independent Auditors of the Company from the conclusion of 28th Annual General Meeting until conclusion of 30th Annual General Meeting.

M/s. Patankar & Associates, Chartered Accountants, have been the Auditors of the Company since the inception of the Company and their tenure as the Auditors of the Company will expire with the conclusion of this ensuing AGM, in accordance with Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Board of Directors at their Meeting held on 11th August, 2017 recommended to the Members that M/s. Kulkarni & Associates, Chartered Accountants, be appointed as Independent Auditors of the Company at the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting, subject to ratification of their appointment by the shareholders of the Company at every Annual General Meeting held thereafter.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from M/s. Kulkarni & Associates. Further, M/s. Kulkarni & Associates, Chartered Accountants, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

19. COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited by a Cost Accountant in practice who shall be appointed by the Board. In view of the above, the Company has appointed M/s Kailash Sankhlecha and Associates to audit the cost audit records maintained by the Company for Financial Year 2017-18 on a remuneration of ₹ 3,00,000/-. As required under the referred Section of the Companies Act, 2013 and relevant Rules, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s Kailash Sankhlecha & Associates, Cost Auditors is included at Item No. 8 of the Notice convening the Annual General Meeting.

Particulars of Cost Audit Report Submitted by M/s. Kailash Sankhlecha & Associates in respect of Financial Year 2015-16 is as follows.

Financial Year	2015-16
Due Date of Filing Cost Audit Report	9th October, 2016
Date of Filing Cost Audit Report	27th September, 2016

20. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2013, the Company has appointed M/s Samdani Shah & Kabra, a firm of Practising Company Secretaries to conduct Secretarial Audit of the Company. The Secretarial Audit Report given by M/s Samdani Shah & Kabra in Form no. MR-3 which has no qualifications is annexed to this report as **Annexure C.**

21. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) of the Listing Regulations read with para B of Schedule V is presented in a separate Section forming part of this Annual Report.

22. CORPORATE GOVERNANCE REPORT

Pursuant Regulation 34 (3) read with Para C of Schedule V of Listing Regulations, the Corporate Governance Report of the Company for the year under review and the Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

In compliance with the requirements of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from the Managing Director and Chief Financial Officer of the Company, who are responsible for the finance function, was placed before the Board.

All the Board Members and Senior Management Personnel of the Company had affirmed compliance with the Code of Conduct for Board and Senior Management Personnel. A declaration to this effect duly signed by the Managing Director is enclosed as a part of the Corporate Governance Report.

23. BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms an integral part of this report. The said report is available on the website of the Company www.gfl.co.in.

24. EXTRACT OF ANNUAL RETURN

In terms of Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules, 2013, the extract of Annual Return as provided in Form no. MGT -9 is annexed to this report as **Annexure D.**

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, in the manner prescribed is annexed to this report as **Annexure E.**

26. PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5 (2) and 5 (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the name and other particulars of the employees drawing remuneration in excess of the limits set out in the said rule is annexed to this report.

Disclosure pertaining to remuneration and other details as required under Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as **Annexure F.**

In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

27. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Corporate Social Responsibility (CSR) Committee of the Company comprises of Shri Shanti Prasad Jain, Independent Director, Shri Vivek Jain and Shri Deepak Asher, Non Independent Directors of the Company. The CSR Policy of the Company is disclosed on the website of the Company which can be viewed at http://www.gfl.co.in/pdf/CSR_Policy_Final_05112014.pdf. The report on CSR activities as per Companies (Corporate Social Responsibility) Rules, 2014 is annexed to this Report as **Annexure G.**

28. SAFETY, HEALTH AND ENVIRONMENT

Safety, health and environment have been of prime concern to the Company and necessary efforts were made in this direction in line with the safety, health and environment policy laid down by the Company. The Company has achieved certification of ISO: 14001:2004 (Environment Management System), ISO 18001:2007 (Occupational Health and Safety Management System) and ISO 9001:2008 (Quality Management System) for its Ranjitnagar and Dahej Unit. Health of employees is being regularly monitored and environment has been maintained as per statutory requirements.

29. INSURANCE

The Company's property and assets have been adequately insured.

30. RISK MANAGEMENT

The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures to review key elements of risks viz Regulatory and Legal, Competition and Financial involved and measures taken to ensure that risk is controlled by means of a properly defined framework. In the Board's view, there are no material risks, which may threaten the existence of the Company. For further details, please refer to the Management Discussion and Analysis Report annexed to this report.

31. INFORMATION UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has formed an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The following is the summary of sexual harassment complaints received and disposed of during the year 2016-17.

No. of Complaints Received	Nil
No. of Complaints disposed of	Not Applicable

32. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this report.

33. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

34. ACKNOWLEDGEMENT

Your Directors express their gratitude to all other external agencies for the assistance, co-operation and guidance received. Your Directors place on record their deep sense of appreciation for the dedicated services rendered by the workforce of the Company.

By Order of the Board of Directors

Date : 11th August, 2017
Place : Noida

Devendra Kumar Jain
Chairman

Annexure A
Nomination and Remuneration Policy

1. PREFACE:

a. The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.

b. This Nomination and Remuneration Policy (NR Policy) has been formulated, inter alia, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of Gujarat Fluorochemicals Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

2. OBJECTIVES OF THIS NR POLICY:

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by NR Committee and recommend to the Board their appointment and removal.

b. To lay down criteria to carry out evaluation of every Director's performance.

c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

3. DEFINITIONS:

a. "Board" means the Board of Directors of the Company.

b. "Directors" means the Directors of the Company.

c. "Committee" means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

d. "Company" means Gujarat Fluorochemicals Limited.

e. "Key Managerial Personnel" (KMP) means

- Managing Director; or Chief Executive Officer; or Manager and in their absence, a Whole- time Director;
- Company Secretary;
- Chief Financial Officer

f. "Senior Management Personnel" means, the personnel of the Company who are members of its core management team excluding Board of Directors and KMPs, comprising of all members of management on level below the Executive Directors including the functional heads.

g. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

4. NR POLICY

NR Policy is divided into three parts as follows:

I. Qualifications

Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

b. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of The Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The Company has an Organogram displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the Organogram of the Company.

II. Remuneration

a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The Managing Director is also eligible for payment of Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and approved by the Shareholders from time to time to be payable to the Managing Director of the Company . The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals
- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

	Fixed Component	
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.

ii. Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.

iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Non-Executive Director.

iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. **Structure of Remuneration for Other Employees**

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

III. Evaluation

a. **Criteria for evaluating Non-executive Board members:**

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. **Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel**

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

c. **Criteria for evaluating performance of Other Employees**

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

5. COMMUNICATION OF THIS POLICY

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

6. AMENDMENT

Any change in the Policy shall, on recommendation of NR Committee, be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

Annexure B

AOC 1

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint venture

PART A - SUBSIDIARIES

(₹ in Lakh)

	Inox Leisure Limited	Inox Wind Limited	Inox Renewables Limited	Inox Renewables (Jaisalmer) Limited	Inox Wind Infrastructure Services Limited	Marut-Shakti Energy India Limited	Sarayu Wind Power (Tallimadugula) Private Limited	Sarayu Wind Power (Kondapuram) Private Limited	Satviki Energy Private Limited	Vinirrmaa Energy Generation Private Limited	RBRK Investments Limited	Inox Infrastructure Limited	Gujarat Fluorochemicals Americas Llc	Gujarat Fluorochemicals Singapore Pte Limited	Gfl Gm Fluorspar (Sa)	Gujarat Fluorochemicals Gmbh	Shouri Properties Private Limited
The date since when the subsidiary was acquired	09/11/1999	09/04/2009	11/11/2000	24/07/2012	11/05/2012	13/09/2013	09/12/2015	25/03/2016	19/11/2015	23/01/2016	01/09/2016	27/02/2007	02/09/2009	25/07/2011	15/08/2011	19/08/2013	24/11/2014
Reporting period, if different from the holding Company																	
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries													USD @₹ 64.85	USD @₹ 64.85	MAD @₹ 6.4533	EURO @₹ 69.33	
Share Capital	9616.28	22191.82	337.50	10605.00	5.00	61.11	1.00	1.00	83.50	5.00	7.00	5000.00	1012.28	2153.30	1349.96	21.82	141.00
Reserves and Surplus	45642.30	194296.91	10745.36	2260.63	5157.28	(1120.92)	(62.24)	(13.44)	(4.68)	(60.63)	40.56	767.08	(16.73)	283.85	(1422.71)	274.52	(66.29)
Total Assets	114416.77	440857.93	115623.80	35454.12	145225.94	4270.03	477.22	110.41	83.48	462.19	1247.54	5827.82	5787.57	2444.03	8203.54	5235.21	176.01
Total Liabilities	59158.19	224369.20	104540.94	22588.49	140063.66	5329.84	538.46	122.85	4.67	517.83	1199.98	60.75	4792.03	6.89	8276.28	4938.87	101.31
Investments	1257.71	76,155.86	10,605.00	-	5554.70	-	-	-	-	-	-	-	-	-	-	-	-
Turnover	122071.41	286322.35	16551.48	5832.18	69694.43	733.28	171.30	-	-	139.13	1008.48	-	11310.73	34.07	-	13077.59	317.35
Profit/(Loss) before taxation	4447.71	34792.83	(21463.85)	892.35	7462.50	(407.61)	(5.20)	(2.89)	(1.27)	(46.63)	81.39	124.95	68.01	23.62	(275.04)	79.54	6.56
Provision for taxation	1400.02	9161.49	3439.38	1019.48	3349.95	-	-	-	0.18	-	26.55	40.84	-	6.59	0.93	24.13	1.41
Profit/(Loss) after taxation	3047.69	25631.34	(24903.23)	(127.13)	4112.55	(407.61)	(5.20)	2.89	(1.45)	(46.63)	54.84	84.11	68.01	17.03	(275.97)	55.40	5.15
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of Shareholding	48.09	63.09	100.00	100.00 by Inox Renewables Limited	100.00 by Inox Wind Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00 by Inox Wind Infrastructure Services Limited	100.00	100.00	100.00	74.00 by GFL Singapore Pte Limited	100.00	99.29 by Inox Leisure Limited

Name of subsidiaries which are yet to commence operations:1) GFL GM Fluorspar (SA). Names of subsidiaries which have been liquidated or sold during the year: Nil

PART B - ASSOCIATES AND JOINT VENTURES

Statement related to Associate Companies and Joint Ventures

(₹ in Lakh)

Sr. No.	Particulars	Swarnim Gujarat Fluorspar Private Limited	
1	Latest Audited Balance Sheet date	31st March, 2017	31st March, 2016
2	Shares of Associates/Joint Ventures held by the Company on the year end		
	Number	10,82,500	10,82,500
	Amount of investment in Associates/ Joint Venture	108.25	108.25
	Extended holding %	49.93*	49.93*
3	Description of how there is significant influence		
4	Reason why the associate/joint venture is not consolidated	NA	NA
5	Net worth attributable to Shareholding as per latest balance sheet	93.18	95.55
6	Profit/Loss for the year		
	considered in consolidation	(2.36)	(2.19)
	Not considered in consolidation		

*As per JV agreement, GFL to hold 25% of the total equity capital of SGFPL. In view the fact that GMDC yet to contribute its equity participation by way of its assets value which is under review, GFL equity contribution has gone up temporarily due to their subscribing to the additional equity in SGFPL.

Name of associates or joint ventures which are yet to commence operations:
Swarnim Gujarat Fluorspar Private Limited

Names of associates or joint ventures which have been liquidated or sold during the year:
Xuancheng Hengyuan Chemical Technology Company Limited, Joint Venture Company

Annexure C

MR-3

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014]

To,
The Members,
Gujarat Fluorochemicals Limited
Survey No 16/3, 26 & 27,
Village Ranjitnagar 389380
Taluka Ghoghamba,
District Panchmahal,
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Fluorochemicals Limited (hereinafter referred to as 'the company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017, according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   We further report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the company during the period of this report:-

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

   (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi. Other sector specific laws as follows:

   (a) Ozone Depleting Substances (Regulation) Rules, 2000;

   (b) The Indian Boilers Act, 1923 (Amended 1960);

   (a) The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.

We have also examined compliance with the applicable clauses of the followings:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of directors of the company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review, if any, were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting.

We further report that as per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

S. Samdani
Partner
Samdani Shah & Kabra
(Erstwhile Samdani Shah & Asso.)
Company Secretaries
FCS No. 3677
CP No. 2863

Vadodara,
Date: May 03, 2017

Annexure D

MGT 9

Extract of Annual Return as on the Financial Year ended on 31st March, 2017
(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i.	Corporate Identification Number	:	L24110GJ1987PLC009362
ii.	Registration Date	:	4th February, 1987
iii.	Name of the Company	:	Gujarat Fluorochemicals Limited
iv.	Category/Sub-Category of the Company	:	Commercial and Industrial Undertaking
v.	Address of the Registered Office and Contact Details	:	Survey No 16/3, 26 and 27 Ranjitnagar 389380 Taluka Ghoghamba District Panchmahal Gujarat Tel: +91 2678 248153 Fax: +91 2678 248153
vi.	Whether listed company yes or no	:	Yes
vii.	Name, Address and Contact Details of Registrar and Share Transfer Agents, if any	:	Link Intime India Private Limited B-102 & 103, Shangrila Complex, 1st Floor Near Radhakrishna Char Rasta, Akota, Vadodara – 390020 Tel: +91 265 2356794 Fax: +91 265 2356791

II. PRINCIPAL BUSINESS ACITIVITES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the Company
1	Refrigerant Gases	24111	16.58%
2	Caustic Soda (Caustic Soda Lye & Flakes)	24111	24.94%
3	Chloromethanes (Methylene Chloride and Carbon Tetrachloride)	24111	17.2%
4	Poly Tetrafluoroethylene (PTFE)	24111	34.51%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	CIN/GIN	Holding/subsidiary/ associate	% of shares held	Applicable Section
1	U65910MH1995PLC085703 Inox Leasing and Finance Limited, 69, Jolly Maker Chambers II, Nariman Point, Mumbai - 400021	Holding	52.54	2 (46)
2	L92199GJ1999PLC044045 Inox Leisure Limited ABS Towers, Old Padra Road, Vadodara 390 007	Subsidiary	48.09	2 (87)
3	U45201MH2002PTC134393 Shouri Properties Private Limited Unit No. F1, 1st Floor, Shanti Nagar Co-operative Industrial Estate Limited, Vakola, Santacruz (E) Mumbai - 400055	Step-down Subsidiary	99.29 held by Inox Leisure Limited	2 (87)
4	U92132MH2001PTC133639 Swanston Multiplex Cinemas Private Limited 9th Floor, Viraj Towers, Western Express Highway, Andheri East Mumbai - 400093	Joint Venture of Inox Leisure Limited	50.00 held by Inox Leisure Limited	2 (6)

Sr. No.	CIN/GIN	Holding/subsidiary/ associate	% of shares held	Applicable Section
5	L31901HP2009PLC031083 Inox Wind Limited Plot No. 1, Khasra Nos. 264 to 267, Industrial Area, Village Basal- 174303, District Una, Himachal Pradesh	Subsidiary	63.09	2 (87)
6	U45200DL2007PLC159796 Inox Infrastructure Limited 612-618, 6th Floor, Narayan Manzil, 23, Barakhamba Road, New Delhi 110 001	Subsidiary	100.00	2 (87)
7	U40100GJ2010PLC062869 Inox Renewables Limited Plot No 1837 and 1834, Moje Jetalpur, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007	Subsidiary	100.00	2 (87)
8	U45201GJ2012PLC071264 Inox Renewables (Jaisalmer) Limited Plot No 1837 and 1834, Moje Jetalpur, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007	Step-down Subsidiary	100.00 held by Inox Renewables Limited	2 (87)
9	U45207GJ2012PLC070279 Inox Wind Infrastructure Services Limited Plot No 1837 and 1834, Moje Jetalpur, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007	Step-down Subsidiary	100.00 held by Inox Wind Limited	2 (87)
10	U04010GJ2000PLC083233 Marut - Shakti Energy India Limited Plot No 1837 and 1834, Moje Jetalpur, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2 (87)
11	U40100AP2013PTC089795 Satviki Energy Private Limited Jai Shakti Enclave, Plot No. 50/A, Kalyan Nagar – II, Kurnool, Hyderabad - 500038	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2 (87)
12	U40108TG2012PTC078732 Sarayu Wind Power (Tallimadugula) Private Limited House No. 8-3-960/6/2, Flat No. 301 “Wings”, Srinagar Colony, Hyderabad - 500073	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2 (87)
13	U40109TG2007PTC056146 Vinirrmaa Energy Generation Private Limited Plot No. 34, Rao and Raju Colony, Banjara Hills, Kurnool, Hyderabad - 500034	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2 (87)
14	U40108TG2012PTC078981 Sarayu Wind Power (Kondapuram) Private Limited House No. 8-3-960/6/2, Flat No. 301 “Wings”, Srinagar Colony, Hyderabad - 500073	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2 (87)

Sr. No.	CIN/GIN	Holding/subsidiary/ associate	% of shares held	Applicable Section
15	U40100TG2005PLC047851 RBRK Investments Limited 6-200/2/1, Boudha Nagar Jeedimetla Village Hyderabad - 500055	Step-down Subsidiary	100.00 held by Inox Wind Infrastructure Services Limited	2(87)
16	201117579Z Gujarat Fluorochemicals Singapore Pte Limited 158 Cecil Street, #11-01, Singapore - 069545	Foreign Subsidiary	100.00	2 (87)
17	801165985 Gujarat Fluorochemicals LLC, USA 4200 North Highway 77, Rockdale, Texas 76567, USA	Foreign Subsidiary	100.00	2 (87)
18	HRB 128868 Gujarat Fluorochemicals, GmbH Chilehaus A, Fischertwiete 2, D-20095, Hamburg, Germany	Foreign Subsidiary	100.00	2 (87)
19	404026907 GFL GM Fluorspar SA 219, Boulevard, Zerktouni, Residence E 1, Bardai 20100, Casablanca, Morocco	Step-down Foreign Subsidiary	74.00 held by GFL Singapore Pte Limited	2 (87)
20	U24119GJ2012PTC070801 Swarnim Gujarat Fluorspar Private Limited 9th Floor Khanij Bhavan, Near Gujarat University Ground, 132 ft Ring Road Vastrapur, Ahmedabad – 380052	Joint Venture Company	49.93	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS A PERCENTAGE OF TOTAL EQUITY)

i. Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year (01st April, 2016)				No. of shares held at the end of the year (31st March, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
Indian									
Individual /HUF	136300	0	136300	0.12	136300	0	136300	0.12	0.00
Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	74928600	0	74928600	68.21	74928600	0	74928600	68.21	0.00
Banks / FI	0	0	0	0	0	0	0	0	
Any Other	0	0	0	0	0	0	0	0	
Sub Total (A) 1	**75064900**	**0**	**75064900**	**68.33**	**75064900**	**0**	**75064900**	**68.33**	**0.00**
Foreign									
NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A) 2	0	0	0	0.00	0	0	0	0.00	0.00
									0.00
Total Shareholding of Promoter (A)=A1+A2	**75064900**	**0**	**75064900**	**68.33**	**75064900**	**0**	**75064900**	**68.33**	**0.00**
Public Share Holding									
Institutions									
Mutual Funds	4218346	7000	4225346	3.85	3937324	7000	3944324	3.59	-0.26
Banks / FI	30788	2000	32788	0.03	52416	2000	54416	0.05	0.02
Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investors	4413954	0	4413954	4.02	4148220	0	4148220	3.78	-0.24
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Central Government / State Government	250	0	250	0.00	100	0	100	0.00	-0.00
Sub Total B 1	**8663305**	**9000**	**8672338**	**7.89**	**8138060**	**9000**	**8147060**	**7.42**	**-0.48**

Category of Shareholders	No. of shares held at the beginning of the year (01st April, 2016)				No. of shares held at the end of the year (31st March, 2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Institutions									
Bodies Corporate	10826542	45000	10871542	9.90	10456508	44000	10500508	9.56	-0.34
Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	6450124	1359352	7809476	7.11	6519953	1267152	7787105	7.09	-0.02
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	4176742	0	4176742	3.80	4665613	0	4665613	4.25	0.45
Other									
Clearing Members	128410	0	128410	0.12	420125	0	420125	0.38	0.27
Non Resident Indian (REPAT)	207999	2000	209999	0.19	218692	2000	220692	0.20	0.01
Non Resident Indian (NON REPAT)	132166	183000	315166	0.29	247335	183000	430335	0.39	0.10
Hindu Undivided Family	2568864	0	2568864	2.34	2610398	0	22610398	2.38	0.04
Foreign Companies	0	2000	2000	0.00	0	2000	2000	0.00	0.00
Foreign Nationals	334	0	334	0.00	334	0	334	0.00	0.00
Trusts	30229	0	30229	0.03	930	0	930	0.00	-0.03
Sub Total B2	**24521410**	**1591352**	**26112762**	**23.78**	**25139888**	**1498152**	**26638040**	**24.25**	**0.048**
Total Public Shareholding B=B1 + B2	**33184748**	**1600352**	**34785100**	**31.67**	**33277948**	**1507152**	**34785100**	**31.67**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Total C	**108249648**	**1600352**	**109850000**	**100.00**	**108342848**	**1507152**	**109850000**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01st April, 2016)			Shareholding at the end of the year (31st March, 2017)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Inox Leasing and Finance Limited	57715310	52.54	0.00	57715310	52.54	0.00	0.00
2	Devansh Trademart LLP	6662360	6.07	0.00	6662360	6.07	0.00	0.00
3	Siddhapavan Trading LLP	5576440	5.08	0.00	5576440	5.08	0.00	0.00
4	Inox Chemicals LLP	2955230	2.69	0.00	2955230	2.69	0.00	0.00
5	Siddhomal Trading LLP	2019260	1.84	0.00	2019260	1.84	0.00	0.00
7	Smt Sita Devi Jain	6000	0.01	0.00	6000	0.01	0.00	0.00
8	Shri Devendra Kumar Jain	20100	0.02	0.00	20100	0.02	0.00	0.00
9	Shri Pavan Kumar Jain	20100	0.02	0.00	20100	0.02	0.00	0.00
10	Shri Vivek Kumar Jain	20100	0.02	0.00	20100	0.02	0.00	0.00
11	Shri Siddharth Jain	20000	0.02	0.00	20000	0.02	0.00	0.00
12	Shri Devansh Jain	10000	0.01	0.00	10000	0.01	0.00	0.00
13	Smt Hem Kumari	10000	0.01	0.00	10000	0.01	0.00	0.00
14	Shri Kapoor Chand Jain	10000	0.01	0.00	10000	0.01	0.00	0.00
15	Smt Nandita Jain	10000	0.01	0.00	10000	0.01	0.00	0.00
16	Smt Nayantara Jain	10000	0.01	0.00	10000	0.01	0.00	0.00
	TOTAL	**75064900**	**68.33**	**0.00**	**75064900**	**68.33**	**0.00**	**0.00**

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in holding of shares of the Category of Promoters and Promoter Group.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01st April, 2016) No. of shares	Shareholding at the beginning of the year (01st April, 2016) % of total shares of the Company	Date	Increase or Decrease in Holding	Shareholding at the end of the year (31st March, 2017) No. of shares	Shareholding at the end of the year (31st March, 2017) % of total shares of the Company
1	Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund	1896700	1.7266	06.05.2016	-2463	1894237	1.7244
				20.05.2016	18149	1912386	1.7409
				27.05.2016	55833	1968219	1.7917
				03.06.2016	3630	1971849	1.7950
				22.07.2016	5900	1977749	1.8004
				02.09.2016	25000	2002749	1.8232
				10.02.2017	25000	2027749	1.8459
				10.03.2017	-3611	2024138	1.8426
				17.03.2017	-49618	1974520	1.7975
2	Hotz Industries Limited	1421560	1.2941	31.03.2017	-54141	1367419	1.2448
3	Akash Bhansali	1354943	1.2334	NIL Movement	NIL Movement	1354943	1.2334
4	UTI – Midcap Fund	1033215	0.9406	10.06.2016	60324	1093539	0.9955
				17.06.2016	75234	1168773	1.0640
				19.08.2016	149725	1318498	1.2003
				23.09.2016	-7528	1310970	1.1934
				31.03.2017	3934	1307036	1.1898
5	AADI Financial Advisors LLP	683714	0.6224	08.07.2016	49000	732714	0.6670
				16.09.2016	23117	755831	0.6881
				10.02.2017	500000	1255831	1.1432
6	FIL Investments (Mauritius) Limited	1243605	1.1321	NIL Movement	NIL Movement	1243605	1.1321

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01st April, 2016) No. of shares	% of total shares of the Company	Date	Increase or Decrease in Holding	Shareholding at the end of the year (31st March, 2017) No. of shares	% of total shares of the Company
7	Reliance Nippon Life Insurance Company Limited	1471416	1.3395	15.04.2016	1495	1472911	1.3408
				22.04.2016	-7736	1465175	1.3338
				29.04.2016	1008	1466183	1.3347
				06.05.2016	930	1467113	1.3356
				13.05.2016	3015	1470128	1.3383
				20.05.2016	651	1470779	1.3389
				27.05.2016	12114	1482893	1.3499
				03.06.2016	-620	1482273	1.3494
				10.06.2016	14	1482287	1.3494
				17.06.2016	-680	1481607	1.3488
				24.06.2016	-5	1481602	1.3488
				30.06.2016	-541	1481061	1.3483
				08.07.2016	-3929	1477132	1.3447
				15.07.2016	-3555	1473577	1.3414
				22.07.2016	-3072	1470505	1.3386
				29.07.2016	-13811	1456694	1.3261
				05.08.2016	-193	1456501	1.3259
				12.08.2016	-8367	1448134	1.3183
				19.08.2016	2903	1451037	1.3209
				02.09.2016	2450	1453487	1.3232
				23.09.2016	-53	1453434	1.3231
				30.09.2016	-496	1452938	1.3227
				07.10.2016	1299	1454237	1.3238
				21.10.2016	94	1454331	1.3239
				04.11.2016	532	1454863	1.3244
				11.11.2016	-414	1454449	1.3240
				18.11.2016	-1100	1453349	1.3230
				25.11.2016	-1873	1451476	1.3213
				02.12.2016	-438	1451038	1.3209
				09.12.2016	-496	1450542	1.3205
				16.12.2016	-41	1450501	1.3204
				23.12.2016	26	1450527	1.3205
				30.12.2016	2977	1453504	1.3232
				06.01.2017	-3682	1449822	1.3198
				13.01.2017	729	1450551	1.3205
				20.01.2017	-10385	1440166	1.3110
				27.01.2017	8715	1448881	1.3190
				03.02.2017	25	1448906	1.3190
				10.02.2017	-1980	1446926	1.3172
				17.02.2017	-7305	1439621	1.3105
				24.02.2017	-8860	1430761	1.3025
				03.03.2017	-92109	1338652	1.2186
				10.03.2017	-153110	1185542	1.0792
				17.03.2017	-322	1185220	1.0789
				24.03.2017	1623	1186843	1.0804
				31.03.2017	-18254	1168589	1.0638
8	Lata Bhansali	863912	0.7864	22.07.2016	180995	1044907	0.9512
9	Akash Bhansali	750000	0.6827	11.11.2016	18899	768899	0.7000
				10.03.2017	125000	893899	0.8137
				31.03.2017	40000	933899	0.8502
10	Jai-Vijay Resources Private Limited	795933	0.7246	08.07.2016	108392	904325	0.8232
11	Vallabh Bhansali	872200	0.7940	NIL Movement	NIL Movement	872200	0.7940

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(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (01st April, 2016) No. of shares	% of total shares of the Company	Date	Increase or Decrease in Holding	Shareholding at the end of the year (31st March, 2017) No. of shares	% of total shares of the Company
	Directors						
1	Shri Devendra Kumar Jain	20100	0.02	NIL Movement	NIL Movement	20100	0.02
2	Shri Pavan Kumar Jain	20100	0.02	NIL Movement	NIL Movement	20100	0.02
3	Shri Shailendra Swarup	10000	0.01	NIL Movement	NIL Movement	10000	0.01
4	Shri Vivek Kumar Jain, Managing Director	20100	0.02	NIL Movement	NIL Movement	20100	0.02
5	Shri Shanti Prashad Jain	1000	0.00	NIL Movement	NIL Movement	1000	0.00
	KMP						
6	Shri Manoj Agrawal, Chief Financial Officer	0	0.00	NIL Movement	NIL Movement	0	0.00
7	Shri Bhavin Desai, Company Secretary	0	0.00	NIL Movement	NIL Movement	0	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Total Indebtedness
Indebtedness at the beginning of the financial year			
i. Principal Amount	27,114.92	20,729.15	47,844.07
ii. Interest due but not paid	-	-	-
iii. Interest accrued but not due	79.18	47.07	126.25
Total (i+ii+iii)	**27,194.10**	**20,776.22**	**47,970.32**
Change in Indebtedness during the financial year			
i. Addition	12.92	60,068.38	60,081.30
ii. Reduction	(5454.79)	(39,305.77)	(44,760.74)
iii. Interest accrued but not due	(4.51)	12.20	7.68
Net Change	**(5,546.56)**	**20,774.80**	**15328.24**
Indebtedness at the end of the financial year			
i. Principal Amount	21,672.87	41,491.76	63,164.63
ii. Interest due but not paid	-	-	-
iii. Interest accrued but not due	74.67	59.27	133.93
Total (i+ii+iii)	**21,747.54**	**41,551.02**	**63,298.56**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹ in Lakh)
		Shri Vivek Jain, Managing Director and CEO	Shri Dinesh Kumar Sachdeva, Whole-Time Director	Shri Anand Bhusari, Whole-Time Director	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,	55.50	20.92	119.85	196.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	60.40	1.20	0.00	61.60
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify…	500.00	0	0	500.00
5.	Others, please specify-Company contribution to PF	6.66	1.92	6.13	14.71
	Total (A)	**622.56**	**24.04**	**125.98**	**772.58**
	Ceiling as per the Act				**1665.43**

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount (₹ in Lakh)
		Shri Shailendra Swarup	Shri Shanti Prashad Jain	Shri Rajagopalan Doraiswami	Ms Vanita Bhargava	Shri Chandra Prakash Jain	
1	Independent Directors						
	Fee for attending Board/ Committee Meetings	1.60	2.20	1.00	1.60	1.00	7.40
	Commission	0	0	0	0	0	0
	Others	0	0	0	0	0	0
	Total (1)	**1.60**	**2.20**	**1.00**	**1.60**	**1.00**	**7.40**
2	Other Non-Executive Directors	Shri Devendra Kumar Jain	Shri Pavan Jain	Shri Deepak Asher			
	Fee for attending Board/ Committee Meetings	1.00	0.20	2.00			3.20
	Commission	166.54	0	0			166.54
	Others	0	0	0			0
	Total (2)	**167.54**	**0.20**	**2.00**			**169.74**
	Total of B = (1+2)	169.14	2.40	3.00	1.60	1.00	177.14
	Total (A+B)						949.72
	Overall Ceiling as per the Act						**1831.98**

C. Remuneration to Key Managerial Personnel (KMP) other than MD/ Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (₹ in Lakh)
		CEO Shri Vivek Jain, Managing Director	Company Secretary Mr Bhavin Desai	CFO Mr Manoj Agrawal	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Please refer to VIA	13.04	53.42	66.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0.00	0.00	0.00
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission - as % of profit - others, specify…		0.00	0.00	0.00
5.	Others, please specify		0.95	2.77	3.72
	Total (A)		**13.99**	**56.19**	**70.18**

VII PENALTIES /PUNISHMENTS / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [Rd / NCLT / Court]	Appeal made, if any (give details)
COMPANY					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
Directors					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
Other Officers in default					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil

Annexure E

Information as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

A) CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy

Ranjitnagar unit:

- R22 Crude Gas Compressor motor size reduced from 132 Kw to 75 Kw resulting in saving of 14 Kw per hour.
- In Coal Based Boiler both FD and ID fans are installed with VFDs to achieve saving of 300 kw/day (15% of total fan power).
- Condensate recovery increased to maximum possible extent. A total 5% condensate recovery increased.

Dahej unit:

- TFE-2 Utilites: To meet ETFEE plant's (-15)/ (-35) 0C system demand by operations of 1 no (-35) 0C & 1 no (-15) 0C chillers. Further to same, to serve the purpose of (-15)/ (-35) 0C through operations of only one Compressor pertains to (-15) 0C. (Power Savings - HT - 6600 Volts).
- Integration of TFE-1 Utilities main header of (-15) 0C brine supply with Vent Recovery Plant with desired piping modification & permanent stoppage of separate brine supply pump to VR to serve the purpose of (-15) 0C brine application.
- HVAC - Integration work of S&A, PT-PTFE and FKM. Area: FKM/PT-PTFE Utilities.
- Operation of 5th reactor pertains to D-PTFE on existing chilling system by integration of chilling circuit at D-PTFE utilities. Area: D-PTFE Utilities.
- Reduction in AMC Charges of HVAC system. Area: D-PTFE Utilities.
- In AHF/HCFC Utilities AHF/HCFC refrigeration systems discontinued the AMC with M/s Frick India Ltd.
- Optimization of lighting circuit in TFE-2 Utilities as per illumination study conducted by third party & to implement the same through execution of desired modifications.
- TFE-1: Install improved set of Burners # Savings = 2 MMBTU/MT, NG (Furnace-1) Area: TFE-1 Plant.
- STG-1 Condensing Turbine # Steam Consumption Optimization. Previous = 4.28 Tons/MW, New = 4.10 Tons/MW (Steam Cost = ₹ 750/- per Ton). Norm's reduction by 0.18 Tons/MW. Area: CPP.
- Optimization of Coal consumption for Boiler # 1, through chemical de-scaling of Boiler's pressure parts thoroughly. Area: CPP.
- Reduction in % Steam Losses: Steam supply from CPP Vs Consumption End (From previous 7% to new 3%). Area: Complex Utilities.
- CPP: Reduction in O&M Charges of M/s Fugitech. Area: CPP.
- RW Savings: Use of treated effluent in place of raw water for dust suppression at coal yard (Estimated Savings = 100 KLD, on account of Raw Water). Area: CPP Utilities.
- RW Saving : To increase the DI-3 water treatment plant's operation from current level of 5-10% to more than 50% of the total DI water requirement at Polymer Complex. (Estimated Savings = 300 KLD, on account of Raw Water). Area: DI Plants Utilities.
- Reduction in consumption of DI water filters of various sizes. Viz: 5µ 20" long, 5µ 30" long, 1.2µ, 0.2µ due to consistency in DI water quality at generation end & increase in o/p of DI-3 water treatment plant. Area: Polymer Complex.
- CU: Optimization of pumping energy for gaseous N2 generation plant. Area: Common Utilities.

- Stoppage of drinking water supply from outside agency & utilization of in-house infrastructure to serve the purpose, satisfactorily. Area: Complex.
- ETP: Reduction in O&M Charges of ETP/STP (Conversion of O&M contract to Manpower Supply). Area: ETP Ops.
- Integration of A&H, New CaCl2 & CO2 Process water supply with main plant process water Header with desired piping modification, thereof. Area: Common Utilities.
- (-35) 0C Primary Brine P-805 A/B/C # VFD installation & commissioning. Area: TFE-1 Utilities.
- (-15) 0C Secondary Brine P-804 A/B/C # VFD installation & commissioning. Area: TFE-1 Utilities.
- Chilled water circulation pump P-5106 A/B # VFD installation & commissioning. Area: TFE-1 Utilities.
- DI Water pumps P-911 A/B/C # VFD installation & commissioning. Area: DI Plants Utilities.
- Lighting energy optimization. Area: DI Plants Utilities.
- Optimization of water consumption at S&A Cooling Tower. Area: FKM Utilities.
- Optimization of water consumption at D-PTFE Cooling Tower. Area: D-PTFE Utilities.
- Reduction of daily LIN consumption by @ 500 Nm3/day. Area: Polymer Utilities.
- STG-4 Vacuum improvement by condenser's tubes de-scaling (Loss Prevention project). Area: CPP, Savings Achieved = TBE.
- CST Pump's head reduction from 80 m to 60 m. Area: CPP.
- Use of vacuum pump's outlet water for CT make up - CA Flaker plant. Area: CA – Utilities.
- Installation of HP Heater in Boiler-2. This has increased feed water temperature in boiler water and have helped improve in house power generation by 1 Mw.
- Installation of energy efficient fans in CPP cooling tower to reduce energy consumption by 24%.
- Installation of high efficiency mesh in CCGT cooling tower cells for sustenance of vacuum in STG 3 and 4.

ii. The steps taken by the Company for utilising alternate sources of energy:

Ranjitnagar unit: Not Applicable

Dahej unit: Not Applicable

iii. Capital Investment on energy conservation equipments:

Ranjitnagar Unit: Nil

Dahej Unit: Nil

(B) TECHNOLOGY ABSORPTION

Efforts, in brief, made towards technology absorption, adaptation and innovation.

Ranjitnagar Unit:

- The Company has dedicated professionals working on ongoing development for improvement in process efficiency, product quality, Energy and Emission control and enhancing process of safety.

Dahej Unit:

CHEMICAL

- Granulator Plant was commissioned with Technology from China. The plant design capacity is 120 TPD. CaCl2 granules of 94-97% purity can be produced for Domestic and Export Market. This plant is forward integration of 32% CaCl2 slurry plant & in which 32 % concentrated slurry is getting converted in Granules.
- In CA plant conversion of existing finite gap membrane electrolyzers C & D to Zero Gap was done with technology from M/s Bluestar China. This had resulted into a power saving of about 440 KWH/MT in both electrolyzers. Conversion of electrolyzer A & B was planned in 2016-17.
- In CA plant Hydrogen compressor of 1000 NM3/hr capacity having pressure rating of 50 Kg/cm2 commissioned for supplying hydrogen through pipe line to M/s Deepak Nitrite.

POLMER

- GFL has fully absorbed the technology of FKM in the business of fluoro elastomers. This is one excellent fluorocarbon based synthetic rubber. This has wide application in automotive sector and for chemical industries. FKM has high chemical & fuel resistance property. GFL has got global market approval for both CO-Polymer & Ter-polymer grades FKM. GFL has made in-house production facility of raw gum & precompounds.
- GFL has also successfully absorbed the technology of ETFEE. This is in-house developed TFE based Fluorochemicals intermediate and converted to EDFA a value added Fluorochemicals for end use in Agro Chemicals & Pharmaceuticals Industries.
- GFL has successfully commissioned TFE vent recovery plant. This plant has dual purpose. It has improved the environment condition by not venting any of the off gases to atmosphere and also earning money by converting the vent gases to value added product.
- GFL has improved in the %yield of fluoro surfactant recovery from 60% to more than 75%. Operation team is still taking efforts to obtain the yield to more than 85%.
- Almost 16 cost saving projects have been successfully implemented in the tune of cost saving of ₹ 50 lacs per month from different ideas generated by the employees.
- GFL has jointly working with NCL Pune, Ingenaro, Mumbai, Raschig, Mumbai, GE process, Mumbai on account of process consultancy for capacity improvement, recovery efficiency and product quality consistency.

FUTURE SCOPE:

- GFL is almost on the verge of development in other Fluoropolymer like, PFA, FEP, Micro Powder & Bimodal PTFE dispersion & various Tetramers in the field of coating on metals & fabrics, impregnation, Cable Insulation, Wires & Cables etc.

(i) The benefits derived like product improvement, cost reduction, product development, import substitution

(a) Improvement in operation efficiency
(b) Cost reduction in all operations
(c) Product quality improvement and sustenance
(d) People development by training awareness and interactions
(e) Clean environment

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)

(a) The details of technology imported: Not applicable
(b) The year import: Not applicable
(c) Whether the technology been fully absorbed: Not applicable
(d) If not fully absorbed, areas: Not applicable

(iii) The expenditure incurred on Research and Development

Ranjitnagar Unit:

Research and Development

(1) *Specific Area in which R &D carried out:*
Process Development work of eight Fluorospeciality molecules which are commercially important and required for Pharmaceutical and Agrochemical industry was carried out by R&D during the year.

(2) *Benefits derived as a result of the above R & D:*
The processes developed in the R&D for five molecules have been taken for scale up through outsourcing.

(3) *Future Plan of Action:*
The Company has identified Fluorospecialty business as a key driver for Company's growth. Consequently, plans are underway to augment the R&D capability in the coming months.

Product pipeline comprising of about 24 molecules has been identified for Process development in the R&D. Many of these molecules have been taken up for development in view of interest evinced by Multinational Innovator Companies, with a commitment for long term purchase of these molecules in commercial scale quantities.

Dahej Unit:

Research and Development

(1) *Specific areas in which R&D carried out:*

a. Development of dispersion PTFE grade for cost effective thin tubing application and thin wire application.

b. Development of direct polymerized low molecular weight PTFE for plastic and coating additive application.

c. Development of high molecular weight dispersion PTFE grade for yarn and membrane application.

d. Development of peroxide cure terpolymer based grades of fluoroelastomer FKM for high temperature and high chemical resistance application.

e. Development of aqueous PTFE grades with Bi-modal particle distribution of high demanding coating and impregnation application.

f. Development of melt processable perfluoroalkoxy alkane polymer (PFA) dispersion grade for coating and impregnation application.

(2) Benefits derived as a result of the above R&D

a. Product approval and business development at various global OEMs like chemical, coating and automotive industries to cater their requirement.

b. Business development in new application area.

c. Customer satisfaction through better product and services as a part of the Company's policy to grow along with the company's valued customers.

d. Enhancement of product portfolio to offer basket of products to customers.

(3) Future plan of action:

a. Development Fluorinated ethylene propylene (FEP) dispersion for coating application.

b. Development of PFA moulding grades for lining and cable insulation application.

c. Development of Polyvinylidene fluoride polymer for cable & wire insulation and chemical resistance coating application.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange used - ₹ 36358.23 lakh
Foreign exchange earned - ₹ 55996.84 lakh

By Order of the Board of Directors

Date : 11th August, 2017
Place : Noida

Devendra Kumar Jain
Chairman

Annexure F

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director / KMP for FY 2016-17	Remuneration of Director /KMP for FY 2016-17 (₹ in Lakh)	% increase in remuneration in the Financial Year 2016-17	Ratio of Remuneration of each of Director to median remuneration of employees
1	Shri Devendra Kumar Jain, Non-executive Director	166.54	6	1 : 52.27
2	Shri Pavan Jain*	*	*	*
3	Shri Vivek Jain	622.56	7	1 : 17.75
4	Shri Shailendra Swarup*	*	*	*
5	Shri Dinesh Kumar Sachdeva, Whole-time Director	24.04	-0.48	1 : 6.64
6	Shri Anand Bhusari, Whole-Time Director	125.98	9	1 : 26.95
7	Shri Om Prakash Lohia, Independent Director**	*	*	*
8	Shri Deepak Asher, Director and Group Head (Corporate Finance)*	*	*	*
9	Shri Shanti Prashad Jain, Independent Director*	*	*	*
10	Shri Rajagopalan Doraiswami	*	*	*
11	Ms Vanita Bhargava	*	*	*
12	Shri Manoj Agrawal, CFO	56.19	16	1 : 17.08
13	Shri Bhavin Desai, Company Secretary	13.99	8	1 : 4.17

Notes

*For this purpose sitting fees paid to Directors have not been considered as remuneration.

** No sitting fees paid.

ii. The Percentage of increase in the median remuneration of employees in the Financial Year:
Percentage of increase in the median remuneration of employees is 9%

iii. The Number of Permanent Employees on the rolls of the Company:
The number of permanent Employees on the rolls of the Company as on 31st March, 2017 was 1693.

iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year:
Average percentile of increase in salaries of employees is 11%

v. Affirmation that the remuneration is as per the Remuneration Policy of the Company:
It is confirmed that the remuneration is as per the Remuneration Policy of the Company.

Note: In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members of the Company excluding information on employees' particulars as required under Rule 5 (2) and (3) of The Companies Appointment of Managerial Personnel and Remuneration Rules, 2014,as amended, which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company.

Annexure G

Report on CSR Activities of the Company as per Companies (Corporate Social Responsibility Policy) Rules, 2014

Sr. No.	Particulars	Compliance
1.	A brief outline of Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and project or programmes	CSR Policy adopted by the Company includes all the activities which are prescribed under Schedule VII of the Companies Act, 2013. The CSR Policy of the Company can be viewed on website of the Company at http://www.gfl.co.in/pdf/CSR_Policy_Final_05112014.pdf
2.	The Composition of CSR Committee	Shri Shanti Prashad Jain, Independent Director Shri Vivek Jain, Non-Independent Director Shri Deepak Asher, Non-Independent Director
3.	Average net profit of the Company for last three Financial Years	₹ 11786.21 Lakh
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 235.72 Lakh
5.	Details of CSR spent during the Financial Year	
	a. Total amount to be spent for the financial year	₹ 79.38 Lakh
	b. Amount unspent if any	₹ 156.34 Lakh
	c. Manner in which the amount spent during Financial Year is detailed below	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the project is covered – Schedule VII**	**Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken**	**Amount outlay (budget project or programme wise) (₹ in Lakh)**	**Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (₹ in lakh)**	**Cumulative expenditure upto the reporting period (₹ in Lakh)**	**Amount spent Direct or through implementing agency**
1	Protection of national heritage, art and culture	(iv)	Donation to Pavagarh Digamber Jain Siddh Kshetra Kothi – Develop and maintain tirth	11.00	11.00	11.00	Through Inox Group CSR Trust
2	Protection of national heritage, art and culture	(iv)	Donation to Sanskaaram, Vadodara – Music festival	2.00	2.00	2.00	Through Inox Group CSR Trust
3	Health Care	(i)	Balwadi Project through Baroda Citizens Council	3.37	3.37	3.37	Through Inox Group CSR Trust
4	Health Care	(i)	Donation to Social Welfare & Education Society – Toilet Blocks, Ranjitnagar	3.60	3.60	3.60	Through Inox Group CSR Trust

(1) Sr No.	(2) CSR project or activity identified	(3) Sector in which the project is covered – Schedule VII	(4) Projects or programmes (1) Local area or (2) Specify the State and District where projects or programmes were undertaken	(5) Amount outlay (budget project or programme wise) (₹ in Lakh)	(6) Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads (₹ in lakh)	(7) Cumulative expenditure upto the reporting period (₹ in Lakh)	(8) Amount spent Direct or through implementing agency
4	Health Care	(i)	Donation to Lok Kalyan Samiti – Upgradation of equipments for eye care and cataract surgeries to Sucheta Bhawan Hospital, New Delhi	1.26	1.26	1.26	Through Inox Group CSR Trust
5	Health Care	(i)	Donation to Suktakevali Education trust – Project for construction of hospital at Shravanabelagola, Karnataka	50.00	50.00	50.00	Through Inox Group CSR Trust
6	Health Care	(i)	Society for the Training & Vocational Rehabilitation of the disabled	0.25	0.25	0.25	Through Inox Group CSR Trust
7	Promotion of Education	(ii)	Donation to Jito Administrative Training Foundation	5.00	5.00	5.00	Through Inox Group CSR Trust
8	Contribution		Expenditure on CSR build capacity through implementing agency	2.90	2.90	2.90	Through Inox Group CSR Trust
				79.38	79.38		

Sr. No.	Particulars	
3	In case the Company has failed to spend the two percent of the average net profit of last three financial years or any party thereof, the company shall provide reasons for not spending the amount in its Board Report.	The Company has un spent amount of ₹ 156.34 Lakh. The Company is obtaining advisory services for identification of CSR Projects for its CSR activities and will spent the amount on identification of CSR Projects.
4	A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	CSR Policy implementation is in compliance with the CSR objectives and Policy of the Company.

Vivek Jain
Managing Director
Noida
11th August, 2017

Shanti Prashad Jain
Chairman, CSR Committee
Noida
11th August, 2017

Corporate Governance Report

In compliance with Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as Listing Regulations), Gujarat Fluorochemicals Limited ("the Company") is pleased to submit this Report on the matters listed in Para C of Schedule V of the Listing Regulations and the practices followed by the Company in this regard.

1. A brief statement on the Company's philosophy on Code of Governance

Corporate Governance is the system by which companies are directed and controlled by the Management in the best interest of the Shareholders and others; ensuring greater transparency and better and timely financial reporting. Corporate Governance, therefore, generates long term economic value for its Stakeholders.

Gujarat Fluorochemicals Limited believes that the implementation of Corporate Governance principles generates public confidence in the corporate system. With this belief, the Company has initiated significant measures for compliance with Corporate Governance.

2. Board of Directors

(a) Composition and Category of Directors:

As at the end of the Financial Year on 31st March, 2017, the Board of Directors consisted of 12 Directors of which 3 were Executive Directors and 9 were Non-Executive Directors, including one Woman Director. Hence, the composition of the Board of Directors consisted of optimum combination of Executive and Non-Executive Directors. The Board of Directors consisted of 6 Independent Directors and 6 Non-Independent Directors during the Financial Year 2016-17. Thus, the composition of the Board, as on 31st March, 2017, is in conformity with the provisions of the Companies Act, 2013 and Regulation 17 of Listing Regulations in this respect.

(b) Number of Meetings of the Board of Directors held with the dates, attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting, disclosure of relationships between Directors inter-se and number of shares and convertible instrument held by Non- Executive Directors:

The Meetings of the Board have been held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings.During the Financial Year, 2016-17, the Board met 5 (Five) times on following dates, namely, 16th May, 2016, 11th August, 2016, 8th September, 2016, 15th November, 2016 and 9th February, 2017.

The following tables gives details of Directors, details of attendance of Directors at the Meetings of the Board, Annual General Meeting, Number of Memberships held by the Directors in the Board / Committees of various Companies, Disclosure of Relationship between Directors inter-se and number of shares held by Non-Executive Directors as at 31st March, 2017:

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Devendra Kumar Jain	Promoter and Non-Independent Director	5	No	Father of Shri Pavan Jain and Shri Vivek Jain	20,100
Shri Shailendra Swarup	Independent Non-executive Director	4	No	No inter-se relationship between Directors	10,000
Shri Vivek Jain	Promoter and Managing Director	5	No	Son of Shri Devendra Kumar Jain and brother of Shri Pavan Jain	Not Applicable

Name of the Director	Category of Director	Number of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Dinesh Kumar Sachdeva	Whole-time Director	1	Yes	No inter-se relationship between Directors	Not applicable
Shri Pavan Jain	Promoter and Non-Independent Director	1	No	Son of Shri Devendra Kumar Jain and brother of Shri Vivek Jain	20,100
Shri Om Prakash Lohia	Independent Non-Executive Director	3	No	No inter-se relationship between Directors	0
Shri Deepak Asher	Non-Independent Director	5	Yes	No inter-se relationship between Directors	0
Shri Shanti Prashad Jain	Independent Non-Executive Director	5	No	No inter-se relationship between Directors	1,000
Shri Rajagopalan Doraiswami	Independent Non-Executive Director	4	No	No inter-se relationship between Directors	0
Shri Anand Bhusari	Whole-time Director	1	No	No inter-se relationship between Directors	Not applicable
Ms Vanita Bhargava	Independent Non-Executive Director	4	No	No inter-se relationship between Directors	0
Shri Chandra Prakash Jain, appointed w.e.f 11.08.2016	Independent Non-Executive Director	4	No	No inter-se relationship between Directors	0

The Company has not issued any convertible Instruments and hence, the details in respect of such Convertible Instruments held by non-executive directors are not provided.

(c) Number of Directorships and Committees Membership / Chairmanship:

Name of the Director	Category of Director	Number of other Directorships / Committee Memberships / Chairmanships		
		Other Directorship (**)	Committee(*)	
			Membership of Public Limited Companies	Chairpersonship of Listed Companies
Shri Devendra Kumar Jain	Promoter and Non-Independent Director	4	1	1
Shri Shailendra Swarup	Independent Non- Executive Director	10	2	0
Shri Vivek Jain	Promoter and Managing Director	9	2	0
Shri Dinesh Kumar Sachdeva	Whole-time Director	0	0	0
Shri Pavan Jain	Promoter and Non-Independent Director	8	4	1

Name of the Director	Category of Director	Number of other Directorships / Committee Memberships / Chairmanships		
		Other Directorship (**)	Committee(*)	
			Membership of Public Limited Companies	Chairpersonship of Listed Companies
Shri Om Prakash Lohia	Independent Director	3	1	1
Shri Deepak Asher	Non-Independent Director	6	9	0
Shri Shanti Prashad Jain	Independent Director	6	7	2
Shri Rajagopalan Doraiswami	Independent Director	0	0	0
Shri Anand Bhusari	Whole-time Director	0	0	0
Ms Vanita Bhargava	Independent Director	0	1	0
Shri Chandra Prakash Jain, appointed w.e.f. 11th August, 2016	Independent Director	9	9	1

(*) Committee means Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the Listing Regulations.

(**) Other Directorship excludes directorship of Foreign Companies and Companies registered under Section 25 of the Companies Act, 1956 now Section 8 of the Companies Act, 2013.

None of the Directors are Directors in more than 10 Public Limited Companies or act as an Independent Director in more than 7 Listed Companies. Further, none of the Directors act as a Member of more than 10 Committees or act as a Chairman of more than 5 Committees across all Public Limited Listed Companies.

(d) Web link of Familiarization Programmes imparted to Independent Directors

Details of Familiarization Programme imparted to Independent Directors have been disclosed on the Company's website. The same can be viewed at http://www.gfl.co.in/familiarization_programme.php

(e) Independent Directors Meeting

Separate Meeting of Independent Directors

As stipulated under Section 149 of the Companies Act, 2013 read with Schedule IV pertaining to the Code of Independent Directors and the Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on 09th February, 2017 with the following agenda:

- to review performance of Non-Independent Directors and the Board as a whole,
- to review the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors of the Company and
- to assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- To familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

3. Audit Committee

(a) Brief description of Terms of Reference

The Role and the Terms of Reference of Audit Committee were defined at the Meeting of the Board of Directors held on 29th May, 2014 which are in accordance with the requirements of Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations read with part C of Schedule II of the Listing Regulations.

The brief description of Terms of Reference of Audit Committee is given below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
    b. Changes, if any, in accounting policies and practices and reasons for the same
    c. Major accounting entries involving estimates based on the exercise of judgment by management
    d. Significant adjustments made in the financial statements arising out of audit findings
    e. Compliance with listing and other legal requirements relating to financial statements
    f. Disclosure of any related party transactions
    g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up thereon;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The Audit Committee comprises of Four Directors with Shri Shanti Prashad Jain as the Chairman of the Committee. The composition of Audit Committee is in compliance with Section 177 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 18 of the Listing Regulations.

During the Financial Year 2016-17, the Audit Committee met 5 (Five) times on following dates, namely, 16th May, 2016, 26th August, 2016, 8th September, 2016, 15th November, 2016 and 9th February, 2017.

The details of composition of Audit Committee and the Meetings attended by the Directors during Financial Year 2016-17 are given below:

Name of the Director	Category of Director	Number of Meetings attended
Shri Shanti Prashad Jain, Independent Director	Chairman	5
Shri Deepak Asher, Non Independent Director	Member	5
Shri Shailendra Swarup, Independent Director	Member	4
Ms Vanita Bhargava, Independent Director, appointed w.e.f 11th August, 2016	Member	3

Shri Shanti Prashad Jain, Chairman of the Audit Committee was unable to attend last Annual General Meeting held on 26th September, 2016 due to prior professional engagements.

4. Nomination and Remuneration Committee

The Terms of Reference of Nomination and Remuneration Committee (NR Committee) were defined at the Meeting of the Board of Directors held on 29th May, 2014 which are in accordance with the requirements of Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations read with part D of Schedule II of the Listing Regulations.

(a) Brief description of Terms of Reference

The brief description of Terms of Reference of Nomination and Remuneration Committee is given below:

Terms of Reference

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by NR Committee and recommend to the Board their appointment and removal.

b. To lay down criteria to carry out evaluation of every Director's performance.

c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel & other employees to work towards the long term growth and success of the Company.

(b) Composition, Name of Members and Chairperson and Meetings and Attendance

The composition of Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 read with relevant Rules made thereunder and Regulation 19 of the Listing Regulations. During the Financial Year 2016-17, the Nomination and Remuneration Committee met 3 (Three) times on following dates, namely, 11th August, 2016, 9th February, 2017 and 15th March, 2017.

The details of composition of Nomination and Remuneration Committee and the Meetings attended by the Directors during the Financial Year 2016-17 are given below:

Name of Director	Position	Number of Meetings attended
Shri Shanti Prashad Jain, Independent Director	Chairman	3
Shri Om Prakash Lohia, Independent Director	Member	2
Shri Deepak Asher, Non-Independent Director	Member	3

(c) Performance Evaluation Criteria for Independent Directors

Nomination and Remuneration Committee (NRC) and the Board of Directors had at their Meeting held on 9th February, 2017 have approved criteria for evaluation of Board as a whole, Committees of the Board and Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors) of the Company. Thereafter, the Performance Evaluation forms consisting of various criteria / attributes based on the Guidance Note given in SEBI Circular no SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05th January, 2017 were sent to all Directors with a request to assess performance of Board; Committees of Board and Individual Directors including Chairman and submit to the Chairman of the Company. All the Directors of the Company had submitted their Annual Performance Evaluation forms to the Chairman of the Company. Based on the evaluation done, performance of the Board and its Committees; Individual Directors and Chairman is found satisfactory. Further, NRC had also decided to continue the terms of appointment of all Independent Directors of the Company.

The Chairman of Nomination and Remuneration Committee had authorised Shri Deepak Asher, Director and Group Head (Corporate Finance) to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 26th September, 2016.

5. Remuneration of Directors

During the Financial Year 2016-17, the Company had paid remuneration to all its Directors as per the details given below:

Name of Director	Business Relationship with the Company, if any	All elements of Remuneration package i.e. salary, benefits, bonus, pension, etc.			Service Contracts, Notice Period, Severance Fee
Shri Vivek Jain	Managing Director	Particulars Salary & Allowances Perquisites Contribution To PF Commission Total	 : : : : :	₹ in Lakh 55.50 60.40 6.66 500.00 622.56	Service Contract 01.01.2013 to 31.12.2017
Shri Dinesh Kumar Sachdeva	Whole-Time Director	Particulars Salary & Allowances Perquisites Contribution To PF Total	 : : : :	₹ in Lakh 20.92 1.20 1.92 24.02	Service Contract 29.11.2016 to 28.11.2017
Shri Anand Rambhau Bhusari	Whole-Time Director	Particulars Salary & Allowances Perquisites Contribution To PF Total	 : : : :	₹ in Lakh 119.85 0 6.13 125.98	Service Contract 28.04.2016 to 27.04.2017
Shri Devendra Kumar Jain	Chairman	Partrticulars Commission	 :	₹ in Lakh 166.54	Five years from Financial Year 2014-15

The following are the details of Sitting Fees paid to the Directors for attending the Board / Committee Meetings:

Name of Director	Total Rupees
Shri Devendra Kumar Jain	1,00,000
Shri Pavan Jain	20,000
Shri Shailendra Swarup	1,60,000
Shri Deepak Asher	2,00,000
Shri Shanti Prashad Jain	2,20,000
Shri Rajagopalan Doraiswami	1,00,000
Ms Vanita Bhargava	1,60,000
Shri Chandra Prakash Jain	1,00,000
Total	10,60,000

During the Financial Year 2016-17, the Company has not issued stock options at discount.

Criteria for making payment to non-executive Directors is disclosed on the Company's website. The same can be viewed at http://gfl.co.in/Criteria_for_making_payments_to_Non_executive_Directors.pdf.

6. Stakeholders' Relationship Committee

(a)	Name of Non-Executive Director heading the Committee:	Shri Devendra Kumar Jain
(b)	Name and designation of Compliance Officer:	Mr Bhavin Desai, Company Secretary
(c)	Number of Shareholders complaints received during the Financial Year 2016-17:	22
(d)	Number of Complaints not resolved to the satisfaction of Shareholders:	Nil
(e)	Number of pending complaints:	Nil

The Chairman of Stakeholders' Relationship Committee had authorised Shri Deepak Asher, Director and Group Head (Corporate Finance) to answer to the queries of the Shareholders at the Annual General Meeting of the Company held on 26th September, 2016.

7. General Body Meetings

The particulars of last 3 (Three) Annual General Meetings of the Company and details of Special Resolutions passed, if any, at these Meetings are given hereunder:

Financial Year	Location, Date and Time	Details of Special Resolution passed
2013-14	10th September, 2014 at 03.30 pm Registered Office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal	1. Re-appointment of Shri Dinesh Kumar Sachdeva as a Whole-time Director for a period of one year from 29th November, 2014. 2. Payment of remuneration by way of Commission to Shri Devendra Kumar Jain, Director of the Company under Section 197 of the Companies Act, 2013. 3. Authority to the Board of Directors to borrow in excess of paid-up capital and free reserves of the Company. 4. Authority to the Board of Directors of the Company to create charge or mortgage in favour of lending institutions or to sell, lease or dispose of undertaking of the Company. 5. Approval of Related Party transactions under Section 188 of the Companies Act, 2013.
2014-15	29th September, 2015 at 3:30 pm Registered Office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal	1. Re-appointment of Shri Dinesh Kumar Sachdeva as a Whole-time Director for a period one year from 29th November, 2015.
2015-16	26th September, 2016 at 12 noon Registered Office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal	1. Re-appointment of Shri Dinesh Kumar Sachdeva as a Whole-time Director for a period one year from 29th November, 2016.

During the Financial Year ended 31st March, 2017, no special resolution was passed by the Company's Members through postal ballot.

No Special Resolution is proposed to be conducted through postal ballot at the current Annual General Meeting of the Company.

8. Means of Communication

The Quarterly / Annual Financial Results as also Annual Report of the Company/Subsidiaries during / for the Financial Year ended 31st March, 2017 were submitted with the Stock Exchanges immediately after they were approved by / taken on record by the Board and published in well-circulated Gujarati (Vadodara Samachar) and English dailies (Business Standard) as well. The said results along with official news releases and presentations made to the investors / analysts have been submitted to the Stock Exchanges and also posted on the Company's website viz www.gfl.co.in

9. General Shareholder Information

9.1	Annual General Meeting	
	Date	Thursday, 28th September, 2017
	Time	4.00 PM
	Venue	Survey Number 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal
9.2	Financial Year	April 2016 to March 2017
9.3	Book Closure Date	16th September, 2017 to 28th September, 2017
9.4	Dividend Payment Date	On or before 28th October, 2017
9.5	Listing of Equity Shares	National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051 BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 The Calcutta Stock Exchange Association Limited. 7, Lyons Range, Kolkata 700 001 (The Company's application for voluntarily delisting of its equity shares with The Calcutta Stock Exchange Association Limited is pending with the stock exchange since 2004). Listing Fees The Company has paid the Annual Listing Fees for the Financial Year 2016-17 to the NSE and BSE on which the securities are listed.
9.6	Stock Code	
	BSE Limited	500173
	National Stock Exchange of India Limited (symbol)	GUJFLUORO
	Demat ISIN Number in NSDL and CDSL	INE538A01037

9.7 Market Price Data: High, Low during each month in the Financial Year 2016-17

Month	BSE Monthly Low Price(in ₹)	BSE Monthly High Price (in ₹)	NSE Monthly Low Price (in ₹)	NSE Monthly High Price (in ₹)
April, 2016	505.50	580.00	506.10	580.00
May, 2016	453.60	580.00	452.40	579.90
June, 2016	490.05	544.00	486.50	545.00
July, 2016	502.60	666.65	501.00	666.00
August, 2016	566.50	650.50	571.15	652.40
September, 2016	516.00	612.00	514.60	613.75
October, 2016	505.00	559.00	504.10	558.70
November, 2016	451.00	546.85	436.00	548.00
December, 2016	455.10	519.00	456.85	519.80
January, 2017	465.00	514.30	468.00	514.80
February, 2017	462.60	534.95	465.00	534.40
March, 2017	516.20	773.00	516.15	774.20

9.8 Performance in comparison to broad-based indices viz. Nifty 500 and BSE Sensex:

Date	Nifty 500	Company's Share Price on NSE
1st April, 2016	6,438.40	517.75
31st March, 2017	7,995.05	760.05
Change	**24.18%**	**46.80%**

Date	Sensex	Company's Share Price on BSE
1st April, 2016	25,301.70	511.00
31st March, 2017	29,620.50	758.20
Change	**17.07%**	**48.38%**

9.9 The equity shares of the Company were not suspended from Trading during the Financial Year 2016-17.

9.10 Registrar and Transfer Agents

For lodgment of transfer deeds and other documents or any grievances / complaints, Investors may contact the Company's Registrar and Share Transfer Agents at the following address:

Link Intime India Private Limited, B – 102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020.

9.11 Share Transfer System

Trading in the Company's shares on the Stock Exchange takes place in electronic form. However, the share transfers which are received in physical form are processed and the Share Certificates returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

9.12 Distribution of Shareholding as on 31st March, 2017

Shareholding of nominal value of ₹	Number of shareholders	% to total	Number of shares	Amount in ₹	% to total
1 to 500	9347	71.58	910918	910918	0.83
501 to 1000	2386	18.27	2236719	2236719	2.04
1001 to 2000	495	3.79	850993	850993	0.77
2001 to 3000	175	1.34	477681	477681	0.44
3001 to 4000	98	0.75	364443	364443	0.33
4001 to 5000	118	0.90	572495	572495	0.52
5001 to 10000	169	1.29	1273206	1273206	1.16
10001 and above	271	2.08	103163545	103163545	93.91
Total	**13059**	**100.00**	**109850000**	**109850000**	**100.00**

Shareholding pattern of the Company as on 31st March, 2017 is as under:

Sr. No.	Category	Number of shares held	% of total share holding
A	**Shareholding of Promoters and Promoters' Group**		
1	Indian Promoters	7,50,64,900	68.33
	Sub-Total of A	7,50,64,900	68.33
B	**Non-Promoters; Holding**		
1	Institutions		
a	Mutual Funds and UTI	39,44,324	3.59
b	Banks, Financial Institutions, Insurance Companies	54,416	0.05
c	Central / State Government	100	0.00
d	Foreign Institutional Investors	0	0.00
e	Foreign Portfolio Investment Corporation	41,48,220	3.78
f	Foreign Company	2,000	0.00
	Sub-Total of B (1)	81,49,060	7.42
2	Non-Institutions		
a	Bodies Corporate	1,05,00,508	9.56
b	Individual	1,24,52,718	11.34
c	Non-Resident	6,51,361	0.59
d	Clearing Member	4,20,125	0.38
e	Others	26,11,328	2.38
	Sub-Total B (2)		
	Sub-Total of B (1) + B (2)	3,47,85,100	31.67
	Grand Total (A+B)	**10,98,50,000**	**100.00**

9.13 Dematerialization of shares

The Company's Equity Shares are traded compulsorily in dematerialized form. Approximately 98.63% of the Equity Shares issued by the Company have been dematerialized upto 31st March, 2017.

9.14 Outstanding GDRs/ADRs/Warrants:

The Company has not issued GDRs/ADRs/Warrants or any convertible instruments.

9.15 Commodity price risk or foreign exchange risk and hedging activities

The Company has approved "Risk Assessment and Minimisation Procedure" pursuant to which the Company enters into Forward Contracts on foreign currencies depending on its assessment of the market situation, to counter the risk of foreign exchange fluctuations.

9.16 Plant locations

Ranjitnagar Plant
Survey No. 16/3, 26 and 27, Ranjitnagar 389 380, Taluka Ghoghamba, District Panchmahal Gujarat State

Dahej Plant
Plot No 12-A, GIDC, Dahej Industrial Estate, Taluka Vagra, District Bharuch, Gujarat State

9.17 (i) Address for Investor Correspondence
Link Intime India Private Limited, B – 102 & 103, Shangrila Complex, First Floor, Near Radhakrishna Char Rasta, Akota, Vadodara 390020

(ii) Any query on Annual Report
Company Secretary, Gujarat Fluorochemicals Limited, ABS Towers, 2nd Floor, Old Padra Road, Vadodara 390007

10. Other Disclosures

a) Materially significant Related Party Transactions:

There were no transactions with related parties during the Financial Year which were in conflict with the interest of the Company. Suitable disclosure of Related Party Transactions as required by the Accounting Standards (Ind AS24) has been made in the Note No. 46 to the Standalone Financial Statements and in the Board's Report as required under Section 134 of the Companies Act, 2013.

The Board has also approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's Website. The same can be viewed at http://www.gfl.co.in/pdf/GFL%20-%20Related%20Party%20Transaction%20Policy.pdf.

b) Details of non-compliance:

During the last three years, there were no instances of non-compliance, penalties or strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets.

c) Whistle Blower Policy:

The Company has adopted Whistle Blower Policy at its Board Meeting held on 29th May 2014 to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. Adequate safeguards have been provided in the Policy to prevent victimization of Directors/Employees. No personnel has been denied access to the Audit Committee. A copy of Company's Whistle Blower Policy has been put up on Company's Website. The same can be viewed at http://www.gfl.co.in/pdf/Whistleblower-Policy-FINAL-29052014-Website.pdf.

d) All the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been complied by the Company.

Adoption of Non Mandatory requirement

Modified opinion(s) in audit report: For the Financial Year ended 31st March, 2017, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

e) The Company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's Website. The same can be viewed at http://www.gfl.co.in/pdf/GFL%20-%20Material%20Subsidiary%20Company%20Policy.pdf.

f) The Company has formulated a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such policy has been put up on the Company's Website. The same can be viewed at http://www.gfl.co.in/pdf/GFL%20-%20Related%20Party%20Transaction%20Policy.pdf.

g) The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub-regulation 46 of the Listing Regulations except as mentioned in para 3 b above.

h) Disclosure of commodity price risks and commodity hedging activities:

Not applicable

i) Disclosure about Directors being appointed / re-appointed:

The brief resume and other information required to be disclosed under this section is provided in the Notice of the Annual General Meeting.

j) Management Discussion and Analysis Report:

Management Discussion and Analysis Report is forming part of the Annual Report.

k) CEO/CFO Certification

The Company has obtained a certificate from the Managing Director and Chief Financial Officer in respect of matters stated in Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Code of Conduct

The Board of Directors of the Company had laid down a Code of Conduct for all the Board Members and Senior Management of the Company which was amended at its meeting held on 21st October, 2014 by including duties of Independent Directors. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Code of Conduct is placed on the website of the Company at https://www.gfl.co.in/corporate_governance.php.

12. Declaration by Chief Executive Officer:

Declaration signed by Shri Vivek Jain, Managing Director of the Company, stating that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management is annexed to this Report at Annexure – A.

13. Compliance Certificate from The Auditors:

Compliance certificate from the Independent Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed with the Board's Report.

By Order of the Board of Directors

Date : 11th August, 2017
Place : Noida

Devendra Kumar Jain
Chairman

Annexure A

DECLARATION BY THE CEO UNDER CLAUSE D OF SCHEDULE V OF THE LISTING REGULATIONS:

I, Vivek Jain, Managing Director of Gujarat Fluorochemicals Limited, declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the Board and Senior Management Personnel for the Financial Year ended 31st March, 2017.

Date : 11th August, 2017
Place : Noida

Vivek Jain
Director

CERTIFICATE

To the Members of Gujarat Fluorochemicals Limited

We have examined the compliance of conditions of Corporate Governance by Gujarat Fluorochemicals Limited, for the Financial Year ended on 31st March 2017, as stipulated in Clause E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Regulations in all material respect except that the Chairman of the Audit Committee had not attended the last Annual General Meeting of the Company for the reasons mentioned in paragraph 3(b) of the Corporate Governance Report prepared by the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of

Patankar & Associates
Chartered Accountants
Firm Registration No. : 107628W

MY Kulkarni
Membership No. : 35524
Partner

Pune, 12th August, 2017

Business Responsibility Report

(See Regulation 34 (2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Preface

Regulation 34 of the SEBI (Listing, Obligations and Disclosure Requirements) Regulations, 2015 as amended by Securities and Exchange Board of India (Listing, Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 read with SEBI circular dated 04th November, 2015 and its amendment dated 22nd December, 2015 had mandated that with effect from the Financial Year 2016-17, the annual report of top 500 listed companies should include a Business Responsibility Report (BRR) in the format prescribed by SEBI. Since Gujarat Fluorochemicals Limited (hereinafter referred to as GFL or the Company) is a part of top 500 listed companies (based on market capitalisation as on 31st March, 2017) as per the list hosted on the websites of the BSE and NSE, it is required to publish a BRR in its Annual Report for Financial Year 2016-17. This report serves as the BRR for GFL, to which the said requirement became applicable for the first time in Financial Year 2016-17.It is in line with 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011.

The BRR of the Company in the format prescribed at Annexure I of the said SEBI circular is given hereunder and it describes initiatives taken by the Company during the Financial Year 2016-17:

Section A	General Information about the Company	
1	Corporate Identification Number	L24110GJ1987PLC009362
2	Name of the Company	Gujarat Fluorochemicals Limited
3	Registered Address	Survey Number 16/3, 26 and 27, Ranjitnagar - 389380, Taluka Ghoghamba, District Panchmahal, Gujarat
4	Website	www.gfl.co.in
5	Email Address	contact@gfl.co.in
6	Financial year reported	2016-17
7	Sector(s) that the Company is engaged in	Refrigerant Gases - 24111
		Caustic Soda (Caustic Soda Lye & Flakes) - 24111
		Chloromethanes - 24111 (Methylene Chloride and Carbon Tetrachloride)
8	3 key products/services manufactured/ provided by the Company	Refrigerant gases, Caustic Soda (Lye & Flakes), Chloromethane, Poly Tetrafluoroethylene (PTFE)
9	Total number of locations where business activity is undertaken by the Company	
a	Number of International Locations (Provide details of major 5)	1) Gujarat Fluorochemicals Americas LLC, USA; 2) Gujarat Fluorochemicals Singapore Pte Limited; 3) Gujarat Fluorochemicals GmbH; 4) GFL GM Fluorspar SA
b	Number of National Locations	8
		Plants - Dahej and Ranjitnagar
		Branch Offices - Vadodara, Mumbai, Delhi, Chennai and Thane
		Corporate Office - Noida
10	Market served by the Company	National & International

Section B	Financial details of the Company	
1	Paid up capital (INR)	1098.50 lakh
2	Total turnover (INR)	153206 lakh(Inclusive of Excise duty)
3	Total profit after tax (INR)	14629 lakh(Before OCI)
4	Total spending on CSR as percentage of PAT (%)	0.51
5	List of the activities in which expenditure in 4 above has been incurred	Health and Education

Section C	Other details			
1	Does the Company have any Subsidiary Company/ Companies?	Yes		
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No		
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No		

Section D	BR information			
1	**Details of Director(s) responsible for BR**			
(a)	**Details of the Director/Directors responsible for implementation of the BR policy/policies:**			
(i)	DIN Number	00029782	00029968	00035371
(ii)	Name	Devendra Kumar Jain	Vivek Kumar Jain	Deepak Asher
(iii)	Designation	Chairman	Managing Director	Director and Group Head (Corporate Finance)
(b)	**Details of the BR head:**			
1	DIN Number (if applicable)	07167198	00050740	
2	Name	Mr Anand Bhusari -Dahej	Mr Dinesh Kumar Sachdeva-Ranjitnagar	
3	Designation	Whole-time Director	Whole-time Director	
4	Telephone number	02641-618060	02678-248127	
5	e-mail id	anand.bhusari@gfl.co.in	dksachdeva@gfl.co.in	

2. Principle-wise (as per NVGs) BR policy/policies
   a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	N	Y	N	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y		Y		Y		Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y (ISO, OHSAS)		Y		Y (ISO, OHSAS)		Y	Y(ISO)
4.	Has the policy being approved by the Board?	Y	Y		Y		Y		Y	Y
	If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y		Y		Y		Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y		Y		Y		Y	Y
6.	Indicate the link for the policy to be viewed online?	#	#		#		#		#	#

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y		Y		Y		Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y		Y		Y		Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	N	N		N		N		N	N
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N		N		N		N	N

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b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)			1		1		2		

1) While the Company does not have a specific policy for this principle, it has an HR Operations Manual that provides guidance for governing various aspects related to its employees, including employee grievance redressal.

2) As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy.

3.	Governance related to BR:	
a)	Indicate frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.	The business responsibility performance of the Company is assessed annually by the BRR Committee constituted by the Board of Directors of the Company at its meeting held on 16th May, 2016.
b)	Does the Company publish BR or Sustainability Report? What is hyperlink of viewing this report? How frequently it is published?	The requirement of publishing BRR is made applicable to the Company from the Financial Year 2016-17. BRR of Financial Year 2016-17 is placed on the website of the Company: www.gfl.co.in

Section E Principle –wise performance

Certain key principles to assess fulfilment of the requirement by the Company and a description of core elements under the principles as detailed in Annexure II of the referred SEBI circular are narrated below:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

GFL has formulated a Code of Conduct (CoC) to ensure that the business of the Company is conducted in accordance with the highest standards of ethics and values, while complying with the applicable laws and regulations. The CoC encourages each and every Director and Officer of the Company to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's premises, at offsite locations, at the Company's sponsored business and social events, and / or at any other place where they represent the Company. Any instance of non-compliance of any of the provisions of the CoC is treated as a breach of ethical conduct and is viewed seriously by the Company. The Company also has a Whistle Blower Policy which is a mechanism to reinforce implementation of the Company's CoC which encourages each and every Director and officer of the Company to take positive actions which not only commensurate with the Company's belief but are also perceived to be so. This Policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes, the policy relating to ethics, bribery and corruption covers the Company and its Subsidiary Companies (refer to para 1 a of Whistle Blower Policy for subsidiary companies).

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the Financial Year 2016-17, the Company had received 22 complaints from its investors related to non-receipt of dividend; shares etc. and all the 22 complaints were resolved.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Integrated Management Systems Policy for the Ranjitnagar plant and the Policies for Quality and Environment, Health & Safety for the Dahej plant are the Company's guiding documents for protection of environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a. AHCl: The design of AHCl cylinders has incorporated safety measures that ensure no leakage occurs during transportation. Also, a special cage has been designed for the cylinders so that they do not get damaged in case of any accident.

   b. AHF storage facility: As hydrogen fluoride is a health hazard, an automatic sprinkler system has been installed around AHF bullets to prevent it from spreading, in case of any leakage.

   c. R-22: The R-22 production process is designed in such a way that it eliminates organic effluents by recycling them.

   In addition to these, regular safety trainings are conducted for all the drivers. Also, there is an established procedure for pre-loading inspection of all containers, racks and vehicles used to transport the chemicals.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

      The consumption of AHF in the production of R-22 has decreased from 0.502 kg/MT to 0.499kg/MT, while that of Chloroform has decreased from 1.469 kg/MT to 1.461 kg/MT since the previous year.

   b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

      While GFL manufactures products that are not directly used by end consumers but are used as raw materials in the production of other goods, it makes continuous efforts to improve the environmental attributes of its products.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof in 50 words or so.

   The Company has proper procedures in place for sustainable sourcing and procures more than 75% of inputs directly from the manufacturer. The Company continuously re-designs its activities to better manage the procurement process and works closely with its suppliers. To decrease the fuel consumption and emissions due to transportation, GFL is gradually shifting to 20-30 MT capacity vehicles from 10-16 MT ones. Also, the import consignments are now being received at nearer ports like Dahej and Hazira, instead of distant ones like Kandla and Mumbai.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, at the Ranjitnagar plant, services are being procured from local producers/ contractors for construction of new projects. At the Dahej plant, the Company has taken a lead in helping a local vendor set up a drum manufacturing unit which supplies drums to various industrial plants in the area.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Ranjitnagar plant is a zero effluent discharge plant where around 90% of the wastewater is recycled. This has been achieved by installation of Single Effect Evaporator (SEE) and Multiple Effect Evaporator (MEE). The plant also turns all of its canteen waste to compost, thereby reducing the burden on landfill sites. The Dahej plant has a well-developed Environment Management Plan (EMP) in place which mainly focusses on reduction, reuse and recycling of resources. This plant also has well defined targets for reduction of water usage and to achieve these targets, a water recycling plan has been implemented within each area in the plant.

Principle 3: Businesses should promote the well-being of all employees

The Company has an HR Operations Manual that provides guidance and policies for governing various aspects related to its employees. It includes guidelines on employee evaluation and performance management, training and development, employee/contractor grievance redressal and employee relationship management. It also includes guidelines on prevention, prohibition and redressal of sexual harassment of women at workplace.

1. Please indicate the Total number of employees.
   The Company has a total of 1693 employees.

2. Please indicate the total number ofemployees hired on temporary/contractual/casual basis.
   A total of 1380 employees have been hired on temporary/contractual/casual basis.

3. Please indicate the Number of permanent women employees.
   The Company has 32 permanent women employees.

4. Please indicate the Number of permanent employees with disabilities
   The Company has 15 permanent employees with disabilities.

5. Do you have an employee association that is recognized by management?
   The Company does not have any employee association recognized by its management.

6. What percentage of your permanent employees is members of this recognized employee association?
   Not applicable since the Company does not have a recognized employee association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	No of complaints filed during the financial year
Permanent Employees	Safety - 100 %; Skill Upgradation - 85%
Permanent Women Employees	Safety - 100 %; Skill Upgradation - 70 %
Casual/Temporary/Contractual Employees	Safety - 100 %; Skill Upgradation - 85%
Employees with Disabilities	Safety - 100 %; Skill Upgradation - 50%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has a Corporate Social Responsibility (CSR) Policy, which is guided by the philosophy of GFL and delineates its responsibility as a responsible corporate citizen. The CSR Policy of the Company lays down the guidelines and mechanism to undertake programmes for social welfare and sustainable development of the community at large. The objective of the Policy is to enhance value creation by the Company in the communities in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community. The Company ensures that its business is conducted in an economically, socially and environmentally sustainable manner, while recognising the interests of all its stakeholders.

1. Has the company mapped its internal and external stakeholders? Yes/No

   GFL takes into account the wellbeing of all individuals directly or indirectly associated with it, though a formal mapping of the internal and external stakeholders has not been conducted.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

   While there has not been any formal identification of the disadvantaged stakeholders, the Company's primary welfare activities are focussed on children, women, elderly, the differently abled, farmers, and socially & economically backward groups in the communities in the areas surrounding the Company's operations.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof in 50 words or so.

   Some of the initiatives undertaken by the Company include:

   - Financial assistance to students from poor families for covering education related expenses.
   - Honorary payment to government school teachers in the absence of sanctioned grant from the government.
   - Support to development of social infrastructure in neighbouring villages in order to provide access to better education and health facilities to the local populace.
   - Financial assistance to poor patients and provision of Mobile Medical Unit to the locals.

Principle 5: Businesses should respect and promote human rights

The HR Operations Manual of the Company contains detailed guidelines in relation to the process and approach for raising and resolving staff grievances. These might include cases of unfair, unlawful, unjust or discriminatory act or situation. It also contains provisions for protection of the complainant from victimization.

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

   The policy extends to Contract Labour, Vendors and all other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No stakeholder complaint has been received in the past financial year and none are pending as on 31st March 2017.

Principle 6: Business should respect, protect, and make efforts to restore the environment

The Integrated Management Systems Policy for the Ranjitnagar plant and the policies for Quality and Environment, Health & Safety for the Dahej plant are GFL's guiding documents for protection of the environment and ensuring safety of its employees. These policies demonstrate the Company's commitment towards Improving its Environmental, Health and Safety performance in a continual manner.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/others.

   While the policy also only covers its own operations, the Company, encourages its suppliers to adopt environment friendly practices in their operations.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   In its effort to do its bit towards fighting climate change, GFL has adopted a number of initiatives to increase its energy efficiency, thereby reducing its carbon emissions.

3. Does the company identify and assess potential environmental risks? Y/N

   Yes, the Dahej plant regularly conducts risk assessment to identify risks related to environment and safety. To this end, the plant has a well-defined Management of Change (MOC) procedure and HIRA & HAZOP processes. These procedures ensure that environmental risks are identified and addressed on a timely basis.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   No, the Company currently does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   The Company has undertaken a number of energy efficiency initiatives like installation of variable frequency drives and LEDs, which decrease electricity consumption. At the Ranjitnagar plant, a co-generation plant has been installed to increase efficiency of the power plant to about 80%, by the usage of waste heat from exhaust gas and jacket water. This plant has also installed a groundwater recharge system that includes filter modules for removing suspended solids and total dissolved solids from the water. This system enables the replenishment of almost 450 m3 water each year. Besides these initiatives, the Company's Dahej plant procures renewable power generated by wind turbines.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes, the Emissions/Waste generated by the company are within the permissible limits given by CPCB/SPCB for FY 2016-17.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause/ legal notices from CPCB/SPCB are pending as on 31st March 2017.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

As a business which is not actively involved in any kind of advocacy activity, the Company does not find itself at a stage where it is in a position to formulate and implement relevant policy. However it will continue to assess the evolving business and regulatory environment in future in this regard.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

   The Company is a member of the following trade associations:

   - Federation of Indian Chamber of Commerce and Industries
   - Baroda Management Association
   - Federation of Gujarat Industries

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   No, the Company has not advocated/lobbied through the above associations.

Principle 8: Businesses should support inclusive growth and equitable development

The CSR policy of GFL aims to enhance value creation in the society and in the community in which it operates. It aims to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof

   Some of the CSR programmes of the Company are:

   - Maintenance of Balwadis
   - Financial support for development of infrastructure in local schools
   - Monetary help for setting up a Health Centre
   - Empanelment of a renowned agricultural expert to impart agricultural know-how to the nearby villagers, which will enable them to increase their productivity.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The programmes are undertaken through in-house teams as well as through NGOs.

3. Have you done any impact assessment of your initiative?

   The Company follows a systematic five step approach towards releasing funds for a project. The fifth step in this process includes a provision for seeking information regarding the impact of money spent, on the life of the beneficiary.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   ₹ 79.38 lakh. Details of projects undertaken is given in the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

   The Company regularly engages with the local communities in the areas surrounding its plants, since they are the prime and direct beneficiaries of its welfare activities. Through these interactions it ensures that its CSR initiatives are adopted by the local community and fulfil the needs of the target population.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Integrated Management Systems Policy for the Ranjitnagar plant and the Quality Policy for the Dahej plant enable the Company's employees to adhere to set Quality Standards in all products and services. The objective of these policies is to guide employees in providing quality products to the customers in a stipulated time frame. This can be achieved by incorporating customer feedback and improving on a continual basis.

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

   Less than 2 % of customer complaints/ consumer cases are pending as on 31st March 2017.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

   The Company displays all product information on the product label as mandated by the local laws.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   There was no pending stakeholder complaint against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour as on 31st March 2017.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company conducts an annual customer satisfaction survey for all its customers in India and abroad. The outcome of this survey helps the Company in identifying steps to further improve its performance.

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Gujarat Fluorochemicals Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2017, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in paragraph 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:
   - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
   - (e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
   - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure II.
   - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 34 to the standalone Ind AS financial statements;
     - ii. The Company has made provision, as required under the applicable law or accounting standards including the Ind AS, for material foreseeable losses on long-term contracts including derivative contracts refer Note 45
     - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
     - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of account maintained by the Company – refer Note 52 to the standalone Ind AS financial statements.

For **Patankar & Associates,**
Chartered Accountants
Firm's Registration No. 107628W

M Y Kulkarni
Partner
Membership No. 035524

Place : Pune
Dated: 29th May, 2017

Annexure I to Independent Auditor's Report

to the Members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

In term of the Companies (Auditor's Report) Order, 2016 ("the Order"), on the basis of information and explanation given to us and the books and records examined by us in the normal course of audit and such checks as we considered appropriate, to the best of our knowledge and belief, we state as under:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification. The title deeds of all immovable properties are held in the name of the Company.
2. The inventories were physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification of inventories as compared to book records.
3. The Company has granted unsecured loans, to two companies covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of the said loans are not, prima facie, prejudicial to the interest of the Company. The said parties are regular in repayment of principal and payment of interest, as stipulated, and there are no overdue amounts.
4. The Company has complied with the provisions of section 185 and section 186 of the Act in respect of investments made or loans given or guarantee or security provided.
5. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the Rules framed thereunder and hence the provisions of clause 3(v) of the Order are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 for activities of the Company to which the said Rules are made applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
7. The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and no amounts in respect of such statutory dues were in arrears, as at the end of the year, for a period of more than six months from the date they became payable.

   Particulars of dues of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
Income Tax	Disallowance under section 14A, 80IA & protective assessment in respect of Slump Sale transaction treated as short term capital gain – F.Y. 2011-2012	19068.69	Income Tax Appellate Tribunal, Ahmedabad.
Central Excise Act, 1944	Excise Duty on freight recovered from customers - April 2007 to November 2007	363.34	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Cenvat Credit availed on Capital goods - April 2006 to August 2011	51.59	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Excise Duty on freight recovered from customers - April 2012 to December 2012	154.88	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Excise Duty on freight recovered from customers - January 2013 to August 2013	57.72	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad

Annexure I to Independent Auditor's Report

to the Members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
Customs Act, 1962	Differential duty on Import of Coal on high seas - April 2013 to May 2013	113.04	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Customs Act, 1962	Differential duty on Import of Coal on high seas - 17th March 2012 to 28th March 2013	860.53	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Excise Duty on freight recovered from customers – September 2013 to May 2014	124.38	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Cenvat Credit availed on Services for setting up of plant – November 2013 to October 2014	15.89	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
Central Excise Act, 1944	Cenvat Credit availed on Gardening and Travel agent service - January 2013 to May 2015	8.72	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Excise Duty on freight recovered from customers – June2014 to March 2015	70.42	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Cenvat Credit availed on Equipment and Components in respect of Plant installed by Third party	33.01	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Interest on Reversal of Cenvat credit on capital goods-2007-08 & 2008-09	2.20	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Cenvat Credit availed on Insurance service for staff and for export of goods Feb-2012 to Dec-2012	2.12	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Cenvat Credit availed on Insurance auxillary services in relation to exports and staff – December 2013 to August 2014 & from June 2015 to May 2016	45.90	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Excise Duty on freight recovered from customers - April 2015 to January 2016	78.87	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Central Excise Act, 1944	Cenvat Credit availed on execution of works contract of civil construction – April 2011 to December 2015	141.44	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat
Service Tax (Finance Act,1994)	Non-payment of Service Tax on Storage and Ware housing Services under RCM - April 2008 to September2015	90.60	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Surat

Annexure I to Independent Auditor's Report

to the Members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Name of the Statute	Nature of dues and the period to which the amount relates	Amount (₹ in Lakh)	Forum where dispute is pending
Central Excise Act, 1944	Interest and Penalty on reversal of Common services availed	13.85	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara.
Service Tax (Finance Act,1994)	Non-payment of Service tax on Supply of Intangible services & Management, Repair & Maintenance service – May 2008 to March 2015	200.77	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Central Excise Act, 1944	Cenvat Credit availed on Travel agent service, CHA, GTA, Insurance, etc. - January 2013 to September 2014.	6.39	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Central Excise Act, 1944	Cenvat Credit availed on Civil construction work on Repairs & Maintenance. – November 2013 to August 2015	7.68	Commissioner (Appeals-II), Central Excise, Customs and Service tax, Vadodara
Commercial tax Gujarat, VAT	Proportionate ITC reduced on Capital goods at the rate of 2%.In respect of Ratio of OGS sales to Gross turnover of sales. F.Y. 2011-2012	18.00	Joint Commissioner of Commercial Tax (Appeal)
Commercial tax Gujarat, CST	Proportionate ITC reduced on Capital goods at the rate of 2%.In respect of Ratio of OGS sales to Gross turnover of sales and Sales to SEZ (Gujarat) at Zero rated tax assessed at full rate of tax at 5%. F.Y. 2011-2012	49.33	Joint Commissioner of Commercial Tax (Appeal)
Commercial tax Gujarat, VAT	Proportionate ITC reduced on Capital goods at the rate of 2%. In respect of Ratio of OGS sales to Gross turnover of sales. F.Y. 2012-2013	44.88	Joint Commissioner of Commercial Tax (Appeal)
Commercial tax Gujarat, CST	Disallowance of C Form F.Y. 2012-2013	00.52	Joint Commissioner of Commercial Tax (Appeal)

Annexure I to Independent Auditor's Report

to the Members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

8. The Company has not defaulted in repayment of dues to banks or financial institutions and the Company did not have any borrowings from Government or by way of debentures.

9. The Company has applied the moneys raised by way of term loans for the purposes for which the moneys were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

10. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. The Company has complied with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration.

12. The Company is not a Nidhi Company and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.

14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence the provisions of clause 3(xiv) of the Order are not applicable to the Company.

15. The Company has not entered into any non-cash transactions with directors or persons connected with them and hence the provisions of clause 3(xv) of the Order are not applicable to the Company.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **Patankar & Associates,**
Chartered Accountants
Firm's Registration No. 107628W

M Y Kulkarni
Partner
Membership No. 035524

Place : Pune
Dated : 29th May, 2017

Annexure II to Independent Auditor's Report

to the members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Gujarat Fluorochemicals Limited ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure II to Independent Auditor's Report

to the members of Gujarat Fluorochemicals Limited on the standalone Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **Patankar & Associates,**
Chartered Accountants
Firm's Registration No. 107628W

M Y Kulkarni
Partner
Membership No. 035524

Place : Pune
Dated : 29th May, 2017

Standalone Balance Sheet
as at 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant & equipment	6	1,85,794.82	1,92,648.17	1,88,137.23
(b) Capital work-in-progress		13,922.44	4,203.09	10,895.45
(c) Investment property	7	1,074.54	1,095.81	1,117.08
(d) Intangible assets	8	4,159.16	5,048.76	5,936.64
(e) Financial assets				
(i) Investments	9			
a) Investments in subsidiaries	9(a)	32,895.80	32,198.65	32,185.86
b) Investments in joint ventures	9(b)	108.25	466.46	466.46
c) Other investments	9(c)	29,930.13	24,683.24	8,812.31
(ii) Loans	10	16,908.41	16,923.48	16,815.56
(iii) Other non current financial assets	11	683.01	648.06	2,631.61
(f) Income tax assets (net)	13	9,082.05	10,351.11	10,594.50
(g) Other non-current assets	12	8,344.58	5,503.36	6,002.60
Sub-total		**3,02,903.19**	**2,93,770.19**	**2,83,595.30**
(2) Current assets				
(a) Inventories	14	31,590.31	32,102.93	36,712.82
(b) Financial assets				
(i) Other investments	9(c)	5,702.29	882.82	1,156.99
(ii) Trade receivables	15	37,076.10	37,520.89	38,478.72
(iii) Cash & cash equivalents	16	1,126.26	1,928.86	34,429.77
(iv) Bank balances other than (iii) above	17	174.14	273.72	206.84
(v) Loans	10	22,295.77	751.99	753.31
(vi) Other current financial assets	11	1,827.70	2,543.14	1,024.58
(c) Other current assets	12	5,340.06	3,628.73	3,847.93
Sub-total		**1,05,132.63**	**79,633.08**	**1,16,610.96**
Total Assets		**4,08,035.82**	**3,73,403.27**	**4,00,206.26**
EQUITY & LIABILITIES				
Equity				
(a) Equity share capital	18	1,098.50	1,098.50	1,098.50
(b) Other equity	19	3,02,542.27	2,87,553.98	2,87,385.00
Sub-total		**3,03,640.77**	**2,88,652.48**	**2,88,483.50**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	16,789.67	22,128.39	25,872.38
(ii) Other non current financial liabilities	21	391.91	555.56	935.90
(b) Provisions	22	1,519.43	1,144.37	914.30
(c) Deferred tax liabilities (net)	23	19,022.34	18,162.84	16,670.28
Sub-total		**37,723.35**	**41,991.16**	**44,392.86**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	41,491.76	20,729.15	41,701.27
(ii) Trade payables	25	7,496.17	7,952.60	7,053.45
(iii) Other current financial liabilities	21	15,060.57	11,587.36	15,469.67
(b) Other current liabilities	26	1,339.94	1,761.56	1,533.14
(c) Provisions	22	755.55	620.94	541.39
(d) Current tax liabilities (net)	27	527.71	108.02	1,030.98
Sub-total		**66,671.70**	**42,759.63**	**67,329.90**
Total Equity & Liabilities		**4,08,035.82**	**3,73,403.27**	**4,00,206.26**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Standalone Statement of Profit & Loss

for the year ended 31st March, 2017

(₹ in Lakhs)

	Particulars	Note No.	2016- 2017	2015-2016
I	Revenue from operations	28	1,53,205.71	1,43,521.78
II	Other income	29	7,112.39	5,885.72
III	**Total Income (I+II)**		**1,60,318.10**	**1,49,407.50**
IV	**Expenses**			
	Cost of materials consumed	30	37,441.26	33,553.78
	Purchases of stock-in-trade	31	1,045.14	223.94
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	32	119.32	5,063.09
	Excise duty		10,454.80	10,082.03
	Employee benefits expense	33	12,006.46	10,315.67
	Finance costs	34	3,518.23	4,551.04
	Depreciation and amortisation expense	35	14,884.39	14,366.39
	Other expenses	36	62,136.53	57,037.20
	Total expenses (IV)		**1,41,606.13**	**1,35,193.14**
V	**Profit before exceptional items and tax (III-IV)**		**18,711.97**	**14,214.36**
VI	Exceptional items	47	528.28	-
VII	**Profit before tax (V+VI)**		**19,240.25**	**14,214.36**
VIII	Tax expense	37		
	(1) Current tax		3,830.00	3,120.00
	(2) MAT credit entitlement		(644.00)	(1,494.00)
	(3) Deferred tax		1,769.63	3,379.14
	(4) Taxation pertaining to earlier years		(344.00)	(331.00)
			4,611.63	**4,674.14**
IX	**Profit for the year (VII-VIII)**		**14,628.62**	**9,540.22**
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	Remeasurement of the defined benefits plans		(134.30)	11.36
	A (ii) Tax on above		46.48	(3.93)
	B (i) Items that will be reclassified to profit or loss			
	Gains and (loss) on effective portion of hedging instruments in a cash flow hedge		359.31	(189.28)
	B (ii) Tax on above		(124.35)	65.51
	Total other comprehensive income		**147.14**	**(116.34)**
XI	**Total comprehensive income for the year (IX+X) (Comprising Profit and Other Comprehensive Income for the year)**		**14,775.76**	**9,423.88**
	Earnings per equity share of ₹ 1 each			
	Basic and Diluted (in ₹)	42	13.32	8.68

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Standalone Statement of changes in Equity

for the year ended 31st March, 2017

A. Equity Share Capital

(₹ in Lakhs)

Balance as at 1st April, 2015	1,098.50
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	**1,098.50**
Balance as at 1st April, 2016	1,098.50
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,098.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus				Items of other comprehensive income	Total
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Cash flow hedge reserve	
Balance as at 1st April, 2015	**12,614.93**	**59.30**	**2,71,000.00**	**3,784.47**	**(73.70)**	**2,87,385.00**
Addition during the year:						
Profit for the year				9,540.22		9,540.22
Other comprehensive income for the year, net of income tax (*)				7.43	(123.77)	(116.34)
Total comprehensive income for FY 2015-16	**-**	**-**	**-**	**9,547.65**	**(123.77)**	**9,423.88**
Payment of dividend (including dividend distribution tax)				(9,254.90)		(9,254.90)
Transfer to general reserve			6,000.00	(6,000.00)		-
Balance as at 31st March, 2016	**12,614.93**	**59.30**	**2,77,000.00**	**(1,922.78)**	**(197.47)**	**2,87,553.98**
Balance as at 1st April, 2016	**12,614.93**	**59.30**	**2,77,000.00**	**(1,922.78)**	**(197.47)**	**2,87,553.98**
Addition during the year:						
Profit for the year				14,628.62		14,628.62
Other comprehensive income for the year, net of income tax (*)				(87.82)	234.96	147.14
Total comprehensive income for FY 2016-17	**-**	**-**	**-**	**14,540.80**	**234.96**	**14,775.76**
Compensation received (see note 19.1)	212.53					212.53
Transfer to general reserve			3,000.00	(3,000.00)		-
Balance as at 31st March, 2017	**12,827.46**	**59.30**	**2,80,000.00**	**9,618.02**	**37.49**	**3,02,542.27**

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head (Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Standalone Statement of Cash Flows

for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars		2016-2017	2015-2016
A	**Cash flow from operating activities**		
	Profit for the year	14,628.62	9,540.22
	Adjustments for :		
	Tax expense	4,611.63	4,674.14
	Depreciation and amortisation expense	14,884.39	14,366.39
	Gain on retirement /disposal of property, plant and equipment (net)	(7.69)	(5.15)
	Allowance for doubtful advances	-	12.24
	Allowance for doubtful trade receivables and expected credit losses (net of reversal)	(77.41)	338.86
	Bad debts and remissions	4.91	55.06
	Liabilities and provisions no longer required, written back	(42.75)	(382.11)
	Amounts written-off	0.83	7.79
	Unrealised foreign exchange (gain)/loss (net)	(111.23)	42.69
	Unrealised MTM (gain)/loss on financial assets and derivatives	742.39	2,962.24
	Income in respect of investing activities	(6,450.69)	(3,435.90)
	Finance costs	3,518.23	4,551.04
		17,072.61	**23,187.29**
	Operating profit before working capital changes	31,701.23	32,727.51
	Movements in working capital:		
	Increase/(decrease) in provisions	375.37	320.98
	Increase/(decrease) in trade payables	(456.43)	899.15
	Increase /(decrease) in other financial liabilities	1,655.29	(1,923.79)
	Increase /(decrease) in other liabilities	(397.20)	576.67
	(Increase)/decrease in loans	15.07	(106.60)
	(Increase)/decrease in inventories	512.62	4,609.89
	(Increase)/decrease in trade receivables	(201.22)	722.50
	(Increase)/decrease in other financial assets	715.44	(4,319.60)
	(Increase)/decrease in other assets	(1,713.92)	348.65
		505.02	**1,127.85**
	Cash generated from operations	32,206.25	33,855.36
	Income-tax paid (net)	(2,157.45)	(3,808.69)
	Net cash generated from operating activities	**30,048.80**	**30,046.67**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment (including changes in capital work in progress and capital creditors/capital advances)	(18,317.45)	(11,659.07)
	Proceeds from disposal of property, plant and equipment	10.43	12.49
	Investment in shares of subsidiary company	(692.66)	(12.79)
	Sale of investment in joint venture	924.08	-
	Purchase of other investments	(35,832.52)	(74,568.78)
	Redemption/sale of investments	28,492.44	60,051.22
	Inter-corporate deposits given	(20,875.00)	(300.00)
	Inter-corporate deposits received back	310.00	300.00
	Interest and dividend received (net of expenses)	2,175.27	2,365.80
	Movement in other bank balances	(0.17)	(0.17)
	Net cash used in investing activities	**(43,805.58)**	**(23,811.30)**

Standalone Statement of Cash Flows
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars		2016-2017	2015-2016
C	**Cash flow from financing activities**		
	Proceeds from non-current borrowings	-	19,476.91
	Repayment of non-current borrowings	(5,373.84)	(22,836.13)
	Proceeds from/(repayment of) current borrowings (net)	21,609.84	(19,493.95)
	Proceeds from/(repayment of) cash credit/overdraft facilities (net)	-	(1,798.08)
	Finance costs	(3,494.35)	(4,830.13)
	Dividend paid (including tax on dividend)	-	(9,254.90)
	Net cash generated from / (used in) financing activities	**12,741.65**	**(38,736.28)**
D	**Capital receipts - see Note 19.1**	**212.53**	**-**
	Net increase/(decrease) in cash and cash equivalents	**(802.60)**	**(32,500.91)**
	Cash and cash equivalents as at the beginning of the year	1,928.86	34,429.77
	Cash and cash equivalents as at the end of the year	1,126.26	1,928.86

Note:

(a) Cash and cash equivalents as at 1st April, 2015 include bank balance of ₹ 31,988.45 lakh in Public Issue Accounts, being the Company's share in the IPO proceeds of Inox Wind Limited (subsidiary of the Company) (see Note 16)

(b) Components of cash and cash equivalents are as per Note 16

(c) The above Standalone Statement of cash flows has been prepared under the indirect method

(d) The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

1. Company information

Gujarat Fluorochemicals Limited ("the Company") is a public limited company incorporated in India. The Company is engaged in manufacturing and trading of refrigeration gases, anhydrous hydrochloric acid, caustic soda, chlorine, chloromethane, polytetrafluoroethylene (PTFE) and post-treated polytetrafluoroethylene (PTPTFE). The Company caters to both domestic and international markets. The Company's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31st March, 2016, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP') . These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Basis of measurement

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

2.3 Basis of preparation and presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

These financial statements were authorized for issue by the Company's Board of Directors on 29th May 2017.

2.4 Particulars of investments in subsidiaries and joint ventures as at 31st March, 2017 are as under:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
a) Subsidiaries		
Inox Wind Limited	India	63.09%
Inox Leisure Limited	India	48.09% (refer Note 5.1)
Inox Renewables Limited	India	100%
Inox Infrastructure Limited	India	100%
Gujarat Fluorochemicals Americas, LLC	USA	100%
Gujarat Fluorochemicals GmbH	Germany	100%
Gujarat Fluorochemicals Singapore Pte. Ltd.	Singapore	100%
b) Joint Venture		
Swarnim Gujarat Fluorspar Private Limited	India	25%

The above investments are carried at cost – refer Note 4.

3. Significant Accounting Polices

3.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue includes excise duty but is net of service tax, sales tax, value added tax and other similar taxes.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

3.1.1 Sale of goods

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is recognised, when the significant risks and rewards of the ownership have been transferred to the buyers and there is no continuing effective control over the goods or managerial involvement with the goods. Revenue from sale of chemical products is generally recognised at the time of dispatch. Revenue from sale of Renewable Energy Certificate (REC) is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyers.

3.1.2 Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

3.2 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

3.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transaction of the Company comprise of only operating leases.

3.3.1 The Company as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.3.2 The Company as lessee

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.4 Foreign currency transactions and translation

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- as permitted by para D13AA of Ind AS 101, the Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets;
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.15 below for hedging accounting policies); and

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Employee benefits

3.6.1 Retirement benefit costs

Recognition and measurement of defined contribution plans:

Payments to defined contribution retirement benefit plan viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Recognition and measurement of defined benefit plans:

For defined benefit retirement benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.6.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave, bonus etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible and tax incentives. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.7.3 Presentation of current and deferred tax :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

3.8 Property, plant and equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, Property, Plant and Equipment (PPE) are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Company identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1st April, 2011, the cost of depreciable capital assets includes foreign exchange differences arising on translation of long term foreign currency monetary items (refer Note 6).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.9 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment properties are depreciated over estimated useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.10 Intangible assets

3.10.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.10.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.10.3 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.10.4 Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

• Technical know-how	10 years
• Product development cost	5 years
• Operating software	3 years
• Other software	6 years

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.11 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

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If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3.12 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis. Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of finished goods and imported materials include excise duty and customs duty payable thereon, wherever applicable. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

3.13 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.14 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

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b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

c) Subsequent measurement:

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

i. The Company's business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Company classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A financial asset is measured at the amortized cost if both the following conditions are met:

a) The Company's business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. Financial assets measured at FVTOCI:

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Company other than the derivative instrument for the cash flow hedges.

iii. Financial assets measured at FVTPL:

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

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This is a residual category applied to all other investments of the Company excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

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In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-monthECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

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However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

The Company has not designated any financial liability as at FVTPL other than derivative instrument. Further the Company does not have any commitments to provide a loan at a below market interest rate.

c) *Foreign exchange gains and losses:*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in Statement of Profit and Loss.

d) *Derecognition of financial liabilities:*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

3.15 Derivative financial instruments and hedge accounting

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 45.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The hedge relationship so designated as fair value is accounted for in accordance with the accounting principles prescribed for hedge accounting under Ind AS 109, 'Financial Instruments'.

a) Fair value hedge:

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Note 45 sets out details of the fair values of the derivative instruments used for hedging purposes.

b) **Cash flow hedges:**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.16 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.17 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’. The amendment is applicable to the Company from 1st April, 2017.

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

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4. First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain mandatory exceptions and optional exemptions allowed by Ind AS 101 and availed by the Company as detailed below:

I. Optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

b) Foreign currency translation of long-term monetary items

The Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

c) Investment in subsidiaries and joint ventures

The Company has opted to measure the investments in its subsidiaries and joint ventures at deemed cost of such investment which is previous GAAP carrying amount on the date of transition, except for investment in Xuancheng Hengyuan Chemical Technology Company Limited, Company domiciled in Republic of China (a joint venture) where the fair value at the date of transition is considered as deemed cost.

II. Mandatory exceptions from retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a) Estimates:

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control:

The Company has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

c) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

d) **Impairment of financial assets:**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e) **Derecognition of financial assets and financial liabilities:**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

5. Critical accounting judgements and use of estimates

In application of Company's accounting policies, which are described in Note 3, the Directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

5.1 Following are the critical judgements that have the most significant effects on the amounts recognised in these financial statements:

a) **Leasehold land**

Considering the terms and conditions of the leases in respect of leasehold land, particularly the transfer of the significant risks and rewards, it is concluded that they are in the nature of operating leases.

b) **Investment in Inox Leisure Limited (ILL)**

GFL's ownership interest in ILL is 48.09%. The shareholders of ILL have passed a resolution at the Annual General Meeting held on 23rd August, 2013 amending its Articles of Association entitling GFL to appoint majority of Directors on the Board of ILL if GFL holds not less than 40% of the paid-up equity capital of ILL. Accordingly GFL is having control over ILL in terms of Ind AS 110 and hence ILL is classified as a subsidiary of GFL.

5.2 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) **Useful lives of Property, Plant & Equipment (PPE)**

The Company has adopted useful lives of PPE as described in Note 3.8 above. The Company reviews the estimated useful lives of PPE at the end of each reporting period.

b) **Fair value measurements and valuation processes**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

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When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Company engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 45.10.

c) **Other assumptions and estimation uncertainties, included in respective notes are as under:**

- The Company's tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax claims.
- Recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – see Note 23.1 & 23.2
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – see Note 44
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 22 and Note 39
- Impairment of financial assets – see Note 45

6. Property, Plant & Equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Freehold land	46.86	46.86	46.86
Buildings	20,724.34	20,917.91	19,729.15
Plant and equipment	1,63,966.54	1,70,476.87	1,66,981.15
Furniture and fixtures	477.17	566.78	681.15
Vehicles	117.37	104.07	157.78
Office equipment	462.54	535.68	541.14
	1,85,794.82	1,92,648.17	1,88,137.23

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
I. Cost or Deemed Cost							
Balance as at 1st April, 2015	**46.86**	**19,729.15**	**166,981.15**	**681.15**	**157.78**	**541.14**	**188,137.23**
Additions		2,118.05	14,382.66	37.50		210.50	16,748.71
Disposals			(3.54)			(4.73)	(8.27)
Effect of foreign currency exchange differences			1,169.10				1,169.10
Balance as at 31st March, 2016	**46.86**	**21,847.20**	**182,529.37**	**718.65**	**157.78**	**746.91**	**206,046.77**
Additions		759.42	6,325.28	45.81	56.68	117.05	7,304.24
Disposals		(2.98)			(6.52)	(0.21)	(9.71)
Effect of foreign currency exchange differences			(206.86)				(206.86)
Balance as at 31st March, 2017	**46.86**	**22,603.64**	**188,647.79**	**764.46**	**207.94**	**863.75**	**213,134.44**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
II. Accumulated depreciation							
Balance as at 1st April, 2015	-	-	-	-	-	-	-
Eliminated on disposal of assets			(0.21)			(0.73)	(0.94)
Depreciation expense for the year		929.29	12,052.71	151.87	53.71	211.96	13,399.54
Balance as at 31st March, 2016	-	**929.29**	**12,052.50**	**151.87**	**53.71**	**211.23**	**13,398.60**
Eliminated on disposal of assets	0.00	(0.97)	0.00	0.00	(6.42)	(0.07)	(7.46)
Depreciation expense for the year	0.00	950.98	12,628.75	135.42	43.28	190.05	13,948.48
Balance as at 31st March, 2017	-	**1,879.30**	**24,681.25**	**287.29**	**90.57**	**401.21**	**27,339.62**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
III. Net Carrying amount							
Balance as at 1st April, 2015	**46.86**	**19,729.15**	**166,981.15**	**681.15**	**157.78**	**541.14**	**188,137.23**
Balance as at 31st March, 2016	**46.86**	**20,917.91**	**170,476.87**	**566.78**	**104.07**	**535.68**	**192,648.17**
Balance as at 31st March, 2017	**46.86**	**20,724.34**	**163,966.54**	**477.17**	**117.37**	**462.54**	**185,794.82**

Note:

Assets mortgaged/pledged as security for borrowings. The Company is not allowed to pledge these assets as security for any other borrowings.

(₹ in Lakhs)

Assets at Carrying Value	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Building	2,702.66	2,810.81	2,531.99
Plant and equipment	45,771.13	48,333.39	46,870.78
Total	**48,473.79**	**51,144.20**	**49,402.77**

7. Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Building	1,074.54	1,095.81	1,117.08
	1,074.54	**1,095.81**	**1,117.08**

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
I. Cost or Deemed Cost		
Balance at the beginning of the Year	**1,117.08**	**1,117.08**
Balance at the end of the Year	**1,117.08**	**1,117.08**

Notes to the Standalone Financial Statements
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(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
II. Accumulated depreciation and impairment		
Balance at the beginning of the Year	**21.27**	**-**
Depreciation expense	21.27	21.27
Balance at the end of the Year	**42.54**	**21.27**

7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2017, 31st March 2016 and 1st April, 2015 has been arrived at on the basis of valuation carried out as on respective dates by an independent valuer not related to company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income methods where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 2 and the fair values are as under:

(₹ in Lakhs)

Particulars	Amount
Fair value as at 31st March, 2017	8,923.67
Fair value as at 31st March, 2016	8,135.17
Fair value as at 1st April, 2015	7,400.17

7.2 Expenses and income in respect of investment properties

Expenses (excluding depreciation) amounting to ₹ 112.46 lakhs (FY 2015-2016: ₹ 86.64 lakhs) in respect of repairs,electricity charges, security expenses etc. are included in Note 36 'Other Expenses' and income amounting to ₹ 698.91 lakhs (FY 2015-2016: ₹ 728.54 lakhs) is included in Note 29 'Other income'

8. Intangible Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Product Development	375.00	521.84	695.80
Technical Know How	3,736.53	4,465.64	5,205.80
Software	47.63	61.28	35.04
	4,159.16	**5,048.76**	**5,936.64**

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(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
I. Cost or Deemed Cost				
Balance as at 1st April, 2015	**695.80**	**5,205.80**	**35.04**	**5,936.64**
Additions	-	-	57.70	57.70
Balance as at 31st March, 2016	**695.80**	**5,205.80**	**92.74**	**5,994.34**
Additions	-	-	25.01	25.01
Balance as at 31st March, 2017	**695.80**	**5,205.80**	**117.75**	**6,019.35**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
II. Accumulated depreciation				
Balance as at 1st April, 2015	**-**	**-**	**-**	**-**
Amortisation expense	173.96	740.16	31.46	945.58
Balance as at 31st March, 2016	**173.96**	**740.16**	**31.46**	**945.58**
Amortisation expense	146.84	729.11	38.66	914.61
Balance as at 31st March, 2017	**320.80**	**1,469.27**	**70.12**	**1,860.19**

(₹ in Lakhs)

Particulars	Product Development	Technical Know How	Software	Total
III. Net carrying amount				
Balance as at 1st April, 2015	**695.80**	**5,205.80**	**35.04**	**5,936.64**
Balance as at 31st March, 2016	**521.84**	**4,465.64**	**61.28**	**5,048.76**
Balance as at 31st March, 2017	**375.00**	**3,736.53**	**47.63**	**4,159.16**

9. Investments

9(a). Investment in Subsidiaries (carried at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up							
I. Quoted Investment							
Investments in Equity Instruments							
Inox Leisure Limited	₹10	46386467	9,012.47	46386467	9,012.47	46386467	9,012.47
Inox Wind Limited (see Note 1 & 2 below)	₹10	140000000	2,800.00	140000000	2,800.00	-	-
Total Quoted Investments			**11,812.47**		**11,812.47**		**9,012.47**

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(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
II. Unquoted Investments							
Investments in Equity Instruments							
Inox Infrastructure Limited	₹10	50000000	5,000.00	50000000	5,000.00	50000000	5,000.00
Inox Renewables Limited (see Note 1 below)	₹10	3375000	12,895.94	3374400	12,882.44	3374400	12,882.44
Inox Wind Limited (see Note 1 & 2 below)	₹10	-	-	-	-	140000000	2,800.00
Gujarat Fluorochemcials Singapore Pte. Limited (see Note 1 below)"	USD 1	3816000	2,153.29	2791000	1,469.64	2771000	1,456.85
Gujarat Fluorochemicals GmbH	Par value		21.82		21.82		21.82
Gujarat Fluorochemicals Americas LLC	Par value		1,012.28		1,012.28		1,012.28
Total Unquoted Investments			**21,083.33**		**20,386.18**		**23,173.39**
Total investment in subsidiaries (a)			**32,895.80**		**32,198.65**		**32,185.86**

1. The Company has provided undertakings to various lenders, not to dilute its stake below 51%, in its subsidiaries, Inox Wind Limited and Inox Renewables Limited & its stake below 100% in Gujarat Fluorochemicals Singapore Pte. Limited.

2. Equity shares of Inox Wind Limited (IWL) were listed on stock exchanges on 9th April, 2015 and accordingly reclassified from 'Unquoted' to 'Quoted' investment during FY 2015-16. Further out of the total equity shares of IWL held by the Company, 4,43,83,646 shares are locked-in upto 30th March, 2018.

9(b). Investment in Joint Ventures (carried at cost or deemed cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up							
Unquoted Investment							
Investments in Equity Instruments							
Xuancheng Hengyuan Chemical Technology Co. Ltd	Par value	-	-	-	358.21	-	358.21
Swarnim Gujarat Fluorspar Private Limited	₹10	1082500	108.25	1082500	108.25	1082500	108.25
Total investment in joint ventures (b)			**108.25**		**466.46**		**466.46**

9(c). Other Investments (carried at FVTPL)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Non-current investments							
I. Quoted Investments (all fully paid)							
Investments in Equity Instruments							
Tata Global Beverages Limited	10	-	-	1630944	1,977.52	1630944	2,392.05
			-		**1,977.52**		**2,392.05**
Investments in Mutual Funds							
Invesco India FMP Series 23-Plan L (370 Days)-Regular Plan Growth	10	-	-	10000000	1,175.80	10000000	1,083.61

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(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Reliance Yearly Interval Fund - Series 8 Direct Plan-Growth	10	9211751	1,252.07	9211751	1,160.29	9211751	1,070.73
HDFC FMP 370 Days June 2014(2) Series 31 Regular - Growth	10	-	-	10000000	1,162.09	10000000	1,068.81
SBI Debt Fund Series A35-369 Days -Direct - Growth	10	-	-	10000000	1,156.26	10000000	1,065.72
DHFL Pramerica Interval Fund Annual Plan Series 1-Direct Plan - Growth	10	9205730	1,242.99	9205730	1,152.97	9205730	1,064.60
Reliance Fixed Horizon Fund-XXVI Series 33 - Direct Plan -Growth	10	-	-	10000000	1,156.65	10000000	1,066.79
ICICI Prudential FMP Series 76-1134 Days-Plan Y-Cumulative	10	10000000	1,176.79	10000000	1,079.34	-	-
ICICI Prudential FMP Series 76-1135 Days Plan Z Cumulative	10	10000000	1,174.48	10000000	1,077.78	-	-
ICICI Prudential FMP Series 77-1132 Days Plan A Cumulative	10	10000000	1,176.86	10000000	1,078.83	-	-
IDFC Fixed Term Plan.Series 108 -Regular Plan-Growth (1144 Days)	10	10000000	1,155.07	10000000	1,069.92	-	-
SBI Debt Fund Series B-16(1100 Days)-Regular Plan Growth	10	10000000	1,166.29	10000000	1,072.60	-	-
			8,344.55		**12,342.53**		**6,420.26**
Total quoted Investments			**8,344.55**		**14,320.05**		**8,812.31**
II. Unquoted Investments (all fully paid)							
Investments in Equity Instruments							
Kaleidoscope Entertainment Private Limited	1	562500	60.75	562500	60.75	562500	60.75
Less : Provision for impairment loss			(60.75)		(60.75)		(60.75)
Investments in Mutual Fund							
ICICI Prudential Equity Arbitrage Fund-Dividend	10	-	-	7237596	995.13	-	-
Kotak Equity Arbitrage-Monthly Dividend (Regular Plan)	10	18504811	1,988.73	18504811	1,989.16	-	-
Reliance Arbitrage Advantage Fund-Monthly Dividend Plan Dividend Payout	10	-	-	19070140	2,002.02	-	-
HDFC Short Term Plan-Regular Plan -Growth	10	3677863	1,191.99	3677863	1,088.28	-	-
Birla Sun Life Short Term Opportunities Fund-Growth -Regular Plan	10	4355989	1,181.94	4355989	1,080.08	-	-
DSP Black Rock Short Term Fund-Regular Plan-Growth	10	4174494	1,162.07	4174494	1,075.18	-	-
Franklin India Short Term Income Plan-Retail Plan -Growth	1000	34670	1,173.98	34670	1,056.51	-	-
DHFL Pramerica Short Maturity Fund-Growth	10	3958860	1,179.50	3958860	1,076.83	-	-
SBI Blue Chip Fund - Regular Plan - Growth	10	3233654	1,085.61	-	-	-	-
Kotak Select Focus Fund - Growth (Regular Plan)	10	3840840	1,103.93	-	-	-	-
Principal Emerging Blue Chip Fund - Regular Plan - Growth	10	1245816	1,126.47	-	-	-	-
L&T India Value Fund - Growth	10	3483438	1,120.76	-	-	-	-
Birla Sun Life India Reforms Fund - Growth - Regular Plan	10	6444864	1,134.94	-	-	-	-
Franklin Build India Fund - Growth	10	3102618	1,110.73	-	-	-	-
Franklin India Smaller Companies Fund - Growth	10	2109794	1,090.11	-	-	-	-

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(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Mirae Asset Emerging Bluechip Fund - Regular Plan - Growth	10	2538693	1,080.19	-	-	-	-
HDFC High Interest Fund - Dynamic Plan - Regular Plan - Growth	10	2570751	1,455.84	-	-	-	-
Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan	10	4951132	1,437.51	-	-	-	-
ICICI Prudential Dynamic Bond Fund - Growth	10	5273233	990.85	-	-	-	-
DSP Blackrock Strategic Bond Fund - Institutional Plan - Growth	1000	49508	970.43	-	-	-	-
Total Unquoted Investments			**21,585.58**		**10,363.19**		**-**
Total non-current investments (I + II)			**29,930.13**		**24,683.24**		**8,812.31**
Current investments							
I. Quoted Investments (all fully paid)							
Investments in Mutual Funds (Current portion of Non current investments)							
Invesco India FMP Series 23-Plan L (370 Days)-Regular Plan Growth	10	10000000	1,264.39	-	-	-	-
HDFC FMP 370 Days June 2014(2) Series 31 Regular - Growth	10	10000000	1,256.49	-	-	-	-
SBI Debt Fund Series - A35-369Days -Direct - Growth	10	10000000	1,253.80	-	-	-	-
Reliance Fixed Horizon Fund-XXVI Series 33 - Direct Plan -Growth Plan	10	10000000	1,254.71	-	-	-	-
Total quoted Investments			**5,029.39**		-		-
II. Unquoted Investments (all fully paid)							
Investments in venture capital funds (current portion of long term investments)							
Indiareit Fund Scheme III	100000	-	-	293	104.55	423	264.24
Kshitij Venture Capital Fund	337.50	250000	672.90	250000	778.27	250000	892.75
Total Unquoted Investments			**672.90**		**882.82**		**1,156.99**
Total current investments (I + II)			**5,702.29**		**882.82**		**1,156.99**
Total other investments (c)			**35,632.42**		**25,566.06**		**9,969.30**
Total investments (a + b + c)			**68,636.47**		**58,231.17**		**42,621.62**
Non-current investments			62,934.18		57,348.35		41,464.63
Current investments			5,702.29		882.82		1,156.99
			68,636.47		**58,231.17**		**42,621.62**
Category-wise other investments – as per Ind AS 109 classification:							
Investments carried at cost or deemed cost			33,004.05		32,665.11		32,652.32
Investments carried at fair value through profit or loss			35,632.42		25,566.06		9,969.30
			68,636.47		**58,231.17**		**42,621.62**
Aggregate amount of quoted investments			25,186.41		26,132.52		17,824.78
Aggregate market value of quoted investments			384,947.55		469,706.35		89,922.20
Aggregate amount of unquoted investments			43,450.06		32,098.65		24,796.84
Aggregate amount of impairment in value of investments			60.75		60.75		60.75

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10. Loans (Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Loans to related parties (see Note 46)			
- Inter-corporate deposits to subsidiary company	16,249.00	16,249.00	16,249.00
Security deposits	659.41	674.48	566.56
Total	**16,908.41**	**16,923.48**	**16,815.56**
Current			
Loans to related parties (see Note 46)			
- Inter-corporate deposits to subsidiary company	20,993.82	-	-
Inter-corporate deposits to other parties (see Note 49)			
Considered good	1,301.95	751.99	753.31
Considered doubtful	700.00	700.00	700.00
	2,001.95	1,451.99	1,453.31
Allowance for expected credit losses	(700.00)	(700.00)	(700.00)
	1,301.95	751.99	753.31
Total	**22,295.77**	**751.99**	**753.31**

11. Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Non-current bank balances (from Note 16)	2.59	2.42	2.24
Derivatives financial assets	680.42	645.64	2,629.37
Total	**683.01**	**648.06**	**2,631.61**
Current			
Electricity duty and custom duty refund claimed	1,533.32	2,068.16	-
Derivative financial assets	-	-	835.24
Insurance claim lodged	20.09	338.04	37.37
Other receivables	274.29	136.94	151.97
Total	**1,827.70**	**2,543.14**	**1,024.58**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

12. Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Capital advances	3,835.45	996.30	1,498.90
Security deposits with Government authorities	196.76	164.31	106.83
Prepayments - leasehold land	4,289.09	4,337.41	4,385.73
Prepayments - others	23.28	5.34	11.14
Total	**8,344.58**	**5,503.36**	**6,002.60**
Current			
Advances to related parties (see Note 46)	309.10	10.50	159.47
Advance to suppliers			
Considered good	2,756.52	2,196.71	2,249.67
Considered doubtful	12.24	12.24	-
	2,768.76	2,208.95	2,249.67
Provision for doubtful advances	(12.24)	(12.24)	-
	2,756.52	2,196.71	2,249.67
Balance with government authorities:			
Balance in Excise, Service tax and VAT accounts	1,968.78	1,084.96	1,133.82
Other advances	40.97	119.33	63.37
Prepayments - leasehold land	48.32	48.32	48.32
Prepayments - others	216.37	168.91	193.28
Total	**5,340.06**	**3,628.73**	**3,847.93**

13. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Income tax paid (net of provisions)	9,082.05	10,351.11	10,594.50
Total	**9,082.05**	**10,351.11**	**10,594.50**

14. Inventories (at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw materials	6,814.29	7,116.74	7,687.43
Work-in-progress	3,488.60	3,535.29	5,780.32
Finished goods	13,583.40	13,505.08	16,367.51
Stock in trade	203.78	128.90	107.04
Stores and spares	6,407.29	5,406.08	4,845.48
Others			
- Fuel	654.87	1,649.49	1,220.89
- Packing materials	280.94	381.65	329.03
- By products	157.14	379.70	375.12
Total	**31,590.31**	**32,102.93**	**36,712.82**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Notes:

(i) The cost of inventories recognised as an expense includes ₹1,307.15 Lakhs (during FY 2015-16: ₹1,940.67 Lakhs) in respect of write downs of inventory to net realisable value.

(ii) Entire Inventories are hypothecated against working capital facilities from banks, see Note 38 for security details.

(iii) The mode of valuation of inventories has been stated in Note 3.12

15. Trade receivables (Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Considered good	37,093.69	37,571.21	38,541.62
Considered doubtful	321.46	366.14	14.70
	37,415.15	37,937.35	38,556.32
Allowance for doubtful trade receivables	(321.46)	(366.14)	(14.70)
Allowance for expected credit losses	(17.59)	(50.32)	(62.90)
Total	**37,076.10**	**37,520.89**	**38,478.72**

16. Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks in current accounts	1,118.03	1,918.09	2,437.43
Public issue accounts (see note below)	-	-	31,988.45
Cash on hand	8.23	10.77	3.89
Total	**1,126.26**	**1,928.86**	**34,429.77**

Note: The bank balance in Public Issue Accounts represents money raised by Inox Wind Limited (Subsidiary of the Company) in IPO which was held in escrow as at 31st March, 2015. The money was released on 8th April, 2015 on receiving listing approval from the stock exchanges.

17. Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unpaid dividend accounts	174.14	273.72	206.84
Bank deposits with original maturity of more than 12 months	2.59	2.42	2.24
	176.73	276.14	209.08
Amount disclosed under Note 11 - Other non-current financial assets	(2.59)	(2.42)	(2.24)
Total	**174.14**	**273.72**	**206.84**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

18. Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorized			
20,00,00,000 equity shares of ₹ 1 each	2,000.00	2,000.00	2,000.00
Issued, subscribed and paid up			
10,98,50,000 equity shares of ₹ 1 each	1,098.50	1,098.50	1,098.50
Total	**1,098.50**	**1,098.50**	**1,098.50**

18.1 Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31st March, 2017	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	1,09,850,000	1,098.50
Add: issued during the year	-	-
At the end of the year	1,09,850,000	1,098.50
As at 31st March, 2016	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	1,09,850,000	1,098.50
Add: issued during the year	-	-
At the end of the year	1,09,850,000	1,098.50
As at 1st April, 2015	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	1,09,850,000	1,098.50
Add: issued during the year	-	-
At the end of the year	1,09,850,000	1,098.50

18.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

18.3 Particulars of dividend paid to shareholders

On 12th October, 2015, final dividend of ₹ 3.50 per share (Total dividend of ₹ 4,627.45 Lakhs including dividend distribution tax (DDT)) for FY 2014-15 was paid to holders of equity shares. On 28th March, 2016, an interim dividend of ₹ 3.50 per share (Total dividend of ₹ 4,627.45 Lakhs including DDT) for FY 2015-16 was paid to holders of equity shares.

In respect of financial year ended 31st March, 2017,the Board of Directors propose that a dividend of ₹ 3.50 per share be paid on equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these Standalone financial statements. The total estimated equity dividend (including dividend distribution tax) to be paid is ₹ 4,627.45 Lakhs.

18.4 Shares held by holding company

	Nos.	**(₹ in Lakhs)**
As at 31st March, 2017		
Inox Leasing and Finance Limited	57,715,310	577.15
As at 31st March, 2016		
Inox Leasing and Finance Limited	57,715,310	577.15
As at 1st April, 2015		
Inox Leasing and Finance Limited	57,715,310	577.15

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

18.5 Details of shareholders holding more than 5% shares in the company

	Nos.	Holdings%
As at 31st March, 2017		
Inox Leasing and Finance Limited	57,715,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	6,662,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	5,576,440	5.08%
As at 31st March, 2016		
Inox Leasing and Finance Limited	57,715,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	6,662,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	5,576,440	5.08%
As at 1st April, 2015		
Inox Leasing and Finance Limited	57,715,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	6,662,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	5,576,440	5.08%

19. Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital reserve	12,827.46	12,614.93	12,614.93
Capital redemption reserve	59.30	59.30	59.30
General reserve	280,000.00	277,000.00	271,000.00
Cash flow hedge reserve	37.49	(197.47)	(73.70)
Retained Earnings	9,618.02	(1,922.78)	3,784.47
	302,542.27	**287,553.98**	**287,385.00**

19.1 Capital reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	12,614.93	12,614.93
Movement during the year	212.53	-
Balance at the end of the year	**12,827.46**	**12,614.93**

Capital reserves represents compensation received for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated.

During the year, the Company has received ₹ 212.53 Lakhs in this regard.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

19.2 Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	59.30	59.30
Movement during the year	-	-
Balance at the end of the year	**59.30**	**59.30**

In FY 2008-09, the Company has bought back and extinguished 59,30,000 equity shares of ₹ 1 per share at an average price of ₹ 103.48 per share from open market, and accordingly the face value of ₹ 1 per share is reduced from the paid up equity share capital and correspondingly the amount of ₹ 59.30 Lakhs was transferred to Capital Redemption Reserve from Statement of Profit and Loss.

19.3 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	277,000.00	271,000.00
Movement during the year	3,000.00	6,000.00
Balance at the end of the year	**280,000.00**	**277,000.00**

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

19.4 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	(197.47)	(73.70)
Other comprehensive income for the year, net of income tax	234.96	(123.77)
Balance at the end of the year	**37.49**	**(197.47)**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non -financial hedged item, or when it becomes ineffective.

19.5 Retained Earnings

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	(1,922.78)	3,784.47
Profit for the year	14,628.62	9,540.22
Other comprehensive income for the year, net of income tax	(87.82)	7.43
Payment of dividend on equity shares (including tax on dividend) - see Note 18.3	-	(9,254.90)
Amount transferred to general reserve	(3,000.00)	(6,000.00)
Balance at the end of the year	**9,618.02**	**(1,922.78)**

The amount that can be distributed by the Company as dividends to its equity shareholders is determined after considering the requirements of the Companies Act, 2013 and subject to levy of dividend distribution tax, if any. Thus, the amounts reported above are not distributable in entirety.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

20. Non-current borrowings (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
From banks			
Foreign currency loans	21,672.88	27,114.92	32,797.10
Less: Current maturities	4,883.21	4,986.53	6,924.72
(Disclosed under Note 21 : Other current financial liabilities)			
Total	**16,789.67**	**22,128.39**	**25,872.38**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. (see Note 38).

21. Other financial liabilities (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Security deposits	-	-	188.78
Premium payable on option contracts (Refer Note (i) below)	391.91	555.56	747.12
Total	**391.91**	**555.56**	**935.90**
Current			
Current maturities of long term borrowings (see Note 20)	4,883.21	4,986.53	6,924.72
Interest accrued but not due on borrowings	133.93	126.25	183.58
Creditors for capital expenditure	2,463.75	1,032.13	2,316.68
Derivative financial liabilities (Refer Note (ii) below)	863.91	446.04	216.94
Security deposits	512.74	511.71	348.31
Employees dues payable	2,368.43	1,922.68	1,732.79
Expenses payable	3,496.81	2,096.75	1,867.74
Unclaimed dividend (Refer Note (iii) below)	174.14	273.72	206.84
Premium payable on option contracts (Refer Note (i) below)	163.65	191.55	221.76
Share in IPO expenses payable to subsidiary company			1,450.31
Total	**15,060.57**	**11,587.36**	**15,469.67**

(i) Company has taken Foreign Currency loan in form of ECB from ICICI Bank Limited on 13th February, 2012. Subsequently company has entered into call spread option contract to hedge the foreign currency risk and interest risk, wherein interest rate was fixed at 10.55% p.a.out of which 4.20% p.a. is payable quarterly as Premium on Option Contract.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

(ii) Company has taken Foreign Currency loan in form of ECB from ICICI Bank Limited, Mizuho Bank Limited and HSBC Limited. Subsequently company has entered into call spread option contract with ICICI Bank Limited and Cross Currency Swap agreement with Mizuho Bank Limited and HSBC Limited to hedge the foreign currency risk and interest rate risk. These derivative instruments are fair valued as on balance sheet date.

(iii) In respect of unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.

22. Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Provision for employee benefits (see Note 44)			
- for Gratuity	1,033.49	793.43	660.66
- for Compensated absences	485.94	350.94	253.64
Total	**1,519.43**	**1,144.37**	**914.30**
Current			
Provision for employee benefits (see Note 44)			
- for Gratuity	274.44	229.51	223.06
- for Compensated absences	481.11	391.43	318.33
Total	**755.55**	**620.94**	**541.39**

23. Deferred tax assets/(liabilities)

Year ended 31st March, 2017

23.1 The major components of deferred tax (liabilities)/assets in relation to :

(₹ in Lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Property, Plant and Equipment	(30,353.53)	(1,532.77)	-	(31,886.30)
Expenses allowable on payment basis	-	81.87	-	81.87
Allowance for doubtful trade receivables and expected credit losses	144.13	(26.79)	-	117.34
Effect of measuring financial instruments at fair value	(283.01)	(395.92)	-	(678.93)
Effect of measuring other derivative instruments at fair value	139.63	(25.93)	(124.35)	(10.65)
Defined Benefit obligations	610.94	129.91	46.48	787.33
	(29,741.84)	**(1,769.63)**	**(77.87)**	**(31,589.34)**
MAT Credit Entitlement	11,579.00	988.00	-	12,567.00
Net Deferred tax liabilities	**(18,162.84)**	**(781.63)**	**(77.87)**	**(19,022.34)**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Year ended 31st March, 2016

23.2 The major components of deferred tax (liabilities)/assets in relation to :

(₹ in Lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Property, Plant and Equipment	(27,059.32)	(3,294.21)	-	(30,353.53)
Expenses allowable on payment basis	-	-	-	
Allowance for doubtful trade receivables and expected credit losses	26.58	117.55	-	144.13
Effect of measuring financial instruments at fair value	(48.48)	(234.53)	-	(283.01)
Effect of measuring other derivative instruments at fair value	153.15	(79.03)	65.51	139.63
Defined Benefit obligations	503.79	111.08	(3.93)	610.94
	(26,424.28)	**(3,379.14)**	**61.58**	**(29,741.84)**
MAT Credit Entitlement	9,754.00	1,825.00	-	11,579.00
Net Deferred tax liabilities	**(16,670.28)**	**(1,554.14)**	**61.58**	**(18,162.84)**

23.3 The company has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss	Financial Year	Gross amount as at 31st March, 2017 (₹ in Lakhs)	Expiry date
Long term capital gain losses	2008-09	3.63	2016-17
	2009-10	67.45	2017-18
	2010-11	1,776.37	2018-19
	2011-12	1,021.13	2019-20
	2012-13	95.99	2020-21
	2013-14	243.44	2021-22
	2014-15	239.47	2022-23
	2015-16	120.09	2023-24
	2016-17	1,779.02	2024-25

No deferred tax liability has been recognised in respect of undistributed earnings of the subsidiaries as in the opinion of the management, the parent is able to control the timing of the temporary differences and the temporary differences will not reverse in the foreseeable future.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

24. Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
From banks			
Foreign currency loans			
- Buyers credit	-	-	4,165.37
Cash credit/overdraft facilities	-	-	1,798.08
	-	-	5,963.45
Unsecured			
(a) From banks			
(i) Foreign currency loans			
- Packing credit /Buyers credit	18,050.61	18,239.14	19,944.33
(ii) Rupee loan			
- Working capital demand loan	-	-	4,900.00
- Commercial papers	2,495.39	2,490.01	10,893.49
	20,546.00	20,729.15	35,737.82
From others			
- Commercial papers	20,945.76	-	-
	41,491.76	20,729.15	35,737.82
Total	**41,491.76**	**20,729.15**	**41,701.27**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. (see Note 38).

25. Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables			
- dues to micro and small enterprises	8.72	17.93	2.38
- dues to others	7,487.45	7,934.67	7,051.07
Total	**7,496.17**	**7,952.60**	**7,053.45**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

The particulars of dues to micro, small and medium enterprises under Micro, Small and Medium Enterprises Development Act,2006:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	8.72	17.93
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	0.00	0.03
Payment made to suppliers (other than interest) beyond the appointed date during the year	6.82	17.76
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	0.20	0.02
Interest due and payable to suppliers under MSMED Act for payments already made.	0.05	0.10
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	0.06	0.13

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

26. Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances from customers	471.45	609.72	452.09
Statutory dues and taxes payable	868.49	1,151.84	1,081.05
Total	**1,339.94**	**1,761.56**	**1,533.14**

27. Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current tax liabilities (net)	527.71	108.02	1,030.98
Total	**527.71**	**108.02**	**1,030.98**

28. Revenue from operations

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Sale of products	152,775.27	141,990.00
Other operating revenue	430.44	1,531.78
Total	**153,205.71**	**143,521.78**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

29. Other income

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Interest income		
(I) On financial assets using effective interest method:		
- on fixed deposits with banks	0.18	0.18
- on Inter-corporate deposits		
(i) subsidiary companies	2,759.89	1,624.90
(ii) other companies	90.27	70.61
(II) Other interest income		
- on income tax refund	334.75	-
- other interest	10.50	29.44
	3,195.59	**1,725.13**
(b) Dividend received	**293.22**	**632.18**
(c) Other non-operating income		
Allowance for doubtful trade receivables reversed	43.54	-
Liabilities and provisions no longer required, written back	42.75	382.11
Rental income from operating leases	698.91	728.54
Miscellaneous income	60.00	133.24
	845.20	**1,243.89**
(d) Other gains and (losses)		
Gains/(losses) on investments carried at FVTPL	2,770.69	1,079.27
Net gain on foreign currency transactions and translation	-	799.63
Net gain on derivatives	-	400.47
Net gain on retirement/disposal of property, plant and equipment	7.69	5.15
	2,778.38	**2,284.52**
Total	**7,112.39**	**5,885.72**

30. Cost of materials consumed

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Raw materials consumed	31,542.82	28,275.79
Packing materials consumed	5,898.44	5,277.99
Total	**37,441.26**	**33,553.78**

31. Purchases of stock in trade

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Purchases of stock-in-trade	1,045.14	223.94
Total	**1,045.14**	**223.94**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

32. Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Opening stock		
Finished goods	13,505.08	16,367.51
Stock-in-trade	128.90	107.04
Work-in-progress	3,535.29	5,780.32
By-products	379.70	375.12
	17,548.97	**22,629.99**
Less : Closing stock		
Finished goods	13,583.40	13,505.08
Stock-in-trade	203.78	128.90
Work-in-progress	3,488.60	3,535.29
By-products	157.14	379.70
	17,432.92	**17,548.97**
Excise duty on stock of finished goods (net)	3.27	(17.93)
(Increase) / decrease in stock	**119.32**	**5,063.09**

33. Employee benefits expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Salaries and wages	10,851.24	9,278.79
Contribution to provident and other funds	496.74	419.09
Gratuity	201.92	223.04
Staff welfare expenses	456.56	394.75
Total	**12,006.46**	**10,315.67**

34. Finance Costs

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Interest on financial liabilities carried at amortised cost		
Interest on borrowings	3,250.57	2,796.91
Net foreign exchange loss on borrowings (considered as finance cost)	160.11	1,405.06
	3,410.68	**4,201.97**
(b) Other interest		
Interest on income tax	16.20	-
Other interest expenses	21.03	84.08
	37.23	**84.08**
(c) Other borrowing costs	70.32	264.99
Total	**3,518.23**	**4,551.04**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

35. Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Depreciation and amortization of property, plant and equipment	13,948.51	13,399.54
Amortization of intangible assets	914.61	945.58
Depreciation of investment property	21.27	21.27
Total	**14,884.39**	**14,366.39**

36. Other expenses

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Stores and spares consumed	5,608.87	4,983.72
Power and fuel	35,147.08	32,981.01
Freight and octroi	4,462.39	3,592.02
Insurance	354.43	326.50
Excise duty, custom duty and sales tax	598.44	415.30
Production labour charges	1,890.40	1,809.49
Processing charges	91.30	106.13
Factory expenses	557.86	559.42
Repairs to		
- Buildings	325.86	351.16
- Plant and equipments	3,419.79	3,379.17
- Others	392.19	308.01
	4,137.84	4,038.34
Directors' sitting fees	10.60	9.60
Commission to non-executive director	166.54	157.25
Rent	308.57	331.09
Rates and taxes	412.34	409.85
Travelling and conveyance	1,521.21	1,300.77
Communication expenses	171.57	166.45
Legal and professional fees and expenses	2,359.49	2,175.26
Lease rentals and hire charges	548.07	555.30
Loss on foreign currency transactions and translation (net)	517.48	-
Allowance for doubtful trade receivables and expected credit loss	-	340.75
Allowance for doubtful advances	-	12.24
Bad debts and remission	4.91	55.06
Corporate Social Responsibility (CSR) expenses (see Note 50)	79.38	117.00
Commission	591.47	534.34
Royalty	513.58	345.52
Miscellaneous expenses	2,082.71	1,714.79
Total	**62,136.53**	**57,037.20**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

37. Tax Expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(i) Income tax recognized in Statement of Profit and Loss		
Current Tax:		
In respect of current year	3,830.00	3,120.00
Deferred Tax		
In respect of current year	1,769.63	3,379.14
MAT Credit Entitlement	(644.00)	(1,494.00)
Deferred tax pertaining to earier years	(344.00)	(331.00)
	4,611.63	**4,674.14**
(ii) Income tax recognized in Other Comprehensive Income		
Deferred tax on remeasurement of defined benefit plans	(46.48)	3.93
Deferred tax on effective portion of gains and (loss) on hedging instruments in a cash flow hedge	124.35	(65.51)
	77.87	**(61.58)**
Total Tax Expense	**4,689.50**	**4,612.56**

37.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Profit before tax	19,240.25	14,214.36
Income tax using the Company's domestic tax rate @ 34.608% (2015-16: 34.608%)	6,658.67	4,919.31
Effect of expenses that are not deductible in determining taxable profits	70.41	488.49
Effect of tax incentive provisions	(1,268.75)	(196.30)
Effect of income that is exempted from tax	(101.48)	(218.78)
Effect of income that is taxed at special rates	(298.17)	-
Others (net)	(105.05)	12.42
	4,955.63	5,005.14
Taxation pertaining to earlier years	(344.00)	(331.00)
Tax expense as per the Statement of Profit and Loss	**4,611.63**	**4,674.14**

The tax rate used for the years ended 31st March, 2017 and 31st March, 2016 in reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

38. Nature of securities and terms of repayment

38.1 The terms of repayment of term loans are stated as under:

As at 31st March, 2017

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	4,323.33	Half yearly repayment, final maturity on 20th March, 2023	Fully hedged at 10.55% p.a with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,096.83	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(b)
3.	The Hongkong and Shanghai Banking Corporation Limited	External Commercial Borrowing	7,626.36	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(c)
4.	Mizuho Bank Limited	External Commercial Borrowing	7,626.36	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(d)

As at 31st March, 2016

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	5,152.62	Half yearly repayment, final maturity on 20th March, 2023	Fully hedged at 10.55% p.a with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,485.38	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3.	The Hongkong and Shanghai Banking Corporation Limited	External Commercial Borrowing	9,738.46	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(b)
4.	Mizuho Bank Limited	External Commercial Borrowing	9,738.46	Quarterly repayment, final maturity on 15th March, 2021	Fully hedged at 8.24% p.a.	(c)

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

As at 1st April, 2015

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	5,555.38	Half yearly repayment, final maturity on 20th March, 2023	Fully hedged at 10.55% p.a with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,679.65	Half yearly repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(b)
3.	Axis Bank Limited (Hedged Part)	External Commercial Borrowing	11,512.79	Quarterly repayment, final maturity on 15th March, 2022	Fully hedged at 11.26% p.a.	(c)
4.	Axis Bank Limited (Un-Hedged Part)	External Commercial Borrowing	9,924.02	Quarterly repayment, final maturity on 15th March, 2022	3M LIBOR + 4.25% p.a.	(d)
5.	DBS Bank Limited (Fully Hedged)	External Commercial Borrowing	3,125.25	Quarterly repayment, final maturity on 14th January,2016	Fully hedged at 8.65% p.a.	(e)
6.	The Royal Bank of Scotland	Buyer's Credit	4,165.37	Bullet repayment varied from 10th April, 2015 to 15th October, 2015	Interest range from 8M LIBOR + 0.95% to 12 M LIBOR + 0.95%	(f)
7.	HDFC Bank Limited	OD Facility	1,798.09	Repayable on demand	10.75% p.a.	(g)

Notes:-

a) **ICICI Bank Limited:-** The foreign currency term loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest /mortgage /hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the lender has exclusive first and exclusive charge on movable fixed assets of AHF & HCFC plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.

b) **The Hongkong and Shanghai Banking Corporation Limited:-** The foreign currency term loan from The Hongkong and Shanghai Banking Corporation, is secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with Mizuho Bank Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

c) **Mizuho Bank Limited:-** The foreign currency term loan from Mizuho Bank Limited, is secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the lender has assignment of rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the project agreements with respect to 36 MW Wind Power Project at Mahidad.

d) **Axis Bank Limited:-** The foreign currency term loan from Axis Bank Limited was secured by way of first charge on all movable and immovable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and exclusive charge on movable fixed assets of DPTFE plant located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka -Vagra, District -Bharuch, Gujarat. Further, the lender also has a charge/lien over the receivables, assignment of rights under the project agreements and escrow account relating to 36 MW Wind power Project at Mahidad.

e) **DBS Bank Limited:-** The foreign currency term loan from DBS Bank Limited was secured by first pari-passu charge over moveable fixed assets of the Company at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch except assets pertaining to 18 MW coal based captive power plant, DPTFE & PTPTFE plant.

f) **The Royal Bank of Scotland NV:-** The foreign currency buyer's credit from The Royal Bank of Scotland NV was secured by way of first pari-passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future, of the Company's unit located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat.

g) **HDFC Bank Limited:-** The over draft facility from HDFC Bank Limited was secured by first pari-passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future, of the Company's unit located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat.

38.2 The terms of repayment of working capital loans are as under:

As at 31st March, 2017

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	Franklin Templeton Mutual Fund	Commercial Paper	20,945.76	Bullet repayment on 24th August, 2017	8.25% p.a.
2.	HDFC Bank	Commercial Paper	2,495.39	Bullet repayment on 11th April , 2017	6.80% p.a.
3.	Kotak Mahindra Bank	Buyer's Credit	3,689.78	Repayment range from 11th April ,2017 to 22nd November, 2017	Interest range from 6M LIBOR + 0.50% to 12 M LIBOR + 0.60%
4.	Yes Bank	Buyer's Credit	2,244.71	Repayment range from 14th July 2017 to 6th October, 2017	Interest range from 6M LIBOR + 0.40% to 12 M LIBOR + 0.65%
5.	ICICI Bank	Buyer's Credit	2,327.59	Repayment range from 28th April, 2017 to 24th August, 2017	Interest range from 6M LIBOR + 0.50% to 12 M LIBOR + 0.55%
6.	BNP Paribas	Packing Credit in Foreign Currency	9,788.53	Repayment range from 12th June, 2017 to 23rd September, 2017	Interest range from 6M EURIBOR + 0.22% to 6M EURIBOR + 0.24%, 6M LIBOR + 0.15% p.a.

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As at 31st March, 2016

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	HDFC Bank	Commercial Paper	2,490.01	Bullet repayment on 18th April,2016	8.70% p.a.
2.	Kotak Mahindra Bank	Buyer's Credit	2,572.16	Repayment range from 27th May, 2016 to 7th February, 2017	Interest range from 12M LIBOR + 0.50% to 12 M LIBOR + 1.00%
3.	Yes Bank	Buyer's Credit	5,802.19	Repayment range from 5th April ,2016 to 14th February, 2017	Interest range from 12M LIBOR + 0.58% to 12 M LIBOR + 0.95%
4.	BNP Paribas	Packing Credit in Foreign Currency	8,889.38	Repayment range from 20th June, 2016 to 26th September ,2016	Interest range from 6M EURIBOR + 0.14% to 6M EURIBOR + 0.45%, 6M LIBOR + 0.20% p.a.
5.	IDBI Bank	Packing Credit in Foreign Currency	975.41	Repayment on 10th August, 2016	6M LIBOR + 0.75% p.a.

As at 1st April, 2015

Sr. No.	Lender's Name	Loan Type	Amount outstanding (₹ in Lakhs)	Terms of Repayment	Rate of Interest
1.	HDFC Bank	Commercial Paper	4,933.19	Bullet repayment on 29th May, 2015	8.60% p.a.
2.	HDFC Bank	Commercial Paper	5,960.30	Bullet repayment on 30th April,2015	8.60% p.a.
3.	ING Vysya Bank	Buyer's Credit	7,490.40	Repayment range from 29th June, 2015 to 29th December ,2015	Interest range from 12M LIBOR + 0.51% to 12 M LIBOR +1.00%
4.	Yes Bank	Buyer's Credit	3,331.61	Repayment range from 27th August ,2015 to 23rd December ,2015	Interest range from 12M LIBOR + 0.59% to 12 M LIBOR +1.05%
5.	BNP Paribas	Packing Credit in Foreign Currency	4,694.97	Bullet repayment on 15th July, 2015 and 12th August, 2015	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.60%
6.	IDBI Bank	Packing Credit in Foreign Currency	1,901.49	Bullet repayment on 19th August, 2015	6M LIBOR + 0.60%
7.	Citi Bank	Foreign Currency Working Capital Loan	2,525.86	Bullet repayment on 25th August, 2015	12M LIBOR + 2.00%
8.	BNP Paribas	Working Capital Demand Loan	4,900.00	Bullet repayment on 17th April, 2015	9.35% p.a.

Maximum balance of commercial papers:

Maximum balance during the F.Y. 2016- 2017 was ₹ 24,100 Lakhs.
Maximum balance during the F.Y. 2015- 2016 was ₹ 11,000 Lakhs.
Maximum balance during the F.Y. 2014- 2015 was ₹ 13,500 Lakhs.

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39. Contingent Liabilities:

a. Claims against the Company not acknowledged as debt – in respect of claim by a service provider - ₹ 7.22 Lakhs (as at 31st March, 2016 : ₹ 7.22 Lakhs, as at 1st April, 2015 : ₹ 7.22 Lakhs).

b. In respect of Income tax matters – ₹ 27,427.89 Lakhs (as at 31st March, 2016 : ₹ 8,093.33 Lakhs, as at 1st April, 2015 : ₹ 8,093.33 Lakhs).

The Company has received CIT (A) orders for Assessment Year 2008-2009 to A.Y. 2011-2012 wherein the CIT (A) has confirmed the action of the Assessing Officer in respect of:

i. treatment of investment activity of the Company in respect of investment in shares as a business activity, and

ii. re- computation of the amount of deduction u/s 80IA by applying the regulatory prices in respect of power generated at its captive power units.

iii. Disallowance u/s 14A in respect of exempt income.

The Company has not accepted the orders of the CIT(A) and has preferred appeal before ITAT, Ahmedabad. The said issues were decided in favour of the Company by CIT(A) in earlier year Consequently, the amount of demands in respect of the above are included in the amount of contingent liabilities including for subsequent years where assessment orders are received. Amount of ₹ 8,359.20 Lakhs (as at 31st March, 2016 : ₹ 8,093.33 Lakhs, as at 1st April, 2015 : ₹ 8,093.33 Lakhs) has been paid in respect of above income tax demands and not charged to the Statement of Profit and Loss.

iv. For the A.Y. 2012-2013, Assessing Officer has made protective disallowance in respect of slump sale transaction and treated the same as income from short term capital gain as per direction given by Dispute Resolution Panel, Mumbai. The total demand as per assessment order is ₹ 19,068.69 lakhs (as at 31st March, 2016 : Nil, as at 1st April, 2015 : Nil).

The Company has not accepted the orders of the Assessing Officer and has preferred appeal before ITAT, Ahmedabad.

c. In respect of Service tax matters – ₹ 432.16 Lakhs (as at 31st March, 2016 : ₹ 580.54 Lakhs, as at 1st April 2015: ₹ 417.67 Lakhs). This includes:

i. Amount of ₹ 17.94 Lakhs (as at 31st March, 2016 : ₹ 573.68 Lakhs, as at 1st April, 2015 : ₹ 410.83 Lakhs) for which the Company has received various show cause notices regarding levy of service tax on certain items. The Company has filed the replies or is in the process of filing replies.

ii. Amount of ₹ 414.22 Lakhs (as at 31st March, 2016 : Nil, as at 1st April, 2015 : Nil) in respect of Service tax demand on account of non-payment of Service tax in respect of Import of services relating to supply of intangible services and Storage Warehousing services.

d. In respect of Excise duty matters – ₹ 3,641.43 Lakhs (as at 31st March, 2016 : ₹ 3,361.39 Lakhs, as at 1st April, 2015 : ₹ 2,816.65 Lakhs). This includes:

i. Amount of ₹ 2,251.52 Lakhs (as at 31st March, 2016 : ₹ 2,357.02 Lakhs, as at 1st April, 2015 : ₹ 2,189.12 Lakhs) for which the Company has received various show cause notices regarding service tax input credit on certain items and inter-unit transfers. The Company has filed the replies or is in the process of filing replies.

ii. Amount of ₹ 462.58 Lakhs (as at 31st March, 2016 : ₹ 155.19 Lakhs, as at 1st April, 2015 : Nil) is respect of demand on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and cenvat credit availed on equipment and components supplied by third party. The Company has filed appeal before Commissioner of Central Excise and Service tax.

iii. Amount of ₹ 927.32 Lakhs (as at 31st March, 2016 ₹ 849.18 Lakhs, as at 1st April, 2015 : ₹ 627.53 Lakhs) in respect of demand on account of cenvat credit availed on certain items and levy of excise duty on freight recovered from customers. The Company has filed appeal before CESTAT.

e. In respect of Custom duty matter – ₹ 1,170.50 Lakhs (as at 31st March, 2016: ₹ 1,087.53 Lakhs, as at 1st April, 2015: ₹ 973.57 Lakhs).

The Company has received demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeal before CESTAT and the matters are pending.

f. In respect of above Service tax, Excise and Customs matters, the Company has paid an amount of ₹ 115.10 Lakhs (as at 31st March 2016 : ₹ 97.64 Lakhs, as at 1st April, 2015 : Nil) and not charged to Statement of Profit and Loss.

g. In respect of Sales tax matters - VAT ₹ 62.88 Lakhs (as at 31st March, 2016 : ₹ 18.00 Lakhs, as at 1st April, 2015 : Nil) & CST ₹ 49.85 Lakhs (as at 31st March, 2016 : ₹ 49.33 Lakhs, as at 1st April, 2015 : Nil).

Company has received VAT & CST assessment order levying VAT demand of ₹ 62.88 Lakhs & CST demand of ₹ 49.58 Lakhs for the F.Y.2011-2012 & F.Y. 2012-2013 respectively. Company has not accepted the Order and has filed appeal before Joint Commissioner of Commercial tax for F.Y. 2011-2012 and is in process of filing appeal with Joint Commissioner of Commercial tax for F.Y. 2012-2013.

h. Claims in respect of labour matters – amount is not ascertainable.

i. Corporate guarantee given to bank in respect of loan taken by a step-down subsidiary ₹ 6,156.63 Lakhs (as at 31st March, 2016: ₹ 3,787.62 Lakhs, as at 1st April, 2015: ₹ 1,062.50 Lakhs) – equivalent to USD 9.49 million (as at 31st March, 2016 : USD 5.72 million, as at 31st March, 2015 : USD 1.70 million).

In respect of above matters, no additional provision is considered necessary as the Company expects favourable outcome. Further, it is not possible for the Company to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

40. Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ 11,641.74 Lakhs (as at 31st March, 2016 : ₹ 8,488.73 Lakhs, as at 31st March, 2015: ₹ 9,829.64 Lakhs).

Other commitments –

a) The Company has provided an undertaking to one of the lenders of its subsidiary, Inox Renewables Limited (IRL), to provide additional funds to IRL, in case of any short fall in the resources of IRL for completing its project and /or for working capital.

b) The Company has provided an undertaking to one of the lenders of its step-down subsidiary Inox Renewables (Jaisalmer) Limited (IRJL) to provide funds to IRJL equal to the amount of deficiency to meet the Project Financial Completion Date (PFCD) or to meet all its financial obligation due and payable prior to PFCD.

41. Segment information

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on single business segment of 'Chemicals' -comprising of Refrigerant Gases, Anhydrous Hydrochloric Acid, Caustic-Chlorine, chloromethane, PTFE and PT-PTFE. Electricity generated by captive power plant is consumed in chemical business and not sold outside.Hence the Company is having only one reportable business segment under Ind AS 108 on "Operating segment . The information is further analysed based on the different classes of products.

Notes to the Standalone Financial Statements
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41.1 Revenue from major products

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Refrigerant Gases	25,329.12	27,439.96
Caustic Soda (Caustic Soda Lye & Flakes)	38,104.36	33,662.11
Chloromethane (Methylene Chloride, Chloroform, and Carbon Tetrachloride)	26,286.44	27,750.02
Poly Tetrafluoroethylene (PTFE)	52,729.06	43,717.79
Other products	10,326.29	9,420.12
Total	**152,775.27**	**141,990.00**

41.2 Geographical Information

The Company's revenue from external customer by location of operations are detailed below

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
India	96,777.15	93,774.04
European Union	19,416.93	18,376.71
USA	10,962.47	7,397.92
Rest of world	25,618.72	22,441.33
Total	**152,775.27**	**141,990.00**

41.3 Information about major customers

There are no single external customers contributed more than 10% to the company's revenue for both FY 2016-2017 and FY 2015-2016

42. Earnings Per Share

Particulars	2016-2017	2015-2016
Profit for the year (₹ In lakhs)	14,628.62	9,540.22
Equity shares outstanding at the beginning & at the end of the year – (Nos.)	109850000	109850000
Nominal value of each share – (in ₹)	1.00	1.00
Basic and Diluted Earnings per share (in. ₹)	**13.32**	**8.68**

43. Leasing arrangements

43.1 As a Lessee

(a) General description of operating Lease

Operating leases relate to leases of plants taken on operating lease are for initial non-cancellable period of 10 years which can be further extended at the mutual option of both the parties. The future minimum lease payments under these lease arrangements are as under:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Payments recognized as an expense	76.31	80.28

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Cancellable Operating Lease commitments			
not later than one year	64.40	71.46	80.28
later than one year and not later than five years	234.02	180.00	206.46
later than five years	-	26.25	71.25

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

b) **Interest in land taken on lease and classified as operating lease:**

The leasehold land are generally taken for the period of 83 to 99 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in 'Rent' in Statement of Profit and Loss and the balance remaining amount to be amortised is included in balance sheet as Prepayments Leasehold land .

43.2 As a Lessor

General description of operating Lease

Operating leases relate to Investment Properties owned by the Company with lease terms of between 11 to 60 months and are usually renewable by mutual consent on mutually agreeable terms. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

Rental Income earned by the Company from its Investment Properties and direct operating expenses arising on the investment properties for the year are set out in Note 29 and Note 36 respectively.

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Cancellable Operating Lease Receivable			
not later than one year	527.94	412.54	579.14
later than one year and not later than five years	811.76	69.43	481.97
later than five years	-	-	-

44 Employee Benefits:

(a) Defined Contribution Plans

The Company contributes to the Government managed provident & pension fund for all qualifying employees.

Contribution to Provident fund of ₹ 495.74 Lakhs (31st March, 2016: ₹ 412.26 Lakhs) is recognized as an expense and included in Contribution to Provident & Other funds' in the Statement of Profit and Loss.

(b) Defined Benefit Plans:

The company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act,1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The company's defined benefit plan is unfunded.
There are no other post retirement benefits provided by the company.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31st March, 2017 by Mr. G N Agarwal, fellow member of the institute of the Actuaries of India. The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method

Notes to the Standalone Financial Statements
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(i) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Movement in the present value of the defined benefit obligation	Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
Opening defined benefit obligation	1,022.94	883.72
Current Service Cost	179.44	157.19
Interest cost	72.53	65.85
Actuarial gains / (losses) on obligation:		
a) arising form changes in financial assumptions	77.88	24.42
b) arising form experience adjustments	56.42	(35.78)
Benefits Paid	(101.28)	(72.46)
Present value of obligation as at year end	**1,307.93**	**1,022.94**

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Gratuity	Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
Current Service Cost	129.39	157.19
Past service cost and (gains)/losses from settlements	-	-
Interest expense	72.53	65.85
Amount recognized in profit & loss	**201.92**	**223.04**
Actuarial gains / (losses):		
a) arising form changes in financial assumptions	77.88	24.42
b) arising form experience adjustments	56.42	(35.78)
Components of defined benefit costs recognized in other comprehensive income	**134.30**	**(11.36)**
Total	**336.22**	**211.68**

(iii) The principal assumptions used for the purposes of the actuarial valuation of gratuity are as follows.

Particulars	Valuation (Gratuity)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.69%	7.46%	7.77%
Expected rate of salary increase	8.00%	8.00%	8.00%
Employee Attrition Rate	5%	5%	5%
Mortality	IALM(2006-08) Ultimate Mortality Table		

Estimates of future salary increases considered in actuarial valuation take in to account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the company to actuarial risks such as interest rate risk and salary risk

a) Interest risk: a decrease in the bond interest rate will increase the plan liability.

b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

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(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
Impact on Present Value of defined benefit obligation if discount rate increased by 1%	(98.40)	(74.83)
Impact on Present Value of defined benefit obligation if discount rate decreased by 1%	117.57	87.33
Impact on Present Value of defined benefit obligation if salary escalation rate increased by 1%	112.11	83.78
Impact on Present Value of defined benefit obligation if salary escalation rate decreased by 1%	(95.71)	(73.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Expected outflow in 1st Year	274.44	232.85
Expected outflow in 2nd Year	86.29	67.46
Expected outflow in 3rd Year	134.41	68.72
Expected outflow in 4th Year	93.98	100.35
Expected outflow in 5th Year	84.48	77.13
Expected outflow in 6th to 10th Year	1,285.75	1,064.97

The average duration of the defined benefits plan obligation at the end of the reporting period is 12.55 years

(c) Other short term and long term employment benefits:

Annual leave and short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31st March, 2017 based on actuarial valuation carried out by using Projected Accrued Benefit method resulted in increase in liability by ₹ 224.68 lakhs (31st March, 2016: ₹ 170.40 lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

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The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation (Leave Encashment)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.69%	7.46%	7.77%
Expected rate of salary increase	8.00%	8.00%	8.00%
Employee attrition rate	5%	N.A.	N.A.
Mortality	IALM (2006-08) Ultimate Mortality Table		

45. Financial Instruments:

45.1 Capital Management

The Company manages its capital structure with a view that it will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance

The capital structure of Company consists of net debt (borrowings as detailed in Note 20 and Note 24 offset by cash and bank balance) and total equity of the Company.

The Company is not subject to any externally imposed capital requirement. However, under the terms of the major borrowings the Company is required to keep the gearing ratio of debt to equity not more than 300% and the ratio of debt to EBITDA must not be more than 300%. The Company has complied with these covenants throughout the reporting period. As at 31st March, 2017, the ratio of debt to EBITDA is 211% (31st March, 2016 was 176%)

The Company's risk management committee reviews the capital structure of the Company on annual basis. As part of this review, committee considers the cost of capital and risk associated with each class of capital. The Company has a target gearing ratio of less than 100 % determined as the proportion of net debt to equity.

45.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total Debt	63,298.57	47,970.32	74,681.95
Cash & Cash Equivalents	(1,126.26)	(1,928.86)	(34,429.77)
Net Debt	62,172.31	46,041.46	40,252.18
Total Equity	303,640.74	288,652.46	288,483.50
Net Debt to equity Ratio	20.48%	15.95%	13.95%

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45.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Financial assets			
Measured at Cost			
Invetment in Subsidaries	32,895.80	32,198.65	32,185.86
Invetment in Joint Venture Companies	108.25	466.46	466.46
Measured at fair value through profit or loss (FVTPL)			
(a) mandatorily measured as at FVTPL			
(i) Investments in Mutual Funds	34,959.52	22,705.72	6,420.26
(ii) Investments in Venture Capital Funds	672.90	882.82	1,156.99
(b) Designated as at FVTPL			
(i) Investments in Other Companies	-	1,977.52	2,392.05
(c) Derivative instruments designated as Fair value hedge in Hedge Accounting	529.02	645.64	3,464.61
Measured at amortised cost			
(a) Cash and bank balances	1,300.40	2,202.58	34,636.61
(b) Other financial assets at amortised cost			
(i) Trade Receivables	37,076.10	37,520.89	38,478.72
(ii) Loans	39,204.18	17,675.47	17,568.87
(iii) Others	1,981.69	2,545.56	191.58
Measured at Fair Value through Other Comprehensive Income (FVTOCI)			
Derivative instruments designated as Cash flow hedge in Hedge Accounting	57.32	(301.98)	(112.70)
b) Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
Derivative instruments in designated hedge accounting relationship	806.59	748.02	329.64
Measured at amortised cost			
Borrowings	63,164.64	47,844.07	74,498.37
Trade Payables	7,496.17	7,952.60	7,053.45
Other Financial Liabilities	9,705.36	6,710.36	9,263.90

The carrying amount reflected above represents the entity's maximum exposure to credit risk for such financial assets.

45.3 Financial risk management objectives

The Company's corporate finance function provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board, which provide principles on foreign exchange risk, interest rate risk, credit risk, the

Notes to the Standalone Financial Statements
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use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed by the Internal auditor on a continuous basis. The Company doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

45.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates
2. Principal only swaps, currency swaps, options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

45.5 Foreign Currency Risk Management

The Company is subject to the risk that changes in foreign currency values impact the Company exports revenue, imports of material/capital goods, services/royalty etc and borrowings exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps.

Foreign exchange transactions are covered with in limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Company's approach to management of currency risk is to leave the Company with no material residual risk.

The carrying amount of unhedged foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Liabilities			
USD	12,901.61	14,128.28	15,684.10
Euro	8,004.96	8,546.64	9,258.08
Others	58.66	18.39	16.31
Assets			
USD	10,245.94	9,241.83	10,066.22
Euro	6,958.83	7,457.84	7,585.34

45.5.1 Foreign Currency Sensitivity Analysis

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Company's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies.10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Company.

A 10% strengthening of the INR against key currencies to which the Company is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

(₹ in Lakhs)

Particulars	US Dollar Impact (net of tax)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Impact on profit or loss for the year	173.66	488.65	561.79
Impact on total equity as at the end of the reporting period	173.66	488.65	561.79

(₹ in Lakhs)

Particulars	EURO Impact (net of tax)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Impact on profit or loss for the year	68.41	108.88	167.27
Impact on total equity as at the end of the reporting period	68.41	108.88	167.27

45.5.2 Forward Foreign Exchange Contracts

Company enter into call spread option contract and cross currency swap agreement to hedge the foreign currency risk and interest rate risk.

Outstanding Contracts	Exchange Rate			Foreign currency (USD in Lakhs)			Nominal amounts (₹ in Lakhs)			Fair Value assets / (liabilities) (₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fair value hedges												
Forward contracts	-	-	62.50	-	-	55.56	-	-	3,472.62	-	-	(0.94)
Principal only swaps (POS) contracts (Financial Assets)	64.85	66.25	62.50	66.67	77.78	323.10	4,323.33	5,152.62	20,193.07	529.02	645.64	3,361.31
Principal only swaps (POS) contracts (Financial Liability)	64.85	66.25	-	235.20	279.30	-	15,252.72	18,503.07	-	(769.84)	(144.06)	-

45.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a fnancial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Company's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fxed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. In respect of foreign currency short term borrowings and rupee loans the Company does not have any borrowings at variable rate of interest.

45.6.1 Interest Rate Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities in foreign currency, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

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If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 31st March, 2017 would decrease/increase by INR 8.13 Lakhs (net of tax) (for the year ended 31st March, 2016 decrease/increase by INR 11.33 Lakhs(net of tax)). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

45.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

Interest Rate Swap Contracts outstanding	Average Contracted Fixed Interest Rate			Notional Principal Value			Fair value assets / (liabilities)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash Flow Hedges									
DBS Bank			8.65%			2,258.25			(21.57)
Axis Bank			11.26%			9,650.79			124.87
Less than 1 year				**-**	**-**	**11,909.04**	**-**	**-**	**103.30**
HSBC Bank	8.24%	8.24%		7,626.36	9,251.53	-	75.70	(26.57)	-
MIZUHO Bank	8.24%	8.24%		7,626.36	9,251.53	-	75.70	(26.57)	-
1 to 5 years	**-**	**-**	**-**	**15,252.72**	**18,503.07**	**-**	**151.40**	**(53.14)**	**-**
ICICI BANK	10.55%	10.55%	10.55%	4,323.33	5,153.17	5,555.38	(94.08)	(248.84)	(216.00)
5 years +				**4,323.33**	**5,153.17**	**5,555.38**	**(94.08)**	**(248.84)**	**(216.00)**
Total				**19,576.05**	**23,656.23**	**17,464.42**	**57.32**	**(301.98)**	**(112.70)**
Balance in the cash flow hedge reserve (net of tax)							**37.49**	**(197.47)**	**(73.70)**

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the company's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line items in the Standalone Balance sheet that include the above hedging instruments is "other financial assets" and "other financial liabilities"

45.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The company is exposed to equity price risks arising from equity investments. Equity investments in subsidiaries and Joint Ventures are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Company is also exposed to price risk arising from investments in debt and arbitrage mutual funds, but these being debt instruments, the exposure to risk of changes in market rates is minimal.

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45.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for Investments in equity shares (including investments in equity oriented mutual funds) of companies other than subsidiaries and joint ventures at the end of the reporting period.

If equity prices had been 5% higher/lower, profit for the year ended 31st March, 2017 would increase/ decrease by ₹ 398.37 Lakhs (for the year ended 31st March, 2016: increase / decrease by ₹ 88.99 Lakhs) as a result of the change in fair value of equity investments which are designated as FVTPL.

45.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 90 days. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. There is no external customer representing more than 10% of the total balance of trade receivables. All trade receivables are reviewed and assessed for default on a quarterly basis.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
less than 6 Month	0%
6 Month to 1 Year	1%
1-2 Years	2%
2-3 Years	3%
> 3years	5%

Age of receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
less than 6 Month	35,983.28	35,163.56	35,278.82
6 Month to 1 Year	444.33	938.79	1,154.12
1-2 Years	487.49	573.21	1,620.26
2-3 Years	123.31	564.12	265.87
> 3years	55.28	331.53	222.55
	37,093.69	**37,571.21**	**38,541.62**

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	50.32	62.90
Movement in expected credit loss allowance	(32.73)	(12.58)
Balance at the end of the year	**17.59**	**50.32**

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b) **Loans and other receivables**

The Company applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Company to the external parties. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head ‘Other expenses’.

c) **Other financial assets**

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies.

45.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the committee of Board of Directors for operations, which has established an appropriate liquidity risk management framework for the management of the Company’s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

45.9.1 Liquidity risk table

The following table detail the analysis of derivative as well as non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

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(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
	INR	INR	INR	INR
As at 31st March, 2017				
Borrowings	46,374.96	15,719.64	1,070.03	63,164.63
Trade payables	7,496.17	-	-	7,496.17
Security deposits	512.74	-	-	512.74
Unpaid dividend	174.14	-	-	174.14
Other payables	8,462.93	-	-	8,462.93
Derivative financial liablities	1,027.56	391.91	-	1,419.47
Total	**64,048.50**	**16,111.55**	**1,070.03**	**81,230.08**
As at 31st March, 2016				
Borrowings	25,715.08	19,946.11	2,182.29	47,843.48
Trade payables	7,952.60	-	-	7,952.60
Security deposits	511.71	-	-	511.71
Unpaid dividend	273.72	-	-	273.72
Other payables	5,178.41	-	-	5,178.41
Derivative financial liablities	637.59	555.56	-	1,193.15
Total	**40,269.11**	**20,501.67**	**2,182.29**	**62,953.07**
As at 1st April, 2015				
Borrowings	48,625.99	22,863.18	3,009.20	74,498.37
Trade payables	7,053.45	-	-	7,053.45
Security deposits	348.31	188.78	-	537.09
Unpaid dividend	206.84	-	-	206.84
Other payables	7,551.10	-	-	7,551.10
Derivative financial liablities	438.70	747.12	-	1,185.82
Total	**64,224.39**	**23,799.08**	**3,009.20**	**91,032.67**

The above liabilities will be met by the Company from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Company also has unutilised financing facilities.

45.10 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities

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45.10.1 Fair Value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs

Financial Assets / financial liabilities	Fair Value as at			Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31st March, 2017	31st March, 2016	1st April, 2015				
1. Principal only swaps designated in hedge accounting relationships (Note 11 and 21)	Assets - ₹ 529.02 Lakhs and Liabilities ₹ 769.84 Lakhs	Assets - ₹ 645.64 Lakhs and Liabilities - ₹ 144.06 Lakhs	Assets - ₹ 3,361.31 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 11 and 21)	Assets - ₹ 57.32 Lakhs	Liabilities- ₹ 301.98 Lakhs	Assets - ₹ 124.87 Lakhs and Liabilities ₹ 237.57 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3. Investments in equity instruments (quoted) (Note 9(c))	Nil	Listed equity securities in a Company managed by beverage industry domiciled in India - aggregate fair value of ₹ 1,977.52 Lakhs	Listed equity securities in a Company managed by beverage industry domiciled in India - aggregate fair value of ₹ 2392.05 Lakhs	Level 1	Quoted prices in an active market	NA	NA
4. Investments in Mutual Funds (Note 9(c))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 34959.52 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 22,705.72 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 6420.26 Lakhs	Level 1	Quoted prices in an active market	NA	NA
5.Investment in Venture Capital Funds (Note 9(c))	Investments in units of Venture capital fund: aggregate fair value of ₹ 672.90 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 882.82 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 1156.99 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the audited financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of investment in venture capital Fund
6.Forward foreign currency contracts (Note 21)	Nil	Nil	Liabilities- ₹ 0.94 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA

During the period, there were no transfers between Level 1 and Level 2

45.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

46. Related Party Disclosures

(A) Where control exists:

Holding company –

Inox Leasing and Finance Limited

Subsidiary companies –

Inox Leisure Limited (ILL)
Inox Wind Limited (IWL)
Inox Renewables Limited (IRL)
Inox Infrastructure Limited
Gujarat Fluorochemicals Americas LLC, U.S.A. (GFL Americas LLC)
Gujarat Fluorochemicals GmbH, Germany
Gujarat Fluorochemicals Singapore Pte. Limited
Shouri Properties Private Limited - Subsidiary of ILL w.e.f 24th November, 2014
Inox Wind Infrastructure Services Limited (IWISL) - Subsidiary of IWL
Marut Shakti Energy Limited - Subsidiary of IWISL
Sarayu Wind Power (Kondapuram) Private Limited-Subsidiary of IWISL w.e.f from 25th March, 2016.
Sarayu Wind Power (Tallimadugula) Pvt. Ltd-Subsidiary of IWISL w.e.f from 09th December, 2015
Vinirrmaa Energy Generation Pvt. Ltd-Subsidiary of IWISL w.e.f from 23rdJanuary, 2016.
Satviki Energy Private Limited-Subsidiary of IWISL w.e.f from 19th November, 2015
RBRL Investments Limited (w.e.f 30th August 2016)
Inox Renewables (Jaisalmer) Limited- Subsidiary of IRL
GFL GM Fluorspar SA -Subsidiary of GFL Singapore Pte. Limited

(B) Other related parties with whom there are transactions during the year:

Joint Ventures –

XuanchengHengyuan Chemical Technology Co. Ltd (XHCT Co. Ltd) upto 07th September, 2016
Swarnim Gujarat Fluorspar Private Limited

Key Management Personnel –

Mr. V K Jain (Managing Director)
Mr. D K Jain (Non Executive Director)
Mr. P K Jain (Non Executive Director)
Mr. D K Sachdeva (Whole Time Director)
Mr. J.S.Bedi (Whole Time Director) upto 28th April, 2015
Mr. Anand Bhusari (Whole Time Director) w.e.f. from 28th April, 2015
Mr. Shailendra Swarup (Non Executive Director)
Mr. Om Prakash Lohia (Non Executive Director)
Mr. Deepak Asher (Non Executive Director)
Mr. Shanti Prasad Jain (Non Executive Director)
Mr. Rajagopalan Doraiswami (Non Executive Director)
Ms. Vanita Bhargava (Non Executive Director)
Mr. Chandra Prakash Jain (Non Executive Director)

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Relatives of Key Management Personnel –

Mr. Devansh Jain (Son of Mr. V K Jain)

Enterprises over which a Key Management Personnel, or his relatives, have significant influence –

Devansh Gases Private Limited
Devansh Trademart LLP (formerly known as Devansh Trading and Finance Private Limited)
Inox India Private Limited (formerly known as Inox India Limited)
Inox Air Products Private Limited (formerly known as Inox Air Products Limited)
Inox Chemicals LLP (formerly known as Inox Chemicals Private Limited)
Refron Valves Limited
Rajni Farms Private Limited
Siddhapavan Trading LLP (formerly known as Siddhapavan Trading and Finance Private Limited)
Siddho Mal Trading LLP (formerly known as Siddho Mal Investments Private Limited)

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Particulars of transactions

(₹ in Lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel (KMP)		Enterprises over which KMP or their relatives have significant influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A) Transactions during the year														
Sale of Goods														
Inox Air Products Private Limited											0.89	1.10	0.89	1.10
GFL Americas LLC			9,580.15	6,092.30									9,580.15	6,092.30
GFL GmbH, Germany			11,062.24	9,361.50									11,062.24	9,361.50
Others											0.05	-	0.05	-
Total			**20,642.39**	**15,453.80**							**0.94**	**1.10**	**20,643.33**	**15,454.90**
Sale of Asset														
Inox Wind Infrastructure Services Ltd			-	4.40									-	4.40
Total			**-**	**4.40**									**-**	**4.40**
Sales return														
GFL Americas LLC			251.61	-									251.61	-
GFL GmbH, Germany			311.74	6.90									311.74	6.90
Total			**563.35**	**6.90**									**563.35**	**6.90**
Purchase of Power														
Inox Wind Limited			380.11	188.50									380.11	188.50
Total			**380.11**	**188.50**									**380.11**	**188.50**
Purchase of Assets														
Inox India Private Limited											48.00	30.00	48.00	30.00
GFL Americas LLC			21.56	-									21.56	-
Total			**21.56**	**-**							**48.00**	**30.00**	**69.56**	**30.00**
Purchase of Goods														
Inox Air Products Private Limited											451.79	448.82	451.79	448.82
GFL GmbH, Germany			-	163.37									-	163.37
Inox India Private Limited											2,313.16	2,465.17	2,313.16	2,465.17
GFL Americas LLC			3.57	-									3.57	-

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Particulars of transactions (₹ in Lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel (KMP)		Enterprises over which KMP or their relatives have significant influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Total			**3.57**	**163.37**							**2,764.95**	**2,913.99**	**2,768.52**	**3,077.36**
Purchase of Tickets														
Inox Leisure Limited			4.76	4.58									4.76	4.58
Total			**4.76**	**4.58**									**4.76**	**4.58**
Equity shares Subscribed/ Purchased														
GFL Singapore Pte Limited			683.66	12.79									683.66	12.79
Mr. V K Jain							2.25	-					2.25	-
Mr. D K Jain							2.25	-					2.25	-
Mr. P K Jain							2.25	-					2.25	-
Mr. Devansh Jain									2.25	-			2.25	-
Total			**683.66**	**12.79**			**6.75**	**-**	**2.25**	**-**			**692.66**	**12.79**
Advance paid														
GFL GM Fluorspar SA			291.70	-									291.70	-
Total			**291.70**	**-**									**291.70**	**-**
Inter Corporate deposit given														
Inox Renewables Limited			20,000.00	-									20,000.00	-
Total			**20,000.00**	**-**									**20,000.00**	**-**
Interest received														
Inox Leisure Limited			1,624.90	1,624.90									1,624.90	1,624.90
Inox Renewables Limited			1,134.99	-									1,134.99	-
Total			**2,759.89**	**1,624.90**									**2,759.89**	**1,624.90**
Expenses (Repairs)														
Inox India Limited											-	5.00	-	5.00
Refron Valves Limited											4.83	-	4.83	-

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Particulars of transactions

(₹ in Lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel (KMP)		Enterprises over which KMP or their relatives have significant influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Total											**4.83**	**5.00**	**4.83**	**5.00**
Reimbursement of expenses (paid)/ Payments made on behalf of the Company														
GFL Americas LLC			17.19	40.31									17.19	40.31
GFL GmbH, Germany			14.09	2.00									14.09	2.00
Devansh Gases Private Limited											7.32	7.32	7.32	7.32
Total			**31.28**	**42.31**							**7.32**	**7.32**	**38.60**	**49.63**
Reimbursement of expenses (received)/ Payments made on behalf by the Company														
Inox Leisure Limited			19.60	23.42									19.60	23.42
Inox Renewables Limited			5.19	-									5.19	-
Inox Wind Limited			56.70	-									56.70	-
GFL GM Fluorspar SA			6.90	-									6.90	-
Inox Infrastructure Limited			3.00	-									3.00	-
Total			**91.39**	**23.42**									**91.39**	**23.42**
Rent Received														
Inox Air Products Private Limited											144.90	144.90	144.90	144.90
Inox Wind Limited			76.41	79.28									76.41	79.28
Inox Leisure Limited			71.38	82.08									71.38	82.08
Others											0.72	0.72	0.72	0.72

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

Particulars of transactions (₹ in Lakhs)

Particulars	Holding Company		Subsidiary Companies		Joint Ventures		Key Management Personnel (KMP)		Relatives of Key Management Personnel (KMP)		Enterprises over which KMP or their relatives have significant influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Total			**147.79**	**161.36**							**145.62**	**145.62**	**293.41**	**306.98**
Rent paid														
Inox Air Products Private Limited											2.40	2.40	2.40	2.40
Devansh Gases Private Limited											24.00	24.00	24.00	24.00
Inox Leasing & Finance Limited	69.00	69.00											69.00	69.00
Others							1.20	1.20					1.20	1.20
Total	**69.00**	**69.00**					**1.20**	**1.20**			**26.40**	**26.40**	**96.60**	**96.60**
O&M Charges & Lease Rents paid														
Inox Air Products Private Limited											208.33	213.83	208.33	213.83
Inox Wind Infrastructure Services Ltd			422.85	403.68									422.85	403.68
Total			**422.85**	**403.68**							**208.33**	**213.83**	**631.18**	**617.51**
Remuneration Paid /Commission & Sitting fees														
Mr. V K Jain							622.56	612.13					622.56	612.13
Mr. D K Jain							166.54	157.25					166.54	157.25
Others							160.63	166.37					160.63	166.37
Total							**949.73**	**935.75**					**949.73**	**935.75**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Holding Company			Subsidiary Companies			Joint Ventures			Key Management Personnel (KMP)			Enterprises over which KMP or their relatives have significant influence			Total		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
B) Amounts outstanding																		
Amount payable																		
Mr. V K Jain										334.56	334.00	334.53				334.56	334.00	334.53
Mr. D K Jain										108.91	102.83	86.07				108.91	102.83	86.07
Mr. D K Sachdeva										1.63	3.31	1.87				1.63	3.31	1.87
Mr. Anand Bhusari										9.26	8.35					9.26	8.35	-
Mr. J S Bedi												7.15				-	-	7.15
Inox Wind Limited				21.48	35.57	145.01										21.48	35.57	145.01
Inox Wind Infrastructure Services Ltd				-	-	20.09										-	-	20.09
GFL Americas LLC				41.02	-	-										41.02	-	-
GFL GmbH, Germany				14.09	0.38	29.29										14.09	0.38	29.29
Inox Renewables Limtied				-	8.26	-										-	8.26	-
XHCT Co.LTD							-	-	11.63							-	-	11.63
Inox India Private Limited													242.84	177.72	265.98	242.84	177.72	265.98
Inox Air Products Private Limited													102.73	69.47	79.71	102.73	69.47	79.71
Total				**76.59**	**44.21**	**194.39**	**-**	**-**	**11.63**	**454.36**	**448.49**	**429.62**	**345.57**	**247.19**	**345.69**	**876.52**	**739.89**	**981.33**
Amount Receivable																		
a) Inter Corporate Deposit																		
Inox Leisure Limited				16,249.00	16,249.00	16,249.00										16,249.00	16,249.00	16,249.00
Inox Renewables Limtied				20,000.00	-	-										20,000.00	-	-
Total				**36,249.00**	**16,249.00**	**16,249.00**										**36,249.00**	**16,249.00**	**16,249.00**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Holding Company			Subsidiary Companies			Joint Ventures			Key Management Personnel (KMP)			Enterprises over which KMP or their relatives have significant influence			Total		
	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
b) Interest Accrued																		
Inox Renewables Limited				993.83	-	-										993.83	-	-
Total				**993.83**	**-**	**-**										**993.83**	**-**	**-**
c) Trade Receivables																		
GFL Americas LLC				4,629.58	4,133.13	4,811.57										4,629.58	4,133.13	4,811.57
GFL GmbH, Germany				4,789.42	5,602.63	5,531.47										4,789.42	5,602.63	5,531.47
Inox Leisure Limited				4.27	1.54	5.79										4.27	1.54	5.79
Inox Renewables Limtied				0.16	-	-										0.16	-	-
Refron Valves Limited													**0.02**	**-**	**-**	**0.02**	**-**	**-**
Total				**9,423.43**	**9,737.30**	**10,348.83**							**0.02**	**-**	**-**	**9,423.45**	**9,737.30**	**10,348.83**
d) Loans & Advances																		
GFL GM Fluorspar SA				309.10	10.50	10.50										309.10	10.50	10.50
Total				**309.10**	**10.50**	**10.50**										**309.10**	**10.50**	**10.50**

Notes:

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31st March, 2017, 31st March, 2016 and 1st April, 2015 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) There have been no guarantees received or provided for any related party receivables or payables.

(e) The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Company, the amount pertaining to KMP are not included above. Contribution to Provident Fund (defined contribution plan) is included in the amount of remuneration reported above.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

47. Exceptional Items

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Gain on sale of Company's entire stake in Joint Venture Company Xuancheng Hengyuan Chemical Technology Company Ltd.	528.28	-
Total	528.28	-

48. Payments to Auditor

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Statutory Audit (including consolidated accounts)	25.00	19.00
Limited review and corporate governance certificate	8.00	6.25
Audit of Subsidiary Companies	8.25	7.00
Tax Audit and other audits under Income-tax Act	13.00	12.50
For taxation matters	6.50	8.00
Certification	2.50	2.00
For reimbursement of expenses	0.20	0.04
	63.45	**54.79**

Note: The above amounts are exclusive of service tax.

49. (a) Disclosure as required by Listing Agreement in respect of loans given:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Amount of inter-corporate deposits at the year end			
Inox Leisure Limited (ILL)	16,249.00	16,249.00	16,249.00
Inox Renewables Limited (IRL)	20,000.00	-	-
Maximum balance during the year			
Inox Leisure Limited (ILL)	16,249.00	16,249.00	16,249.00
Inox Renewables Limited (IRL)	20,000.00	-	-
Investment by the loanee in the shares of the Company			
Inox Leisure Limited (ILL)	-	-	-
Inox Renewables Limited (IRL)	-	-	-

49. (b) Disclosure required under section 186(4) of the Companies Act, 2013

In respect of related parties:

(i) The inter-corporate deposits of ₹ 16,249.00 Lakhs (31st March,2016: ₹ 16,249.00 Lakhs,1st April, 2015: ₹ 16,249.00 Lakhs) to ILL are unsecured and given for business purpose. The inter-corporate deposits are repayable in 9 to 11 years from the date of respective inter-corporate deposits and carry interest @ 10% p.a.

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(ii) The inter-corporate deposits of ₹ 20,000.00 Lakhs (31st March, 2016: Nil,1st April, 2015: Nil) to IRL are unsecured and given for business purpose. The inter-corporate deposit is repayable in 363 days from the date of inter-corporate deposit and carry interest @ 9.35% p.a.

(iii) Corporate guarantee is given by the Company to Exim Bank in respect of loan taken by GFL GM Fluorspar SA, Morocco for the purpose of acquisition of fixed assets. The outstanding amount is ₹ 6,156.63 Lakhs (31st March, 2016: ₹ 3,787.62 Lakhs, 1st April, 2015: ₹ 1,062.50 Lakhs) – equivalent to USD 9.49 million (31st March, 2016: USD 5.72 million, 1st April, 2015: USD 1.70 million).

Inter-corporate deposit to other parties:

(₹ in Lakhs)

Name of the Party	Amount Outstanding			
	Rate of Interest	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Maxtech Oil and Gas Services Private Limited	12%	700.00	700.00	700.00
Wearit Global Limited	10%	650.00	-	300.00
Castle Suppliers Private Limited	10%	336.95	336.95	336.95
Ritspin Synthetics Limited	10%	300.00	400.00	100.00
Vista Mining Private Limited	10%	15.00	-	-

The above inter-corporate deposits are given for general business purpose and are repayable at call.

50. Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 235.72 Lakhs (Previous year ₹ 533.64 Lakhs)

(b) Amount spent during the year on:

(₹ in Lakhs)

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any fixed assets	**Nil**	**Nil**	**Nil**
		(Nil)	(Nil)	(Nil)
(ii)	On purposes other than (i) above			
	Donations	**79.38**	**Nil**	**79.38**
		(117.00)	Nil	(117.00)

(Figures in brackets pertain to previous year)

OVERVIEW REPORTS FINANCIALS

51. Prior period items

The Company has restated the financial statements for the year 2015-2016 to give effect to the following prior period items:

Sr. No.	Nature of prior period items	Amount (₹ in Lakhs)	Line items affected	
			Balance Sheet	Statement of Profit and Loss
(i)	Legal and professional fees paid for initial assessment of new business initiative	311.18	Reduction in capital advance	Increase in legal and professional expenses
(ii)	Revised computation of electricity duty benefit on the basis of re-interpretation of exemption order conditions	391.13	Reduction in amount of electricity duty refund receivable	Reduction in other operating income
		731.77		Increase in power and fuel expenses
	Total	**1,434.08**		

The basic and diluted EPS for the year 2015-2016 is reduced by ₹ 1.31 per share of ₹ 1 each on account of above.

52. Transactions in Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308 (E) dated 31st March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lakhs)

Sr. No.	Particulars	SBNs*	Other denomination notes	Total
i	Closing cash in hand as on 8th November, 2016	43.92	8.77	52.69
ii	(+) Permitted receipts	-	25.12	25.12
iii	(-) Permitted payments	-	27.64	27.64
iv	(-) Amount deposited in Banks	43.92	-	43.92
v	Closing cash in hand as on 30th December, 2016	-	6.25	6.25

** For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016*

53. First-time adoption of Ind AS

For all periods upto and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

This note explains the principal adjustments made by the Company in restating its financial statements prepared under previous GAAP.

The exemptions allowed by Ind AS 101 and availed by the Company are set out in Note 4.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

53.1 Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015

(₹ In lakhs)

Particulars	Notes	As at 31st March, 2016			As at 1st April, 2015		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant & equipment	a,b	198,129.72	(5,481.55)	192,648.17	193,477.88	(5,340.65)	188,137.23
(b) Capital work-in-progress		4,203.09	-	4,203.09	10,895.45	-	10,895.45
(c) Investment property	a	-	1,095.81	1,095.81	-	1,117.08	1,117.08
(d) Intangible assets		5,048.76	-	5,048.76	5,936.64	-	5,936.64
(e) Financial assets							
(i) Investments							
a) Investments in subsidiaries		32,198.65	-	32,198.65	32,185.86	-	32,185.86
b) Investments in joint ventures	c	1,372.14	(905.68)	466.46	1,372.14	(905.68)	466.46
c) Other investments	c	23,488.91	1,194.33	24,683.24	8,489.33	322.98	8,812.31
(ii) Loans		16,923.48	-	16,923.48	16,815.56	-	16,815.56
(iii) Other non-current financial assets	d	2.41	645.65	648.06	2.24	2,629.37	2,631.61
(f) Income tax assets (net)		10,351.11	-	10,351.11	10,594.50	-	10,594.50
(g) Other non-current assets	b,j	1,477.13	4,026.23	5,503.36	1,616.87	4,385.73	6,002.60
Total non-current assets		**293,195.40**	**574.79**	**293,770.19**	**281,386.47**	**2,208.83**	**283,595.30**
Current Assets							
(a) Inventories		32,102.93	-	32,102.93	36,712.82	-	36,712.82
(b) Financial assets							
(i) Other investments	c	1,136.33	(253.51)	882.82	1,266.38	(109.39)	1,156.99
(ii) Trade receivables	e	37,571.21	(50.32)	37,520.89	38,541.62	(62.90)	38,478.72
(iii) Cash & cash equivalents		1,928.86	-	1,928.86	34,429.77	-	34,429.77
(iv) Bank balances other than (iii) above		273.72	-	273.72	206.84	-	206.84
(v) Loans	e	1,683.73	(931.74)	751.99	1,601.06	(847.75)	753.31
(vi) Other current financial assets	d,j	3,666.05	(1,122.91)	2,543.14	189.34	835.24	1,024.58
(c) Other current assets	b,d	3,580.40	48.33	3,628.73	3,923.29	(75.36)	3,847.93
Total current assets		**81,943.23**	**(2,310.15)**	**79,633.08**	**116,871.12**	**(260.16)**	**116,610.96**
Total assets		**375,138.63**	**(1,735.36)**	**373,403.27**	**398,257.59**	**1,948.67**	**400,206.26**
EQUITY & LIABILITIES							
Equity							
(a) Equity share capital		1,098.50	-	1,098.50	1,098.50	-	1,098.50
(b) Other equity		290,162.41	(2,608.43)	287,553.98	284,460.39	2,924.61	287,385.00
Total equity		**291,260.91**	**(2,608.43)**	**288,652.48**	**285,558.89**	**2,924.61**	**288,483.50**
LIABILITIES							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		22,128.39	-	22,128.39	23,799.89	2,072.49	25,872.38
(ii) Other non-current financial liabilities	f	-	555.56	555.56	188.78	747.12	935.90
(b) Provisions		1,144.37	-	1,144.37	914.30	-	914.30
(c) Deferred tax liabilities (net)	i	18,036.88	125.96	18,162.84	16,796.72	(126.44)	16,670.28
Total non-current liabilities		**41,309.64**	**681.52**	**41,991.16**	**41,699.69**	**2,693.17**	**44,392.86**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	d	20,729.15	-	20,729.15	41,832.63	(131.36)	41,701.27
(ii) Trade payables		7,952.60	-	7,952.60	7,053.45	-	7,053.45
(iii) Other current financial liabilities	d,f	11,395.81	191.55	11,587.36	14,379.97	1,089.70	15,469.67
(b) Other current liabilities		1,761.56	-	1,761.56	1,533.14	-	1,533.14
(c) Provisions	g	620.94	-	620.94	5,168.84	(4,627.45)	541.39
(d) Current tax liabilities (net)		108.02	-	108.02	1,030.98	-	1,030.98
Total current liabilities		**42,568.08**	**191.55**	**42,759.63**	**70,999.01**	**(3,669.11)**	**67,329.90**
Total liabilities		**83,877.72**	**873.07**	**84,750.79**	**112,698.70**	**(975.94)**	**111,722.76**
Total equity & liabilities		**375,138.63**	**(1,735.36)**	**373,403.27**	**398,257.59**	**1,948.67**	**400,206.26**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

53.2 Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 31st March, 2015
Total equity (shareholders' funds under previous GAAP)		**2,91,260.91**	**2,85,558.89**
Add/(less):			
Effect of changes in fair value of Investments	c	940.85	213.59
Effect of considering fair value of investment in joint venture as deemed cost		(905.68)	(905.68)
Effect of measuring other financial instruments at fair value	d	(101.48)	(226.53)
Provision for expected credit losses:			
on trade receivables	e	(50.32)	(62.90)
on inter-corporate deposits	e	(700.00)	(700.00)
On account of reversal of interest on inter-corporate deposit	e	(231.75)	(147.75)
Dividends not recognised as liability until declared under Ind AS	g	-	4,627.45
Prior period adjustments	j	(1,434.08)	-
Deferred tax impact on above items	i	(125.97)	126.43
Total Adjustments to equity		**(2,608.43)**	**2,924.61**
Total Equity under Ind AS		**2,88,652.48**	**2,88,483.50**

53.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Notes	2015-2016		
		Latest period presented under IGAAP		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from operations	j,l	133,830.88	9,690.90	143,521.78
Other income	c,d,e	5,235.87	649.85	5,885.72
Total Income		**139,066.75**	**10,340.75**	**149,407.50**
Expenses				
Cost of materials consumed		33,553.78	-	33,553.78
Purchases of stock-in-trade		223.94	-	223.94
Changes in inventories of finished goods, stock-in-trade and work in progress		5,063.09	-	5,063.09
Excise duty	l	-	10,082.03	10,082.03
Employee benefits expense	h	10,304.31	11.36	10,315.67
Finance costs	f	4,772.80	(221.76)	4,551.04
Depreciation and amortisation expense	b	14,414.71	(48.32)	14,366.39
Other expenses	b,e	55,958.51	1,078.69	57,037.20
Total expenses		**124,291.14**	**10,902.00**	**135,193.14**
Profit before exceptional items and tax		**14,775.61**	**(561.25)**	**14,214.36**
Exceptional items		-	-	-
Profit before tax		**14,775.61**	**(561.25)**	**14,214.36**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Notes	2015-2016 Latest period presented under IGAAP Previous GAAP	Effect of Transition to Ind AS	Ind AS
Tax expense				
(1) Current tax		3,120.00	-	3,120.00
(2) MAT credit entitlement		(1,494.00)	-	(1,494.00)
(3) Deferred tax	i	3,065.16	313.98	3,379.14
(4) Taxation pertaining to earlier years		(331.00)	-	(331.00)
		4,360.16	313.98	4,674.14
Profit for the period		**10,415.45**	**(875.23)**	**9,540.22**
Other Comprehensive Income	k			
A (i) Items that will not be reclassified to profit or loss				
Remeasurement of defined benefits plans	h	-	11.36	11.36
A (ii) Tax on above	i	-	(3.93)	(3.93)
B (i) Items that will be reclassified to profit or loss				
Gains and (loss) on effective portion of hedging instruments in a cash flow hedge	d	-	(189.28)	(189.28)
B (ii) Tax on above	i	-	65.51	65.51
Total other comprehensive income		**-**	**(116.34)**	**(116.34)**
Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the year)		**10,415.45**	**(991.57)**	**9,423.88**

53.4 Reconciliation of Total Comprehensive Income for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Notes	2015-2016 (Latest period presented under IGAAP)
Net profit under previous GAAP		**10,415.45**
Add/(less)		
Effect of changes in fair value of Investments	c	727.25
Effect of measuring other financial instruments at fair value	d,f	228.36
Provision for expected credit losses on trade receivables	e	12.58
On account of reversal of interest on inter-corporate deposit	e	(84.00)
Actuarial gain/(loss) on employee defined benefit plan recognised in other comprehensive income	h	(11.36)
Prior period adjustments	j	(1,434.08)
Deferred tax impact on above items	i	(313.98)
Net Profit reported under Ind AS		**9,540.22**
Other Comprehensive Income (net of tax)	k,d,h	(116.34)
Total Comprehensive Income for the period under Ind AS		**9,423.88**

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

53.5 Effect of Ind AS adoption on the Cash flows for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	2015-2016		
	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from operating activities	30,046.67	-	30,046.67
Net cash flows from investing activities	(23,811.30)	-	(23,811.30)
Net cash flows from financing activities	(38,736.28)	-	(38,736.28)
Net increase/(decrease) in cash and cash equivalents	**(32,500.91)**	**-**	**(32,500.91)**
Cash and cash equivalents at the beginning of the period	**34,429.77**	**-**	**34,429.77**
Effect of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the period	**1,928.86**	**-**	**1,928.86**

53.6 Footnotes for IGAAP to Ind AS reconciliation

a) Reclassification of Investment Property from Property, Plant & Equipment:

Under previous GAAP, there were no requirement to present investment property separately and the same was included under tangible assets and measured at cost. Under IndAS, investment property is required to be presented separately in the balance sheet and continued to be measured at cost.

Consequent to this change, ₹ 1,095.81 Lakhs is transferred from property, plant and equipment to Investment property as at 31st March, 2016 (₹ 1,117.08 Lakhs as at 1st April, 2015).

b) Reclassification of Leasehold Land:

Under previous GAAP, all leasehold lands were classified as property, plant and equipment. Under Ind AS, leasehold land is to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17. Accordingly deemed cost of the leasehold lands are reclassified from property plant and equipment and disclosed as leases prepayments under non-financial assets.

Consequent to this change, amount of ₹ 4,385.73 lakhs is transferred from property, plant and equipment to “pre-payments – leasehold lands” as at 31st March, 2016 (₹ 4,434.05 lakhs as at 1st April 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31st March, 2016 and the profit before tax and profit for the year ended 31st March, 2016.

c) Investments:

(i) Non-Current:

In the financial statements prepared under previous GAAP, non-current investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

- Equity shares of subsidiary and joint venture company – at cost
- Investments in Equity Instruments – at fair value
- Investments in Mutual Funds – at fair value

The company has opted to fair value the investments in Xuancheng Hengyuan Chemical Technology Co. Ltd (XHCT Co. Ltd), a Joint Venture Entity on the date of transition and take the same fair value as deemed cost for subsequent period as per the option available in Ind AS 101.

On the date of transition to Ind AS, the difference between the fair value of non-current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

GAAP, has resulted in decrease in the carrying amount of these investments by ₹ 582.70 lakhs which has been recognised in retained earnings. As at 31st March, 2016, the difference between the fair value of non-current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by ₹ 288.68 lakhs.

During the year ended 31st March, 2016, net gain amounting to ₹ 871.38 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

(ii) Current:

In the financial statements prepared under previous GAAP, current investments of the Company were measured at lower of cost and fair value. Under Ind AS, the Company has recognised such investments as follows:

- Investments in Venture Capital Funds – at fair value
- Investments in Mutual Funds – at fair value

On the date of transition to Ind AS, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in decrease in the carrying amount of these investments by ₹ 109.39 lakhs which has been recognised in retained earnings. As at 31st March, 2016, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in decrease in the carrying amount of these investments by ₹ 253.51 lakhs.

During the year ended 31st March, 2016, net loss amounting to ₹ 144.13 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

d) Derivative Financial Instruments:

Under previous GAAP, derivative forward contracts were accounted as per AS 11. However, the same are classified as Financial Assets or Financial Liabilities as per Ind AS 109 and measured at fair value. The Company has reversed the impact of AS 11 on the date of transition and has restated those contracts at fair value on the date of transition and the gain or loss on the same has been adjusted in the Retained Earnings.

Consequent to this change, derivative financial assets were created amounting to ₹ 645.65 Lakhs as on 31st March, 2016 (₹ 2,629.37 Lakhs as on 1st April, 2015).

During the year ended 31st March, 2016, net gain amounting to ₹ 6.60 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

As per the requirements of Ind AS 109, the Company has accounted gain/(loss) on account of fair valuation of financial instruments under cash flow hedge in Other Comprehensive Income (OCI). In previous GAAP, the same were accounted in Hedge Reserve. Accordingly ₹ 189.28 Lakhs were accounted in other comprehensive income during the year ended 31st March, 2016.

e) Expected credit losses:

Under previous GAAP, the Company had created provision for impairment of receivables and deposits only in respect of specific amount for doubtful receivables. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss (ECL) model.

Consequent to this change, on the date of transition to Ind AS, allowance for ECL of ₹ 762.90 lakhs (i.e. ECL of ₹ 62.90 lakhs on trade receivable and ₹ 700.00 lakhs on Inter-corporate deposit (ICD)) and reversal of accrued interest on ICD of ₹ 147.75 lakhs is recognized with corresponding reduction in the retained earnings.

The amount of allowance for ECL on trade receivables & ICD and reversal of interest on ICD recognised as at 31st March, 2016 is ₹ 982.07 lakhs.

The profit before tax for the year ended 31st March, 2016 is decreased by ₹ 71.42 lakhs on account of allowance for ECL.

f) Premium Payable on Option Contract:

On transition to Ind AS i.e. on 1st April, 2015 the Company has provided for the outstanding Option Premium Liability, the other impact is being given in the opening reserves as per the requirements of Ind AS 109. The same was accounted as finance cost under previous GAAP and the Company used to charge the same when the banks are actually debiting the amount from the account of the Company.

Consequent to this change, premium payable on option contract was recognised amounting to ₹ 747.12 Lakhs as on 31st March, 2016 (₹ 968.87 Lakhs as on 1st April, 2015)

The profit before tax for the year ended 31st March, 2016 is increased by ₹ 221.76 lakhs due to reversal of finance cost.

g) Declaration of Dividend:

Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under IndAS, such dividends are now recognised when declared by the members in annual general meeting.

Consequent to this change, on the date of transition to Ind AS, provision for dividend including dividend distribution tax amounting to ₹ 4,627.45 Lakhs is reversed with corresponding increase in the retained earnings. Same is recognised in FY 2015-2016 with corresponding reduction in retained earnings.

h) Remeasurement of defined benefit plan:

In the financial statements prepared under previous GAAP, remeasurement of defined benefit plans and assets (gratuity), arising due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefit relating to defined benefit plans and assets is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2016, remeasurement of gratuity liability resulted in a net gain of ₹ 11.36 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

The above changes do not affect total equity as at date of transition to Ind AS and as at 31st March, 2016.

i) Deferred Tax

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under previous GAAP. In addition, the transitional adjustments as described in the preceding paragraphs have also led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax assets of ₹ 126.44 lakhs as at date of transition to Ind AS with a corresponding increase in retained earnings and reduction in the amount of deferred tax liabilities in the Balance Sheet.

Notes to the Standalone Financial Statements
for the year ended 31st March, 2017

For the year ended 31st March, 2016, it has resulted in increase in deferred tax expense by ₹ 313.98 lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit of ₹ 61.58 lakhs in OCI.

j) **Prior period items:**

Reversal of legal and professional expense of ₹ 311.18 Lakhs and electricity duty refund of ₹ 1,122.90 lakhs which was included in 'Other Expenses' during the year ended 31st March, 2017, is now charged to Statement of Profit and Loss during the year ended 31st March, 2016 with corresponding effect in the carrying amount of capital advance and electricity duty refund receivable respectively.

k) **Other Comprehensive Income:**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

This change does not affect total equity as at date of transition to Ind AS and as at 31st March, 2016.

l) **Excise duty:**

In the financial statements prepared under previous GAAP, revenue from sale of products was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty.

Consequently, the revenue from sale of products for the year ended 31st March, 2016 includes excise duty ₹ 10,082.03 lakhs with a corresponding excise duty expense presented separately on the face of the Statement of Profit and Loss.

The above changes do not affect profit for the year ended 31st March, 2016 and total equity as at date of transition to Ind AS and as at 31st March, 2016.

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Gujarat Fluorochemicals Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Group, its associate and jointly controlled entity as at 31st March, 2017, their consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 1,35,804.68 lakhs as at 31st March, 2017, total revenues of ₹ 23,013.27 lakhs, total net loss after tax of ₹ 25,030.37 lakhs and total comprehensive income of ₹ (-) 38,631.94 lakhs and net cash inflows amounting to ₹ 241.41 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include the Group's share of net loss after tax of ₹ 175.35 lakhs for the year ended 31st March, 2017, as considered in the consolidated Ind AS financial statements, in respect of two jointly controlled companies and one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled companies and an associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled companies and an associate is based solely on the reports of the other auditor. Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and on the basis of reports of the statutory auditors of its subsidiaries, associate and jointly controlled entities which are incorporated in India, none of the directors of the Group, its associate company and jointly controlled entities incorporated in India are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group, its associate company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statement of subsidiary companies an associate and jointly controlled entities, as noted in the 'Other matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group its associate and jointly controlled entities – refer Note 48 to the consolidated Ind AS financial statements;

ii. The Group its associate and jointly controlled entities has made provision, as required under the applicable law or accounting standards including the Ind AS, for material foreseeable losses on long-term contracts including derivative contracts; and

Independent Auditor's Report
to the members of Gujarat Fluorochemicals Limited

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies, associate company and jointly controlled entities incorporated in India.

iv. The Holding Company has provided requisite disclosures in the consolidated Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 of the Group and these are in accordance with the books of account maintained by the Group companies – refer Note 61 to the consolidated Ind AS financial statements.

For **Patankar & Associates,**
Chartered Accountants
Firm's Registration No. 107628W

M Y Kulkarni
Partner
Membership No. 035524

Place : Pune
Dated : 29th May, 2017

Annexure to Independent Auditor's Report

to the members of Gujarat Fluorochemicals Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **Gujarat Fluorochemicals Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2017, we have audited the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies, its associate and jointly controlled entities which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate company and jointly controlled entities which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiary companies, its associate company and jointly controlled entities which are companies incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies, its associate company and jointly controlled entities which are companies incorporated in India

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure to Independent Auditor's Report

to the members of Gujarat Fluorochemicals Limited on the consolidated Ind AS financial statements for the year ended 31st March, 2017 – referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate company and jointly controlled entities which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, its associate company and jointly controlled entities, considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies, one associate of a subsidiary and one jointly controlled entity, which are company incorporated in India, is based on the corresponding report of the auditor of such company.

For **Patankar & Associates,**
Chartered Accountants
Firm's Registration No. 107628W

M Y Kulkarni
Partner
Membership No. 035524

Place : Pune
Dated: 29th May, 2017

Consolidated Balance Sheet
as at 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant & equipment	6(a)	3,38,450.70	4,47,619.45	3,90,302.41
(b) Capital work-in-progress	6(b)	41,020.72	23,841.46	40,296.06
(c) Investment property	7	1,008.82	1,026.19	1,043.56
(d) Goodwill	8	1,754.93	1,791.85	41.85
(e) Other intangible assets	9	9,252.15	10,623.40	9,612.26
(f) Financial assets				
(i) Investments				
a) Investments in associates	10(a)	3,201.88	3,201.88	3,201.47
b) Investments in joint ventures	10(b)	98.99	461.10	907.30
c) Other investments	10(c)	35,636.39	26,712.52	10,641.18
(ii) Loans	11	9,188.35	6,727.12	6,436.69
(iii) Others financial assets	12	24,457.97	17,488.46	13,210.44
(g) Deferred tax assets (net)	13	4,828.55	12,018.36	13,771.41
(h) Other non-current assets	14	26,063.34	25,502.24	15,820.02
(i) Tax assets (net)	15	10,738.99	13,471.47	12,016.23
Sub-total		**5,05,701.78**	**5,90,485.50**	**5,17,300.88**
(2) Current assets				
(a) Inventories	16	1,05,852.78	93,648.52	86,623.05
(b) Financial assets				
(i) Investments	10(c)	28,871.94	9,015.83	2,181.45
(ii) Trade receivables	17	2,77,469.30	2,87,864.84	1,84,064.93
(iii) Cash & cash equivalents	18	23,769.24	12,723.93	1,08,217.39
(iv) Bank balances other than (iii) above	19	25,849.58	44,581.36	3,308.45
(v) Loans	11	2,131.22	3,005.29	2,127.67
(vi) Other financial assets	12	5,707.50	5,118.10	3,813.91
(c) Other current assets	14	20,131.70	13,518.32	11,246.25
Sub-total		**4,89,783.26**	**4,69,476.19**	**4,01,583.10**
Assets classified as held for sale	20	1,02,419.12	-	-
Total Assets		**10,97,904.16**	**10,59,961.69**	**9,18,883.98**
EQUITY & LIABILITIES				
Equity				
(a) Equity share capital	21	1,098.50	1,098.50	1,098.50
(b) Other equity	22	4,50,726.85	4,44,259.79	4,14,147.51
(c) Non-controlling interest	23	1,08,146.61	95,592.05	74,601.18
Sub-total		**5,59,971.96**	**5,40,950.34**	**4,89,847.19**
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	1,14,378.10	1,06,738.91	1,15,695.66
(ii) Other financial liabilities	25	3,202.72	1,030.94	1,608.80
(b) Provisions	26	3,323.56	2,438.56	1,797.30
(c) Deferred tax liabilities (net)	13	20,956.20	20,346.79	17,600.18
(d) Other non-current liabilities	27	20,337.31	15,347.77	16,817.04
Sub-total		**1,62,197.89**	**1,45,902.97**	**1,53,518.98**
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	28	1,85,654.75	1,71,488.89	1,19,351.43
(ii) Trade payables	29	1,10,490.01	1,34,349.79	83,708.88
(iii) Other financial liabilities	25	60,579.74	41,446.87	42,800.39
(b) Other current liabilities	30	14,222.59	18,634.64	21,373.89
(c) Provisions	26	2,543.75	2,265.30	5,265.57
(d) Current tax liabilities (net)	31	2,243.47	4,922.89	3,017.65
Sub-total		**3,75,734.31**	**3,73,108.38**	**2,75,517.81**
Total Equity and Liabilities		**10,97,904.16**	**10,59,961.69**	**9,18,883.98**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2017

(₹ in Lakhs)

	Particulars	Note No.	2016-2017	2015-2016
I	Revenue from operations	32	6,39,294.94	7,11,058.05
II	Other income	33	11,372.96	10,257.90
III	**Total Income (I+II)**		**6,50,667.90**	**7,21,315.95**
IV	**Expenses**			
	Cost of materials consumed	34	2,36,815.46	3,18,600.13
	Purchases of stock-in-trade	35	1,045.14	223.94
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	36	(2,383.19)	9,570.49
	Excise duty		10,454.80	10,082.03
	Employee benefits expense	37	33,416.19	27,865.00
	Finance costs	38	27,899.32	21,767.93
	Depreciation and amortisation expense	39	34,870.12	32,452.76
	Impairment losses	6(a)	2,491.34	-
	Other expenses	40	2,42,611.94	2,33,583.21
	Total expenses		**5,87,221.12**	**6,54,145.49**
	Less: Expenditure capitalized	43	(951.67)	(18,999.08)
	Net expenses (IV)		**5,86,269.45**	**6,35,146.41**
V	Share of profit / (loss) of joint ventures and associates		(175.35)	(443.67)
VI	**Profit before exceptional items and tax (III-IV+V)**		**64,223.10**	**85,725.87**
VII	Exceptional items	57	(20,081.98)	(496.02)
VIII	**Profit before tax (VI+VII)**		**44,141.12**	**85,229.85**
IX	Tax expense	41		
	(1) Current tax		16,006.56	23,161.01
	(2) MAT Credit Entitlement		(5,671.52)	(1,569.67)
	(3) Deferred tax		12,854.77	5,424.75
	(4) Tax pertaining to earlier years		(499.64)	(2,719.33)
	Total Tax expense		**22,690.17**	**24,296.76**
X	**Profit for the year (VIII-IX)**		**21,450.95**	**60,933.09**
XI	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	(a) Changes in revaluation surplus		(3,189.10)	(24.88)
	(b) Remeasurements of the defined benefit plans		(192.11)	(22.27)
	A (ii) Tax on above		66.42	7.67
	B (i) Items that will be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations		(92.80)	(326.84)
	(b) Gains and (loss) on effective portion of hedging instruments in a cash flow hedge		1,177.57	(319.19)
	B (ii) Tax on above		(407.53)	110.47
	Total other comprehensive income		**(2,637.55)**	**(575.04)**
XII	**Total comprehensive income for the year (X+XI)**		**18,813.40**	**60,358.05**
	Profit for the year attributable to:			
	- Owners of the Company		8,811.99	39,931.95
	- Non-controlling interests		12,638.96	21,001.14
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		(2,597.20)	(564.77)
	- Non-controlling interests		(40.35)	(10.27)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		6,214.79	39,367.18
	- Non-controlling interests		12,598.61	20,990.87
	Earnings per equity share of Re. 1 each			
	Basic and Diluted (in ₹)	51	19.53	55.47

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Consolidated Statement of Changes in Equity
for the year ended on 31st March, 2017

A. Equity Share Capital

(₹ in Lakhs)

Balance as at 1st April, 2015	1,098.50
Changes in equity share capital during the year	-
Balance as at 31st March, 2016	**1,098.50**
Balance as at 1st April, 2016	1,098.50
Changes in equity share capital during the year	-
Balance as at 31st March, 2017	**1,098.50**

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus								Items of Other comprehensive income						Total (c+d)
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Shares options outstanding account	General Reserve	Retained Earnings	Sub total (a)	Cash flow hedge Reserve	Revaluation Reserve	Foreign currency translation reserve	Sub total (b)	Other equity (c=a+b)	Non controlling interests (d)	
Balance as at 1st April, 2015	12,792.29	59.30	46,724.66	-	-	2,72,738.96	75,979.53	4,08,294.74	(718.93)	5,569.31	1,002.39	5,852.77	4,14,147.51	74,601.18	4,88,748.69
Addition during the year:															
Profit for the year							39,931.95	39,931.95				-	39,931.95	21,001.14	60,933.09
Other comprehensive income for the year, net of income tax (*)							(4.33)	(4.33)	(208.72)	(24.87)	(326.85)	(560.44)	(564.77)	(10.27)	(575.04)
Total comprehensive income for FY 2015-16	**-**	**-**	**-**	**-**	**-**	**-**	**39,927.62**	**39,927.62**	**(208.72)**	**(24.87)**	**(326.85)**	**(560.44)**	**39,367.18**	**20,990.87**	**60,358.05**
Payment of dividends including dividend distribution tax							(9,254.90)	(9,254.90)				-	(9,254.90)		(9,254.90)
Transfer from retained earnings						6,000.00	(6,000.00)	-				-	-		-
Balance as at 31st March, 2016	**12,792.29**	**59.30**	**46,724.66**	**-**	**-**	**2,78,738.96**	**1,00,652.25**	**4,38,967.46**	**(927.65)**	**5,544.44**	**675.54**	**5,292.33**	**4,44,259.79**	**95,592.05**	**5,39,851.84**
Balance as at 1st April, 2016	**12,792.29**	**59.30**	**46,724.66**	**-**	**-**	**2,78,738.96**	**1,00,652.25**	**4,38,967.46**	**(927.65)**	**5,544.44**	**675.54**	**5,292.33**	**4,44,259.79**	**95,592.05**	**5,39,851.84**
Addition during the year:															
Profit for the year							8,811.99	8,811.99				-	8,811.99	12,638.96	21,450.95

Consolidated Statement of Changes in Equity

for the year ended on 31st March, 2017

(₹ in Lakhs)

Particulars	Reserves & Surplus								Items of Other comprehensive income						Total (c+d)
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Shares options outstanding account	General Reserve	Retained Earnings	Sub total (a)	Cash flow hedge Reserve	Revaluation Reserve	Foreign currency translation reserve	Sub total (b)	Other equity (c=a+b)	Non controlling interests (d)	
Other comprehensive income for the year, net of income tax (*)							(85.34)	(85.34)	770.04	(3,189.10)	(92.80)	(2,511.86)	(2,597.20)	(40.35)	(2,637.55)
Total comprehensive income for FY 2016-17	-	-	-	-	-	-	**8,726.65**	**8,726.65**	**770.04**	**(3,189.10)**	**(92.80)**	**(2,511.86)**	**6,214.79**	**12,598.61**	**18,813.40**
On account of change in non-controlling interest			2.23		2.66	(9.24)	16.93	12.58	20.50	6.66	-	27.16	39.74	(44.05)	(4.31)
Compensation from montreal protocol	212.53							212.53				-	212.53		212.53
Transfer to retained earnings							2,362.00	2,362.00		(2,362.00)		(2,362.00)	-		-
Transfer from retained earnings				1,135.55		3,000.00	(4,135.55)	-				-	-		-
Balance as at 31st March, 2017	**13,004.82**	**59.30**	**46,726.89**	**1,135.55**	**2.66**	**2,81,729.72**	**1,07,622.28**	**4,50,281.22**	**(137.11)**	**-**	**582.74**	**445.63**	**4,50,726.85**	**1,08,146.61**	**5,58,873.46**

(*) Other comprehensive income for the year classified under retained earnings is in respect of remeasurement of defined benefit plans.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Consolidated Statement of Cash Flows

for the year ended on 31st March, 2017

(₹ in Lakhs)

	Particulars	2016-2017	2015-2016
A	**Cash flow from operating activities**		
	Profit for the year	21,450.96	60,933.09
	Adjustments for :		
	Tax expense	22,690.17	24,296.76
	Depreciation and amortisation	34,870.12	32,452.76
	Loss on asset held for sale	20,784.03	-
	Loss on retirement /disposal of fixed assets (net)	475.07	346.32
	Allowance for doubtful deposits and advances	39.44	132.82
	Bad debts and remissions	819.46	525.61
	Liabilities and provisions no longer required written back	(216.83)	(514.52)
	Amounts written-off	0.83	219.64
	Exchange difference on translation of assets and liabilities	(11.54)	(481.76)
	Unrealised Foreign exchange Loss /(gain) -net	(1,054.82)	(143.81)
	Unrealised MTM (gain)/loss on Financial Assets and Derivatives	(2,268.83)	1,065.16
	Government grants - deferred revenue	(1,702.64)	(1,596.10)
	Deferred rent expenses	520.05	431.90
	Expense on ESOP	5.27	-
	Allowance for doubtful trade receivables and expected credit losses (net of reversal)	345.10	1,455.85
	Impairment loss on Goodwill and Property, plant & equipment	2,491.34	-
	Share of (profit)/loss of a joint venture/associate	175.35	443.67
	Income in respect of investing activities (net)	(8,138.38)	(6,438.72)
	Finance Costs	27,899.32	21,767.93
		97,722.51	73,963.51
	Operating profit before working capital changes	1,19,173.47	1,34,896.60
	Adjustments for :		
	Increase/(decrease) in provisions	885.63	(2,378.09)
	Increase/(decrease) in trade payables	(14,056.88)	44,092.72
	Increase/(decrease) in other financial liabilities	13,382.01	(1,440.75)
	Increase/(decrease) in other liabilities	3,792.07	1,721.75
	Increase/(decrease) in loans	(3,457.72)	(3,299.16)
	(Increase)/decrease in inventories	(11,464.08)	(5,076.16)
	(Increase)/decrease in trade receivables	(1,892.74)	(1,00,585.99)
	(Increase)/decrease in other financial assets	(6,248.29)	(7,159.95)
	(Increase)/decrease in other assets	(11,253.99)	(3,116.03)
		(30,313.99)	(77,241.66)
	Cash generated from operations	88,859.48	57,654.94
	Income-tax paid (net)	(15,690.77)	(19,706.17)
	Net cash generated from operating activities	**73,168.71**	**37,948.77**
B	**Cash flow from investing activities**		
	Purchase of Property, Plant and Equipments (including change in capital work in progress and capital creditors/capital advances)	(65,814.25)	(83,523.07)
	Acquisition of other intangible assets	(306.64)	(951.78)

Consolidated Statement of Cash Flows

for the year ended on 31st March, 2017

(₹ in Lakhs)

Particulars		2016-2017	2015-2016
	Proceeds from disposal of property, plant and equipment	313.68	23.93
	Acquisition through business combination	(729.46)	(3,040.27)
	Sale of investment in Joint Venture	924.08	-
	Purchase of non current investments	(5,000.00)	-
	Purchase of other investments	(70,096.46)	(1,19,211.72)
	Redemption of other investment	50,528.31	98,389.88
	Inter-corporate deposits given	(875.00)	(1,150.00)
	Inter-corporate deposits received back	1,160.00	300.00
	Interest and Dividend received (net of expenses)	4,408.03	2,600.86
	Payments towards business combination consideration payable	(286.36)	(61.30)
	Movement in Bank fixed deposits	18,330.41	(40,454.22)
	Net cash used in investing activities	**(67,443.66)**	**(1,47,077.69)**
C	**Cash flow from financing activities**		
	Proceeds from borrowings - non current	20,869.01	29,343.03
	Repayment of borrowings - non current	(19,700.52)	(39,314.26)
	Proceeds from borrowings - current (net)	30,578.92	55,266.37
	Proceeds from Cash Credit/Overdraft (net)	-	(1,798.08)
	Finance costs	(26,639.86)	(20,690.58)
	Dividend paid (Including Tax on Dividend)	-	(9,254.90)
	Net cash generated from / (used in) financing activities	**5,107.55**	**13,551.58**
D	**Capital receipts**	212.53	-
	(Please refer to Note 22.1 of Notes to consolidated financial statements)		
	Net increase/(decrease) in cash and cash equivalents	**11,045.13**	**(95,577.34)**
	Cash and cash equivalents as at the beginning of the year	12,723.93	1,08,217.39
	On acquisition through business combinations	0.18	83.88
	Cash and cash equivalents as at the end of the year	23,769.24	12,723.93

Notes:

(a) Cash and cash equivalents include bank balance of ₹ 1,01,988.45 Lakhs in Public Issue Accounts, being Group's share in the IPO proceeds of Inox Wind Limited (subsidiary of the Company) - see note no. 42.

(b) Components of cash and cash equivalents are as per note no. 18.

(c) The above Consolidated Statement of cash flows has been prepared under the indirect method

(d) The accompanying notes are an integral part of the consolidated financial statements

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Notes to the Consolidated Financial Statements
for the year ended on 31st March, 2017

1. Group information

Gujarat Fluorochemicals Limited ("the Company") is a public limited company incorporated in India. The Company caters to both domestic and international markets. These Consolidated Financial Statements ("these CFS") relate to the Company, its subsidiaries (collectively referred to as the "Group") and Group's interest in an associate and joint ventures. The Company's parent company is Inox Leasing and Finance Limited. The shares of the Company are listed on the Bombay Stock Exchange and the National Stock Exchange of India.

The Company's registered office is located at Survey No. 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal, Gujarat 389380, and the particulars of its other offices and plants are disclosed in the annual report.

The Group is engaged in:

- chemical business viz. manufacturing and trading of refrigeration gases, anhydrous hydrochloric acid, caustic soda, chlorine, chloromethane, polytetrafluoroethylene (PTFE) and post-treated polytetrafluoroethylene (PTPTFE)
- manufacture and sale of wind turbine generators (WTGs) and providing Erection, Procurement and Commissioning (EPC) services, Operations and Maintenance (O&M) services, wind farms development services and common infrastructure facilities for WTGs.
- operating and managing multiplexes and cinema theatres
- generation and sale of wind energy

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of Compliance

These CFS have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended 31st March, 2016, the Group prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions availed by the Group.

2.2 Basis of Measurement

These CFS are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

These CFS have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of Preparation and Presentation

These CFS have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the CFS, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the 'date of transition to Ind AS'.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Group's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

These CFS were authorized for issue by the Company's Board of Directors on 29th May, 2017.

3. Basis of Consolidation and Significant Accounting Polices

3.1 Basis of consolidation

These CFS incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries of the Group to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Group are eliminated in full on consolidation.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rate fluctuates significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on translation for consolidation are recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve.

3.1.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount that the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group losses control of a subsidiary, gain or loss is recognised in profit or loss and is calculated as a difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

3.2 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date (see Note 3.12); and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3.3 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.2 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of associate and joint venture is described in Note 3.4 below.

3.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these CFS using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associates or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

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After application of the equity method of accounting, the Group determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in joint venture or an investment in joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with a joint venture or associate of the Group, unrealised gains and losses resulting from such transactions are eliminated to the extent of the interest in the joint venture or associate.

3.5 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continued to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investment in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value and less costs to sell.

3.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of income can be measured reliably. Revenue is net of returns and is reduced for rebates, trade discounts, refunds and other similar allowances. Revenue includes excise duty but is net of entertainment tax, service tax, sales tax, value added tax and other similar taxes.

3.6.1 Sale of goods

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Group in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is recognised, when the significant risks and rewards of the ownership have been transferred to the buyers and there is no continuing effective control over the goods or managerial involvement with the goods.

Revenue from sale of chemical products is generally recognised at the time of dispatch. Revenue from sale of WTGs is recognised on supply in terms of the respective contracts. Revenue from sale of food and beverages is recognised at the point of sale. Revenue from generation and sale of electricity is recognized on the basis of actual power sold (net of reactive energy consumed) in accordance with the terms of the power purchase agreements entered with the respective customers. Revenue from sale of Renewable Energy Certificate (REC) is recognised on delivery thereof or sale of rights therein, as the case may be, in terms of the contract with the respective buyers.

3.6.2 Rendering of services

Revenue from services rendered is recognised in profit or loss by reference to the stage of completion of transaction at the reporting date and when the costs incurred for the transactions and the costs to complete the transaction can be measured reliably. The stage of completion is assessed by reference to surveys of work performed.

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. Revenue from O&M and common infrastructure facilities service contracts is recognised over the period of the contract, on a straight-line basis. Revenue from wind farm development is recognised when the wind farm site is developed and transferred to the customers in terms of the respective contracts. Revenue from box office is recognised as and when the movie is exhibited. Conducting fees are in respect of charges received from parties to conduct business from the Group's multiplexes and the revenue is recognised over the period of contract or other appropriate basis as per the contractual terms. Advertisement income is recognised on exhibition of the advertisement or over the period of contract, as applicable.

3.6.3 Other income

Dividend income from investments is recognized when the right to receive payment is established. Interest income from a financial asset is recognised on time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate which exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Insurance claims are recognised to the extent there is a reasonable certainty of the realizability of the claim amount.

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3.7 Government Grants

Government grants are recognised when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grants.

Government grants, whose primary condition is that the Group should establish and operate multiplexes in specified areas, are initially recognised as deferred revenue in the consolidated balance sheet and subsequently transferred to profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the related assets of the respective multiplexes.

Grants that compensate the group for expenses incurred are recognised in profit or loss, either as other income or deducted in reporting the related expense, as appropriate, on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants in the form of non-monetary asset given at a concessional rate is accounted for at their fair value. The related grant is presented as deferred income and subsequently transferred to profit or loss as other income on a systematic and rational basis.

3.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The leasing transaction of the Group comprise of only operating leases.

3.8.1 The Group as lessor

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.8.2 The Group as lessee

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.9 Foreign currency transactions and translation

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, foreign currency monetary items are translated using the closing rates. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and are not translated. Non-monetary items measured at fair value that are denominated in foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- as permitted by para D13AA of Ind AS 101, the Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.
- exchange differences on foreign currency borrowings relating to assets under construction for future use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.21 below for hedging accounting policies)

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.11 Employee benefits

3.11.1 Retirement benefit costs

Payments to defined contribution retirement benefit plan viz. government administered provident funds and pension schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate to the net defined benefit plan at the start of the reporting period, taking account of any change in the net defined benefit plan during the year as a result of contributions and benefit payments. Defined benefit costs are categorised as follows:

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- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expense’. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.11.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, bonus, annual leave and sick leave etc. in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date

3.12 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 44.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service

3.13 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.13.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.13.3 Presentation of current and deferred tax :

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

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3.14 Property, plant and equipment

An item of property, plant and equipment that qualifies as an asset is measured on initial recognition at cost. Following initial recognition, Property, Plant and Equipment (PPE) are carried at cost, as reduced by accumulated depreciation and impairment losses, if any.

The Group identifies and determines cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

Cost comprises of purchase price / cost of construction, including non-refundable taxes or levies and any expenses attributable to bring the PPE to its working condition for its intended use. Project pre-operative expenses and expenditure incurred during construction period are capitalized to various eligible PPE. Borrowing costs directly attributable to acquisition or construction of qualifying PPE are capitalised. In respect of accounting period commencing on or after 1st April, 2011, the cost of depreciable capital assets include foreign exchange differences arising on translation of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period (refer Note 3.9).

Spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets.

Depreciation is recognised so as to write off the cost of PPE (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

PPE are depreciated over its estimated useful lives, determined as under:

- Freehold land is not depreciated
- On leasehold improvements, electrical installations & air conditioners in leased premises, over the period of useful life on the basis of the respective agreements or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- In respect of foreign subsidiaries, over the period of useful life estimated by the management or the useful life as per Part C of Schedule II to the Companies Act, 2013, whichever is shorter.
- On other items of PPE, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.15 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

Depreciation is recognised so as to write off the cost of investment properties less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Investment properties are depreciated over its estimated useful lives, determined as under:

- Cost of leasehold land is amortised over the period of lease
- On other assets, on the basis of useful life as per Part C of Schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Group has elected to continue with the carrying value of its investment property recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.16 Intangible assets

3.16.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses

3.16.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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3.16.3 Internally-generated intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses, on the same basis as intangible assets as above

3.16.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.16.5 Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

• Technical know-how	10 years
• Product development cost	5 years
• Operating software	3 years
• Other software	6 years
• Movie script and Website	5 years
• Mining permit/license	over the period of permit/license

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

3.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If it is not possible to measure fair value less cost of disposal because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement dates under market conditions, the asset's value in use is used as recoverable amount.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements
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3.18 Inventories

Inventories are valued at lower of the cost and net realisable value. Cost is determined using weighted average cost basis.

Cost of inventories comprises all costs of materials, duties and taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of materials, conversion costs, an appropriate share of fixed and variable production overheads and other costs incurred in bringing the inventories to their present location and condition. Closing stock of finished goods and imported materials include excise duty and customs duty payable thereon, wherever applicable.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and costs necessary to make the sale.

3.19 Provisions and contingencies

The Group recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent period, such contingent liabilities are measured at the higher of the amounts that would be recognised in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

3.20 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

A] Financial assets

a) Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

b) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

c) Subsequent measurement:

For subsequent measurement, the Group classifies a financial asset in accordance with the below criteria:

i. The Group’s business model for managing the financial asset and

ii. The contractual cash flow characteristics of the financial asset.

Based on the above criteria, the Group classifies its financial assets into the following categories:

i. Financial assets measured at amortized cost:

A] Financial asset is measured at the amortized cost if both the following conditions are met:

a) The Group’s business model objective for managing the financial asset is to hold financial assets in order to collect contractual cash flows, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Group. Such financial assets are subsequently measured at amortized cost using the effective interest method.

The amortized cost of a financial asset is also adjusted for loss allowance, if any.

ii. **Financial assets measured at FVTOCI:**

A financial asset is measured at FVTOCI if both of the following conditions are met:

a) The Group's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument are recognised as other income in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVTOCI.

This category does not apply to any of the financial assets of the Group other than the derivative instrument for the cash flow hedges.

iii. **Financial assets measured at FVTPL:**

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI as explained above.

This is a residual category applied to all other investments of the Group excluding investments in subsidiaries, joint ventures and associate companies. Such financial assets are subsequently measured at fair value at each reporting date. Fair value changes are recognized in the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

d) **Foreign exchange gains and losses**
The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

e) **Derecognition:**
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Group's Balance Sheet) when any of the following occurs:

i. The contractual rights to cash flows from the financial asset expires;

ii. The Group transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;

iii. The Group retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);

iv. The Group neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Group has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Group continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Group also recognizes an associated liability.

The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f) Impairment of financial assets:

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

i. Trade receivables

ii. Financial assets measured at amortized cost (other than trade receivables)

iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss under the head 'Other expenses'.

B] Financial liabilities and equity instruments

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

ii. Financial Liabilities:-

a) Initial recognition and measurement :

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

The Group has not designated any financial liability as at FVTPL other than derivative instrument. Further the Group does not have any commitments to provide a loan at a below market interest rate.

c) Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the closing rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

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3.21 Derivative financial instruments and Hedge Accounting

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 54.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The hedge relationship so designated as fair value is accounted for in accordance with the accounting principles prescribed for hedge accounting under Ind AS 109, 'Financial Instruments'.

a) **Fair value hedge:**

Hedging instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of hedging instrument is recognized in the Statement of Profit and Loss. Hedging instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting date is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

Hedged item is initially recognized at fair value on the date of entering into contractual obligation and is subsequently measured at amortized cost. The gain or loss on the hedged item is adjusted to the carrying value of the hedged item and the corresponding effect is recognized in the Statement of Profit and Loss and is included in line item 'Loss on foreign currency translation and transactions'.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Note 54.10 sets out details of the fair values of the derivative instruments used for hedging purposes.

b) **Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.22 Earnings Per Share

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.23 Recent accounting pronouncements

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7 Statement of Cash Flows and Ind AS 102 Share-based payment. The amendment is applicable to the Group from 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Group.

Amendment to Ind AS 102:

The amendment to Ind AS 102 Share-based payment provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values' but non-market performance conditions and service-vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share based payment transaction are modified with the result that it becomes an equity-settled share based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. This amendment does not affect the financial statements of the Group.

4 First-time adoption – mandatory exceptions and optional exemptions

Overall principle

The Group has prepared the opening consolidated balance sheet as per Ind AS as of 1st April, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to the certain exception and certain optional exemptions allowed by Ind AS 101 and availed by the Group as detailed below.

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I. Optional exemptions from retrospective application:

a) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

b) Foreign currency translation of long-term monetary items

The Group has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, exchange differences on conversion and on settlement of long term foreign currency monetary items, where the long-term foreign currency monetary items relate to the acquisition of a depreciable capital asset (whether purchased within or outside India), is adjusted to the cost of the asset, and depreciated over the balance life of the assets.

c) Investment in subsidiaries and joint ventures

The Group has opted to measure the investments in its subsidiaries and joint ventures at deemed cost of such investment which is previous GAAP carrying amount on the date of transition, except for investment in Xuancheng Hengyuan Chemical Technology Company Limited, a Company incorporated in the Republic of China (a joint venture) where the fair value at the date of transition is considered as deemed cost.

d) Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2015. Consequently,

- the carrying amounts of assets and liabilities acquired pursuant to past business combination and recognised financial statements prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. After the date of acquisition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;
- the Group has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;
- the Group has excluded from its opening Ind AS Balance Sheet (as at 1st April, 2015), those assets and liabilities which were recognised in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS; and
- use of this exemption from retrospective application of Ind AS 103, Business Combination, requires that the carrying amount of goodwill as per financial statements prepared under Previous GAAP should be recognised in the opening Ind AS Balance Sheet after adjusting for impairment, if any. The Group has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary

The above exemption in respect of business combinations has also been applied to past acquisitions of interests in associates and joint ventures.

e) Discounting of security deposits

As per the requirements of Ind AS 109, security deposits given by the Group are required to be carried at amortised cost at the time of initial recognition. However, as permitted by Ind AS 101, the assessment of modified time value of money element is made on the basis of facts and circumstances that exist at the date of transition to Ind AS.

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II. Mandatory exceptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

a) Estimates:

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

b) Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control:

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

c) Classification and measurement of financial assets:

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

d) Impairment of financial assets:

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

e) Derecognition of financial assets and financial liabilities:

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2015 (the transition date).

5 Critical accounting judgements and use of estimates

In application of Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimations and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision or future periods if the revision affects both current and future periods.

5.1 Following are the critical judgements that have the most significant effects on the amounts recognised in these CFS:

a) Government Grants

Some of the multiplexes operated by the Group are entitled to exemption from payment of entertainment tax in terms of the schemes notified by the respective State Governments, whose primary condition is that the Group should establish and operate multiplexes in specified areas. Therefore these grants are considered as related to assets. Accordingly, the Group presents the same in the balance sheet by setting up the grant as deferred income and is recognised in profit or loss as other operating revenue on a systematic basis over the useful lives of the related assets.

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b) **Assets taken on operating lease**
The Group has taken most of the properties on operating lease from where the multiplexes and cinema theatres are being operated. The lease terms provide for periodic increase in the amount of lease payments. Considering the terms of the agreements and the rate of increase in lease payments, it is assessed that the payment to lessors are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Accordingly, the Group recognizes the lease payments as expenses as per the respective terms of the leases in such cases.

c) **Leasehold land**
As per the terms and conditions of the leases in respect of leasehold land, the significant risks and rewards are not transferred to the Group and hence the same are treated as operating leases, except in one case, where the lease period is 999 years and hence the lease is classified as finance lease.

d) **Impairment of property, plant and equipment:**
For the purpose of impairment testing of property, plant and equipment, each multiplex / cinema theatre is identified as a Cash-Generating Unit (CGU) being the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Further, it is not possible to measure fair value less cost of disposal of a CGU (viz. a multiplex or a cinema theatre) because there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between the market participant at the measurement date in case of such operating CGUs. Hence the asset's value in use is used as recoverable amount of such CGUs in determining the extent of impairment loss, if any.

e) **Investment in Inox Leisure Limited (ILL)**
Holding Company's (GFL) ownership interest ILL is 48.09%. The shareholders of ILL have passed a resolution at the Annual General Meeting held on 23rd August, 2013 amending its Articles of Association entitling GFL to appoint majority of directors on the Board of ILL if GFL holds not less than 40% of the paid-up equity capital of ILL. Accordingly GFL is having control over ILL in terms of Ind AS 110 and hence ILL is classified as a subsidiary of GFL.

5.2 Following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a) **Impairment of goodwill:**
Determining whether goodwill is impaired requires an estimation of the value in use of the Cash-Generating Units (CGU) to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cashflows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Details of carrying amount of goodwill and impairment loss recognised are set out in Note 6 and 8.

b) **Useful lives of Property, Plant & Equipment (PPE):**
The Group has adopted useful lives of PPE as described in Note 3.14 above. The Group reviews the estimated useful lives of PPE at the end of each reporting period.

c) **Fair value measurements and valuation processes**
The Group measures financial instruments at fair value in accordance with the accounting policies mentioned above.

Notes to the Consolidated Financial Statements
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For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions. Where necessary, the Group engages third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair values of various assets and liabilities are disclosed in Note 54.10.

d) Other assumptions and estimation uncertainties, included in respective notes are as under:

- Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax claims.
- Recognition of deferred tax assets, availability of future taxable profits against which tax losses carried forward can be used, possibility of utilizing available tax credits – see Note 13
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – see Note 53
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – see Note 26 and Note 48
- Impairment of financial assets – see Note 54.8

6(a). Property, plant & equipment

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Freehold Land	4,331.90	4,466.75	3,799.35
Buildings	51,300.99	48,519.94	38,463.89
Leasehold Improvements	18,904.13	17,274.26	17,017.40
Plant and Equipment	2,53,377.92	3,68,083.08	3,22,026.28
Furniture and Fixtures	6,713.84	6,010.68	5,835.99
Vehicles	511.42	321.76	297.34
Office Equipment	3,310.50	2,942.98	2,862.16
	3,38,450.70	**4,47,619.45**	**3,90,302.41**

Notes to the Consolidated Financial Statements
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(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
I. Cost or Deemed Cost								
Balance as at 1st April, 2015	**3,799.35**	**38,463.89**	**17,017.40**	**3,22,026.28**	**5,835.99**	**297.34**	**2,862.16**	**3,90,302.41**
Additions	661.71	11,497.06	2,234.90	63,090.76	1,510.34	125.81	1,280.01	80,400.59
Disposals	-	-	(145.70)	(168.03)	(134.05)	(5.14)	(11.04)	(463.96)
Acquisition through business combination	-	-	190.65	448.27	235.70	-	33.75	908.37
Effect of foreign currency exchange differences	-	-	-	3,629.80	0.04	-	18.19	3,648.03
Translation Difference	5.69	42.34	2.66	19.48	0.62	0.95	0.49	72.23
Borrowing Costs	-	267.11	22.01	3,290.73	10.94	-	-	3,590.79
Balance as at 31st March, 2016	**4,466.75**	**50,270.40**	**19,321.92**	**3,92,337.29**	**7,459.58**	**418.96**	**4,183.56**	**4,78,458.46**
Additions	447.37	4,875.42	3,796.63	36,062.08	2,511.90	308.87	1,560.39	49,562.66
Disposals	-	(178.97)	(100.26)	5,986.31	(435.45)	(31.78)	(172.98)	5,066.87
Reclassified as held for sale	(580.10)	-	-	(1,40,566.19)	-	-	-	(1,41,146.29)
Effect of foreign currency exchange differences	-	-	-	(398.30)	-	-	-	(398.30)
Translation Difference	(2.12)	(15.81)	(0.99)	(7.85)	(1.25)	(0.36)	(0.48)	(28.86)
Borrowing Costs	-	-	31.49	170.58	8.52	-	-	210.59
Balance as at 31st March, 2017	**4,331.90**	**54,951.04**	**23,048.79**	**2,93,583.92**	**9,543.30**	**695.69**	**5,570.49**	**3,91,725.13**

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
II. Accumulated depreciation and impairment								
Balance as at 1st April, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Eliminated on disposal of assets	-	-	(24.04)	(24.36)	(24.78)	(0.23)	(3.26)	(76.67)
Acquisition through business combination	-	-	-	-	-	-	-	-
Depreciation expense	-	1,750.46	2,071.70	24,278.57	1,473.68	97.43	1,243.84	30,915.68
Balance as at 31st March, 2016	**-**	**1,750.46**	**2,047.66**	**24,254.21**	**1,448.90**	**97.20**	**1,240.58**	**30,839.01**
Eliminated on disposal of assets	-	(7.67)	(39.81)	(213.56)	(169.66)	(18.22)	(141.41)	(590.33)
Eliminated on reclassification as held for sale	-	-	-	(12,454.24)	-	-	-	(12,454.24)
Impairment losses recognised in profit or loss	-	-	11.13	2,433.07	2.53	-	3.73	2,450.46
Depreciation expense	-	1,907.84	2,125.76	26,188.70	1,547.84	105.44	1,157.27	33,032.85
Translation Difference	-	(0.58)	(0.08)	(2.18)	(0.15)	(0.15)	(0.18)	(3.32)
Balance as at 31st March, 2017	**-**	**3,650.05**	**4,144.66**	**40,206.00**	**2,829.46**	**184.27**	**2,259.99**	**53,274.43**

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(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Leasehold Improvements	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
III. Net carrying amount								
Balance as at 1st April, 2015	**3,799.35**	**38,463.89**	**17,017.40**	**3,22,026.28**	**5,835.99**	**297.34**	**2,862.16**	**3,90,302.41**
Balance as at 31st March, 2016	**4,466.75**	**48,519.94**	**17,274.26**	**3,68,083.08**	**6,010.68**	**321.76**	**2,942.98**	**4,47,619.45**
Balance as at 31st March, 2017	**4,331.90**	**51,300.99**	**18,904.13**	**2,53,377.92**	**6,713.84**	**511.42**	**3,310.50**	**3,38,450.70**

6(a).1 Assets mortgaged/pledged as security for borrowings. The Group is not allowed to pledge these assets as security for any other borrowings.

(₹ in Lakhs)

Net carrying value	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Freehold Land	2,833.36	2,658.10	2,289.98
Leashold improvements	10,089.97	6,977.77	4,728.89
Office Equipments	2,039.73	1,021.23	698.70
Furniture & Fixtures	5,332.00	3,111.11	1,946.44
Vehicles	340.26	120.92	7.42
Building	24,557.91	22,186.39	13,252.61
Plant & Equipments	1,22,055.68	2,04,997.44	2,83,056.23
Total	1,67,248.91	2,41,072.96	3,05,980.27

6(a).2 Impairment Testing:

a) Multiplex Business

During the year, the Group has carried out review for impairment testing and the review led to the recognition of impairment loss of ₹ 88.46 Lakhs due to lower than expected performances in respect of two multiplex theatres. This impairment loss is recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 218.00 Lakhs at 31st March, 2017. It is not possible to measure fair value, less cost of disposal, of a multiplex theatre and hence the value in use is used as recoverable amount. The discount rate used in measuring the value in use was 12% per annum. No impairment loss was recognised in FY 2015-2016 as there was no indication of impairment.

b) Wind power Business

Assets are tested for impairment whenever there are any internal or external indicators of impairment. During the current year, the contract to sell some of the assets at a value less than the carrying amount indicated impairment. Since the management did not intend to realise the value of assets through sale, the value in use was estimated. The value in use has been determined based on cash flow projections prepared by the management. These calculations use cash flows projections over the remaining life of the assets remaining with the Group. The cash flows were discounted at a rate of 16% (cost of capital). The testing resulted in impairment loss of Gude Panchgini Project, Maharashtra having capacity 23.1 Megawatt. The impairment loss is derived as below:

Particulars	Amount (₹ in Lakhs)
Carrying Value of CGU	10,728.17
Less: Value in use of CGU	8,366.17
Impairment Loss	**2,362.00**

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6(b). Capital Work in Progress

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital Work in Progress	38,637.68	22,159.73	38,797.00
Pre-operative expenditure pending allocation	2,383.04	1,681.73	1,499.06
	41,020.72	**23,841.46**	**40,296.06**

Particulars of pre-operative expenditure incurred during the year are as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening balance	**1,681.73**	**1,499.06**
Add: Expenses incurred during the year		
Survey and Investigation Expenses	5.94	16.99
Rates & Taxes	-	36.84
Foreign currency translation and transactions	154.86	(69.77)
Employee Benefits	150.94	49.09
Insurance	1.38	1.73
Salaries and wages	412.41	397.00
Contribution to provident and other funds	26.21	19.67
Staff welfare	-	5.65
Legal & professional fees and expenses	393.46	212.18
Travelling & conveyance	130.32	288.68
Power & fuel	24.26	14.56
House keeping expenses	5.35	0.11
Outsourced personnel cost	2.29	8.38
Security expenses	55.59	81.84
Miscellaneous expenses	38.74	45.93
Borrowings costs	351.86	84.34
	1,753.61	**1,193.22**
Less: Pre-operative income earned during the year		
Miscellaneous income	-	2.40
	3,435.34	2,689.88
Less: Capitalised/reclassified during the year	1,052.30	1,008.15
Closing balance	**2,383.04**	**1,681.73**

Capital work in progress includes:-

In respect of Inox Leisure Limited an amount of ₹ 3,362.53 Lakhs (as at 31st March, 2016: ₹. 970.77 Lakhs and as at 1st April, 2015: ₹ 691.08 Lakhs) in respect of multiplex premises under construction which have been hypothecated to secure loans from banks (refer note 47). Inox Leisure Limited (ILL) is not allowed to hypothecate these assets as security for other borrowings.

- In respect of Inox Wind Infrastructure Services Limited (IWISL) an amount of ₹3,163.18 Lakhs is hypothecated to secure redeemable non convertible debenture.
- In respect of GFL GM Fluorspar SA an amount of ₹3,747.27 Lakhs of movable fixed assets which are under progress are pledged as security.

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7. Investment Property

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Land held under finance lease	168.45	168.45	168.45
Building	840.37	857.74	875.11
	1,008.82	**1,026.19**	**1,043.56**

(₹ in Lakhs)

Particulars	Land held under finance lease	Building	Total
I. Cost or Deemed Cost			
Balance as at 1st April, 2015	**168.45**	**875.11**	**1,043.56**
Balance as at 1st April, 2016	**168.45**	**875.11**	**1,043.56**
Balance as at 31st March, 2017	**168.45**	**875.11**	**1,043.56**

(₹ in Lakhs)

Particulars	Land held under finance lease	Building	Total
II. Accumulated depreciation			
Balance as at 1st April, 2015	**-**	**-**	**-**
Depreciation expenses	-	17.37	17.37
Balance as at 1st April, 2016	**-**	**17.37**	**17.37**
Depreciation expenses	-	17.37	17.37
Balance as at 31st March, 2017	**-**	**34.74**	**34.74**

(₹ in Lakhs)

Particulars	Land held under finance lease	Building	Total
III. Net carrying amount			
Balance as at 1st April, 2015	**168.45**	**875.11**	**1,043.56**
Balance as at 31st March, 2016	**168.45**	**857.74**	**1,026.19**
Balance as at 31st March, 2017	**168.45**	**840.37**	**1,008.82**

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7.1 Fair Value of Investment Properties

Fair valuation of Investment Properties as at 31st March, 2017, 31st March, 2016 and 1st April, 2015 has been arrived at on the basis of valuation carried out as on respective dates by an independent valuer not related to company. The valuer is registered with the authority which governs the valuers in India, and in the opinion of management he has appropriate qualifications and recent experience in the valuation of properties. For all Investment properties, fair value was determined based on the capitalisation of net income methods where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the respective properties. Thus, the significant unobservable inputs are as follows:

1. Monthly market rent, taking into account the difference in location, and individual factors, such as frontage and size, between the comparable and the property; and
2. Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition.

The fair value hierarchy for all investment properties is Level 2 and the fair values are as under:

Particulars	Amount (₹in Lakhs)
Fair value as at 31st March, 2017	9,762.88
Fair value as at 31st March, 2016	8,991.75
Fair value as at 1st April, 2015	8,270.52

7.2 Expenses and Income in respect of investment properties

Expenses (excluding depreciation) amounting to ₹ 115.92 Lakhs (31st March, 2016: ₹ 97.12 Lakhs) in respect of repairs, electricity charges, security expenses etc. are included in Note 40 'Other Expenses' and income amounting to ₹ 551.12 Lakhs (31st March, 2016: ₹ 568.00 Lakhs) is included in Note 33 'Other income'.

8. Goodwill

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net carrying amount of:			
Goodwill	1,754.93	1,791.85	41.85
	1,754.93	**1,791.85**	**41.85**

Notes to the Consolidated Financial Statements
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(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
I. Cost or Deemed Cost		
Balance at the beginning of the Year	1,791.85	41.85
Acquisition through business combinations	-	1,750.00
On Acquisition of additional shares of Inox Renewables Limited	3.96	-
Balance at the end of the Year	**1,795.81**	**1,791.85**

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
II. Accumulated impairment		
Balance at the beginning of the Year	**-**	**-**
Impairment losses recognised during the year	40.88	-
Balance at the end of the Year	**40.88**	**-**

(i) During the year, the Group carried out a review of the recoverable amount of goodwill on consolidation. The review led to recognition of an impairment loss of ₹ 40.88 lakhs which has been recognised in the Statement of Profit and Loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use which amounts to ₹ 0.97 lakhs at 31st March, 2017. The discount rate used in measuring the value in use was 12% per annum. No impairment assessment was performed in previous year as there was no indication of impairment.

8.1: Allocation of goodwill to cash generating units:

Goodwill is in respect of

a) One of the multiplexes of the Group acquired through business combination

b) On consolidation of Shouri Properties Private Limited

c) On acquisition of additional shares of Inox Renewables Limited

Before recognition of impairment losses, the carrying amount of goodwill was allocated to cash-generating units as follows:

(₹ in Lakhs)

Description of Assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cost or deemed Cost			
Multiplex theatre	1,750.00	1,750.00	-
Shouri Properties Private Limited	41.85	41.85	41.85
On Acquisition additional shares of Inox Renewables Limited	3.96	-	-
Balance at end of the year	**1,795.81**	**1,791.85**	**41.85**

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Multiplex Theatre

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31st March, 2016: 12% p.a.)

Key Assumptions used in value in use calculations for this cash generating unit are as follows:

Budgeted Footfalls :	Budgeted footfalls are expected to grow by 20% in FY 2017-2018 and by 3% per year thereafter. The values assigned to the assumption are based on the increased focus on these operations and newer cinema technology such as IMAX being introduced in this location.
Budgeted Average Ticket Price (ATP):	Budgeted ATP is expected to grow by 20% per year and 5% per year thereafter. The values assigned to the assumption are based on the rebranding of these operations and newer cinema technology such as IMAX being introduced in this location.
Budgeted Spend per head (SPH)	Budgeted SPH is expected to grow by 20% in FY 2017-2018, and by 10% per year thereafter. The values assigned to the assumption are based on the rebranding of these operations.

Shouri Properties Private Limited (SPPL)

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses discounted cashflow projections covering a ten year period and a discount rate of 12% p.a. (as at 31st March, 2016: 12% p.a.)

Budgeted Rental income:	Budgeted revenue of SPPL from rental income is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by Inox Leisure Limited.
Budgeted Rental expense:	Budgeted rental expense of SPPL is expected to increase by more than 10% over current rental income due to increased footfalls and improved connectivity of the multiplex location operated by Inox Leisure Limited.

Based on above, impairment loss of ₹ 40.88 lakhs is recognised during the year ended 31st March, 2017.

9. Other Intangible Assets

(₹ in Lakhs)

Description of Assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Carrying amount of:			
Website	26.92	36.46	46.00
Software	1,358.57	1,379.73	409.50
Mining Rights	811.69	940.77	930.35
Product Development	375.00	521.84	695.80
Technical Know How	6,679.97	7,722.58	7,476.18
Movie Script	-	22.02	54.43
	9,252.15	**10,623.40**	**9,612.26**

Notes to the Consolidated Financial Statements
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(₹ in Lakhs)

Particulars		Website	Software	Mining Rights	Product Development	Technical Know How	Movie Script	Total
I.	**Cost or Deemed Cost**							
	Balance as at 1st April, 2015	**46.00**	**409.50**	**930.35**	**695.80**	**7,476.18**	**54.43**	**9,612.26**
	Additions	-	1,105.75	-	-	1,335.98	-	2,441.73
	Translation Difference	-	0.29	88.82	-	-	-	89.11
	Balance as at 31st March, 2016	**46.00**	**1,515.54**	**1,019.17**	**695.80**	**8,812.16**	**54.43**	**12,143.10**
	Additions	-	349.47	-	-	156.57	-	506.04
	Disposals	-	(16.23)	-	-	-	-	(16.23)
	Translation Difference	-	(0.20)	(68.91)	-	-	-	(69.11)
	Balance as at 31st March, 2017	**46.00**	**1,848.58**	**950.26**	**695.80**	**8,968.73**	**54.43**	**12,563.80**

(₹ in Lakhs)

Particulars		Website	Software	Mining Rights	Product Development	Technical Know How	Movie Script	Total
II.	**Accumulated depreciation**							
	Balance as at 1st April, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Depreciation expense	9.54	135.81	78.40	173.96	1,089.58	32.41	1,519.71
	Balance as at 31st March, 2016	**9.54**	**135.81**	**78.40**	**173.96**	**1,089.58**	**32.41**	**1,519.71**
	Eliminated on disposal of assets	-	(14.26)	-	-	-	-	(14.26)
	Depreciation expense	9.54	368.53	73.79	146.84	1,199.18	22.02	1,819.90
	Translation Difference	-	(0.07)	(13.62)	-	-	-	(13.69)
	Balance as at 31st March, 2017	**19.08**	**490.01**	**138.57**	**320.80**	**2,288.76**	**54.43**	**3,311.65**

(₹ in Lakhs)

Particulars	Website	Software	Mining Rights	Product Development	Technical Know How	Movie Script	Total
III. Net carrying amount							
Balance as at 1st April, 2015	**46.00**	**409.50**	**930.35**	**695.80**	**7,476.18**	**54.43**	**9,612.26**
Balance as at 31st March, 2016	**36.46**	**1,379.73**	**940.77**	**521.84**	**7,722.58**	**22.02**	**10,623.40**
Balance as at 31st March, 2017	**26.92**	**1,358.57**	**811.69**	**375.00**	**6,679.97**	**-**	**9,252.15**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

10. Investments

10 (a). Investment in Associate Company (carried at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos	Amounts	Nos.	Amounts	Nos.	Amounts
Non - Current							
Unquoted Investments (partly paid)							
Investments in Equity Instruments							
Megnasolace City Private Limited - Equity shares of ₹10/- each	10	5000000	3,201.88	5000000	3,201.88	5000000	3,201.47
- paid up ₹ 1.60 per share (previous year ₹ 1.60 per share)							
Total Unquoted Investments			**3,201.88**		**3,201.88**		**3,201.47**
Total investment in associate company (a)			**3,201.88**		**3,201.88**		**3,201.47**

Commitment towards partly paid shares – ₹ 16,800.00 Lakhs (31st March, 2016 ₹ 16,800.00 Lakhs, as at 1st April, 2015: ₹ 16,800.00 Lakhs

10 (b). Investment in Joint Ventures (carried at cost)

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos	Amounts	Nos.	Amounts	Nos.	Amounts
Non - Current, fully paid-up							
Unquoted Investment							
Investments in Equity Instruments							
Xuancheng Hengyuan Chemical Technology Co. Ltd	Par value	-	-		365.55		809.56
Swarnim Gujarat Fluorspar Private Limited	₹10	1082500	93.18	1082500	95.55	1082500	97.74
Swanston Multiplex Cinemas Private Limited	₹10	1015000	5.81	1015000	-	1015000	-
Total Unquoted Investments			**98.99**		**461.10**		**907.30**
Total investment in joint ventures (b)			**98.99**		**461.10**		**907.30**

10 (c). Other Investments

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos	Amounts	Nos.	Amounts	Nos.	Amounts
Non-current investments							
I. Quoted Investments (all fully paid)							
Investments in Equity Instruments (carried at FVTPL)							
Tata Global Beverages Limited	10	-	-	1630944	1,977.52	1630944	2,392.05
		-	**-**		**1,977.52**		**2,392.05**
Investments in Mutual Funds (carried at FVTPL)							
Invesco India FMP Series 23-Plan L (370 Days)-Regular Plan Growth	10	-	-	10000000	1,175.80	10000000	1,083.61
Reliance Yearly Interval Fund - Series 8 Direct Plan-Growth	10	9211751	1,252.07	9211751	1,160.29	9211751	1,070.73
HDFC FMP 370 Days June 2014(2) Series 31 Regular - Growth	10	-	-	10000000	1,162.09	10000000	1,068.81
SBI Debt Fund Series A35-369 Days -Direct - Growth	10	-	-	10000000	1,156.26	10000000	1,065.72

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(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
DHFL Pramerica Interval Fund Annual Plan Series 1-Direct Plan - Growth	10	9205730	1,242.99	9205730	1,152.97	9205730	1,064.60
Reliance Fixed Horizon Fund-XXVI Series 33 - Direct Plan -Growth	10	-	-	10000000	1,156.65	10000000	1,066.79
ICICI Prudential FMP Series 76-1134 Days-Plan Y-Cumulative	10	10000000	1,176.79	10000000	1,079.34	-	-
ICICI Prudential FMP Series.76-1135 Days Plan Z Cumulative	10	10000000	1,174.48	10000000	1,077.78	-	-
ICICI Prudential FMP Series 77-1132 Days Plan A Cumulative	10	10000000	1,176.86	10000000	1,078.83	-	-
IDFC Fixed term Plan.Series 108 -Regular Plan-Growth (1144 Days)	10	10000000	1,155.07	10000000	1,069.92	-	-
SBI Debt Fund Series B-16(1100 Days)-Regular Plan Growth	10	10000000	1,166.29	10000000	1,072.60	-	-
HDFC FMP 371D June 2014(2)Sr.31-Gr	10	-	-	6250000	727.93	6250000	669.63
ICICI Prudential FMP Series 74-369 Days K Reg.Growth	10	-	-	10000000	1,168.79	10000000	1,075.77
Reliance Fixed Horizon Fund Sr. 9 - Direct Growth	10	2500000	262.74	-	-	-	-
			8,607.29		**14,239.25**		**8,165.66**
Total quoted Investments			**8,607.29**		**16,216.77**		**10,557.71**
II. Unquoted Investments (all fully paid)							
Investments in Equity Instruments (carried at FVTPL)							
Kaleidoscope Entertainment Private Limited	1	562500	60.75	562500	60.75	562500	60.75
Less : Provision for impairment loss			(60.75)		(60.75)		(60.75)
Investments in in Government securities (carried at amortised cost)							
National Saving Certificates		-	119.02	-	132.55	-	83.47
Investments in debentures (unquoted, fully paid up) (carried at FVTPL)							
5,000 debentures of ₹ 1,00,000 each of Citicorp Finance (India) Limited (CFIL-581ALT4)		-	5,324.50	-	-	-	-
Investments in Mutual Fund (carried at FVTPL)							
ICICI Prudential Equity Arbitrage Fund-Dividend	10	-	-	7237596	995.13	-	-
Kotak Equity Arbritage-Monthly Dividend (Regular Plan)	10	18504811	1,988.73	18504811	1,989.16	-	-
Reliance Arbitrage Advantage Fund-Monthly Dividend Plan Dividend Payout	10	-	-	19070140	2,002.03	-	-
HDFC Short Term Plan-Regular Plan -Growth	10	3677863	1,191.99	3677863	1,088.28	-	-
Birla Sun Life Short Term Opportunities Fund-Growth -Regular Plan	10	4355989	1,181.94	4355989	1,080.08	-	-

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
DSP Black Rock Short Term Fund-Regular Plan-Growth	10	4174494	1,162.07	4174494	1,075.18	-	-
Franklin India Short Term Income Plan-Retail Plan -Growth	1000	34670	1,173.98	34670	1,056.51	-	-
DHFL Pramerica Short Maturity Fund-Growth	10	3958860	1,179.50	3958860	1,076.83	-	-
SBI Blue Chip Fund - Regular Plan - Growth	10	3233654	1,085.61	-	-	-	-
Kotak Select Focus Fund - Growth (Regular Plan)	10	3840840	1,103.93	-	-	-	-
Principal Emerging Blue Chip Fund - Regular Plan - Growth	10	1245816	1,126.47	-	-	-	-
L&T India Value Fund - Growth	10	3483438	1,120.76	-	-	-	-
Birla Sun Life India Reforms Fund - Growth - Regular Plan	10	6444864	1,134.94	-	-	-	-
Franklin Build India Fund - Growth	10	3102618	1,110.73	-	-	-	-
Franklin India Smaller Companies Fund - Growth	10	2109794.4	1,090.11	-	-	-	-
Mirae Asset Emerging Bluechip Fund - Regular Plan - Growth	10	2538693	1,080.19	-	-	-	-
HDFC High Interest Fund - Dynamic Plan - Regular Plan - Growth	10	2570751	1,455.84	-	-	-	-
Birla Sun Life Dynamic Bond Fund - Growth - Regular Plan	10	4951132	1,437.51	-	-	-	-
ICICI Prudential Dynamic Bond Fund - Growth	10	5273233	990.85	-	-	-	-
DSP Blackrock Strategic Bond Fund - Institutional Plan - Growth	1000	49508	970.43	-	-	-	-
Total Unquoted Investments			**27,029.10**		**10,495.75**		**83.47**
Total non-current investments (I + II)			**35,636.39**		**26,712.52**		**10,641.18**
Current investments							
I. Quoted Investments (all fully paid)							
Investments in Mutual Funds carried at FVTPL (Current portion of non-current investments)							
Invesco India FMP Series 23-Plan L (370 Days)-Regular Plan Growth	10	10000000	1,264.39	-	-	-	-
HDFC FMP 370 Days June 2014(2) Series 31 Regular - Growth	10	10000000	1,256.49	-	-	-	-
SBI Debt Fund Series - A35-369Days -Direct - Growth	10	10000000	1,253.80	-	-	-	-
Reliance Fixed Horizon Fund-XXVI Series 33 - Direct Plan -Growth Plan	10	10000000	1,254.71	-	-	-	-
HDFC FMP 371D June 2014(2) Series.31-Growth	10	6250000	787.70	-	-	-	-
ICICI Prudential FMP Series 74-369 Days K Reg.Growth	10	10000000	1,265.21	-	-	-	-
Total quoted Investments			**7,082.30**		**-**		**-**

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for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
II. Unquoted Investments (all fully paid)							
Investments in venture capital funds (carried at FVTPL) (current portion of long term investments)							
Indiareit Fund Scheme III	100000	-	-	293	104.55	423	264.24
Kshitij Venture Capital Fund	337.5	250000	672.90	250000	778.27	250000	892.75
			672.90		**882.82**		**1,156.99**
Investments in Government securities (carried at amortised cost) (Current portion of non-current investments)							
National Saving Certificates		-	**37.83**		**12.04**		**59.00**
Investments in Mutual Funds (carried at FVTPL)							
JP Morgan India Liquid Fund - Super Institutional Plan	10	-	-	-	-	3603291	361.33
HDFC Liquid Fund-Direct Plan-Growth	10	1217	39.06	10855	324.58	-	-
Reliance MTF - Direct Growth Option	10	-	-	6416097	2,036.12	-	-
IDFC Arbitrage Fund Dividend -(Direct Plan)	10	-	-	24946339	3,229.08	-	-
DSP Blackrock Income Opportunities - Direct Plan - Growth	10	8399458	2312.50	4103271	1,022.19	-	-
Birla Sunlife MTF - Regular growth Option	10	3453221	1002.63	-	-	-	-
Franlin Templeton Mutual Fund MTF - Growth option	10	1830785	775.30	-	-	-	-
SBI Blue Chip Fund MTF - Growth Regular Option	10	1135790	381.31	-	-	-	-
HDFC High Interest Fund Dynamic MTF - Growth Regular option	10	1762916	998.35	-	-	-	-
UTI Dynamic Bond Fund High MTF - Growth Option	10	5302508	1017.47	-	-	-	-
Indiabulls Ultra Short Term Fund MTF - Growth Option	10	317402	5113.42	-	-	-	-
IDFC Cash - Fund MTF - Growth option	10	324090	6403.12	-	-	-	-
SBI Magnum Insta Cash Fund MTF - Direct Option	10	55699	2003.67	-	-	-	-
Tarus Liquid Fund-Regular Plan-Super Institutional Growth	1000	-	-	15320	248.91	39945	604.13
HDFC Liquid Fund-Growth	1000	-	-	8414	251.11	-	-
Birla Sunlife Cash Plus-Growth-Regular Plan	100	-	-	414681	1,008.98	-	-
ICICI Prudential Liquid Plan-Growth	100	417237	1002.02	-	-	-	-
ICICI Prudential Liquid Plan-Growth-Regular Plan	100	12518	30.06	-	-	-	-
Total Unquoted Investments			**21,789.64**		**9,015.83**		**2,181.45**
Total Current Investments (I + II)			**28,871.94**		**9,015.83**		**2,181.45**
Total Other Investments (c)			**64,508.33**		**35,728.35**		**12,822.63**
Total Investments (a + b + c)			**67,809.20**		**39,391.33**		**16,931.40**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Face Value	As at 31st March, 2017		As at 31st March, 2016		As at 1st April, 2015	
		Nos.	Amounts	Nos.	Amounts	Nos.	Amounts
Non-current investments			38,937.26		30,375.50		14,749.95
Current investments			28,871.94		9,015.83		2,181.45
			67,809.20		**39,391.33**		**16,931.40**
Category-wise other investments – as per Ind AS 109 classification:							
Investments carried at cost			3,300.87		3,662.98		4,108.77
Investments carried at amortised cost			156.85		144.59		142.47
Investments carried at fair value through profit or loss			64,351.48		35,583.76		12,680.16
			67,809.20		**39,391.33**		**16,931.40**
Aggregate amount of quoted investments			15,689.59		16,216.77		10,557.71
Aggregate market value of quoted investments			15,689.59		16,216.77		10,557.71
Aggregate amount of unquoted investments			52,119.61		23,174.56		6,373.69
Aggregate amount of impairment in value of investments			60.75		60.75		60.75

Investment in National Savings Certificate (NSC) carries interest in the range of 8.16% to 8.78% p.a. as per the issue series invested. Interest is compounded on yearly basis and receivable on maturity. These NSC's are pledged with Government authorities and held in the name of directors/ex-director /employees /director of subsidiary company.

10(a).1 : Details and financial information of associate

Details of the Group's associate at the end of the reporting period are as follows:

Name of associate	Proportion of ownership interest and voting rights held by the Group		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Megnasolace City Private Limited	50.00%	50.00%	50.00%

Megnasolace City Private Limited is incorporated in India and is engaged in the business of real estate.

The above associate is accounted for using the equity method in these consolidated financial statements.

Megnasolace City Private Limited

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
The Group's share of profit/(loss)	-	0.41
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	-	0.41

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

There are no restrictions on the ability of associate to transfer funds to the Group in the form of cash dividend or to repay loans or advances made by the Group.

10(b).1 :Details and financial information of joint venture

Details of the Group's joint venture at the end of the reporting period are as follows:

Name of Joint Venture	Proportion of ownership interest and voting rights held by the Group		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Xuancheng Hengyuan Chemical Technology Co. Ltd (XHCTCL)	Nil	33.77%	33.77%
Swarnim Gujarat Fluorspar Private Limited (SGFPL)	25.00%	25.00%	25.00%
Swanston Multiplex Cinemas Private Limited (SMCPL)	50.00%	50.00%	50.00%

XHCTCL is incorporated in China and is engaged in the business of manufacturing of AHF and allied activities and is no longer a joint venture from 7th September, 2016

SGFPL is incorporated in India and is engaged in the business of manufacturing of Acid Grade Fluor Spar.

SMCPL is incorporated in India and was engaged in the business of operating a multiplex and has ceased its operations since July 2012
The above joint ventures are accounted for using the equity method in these consolidated financial statements.

Aggregate information of joint ventures that are not individualy material.

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
The Group's share of profit/(loss)	(175.35)	(444.08)
The Group's share of other comprehensive income	-	-
The Group's share of total comprehensive income	(175.35)	(444.08)

There are no restrictions on the ability of joint venture to transfer funds to the Group in the form of cash dividend or to repay loans or advances made by the Group.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

11 Loans

(Unsecured, considered good, unless otherwise stated)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Security deposits			
- Considered good	9,188.35	6,727.12	6,436.69
- Considered doubtful	91.51	311.88	-
	9,279.86	7,039.00	6,436.69
Allowance for doubtful deposits	(91.51)	(311.88)	-
Total	**9,188.35**	**6,727.12**	**6,436.69**
Current			
Security deposits	464.11	1,324.57	1,374.36
Inter corporate deposits			
Considered good	1,667.11	1,680.72	753.31
Considered doubtful	700.00	700.00	700.00
	2,367.11	2,380.72	1,453.31
Allowance for doubtful deposits	(700.00)	(700.00)	(700.00)
	1,667.11	1,680.72	753.31
Total	**2,131.22**	**3,005.29**	**2,127.67**

The above financial assets are carried at amortised cost.

12 Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Non-current bank balances (from Note 19)	1,057.78	1,691.20	850.50
Derivative assets	3,939.69	4,707.66	6,601.75
Unbilled revenue	12,493.20	5,814.90	1,838.94
Entertainment tax refund claimed	3,701.70	2,959.29	2,865.63
Electricity charges refund claimed	389.83	389.83	389.83
Amount recoverable towards claim	914.16	932.44	-
Other advances (*)			
Considered good	1,961.61	993.14	663.79
Considered doubtful	58.64	84.77	-
	2,020.25	1,077.91	663.79
	(58.64)	(84.77)	-
	1,961.61	993.14	663.79
Total	**24,457.97**	**17,488.46**	**13,210.44**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Security deposits	10.30	244.64	826.96
Derivative assets	-	395.22	835.24
Interest accrued-others	55.39	77.97	80.27
Unbilled revenue	2,979.83	685.00	995.44
Electricity duty and custom duty refund claimed	1,627.30	2,068.16	-
Insurance claims lodged	350.16	1,335.04	755.57
Other receivables	684.52	312.07	320.43
Total	**5,707.50**	**5,118.10**	**3,813.91**

(*) Other advances represents advances given for properties to be taken on lease and under negotiation

13.Deferred tax assets/(liabilities)

Year ended 31st March, 2017

13.1 The major components of deferred tax (liabilities)/assets in relation to :

(₹ in Lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing balance
Property, Plant and Equipment	(36,920.99)	(12,190.93)	-	-	(49,111.92)
Expenses allowable on payment basis	442.38	64.49	-	-	506.87
Straight lining of O & M revenue	(2,105.82)	(2,476.48)	-	-	(4,582.30)
Allowance for doubtful trade receivables and expected credit losses	602.43	60.37	-	-	662.80
Effect of measuring financial instruments at fair value	(312.01)	(613.27)	-	-	(925.28)
Effect of measuring other derivative instruments at fair value	631.92	(131.68)	(437.19)	-	63.05
Defined Benefits obligation	1,170.65	332.84	66.42	-	1,569.91
Government grants - deferred income	3,381.57	(114.58)	-	-	3,266.99
Business loss	3,661.80	2,182.15	-	-	5,843.95
Other deferred tax assets	374.78	69.25	-	-	444.03
Other deferred tax liabilities	58.15	(36.93)	29.66	-	50.88
	(29,015.14)	**(12,854.77)**	**(341.11)**	**-**	**(42,211.02)**
MAT Credit Entitlement	20,686.71	5,888.72	-	(492.06)	26,083.37
Net Deferred tax liabilities	**(8,328.43)**	**(6,966.05)**	**(341.11)**	**(492.06)**	**(16,127.65)**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

Year ended 31st March, 2016
13.2 The major components of deferred tax (liabilities)/assets in relation to :

(₹ in Lakhs)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Adjusted against current tax liability	Closing balance
Property, Plant and Equipment	(33,027.37)	(3,893.62)	-	-	(36,920.99)
Expenses allowable on payment basis	430.81	11.57	-	-	442.38
Straight lining of O & M revenue	(980.92)	(1,124.90)	-	-	(2,105.82)
Allowance for doubtful trade receivables and expected credit losses	249.23	353.20	-	-	602.43
Effect of measuring financial instruments at fair value	(57.70)	(254.31)	-	-	(312.01)
Effect of measuring other derivative instruments at fair value	1,055.10	(533.65)	110.47	-	631.92
Defined Benefits obligation	880.16	282.83	7.66	-	1,170.65
Government grants - deferred income	3,447.85	(66.28)	-	-	3,381.57
Business loss	2,351.55	1,310.25	-	-	3,661.80
Other deferred tax assets	322.28	52.50	-	-	374.78
Other deferred tax liabilities	134.53	(76.38)	-	-	58.15
	(25,194.48)	**(3,938.79)**	**118.13**	**-**	**(29,015.14)**
MAT Credit Entitlement	21,365.71	2,803.00	-	(3,482.00)	20,686.71
Net Deferred tax liabilities	**(3,828.77)**	**(1,135.79)**	**118.13**	**(3,482.00)**	**(8,328.43)**

13.3 The Group has following unused tax losses and credits under the Income-tax Act for which no deferred tax asset has been recognised:

Nature of tax loss	Financial Year	Gross amount as at 31st March, 2017 (₹ ;in Lakhs)	Expiry date
Business Losses	2014-15	14.61	2022-23
	2015-16	380.77	2023-24
	2016-17	463.63	2024-25
Unabsorbed depreciation	2015-16	2.79	NA
	2016-17	1.23	NA
Long term capital gain losses	2008-09	3.63	2016-17
	2009-10	182.32	2017-18
	2010-11	1,776.37	2018-19
	2011-12	1,021.13	2019-20
	2012-13	95.99	2020-21
	2013-14	494.64	2021-22
	2014-15	251.19	2022-23
	2015-16	720.73	2023-24
	2016-17	2,213.83	2024-25
MAT Credit Entitlement	2014-15	14.87	2024-25
	2016-17	41.12	2026-27

No deferred tax liability has been recognised in respect of undistributed earnings of the subsidiaries as in the opinion of the management, the parent is able to control the timing of the temporary differences and the temporary differences will not reverse in the foreseeable future.

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for the year ended 31st March, 2017

14 Other assets

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Capital advances	9,783.96	11,238.16	5,749.74
Security deposits with Government authorities	1,448.39	640.32	554.51
Balances with government authorities - Balances in excise, service Tax and VAT Accounts etc	1,081.13	712.70	113.96
Deferred rent expense	5,547.71	4,332.85	4,043.86
Prepayments lease hold land	7,984.94	8,445.30	4,687.43
Prepayments others	217.21	132.91	670.52
Total	**26,063.34**	**25,502.24**	**15,820.02**
Current			
Advance to suppliers			
Considered good	13,935.11	9,036.46	7,311.93
Considered doubtful	35.81	35.81	20.05
	13,970.92	9,072.27	7,331.98
Allowance for doubtful advances	(35.81)	(35.81)	(20.05)
	13,935.11	9,036.46	7,311.93
Balances with government authorities - Balances in excise, service Tax and VAT Accounts etc	3,641.72	1,834.75	1,645.31
WCT Receivable	14.09	-	14.09
Deferred rent expense	609.75	523.13	399.27
Prepayments - lease hold land	172.77	172.77	59.23
Prepayments - others	1,596.92	1,564.06	1,621.68
Other advances	161.34	387.15	194.74
Total	**20,131.70**	**13,518.32**	**11,246.25**

15 Tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Income tax paid (net of provisions)	10,738.99	13,471.47	12,016.23
Total	**10,738.99**	**13,471.47**	**12,016.23**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

16 Inventories

(at lower of cost and net realizable value)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Raw Materials	31,670.72	23,767.66	16,634.46
Work-in-progress	31,732.13	30,328.22	34,783.63
Finished Goods	22,232.23	20,642.82	23,752.22
Stock in trade	203.78	128.90	107.04
Stores and spares	6,871.99	5,807.46	5,135.07
Others			
- Fuel	654.87	1,649.49	1,220.89
- Packing Materials	280.94	381.65	329.03
- By products	157.14	379.70	375.12
- Food and Beverages	523.90	422.09	503.63
- Construction Materials	11,525.08	10,140.53	3,781.96
Total	**1,05,852.78**	**93,648.52**	**86,623.05**

Notes:

(i) The cost of inventories recognised as an expense includes ₹ 1,329.58 Lakhs (31st March, 2016: ₹ 1,940.67 Lakhs) in respect of write downs of inventory to net realisable value.

(ii) Inventories of ₹ 65,517.08 lakhs (as at 31st March, 2016: ₹ 53,566.03 Lakhs and as at 1st April, 2015: ₹ 49,358.43 Lakhs) are hypothecated against working capital facilities from banks, see Note 47 for security details.

(iii) The mode of valuation of inventories has been stated in Note 3.18.

17 Trade receivables

(Unsecured)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
Considered good	2,78,813.81	2,88,950.47	1,84,696.13
Considered doubtful	1,106.14	1,099.42	100.74
	2,79,919.95	2,90,049.89	1,84,796.87
Allowance for doubtful trade receivables	(1,106.14)	(1,099.42)	(100.74)
Allowance for expected credit losses	(1,344.51)	(1,085.63)	(631.20)
Total	**2,77,469.30**	**2,87,864.84**	**1,84,064.93**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

18 Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Balances with banks in current accounts	6,224.65	12,332.07	5,824.37
Bank deposits with original maturity up to 3 months	-	112.24	156.47
Public issue accounts	-	-	1,01,988.45
Cheques on hand & money in transit	17,279.79	14.15	29.72
Cash on hand	264.80	265.47	218.38
Total	**23,769.24**	**12,723.93**	**1,08,217.39**

Note: The bank balance in Public Issue Accounts represents money raised by Inox Wind Limited (Subsidiary of the Company) in IPO (see Note 42) which was held in escrow as at 31st March, 2015. The money was released on 8th April, 2015 on receiving listing approval from the stock exchanges.

19 Other bank balances

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unpaid dividend accounts	174.14	273.72	208.99
Bank deposits with original maturity for more than 3 months but less than 12 months *#	23,731.15	44,006.78	2,484.63
Bank deposits with original maturity of more than 12 months *	3,002.07	1,992.06	1,465.33
	26,907.36	46,272.56	4,158.95
Amount disclosed under Note 12 - 'Other financial assets - non current'	(1,057.78)	(1,691.20)	(850.50)
	25,849.58	44,581.36	3,308.45
Total	**25,849.58**	**44,581.36**	**3,308.45**

Notes:
* Other bank balances include margin money deposits kept as security against bank guarantee as under:

Notes to the Consolidated Financial Statements
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(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Deposit account with original maturity for more than 3 months but less than 12 months	1,376.07	919.10	97.70
b) Deposit account with original maturity for more than 12 months	1,809.42	1,907.99	994.90

Bank deposits with original maturity for more than 3 months but less than 12 months includes unspent amount from IPO process ₹ 19,604.00 Lakhs (31st March, 2016 : ₹ 20,411.00 Lakhs and 1st April, 2015 : Nil)

20 Assets classified as held for sale

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Property plant and equipment held for sale	1,02,419.12	-	-
Total	**1,02,419.12**	**-**	**-**

The Group is operating 139 Wind turbine generators (WTG's) for generation and sale of power. These WTG's constituted the power generation segment of the Group. During the year, Group decided to sell its 125 WTG's and classified them as “”Assets held for sale””. As part of this single co-ordinated plan, the Group has also entered into Business Transfer Agreement with a party to transfer 125 WTG's of its operating assets (WTG's) (as approved by Board of Directors of Inox Renewables Limited in their meeting held at 4th March, 2017). The fair value less cost to sell based on the business transfer agreement of the 125 WTG's as at 31st March, 2017 is determined at ₹ 1,02,419.12 Lakhs. The loss of ₹ 20,784.02 Lakhs, being the difference between the amount on measurement of these non-current assets at the lower of their carrying amounts and fair value less cost of sale, after considering the amount available in revaluation reserve, is recognized in the statement of profit and loss and is included in exceptional items. Further, tax of ₹ 4,457.00 Lakhs in this respect is included in the deferred tax charge for the year.

The group continues to generate and sell power through the remaining 14 WTG's.

Assets of ₹ 86,732.68 lakhs are pledged as security for borrowings. The Group is not allowed to pledge these assets as security for any other borrowings.

21 Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Authorized			
20,00,00,000 equity shares of Re 1 each	2,000.00	2,000.00	2,000.00
Issued and Subscribed and Paid up			
10,98,50,000 equity shares of Re 1 each	1,098.50	1,098.50	1,098.50
Total	**1,098.50**	**1,098.50**	**1,098.50**

Notes to the Consolidated Financial Statements
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21.1 Reconciliation of shares outstanding at the beginning and at the end of the year

As at 31st March, 2017	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	10,98,50,000	1,098.50
Add: issued during the year	-	-
At the end of the year	10,98,50,000	1,098.50
As at 31st March, 2016	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	10,98,50,000	1,098.50
Add: issued during the year	-	-
At the end of the year	10,98,50,000	1,098.50
As at 1st April, 2015	**Nos.**	**(₹ in Lakhs)**
At the beginning of the year	10,98,50,000	1,098.50
Add: issued during the year	-	-
At the end of the year	10,98,50,000	1,098.50

21.2 Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, in proportion of their shareholding.

21.3 Particulars of dividend paid to shareholders

On 12th October, 2015, an final dividend of ₹ 3.50 per share (Total dividend of ₹ 4,627.45 Lakhs including dividend distribution tax (DDT)) for FY 2014-2015 was paid to holders of equity shares. On 28th March, 2016, an interim dividend of ₹ 3.50 per share (Total dividend of ₹ 4,627.45 Lakhs including DDT) for FY 2015-2016 was paid to holders of equity shares.

In respect of financial year ended 31st March, 2017,the Board of Directors propose that a dividend of ₹ 3.50 per share be paid on equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in this financial statements. The total estimated equity dividend (including dividend distribution tax) to be paid is ₹ 4,627.45 Lakhs

21.4 Shares held by holding company

As at 31st March, 2017	**Nos.**	(₹ in Lakhs)
Inox Leasing and Finance Limited	5,77,15,310	577.15
As at 31st March, 2016		
Inox Leasing and Finance Limited	5,77,15,310	577.15
As at 1st April, 2015		
Inox Leasing and Finance Limited	5,77,15,310	577.15

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

21.5 Details of shareholders holding more than 5% shares in the company

As at 31st March, 2017	Nos.	Holding %
Inox Leasing and Finance Limited	5,77,15,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	66,62,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	55,76,440	5.08%

	Nos.	Holding %
As at 31st March, 2016		
Inox Leasing and Finance Limited	5,77,15,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	66,62,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	55,76,440	5.08%

	Nos.	Holding %
As at 1st April, 2015		
Inox Leasing and Finance Limited	5,77,15,310	52.54%
Devansh Trademart LLP (Formerly Devansh Trading and Finance Private Limited)	66,62,360	6.06%
Siddhapavan Trading LLP (Formerly Siddhapavan Trading and Finance Private Limited)	55,76,440	5.08%

22 Other equity

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital reserves	13,004.82	12,792.29	12,792.29
Capital redemption reserve	59.30	59.30	59.30
Securities premium reserve	46,726.89	46,724.66	46,724.66
Debenture redemption reserve	1,135.55	-	-
Shares options outstanding account	2.66	-	-
General reserve	2,81,729.72	2,78,738.96	2,72,738.96
Retained earnings	1,07,622.28	1,00,652.25	75,979.53
Cash flow hedge reserve	(137.11)	(927.65)	(718.93)
Revaluation reserve	-	5,544.44	5,569.31
Foreign currency translation reserve	582.74	675.54	1,002.39
Total	**4,50,726.85**	**4,44,259.79**	**4,14,147.51**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

22.1 Capital reserves

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	12,792.29	12,792.29
Movement during the year	212.53	-
Balance at the end of the year	13,004.82	12,792.29

Capital reserves represents compensation received for phased reduction and cessation of CFC production and dismantling of plant, unless otherwise used, as stipulated.

During the year, company has received ₹ 212.53 Lakhs in this regard.

22.2 Capital redemption reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	59.30	59.30
Movement during the year	-	-
Balance at the end of the year	59.30	59.30

In FY 2008-2009, Company has bought back and extinguished 59,30,000 equity shares of ₹ 1 per share at an average price of ₹ 103.48 per share from open market, and accordingly the face value of ₹ 1 per share is reduced from the paid up equity share capital and correspondingly the amount of ₹ 59.30 Lakhs is transferred to Capital Redemption Reserve from profit and loss account.

22.3 Securities premium reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	46,724.66	46,724.66
On account of change in non-controlling interest	2.23	-
Balance at the end of the year	46,726.89	46,724.66

Securities Premium Reserve represents premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

22.4 Debenture redemption reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	-	-
Transfer from retained earnings	1,135.55	-
Balance at the end of the year	1,135.55	-

Notes to the Consolidated Financial Statements
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The Group has issued redeemable non-convertible debentures. Accordingly, as required by the Companies (Share capital and Debentures) Rules, 2014 (as amended), Debenture Redemption Reserve (DRR) is created out of profits available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued and will be reclassified to retained earnings on redemption of debentures.

22.5 Shares options outstanding account

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	-	-
Movements during the year	2.66	-
Balance at the end of the year	2.66	-

The above reserve relates to share option granted by the Group to its employees under the employee share option plan. Further information about share based payment to employees is set out in Note 44. Movement during the year is on account of share options granted during the year.

22.6 General reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	2,78,738.96	2,72,738.96
On account of change in non-controlling interest	(9.24)	-
Transfer from surplus in the Statement of Profit and Loss	3,000.00	6,000.00
Balance at the end of the year	2,81,729.72	2,78,738.96

General reserve is used from time to time to transfer profit from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

22.7 Retained earnings:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	1,00,652.25	75,979.53
Total comprehensive income for the Year	8,726.65	39,927.62
On account of change in non-controlling interest	16.93	-
Revaluation reserve transferred to retained earnings through other comprehensive income	2,362.00	-
Payment of dividend on equity shares (including tax on dividend) - see Note 21.3	-	(9,254.90)
Amount transferred to Debenture redemption reserve	(1,135.55)	-
Amount transferred to general reserve	(3,000.00)	(6,000.00)
Balance at the end of the year	1,07,622.28	1,00,652.25

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013 and is subject to levy of dividend distribution tax. Thus, the amounts reported above are not distributable in entirety.

Notes to the Consolidated Financial Statements
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22.8 Cash flow hedge reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	(927.65)	(718.93)
Other comprehensive income for the year, net of income tax	770.04	(208.72)
On account of change in non-controlling interest	20.50	-
Balance at the end of the year	(137.11)	(927.65)

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments designated as cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss when the hedged transaction affects the profit or loss, included as a basis adjustment to the non -financial hedged item, or when it becomes ineffective.

22.9 Revaluation reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	5,544.44	5,569.31
On account of change in non-controlling interest	6.66	-
Revaluation reserve transferred to retained earnings through other comprehensive income	(2,362.00)	-
Loss on non current assets held for sale/scrapped	(3,189.10)	(24.87)
Balance at the end of the year	-	5,544.44

On 30th March, 2012, the Group revalued its fixed assets of the wind energy business. Consequently ₹ 5,544.44 lakh was credited to the revaluation reserve with corresponding addition to gross block of respective fixed assets. On 7th March, 2017, Group has signed Business Transfer Agreement with the buyer for the sale of WTG's. On the basis of agreed price of transfer of WTG's Company has adjusted the loss ₹ 3189.10 Lakhs against the revaluation reserve. Further, Group has transferred excess revaluation reserve amounting ₹ 2,362.00 Lakhs to retained earnings.

22.10 Foreign currency translation reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	675.54	1,002.39
Other comprehensive income for the year, net of income tax	(92.80)	(326.85)
Balance at the end of the year	582.74	675.54

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Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. INR) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve and will be transferred to retained earnings on disposal of such foreign operations.

23 Non-Controlling Interest

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	95,592.05	74,601.18
Share of Total Comprehensive Income for the year	12,598.61	20,990.87
On account of acquisition of additional shares in Inox Renewables Limited	(44.05)	-
Balance at the end of the year	**1,08,146.61**	**95,592.05**

For details of significant non-controlling interest: see note 62

24 Non-current borrowings (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
(a) Debentures			
Non convertible redeemable debentures	19,500.00	-	-
(b) Term loans			
(i) From banks			
Foreign currency loans	70,321.88	77,218.38	82,112.32
Rupee loans	30,457.90	21,924.81	27,225.12
(ii) From other parties			
Rupee loans	24,861.47	26,645.37	28,168.12
	1,45,141.25	1,25,788.56	1,37,505.56
Less: Current maturities of long-term borrowings (Disclosed under Note 25 Other current financial liabilities)	(30,763.15)	(19,049.65)	(21,809.90)
Total	**1,14,378.10**	**1,06,738.91**	**1,15,695.66**

Notes:
(i) There is no default on repayment of principal or interest on borrowings.
(ii) For terms of repayment and securities etc. (see Note 47).

Notes to the Consolidated Financial Statements
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25 Other financial liabilities (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Security deposits	353.83	399.17	558.42
Creditors for Capital Expenditure	-	-	257.56
Retention money	193.98	76.20	45.70
Premium payable on option contract	2,654.91	555.57	747.12
Total	**3,202.72**	**1,030.94**	**1,608.80**
Current			
Current maturities of long term borrowing (from Note 24)	30,763.15	19,049.65	21,809.90
Interest accrued but not due on borrowings	1,714.71	2,032.50	2,140.54
Interest accrued and due on borrowings	838.89	72.75	227.07
Unclaimed dividend *	174.14	273.72	208.99
Security deposits	688.82	675.25	550.80
Creditors for capital expenditure	11,319.96	8,346.36	7,600.95
Retention money	318.01	310.25	264.97
Derivative financial liabilities (at FVTPL)	2,744.60	2,093.74	1,921.45
Consideration payable for business combinations	1,300.56	363.92	425.22
Employees dues payable	2,653.24	1,928.03	2,255.52
Expenses payable	3,557.29	2,164.22	1,922.36
Unscheduled interchanges charges payable	509.98	466.27	422.56
Premium payable on option contract	1,134.75	1,572.51	1,541.26
Other Payables	2,861.64	2,097.70	1,508.80
Total	**60,579.74**	**41,446.87**	**42,800.39**

* In respect of unclaimed dividends, the actual amount to be transferred to the Investor Education and Protection Fund shall be determined on the due date.

26 Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current			
Provision for employee benefits (see Note 53)			
Gratuity	2,249.90	1,661.77	1,274.78
Compensated absences	1,073.66	776.79	522.52
Total	**3,323.56**	**2,438.56**	**1,797.30**

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(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current			
(a) Provision for employee benefits (see Note 53)			
Gratuity	411.23	314.85	305.28
Compensated absences	841.85	641.78	486.50
	1,253.08	956.63	791.78
(b) Other provisions			
IPO expenses (see Note 42)	-	-	3,178.54
Municipal taxes	185.61	235.80	183.00
Service tax	1,074.63	1,042.44	1,042.44
MVAT	-	-	39.38
Disputed sales tax liabilities (net of payments) (see Note 48)	30.43	30.43	30.43
	1,290.67	1,308.67	4,473.79
Total	**2,543.75**	**2,265.30**	**5,265.57**

26.1 Details of other provisions:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
a) Provision for IPO expenses		
Opening balance	-	3,178.54
Addition during the year	-	-
Paid during the year	-	3,178.54
Closing balance	-	-
b) Provision for municipal taxes		
Opening balance	235.80	183.00
Addition during the year	97.68	52.80
Paid during the year	147.87	-
Closing balance	185.61	235.80
c) Provision for service tax		
Opening balance	1,042.44	1,042.44
Addition during the year	32.19	-
Paid during the year	-	-
Closing balance	1,074.63	1,042.44
d) Provision for MVAT		
Opening balance	-	39.38
Addition during the year	-	-
Paid during the year	-	14.38
Reversed during the year	-	25.00
Closing balance	-	-
e) Provision for sales tax		
Opening balance	30.43	30.43
Addition during the year	-	-
Paid during the year	-	-
Closing balance	30.43	30.43

(i) Provision for municipal tax is in respect of disputed amount pertaining to one of the Group's multiplexes.

(ii) Provision for service tax is in respect of service tax payable on renting of immovable property and disallowance of exemption of Research & Development cess from payment of service tax

(III) Provision for MVAT was in respect of liability on sale of 'copyrights', and was fully settled during the year ended 31st March, 2016.

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27 Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Deferred revenue arising from Government grant	12,011.07	11,057.90	11,276.38
Less: Current portion (Disclosed under Note 30: Other current liabilities)	(1,833.24)	(1,500.09)	(1,466.31)
	10,177.83	9,557.81	9,810.07
Income received in advance	10,158.06	5,788.79	7,005.01
Statutory dues and taxes payable	1.42	1.17	1.96
Total	**20,337.31**	**15,347.77**	**16,817.04**

28 Current borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
(a) From banks			
Foreign currency loans			
Foreign currency short term loans	1,429.50	1,500.74	-
Packing credit and Buyers credit	60,607.79	99,911.64	52,176.13
Rupee loans			
Short term working capital demand loans	8,100.00	2,000.00	6,000.00
Cash credit/Overdraft facilities	32,202.77	7,669.02	15,324.92
Others	1,680.82	-	-
	1,04,020.88	1,11,081.40	73,501.05
(b) From Financial Institutions			
Short term working capital demand loans	-	-	5,000.00
	-	-	5,000.00
Unsecured			
(a) From banks			
Foreign currency loans			
Foreign currency working capital demand loans	18,050.61	18,239.14	20,075.69
Rupee loans			
Short term working capital demand loans	11,500.00	10,000.00	4,900.00
Commercial papers	2,495.39	17,299.52	10,893.49
	32,046.00	45,538.66	35,869.18
(b) From other parties			
Commercial papers	49,587.87	14,868.83	4,921.35
Inter-corporate deposit	-	-	59.85
	49,587.87	14,868.83	4,981.20
Total	**1,85,654.75**	**1,71,488.89**	**1,19,351.43**

Notes:

(i) There is no default on repayment of principal or interest on borrowings.

(ii) For terms of repayment and securities etc. (see Note 47).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

29 Trade payables

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Trade payables			
- dues to micro and small enterprises	386.94	551.51	4.18
- others	1,10,103.07	1,33,798.28	83,704.70
Total	**1,10,490.01**	**1,34,349.79**	**83,708.88**

The particulars of dues to micro, small and medium enterprises under Micro, Small and Medium Enterprises Development Act,2006:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Principal amount due to suppliers under MSMED Act, 2006 at the year end.	386.94	551.51
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount, unpaid at the year end.	37.06	18.76
Payment made to suppliers (other than interest) beyond the appointed date during the year	1,087.81	304.94
Interest paid to suppliers under MSMED Act, 2006 (Sec 16) during the year	0.20	0.02
Interest due and payable to suppliers under MSMED Act for payments already made.	70.08	13.38
Interest accrued and not paid to suppliers under MSMED Act, 2006 up to the year end.	125.36	36.89

The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Group.

30 Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advances received from customers	2,900.99	3,897.17	12,043.84
Statutory dues and taxes payable	6,950.73	7,652.59	3,400.74
Income received in advance	2,363.33	5,207.31	2,408.82
Deferred revenue arising from government grant (from Note 27)	1,833.24	1,500.09	1,466.31
Employees dues payable	99.70	11.27	956.80
Other payables	74.60	366.21	1,097.38
Total	**14,222.59**	**18,634.64**	**21,373.89**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

31 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Current tax liabilities (net)	2,243.47	4,922.89	3,017.65
Total	**2,243.47**	**4,922.89**	**3,017.65**

32 Revenue from operations

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Sale of products	4,75,355.13	5,62,407.47
Sale of services	1,54,246.67	1,41,616.42
Other operating revenue	9,693.14	7,034.16
Total	**6,39,294.94**	**7,11,058.05**

33 Other income

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Interest Income		
On financial assets using effective interest method:		
- on fixed deposits with bank	2,442.61	3,334.67
- on Inter-corporate deposits	192.27	163.39
- on long term investments	11.96	10.66
- on security deposits	383.64	322.79
Other Interest Income		
- on Income tax refund	385.76	38.09
- Other Interest	49.37	119.24
	3,465.61	**3,988.84**
(b) Dividend received	**443.35**	**674.82**
(c) Other non-operating income		
Rental income from operating leases	551.12	568.00
Allowance for doubtful trade receivable reversed	130.12	0.92
Liabilities and provisions no longer required, written back	138.69	513.58
Bad debts recovered	-	18.00
Deferred grant income	326.23	270.43
Insurance claims	269.58	886.81
Miscellaneous Income	117.29	162.35
	1,533.03	**2,420.09**
(d) Other gains and (losses)		
Gains on investments carried at FVTPL	4,258.09	2,366.98
Net gain on foreign currency transaction and translation	2,211.29	-
Net gains on derivatives	(555.16)	802.02
Gain on sale of property, plant and equipment	16.75	5.15
	5,930.97	**3,174.15**
Total	**11,372.96**	**10,257.90**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

34 Cost of materials consumed

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Raw materials consumed	2,24,110.31	3,06,711.46
Packing materials consumed	5,898.44	5,277.99
Cost of food and beverages	6,806.71	6,610.68
Total	**2,36,815.46**	**3,18,600.13**

35 Purchases of stock-in-trade

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Purchases of stock-in-trade	1,045.14	223.94
Total	**1,045.14**	**223.94**

36 Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Opening Stock		
Finished goods	20,642.82	23,752.22
Stock-in-trade	128.90	107.04
Work-in-progress		
Material	5,965.23	8,678.12
Project development, erection and commissioning work	23,980.60	24,519.50
Common infrastructure faciltlies	382.40	1,586.01
By-products	379.70	375.12
	51,479.65	**59,018.01**
On acquisition through business combinations	**740.17**	**1,945.33**
Less : Closing Stock		
Finished goods	22,232.23	20,642.82
Stock-in-trade	203.78	128.90
Work-in-progress		
Material	8,146.58	5,965.23
Project development, erection and commissioning work	23,203.16	23,980.60
Common infrastructure faciltlies	382.40	382.40
By-products	157.14	379.70
	54,325.29	**51,479.65**
Excise duty on stock of finished goods (net)	3.27	(17.93)
Effect of changes in exchange currency rates	(280.99)	104.73
(Increase) / Decrease In Stock	**(2,383.19)**	**9,570.49**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

37 Employee benefits expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Salaries and wages	29,693.27	24,727.64
Contribution to provident and other funds	1,435.28	1,186.36
Gratuity	630.82	520.80
Staff welfare expenses	1,656.82	1,430.20
Total	**33,416.19**	**27,865.00**

38 Finance costs

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Interest on financial liabilities carried at amortized cost		
Interest on borrowings	23,599.81	16,203.60
Net foreign exchange loss on borrowings (considered as finance cost)	2,808.01	4,443.14
	26,407.82	20,646.74
(b) Other Interest		
Interest on Income Tax	651.23	517.98
Other Interest expenses	80.25	84.08
	731.48	602.06
(c) Other borrowing costs	1,045.38	2,322.95
Sub-total (a + b +c)	28,184.68	23,571.75
Interest capitalized	(285.36)	(1,803.82)
Total	**27,899.32**	**21,767.93**

The weighted average capitalisation rate of funds borrowed is in the range of 5.11% to 12.18 % p.a. (31st March,2016: in the range of 4.48 % to 12.18 % p.a.).

39 Depreciation and amortisation expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Depreciation on property, plant and equipment	33,032.85	30,915.68
Amortization of other intangible assets	1,819.90	1,519.71
Depreciation on investment property	17.37	17.37
Total	**34,870.12**	**32,452.76**

Notes to the Consolidated Financial Statements
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40 Other expenses

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Stores and spares consumed	6,289.55	5,575.53
Power and fuel	44,588.42	42,066.32
EPC, O & M, Common infrastructure facility and development of Wind farm expenses	49,889.88	54,994.67
Exhibition cost	34,532.56	32,529.99
Freight and octroi	14,209.01	16,405.80
Insurance	1,123.28	1,102.01
Excise duty, custom duty and sales tax	598.44	415.30
Production labour charges	1,896.78	1,809.49
Processing charges	15,696.58	12,946.85
Outsourced personnel cost	4,563.99	3,599.45
Rent and common facility charges	24,023.36	21,138.38
Factory expenses	557.86	559.42
Repairs to		
- Buildings	578.81	824.43
- Plant and equipment	5,394.24	5,237.23
- Others	988.35	1,165.16
Directors' sitting fees	51.00	46.80
Commission to non-executive director	166.54	169.25
Rent	520.84	413.52
Rates and taxes	1,606.20	1,991.25
Service tax expenses	5,359.41	3,825.05
Travelling and conveyance	3,697.76	3,136.54
Communication expenses	633.28	581.61
Legal and professional fees and expenses	4,456.72	4,627.35
Lease rentals and hire charges	1,154.81	899.30
Loss on retirement /disposal of property, plant and equipment	491.81	183.76
Net (gain)/loss on foreign currency transactions and translation	-	1,133.74
Allowance for doubtful advances	4.50	172.01
Allowance for doubtful deposits	35.00	120.58
Allowance for doubtful trade receivables and expected credit losses	429.82	1,298.84
Bad debts and remission	819.46	522.89
Liquidated damages (net of recovery of ₹ 1500.00 Lakhs (31st March, 2016: Nil))	1,805.34	-
Corporate Social Responsibility (CSR) Expenses (see Note 59)	349.01	387.00
Commission	1,112.29	909.88
Royalty	2,072.43	1,430.01
Miscellaneous expenses	12,914.61	11,363.80
Total	**2,42,611.94**	**2,33,583.21**

Donation to political party
During the year the Group has given donation of ₹10 Lakhs to Bhartiya Janata Party, same is included in miscellaneous expenses above.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

41 Tax expense

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Income tax recognized in Statement of Profit and Loss		
Current Tax:		
In respect of current year	16,006.56	23,161.01
In respect of prior years	(282.45)	-
Deferred Tax		
In respect of current year	12,854.77	5,424.75
MAT Credit Entitlement	(5,671.52)	(1,569.67)
Deferred tax pertaining to earlier years	(217.19)	(2,719.33)
	22,690.17	**24,296.76**
(b) Income tax recognized in other comprehensive income		
Deferred Tax		
On remeasurement of defined benefits plan	(66.42)	(7.67)
Deferred tax on Effective portion of gains and (loss) on hedging instruments in a cash flow hedge	407.53	(110.47)
	341.11	(118.14)
Total tax expense	**23,031.28**	**24,178.62**

41.1 The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Profit before tax	**44,141.12**	**85,229.85**
Income Tax using the Company's domestic Tax rate @ 34.608% (2015-16: 34.608%)	15,276.36	29,496.35
Effect of non-deductible expenses	3,739.81	2,042.21
Effect of tax incentive provisions	(4,442.28)	(4,970.38)
Effect of income which is taxed at special rates	(298.17)	-
Effect of income that is exempted from tax	(158.53)	(271.74)
Effect of deferred tax on losses not recognised by subsidiary companies.	143.64	114.27
Effect of permanent difference and reversal of deferred tax on measurement of non-current asset classified as held for sale	8,344.18	-
Others (net)	584.80	605.38
	23,189.81	27,016.09
Taxation pertaining to earlier years	(499.64)	(2,719.33)
Tax expense as per the Statement of Profit and Loss	**22,690.17**	**24,296.76**

The tax rate used for the years ended 31st March, 2017 and 31st March, 2016 in reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

41.2 In respect of taxation matters

The Group's contention that the amount of entertainment tax exemption availed for some of its multiplexes is a capital receipt has been accepted by various appellate authorities and Hon'ble High Court of Judicature at Gujarat. Provision for income tax till the year ended 31st March, 2015, was made on this basis, to the extent the entertainment tax exemption was held as capital receipt for such multiplexes. The matter is presently pending before the Hon'ble Supreme Court.

In view of the assessment and appellate orders received by the Group, the tax liability for earlier years and the written down value of fixed assets as per the Income-tax Act, 1961 is recomputed and consequential reduction in taxation of earlier years is recognized in the Statement of Profit and Loss as under:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
MAT credit entitlement	(126.80)	(902.33)
Income Tax	(31.90)	-
Deferred tax	-	(1,486.00)
Net credit	**(158.70)**	**(2,388.33)**

42 Initial Public Offer by Subsidiary company

In FY 2014-2015, Inox Wind Limited ("IWL"), a subsidiary of the Company, had made an Initial Public Offer (IPO) for 3,19,18,226 equity shares of ₹ 10 each, comprising of 2,19,18,226 fresh issue of equity shares by IWL and 1,00,00,000 equity shares offered for sale by the Company. The equity shares were issued at a price of ₹ 325 per share (including premium of ₹ 315 per share) subject to discount of ₹ 15 per share to the eligible employees of IWL and retail investors. The total proceeds from the IPO were ₹ 1,02,053.45 Lakhs. The total expenses in connection with the IPO were shared between IWL and Company. After considering consolidation effect: (a) the gain of ₹ 26,859.08 Lakhs on sale of these shares by GFL, net of expenses, was included in Exceptional items and (b) IWL's share in the IPO expenses was adjusted against the securities premium account. Fresh shares were allotted by IWL on 30th March, 2015 and the shares of IWL were listed on stock exchanges on 9th April, 2015.

43 Amount of expenditure capitalized represents cost of one prototype WTG manufactured and capitalized as fixed assets.

44 Share-based payments

44.1 Details of the employee share option plan of subsidiary Company

Inox Leisure Limited (ILL) has a share option scheme applicable to the employees and Directors of the Company, its subsidiary companies or its holding company and any successor company thereof, as determined by the Compensation, Nomination and Remuneration Committee of ILL on its own discretion. The scheme is administered through Inox Leisure Limited - Employees Welfare Trust.

In the year ended 31st March, 2006, ILL had issued 5,00,000 equity shares of ₹ 10 each at a premium of ₹ 5 per share to Inox Leisure Limited – Employees' Welfare Trust ("ESOP Trust") to be transferred to the employees of the Company under the scheme of ESOP framed by the Company in this regard. The Company has provided finance of ₹ 75.00 Lakhs to the ESOP Trust for subscription of these shares at the beginning of the plan.

Each share option converts into one equity share of the Company on exercise. The options are granted at an exercise price of ₹15 per option. The option carry neither rights to dividends nor voting rights. The options granted are required to be exercised within a period of one year from the date of vesting of the respective options.

On 5th January, 2017, stock options of 20,000 shares have been granted to an employee of holding company and the vesting period for these equity settled options is between one to four years from the date of the grant. The options are exercisable within one year from the date of vesting. No options were granted during the year ended 31st March, 2016.

The compensation costs of stock options granted to employees are accounted using the fair value method

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44.2 Fair value of share options granted in the year

The weighted average fair value of the share options granted during the financial year is ₹ 217.56 in respect of growth options vesting in one to four years. The fair value has been calculated using the Black Scholes Options Pricing Model. The Black-Scholes model requires the consideration of certain variables such as volatility, risk free rate, expected dividend yield, expected option life, market price and exercise price for the calculation of fair value of the option. These variables significantly influence the fair value and any change in these variables could significantly affect the fair value of the option.

The significant assumptions made in this regard are as under:

Grant date share price	230.00
Exercise price	15.00
Expected volatility	38.53% to 41.80%
Option life	1.5 to 4.5 years
Dividend yield	0.00
Risk free interest rate	6.09% to 6.47%

44.3 Movements in share options during the year

Particulars	2016-2017
Balance at beginning of year	NIL
Granted during the year	20,000.00
Forfeited during the year	NIL
Exercised during the year	NIL
Balance at end of year	20,000.00
Exercisable as on 31st March, 2017	NIL
Weighted average exercise price of all stock options	₹ 15

44.4 Method used for accounting of share based payment plan:

The Company has used fair value method to account for the compensation cost of stock options granted to the employee of holding company and the compensation cost of ₹ 5.27 Lakhs (previous year ₹ Nil) is recognised in the Statement of Profit and Loss.

44.5 Range of exercise price and weighted average remaining contractual life of outstanding options

For Options granted on 5th January, 2017:

Number of options outstanding	20,000.00
Weighted Average Remaining Contractual Life (in years)	4.77
Weighted Average Exercise Price (₹)	15.00

Notes to the Consolidated Financial Statements
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45 Business Combination

During the year ended 31st March, 2016, the Group had purchased the rights, title and interest in the assets of a running multiplex with 9 screens. The total purchase consideration paid in cash and cash equivalents was ₹2,650.00 Lakhs.

Assets acquired at the date of acquisition

(₹ in Lakhs)

Particulars	Amount
Non-current assets	
Property, Plant & equipment	900.00
Goodwill	1,750.00
Total	**2,650.00**

During the year ended 31st March, 2016, The Group acquired a subsidiary by purchase of its entire equity and the total purchase consideration was paid in cash. The assets acquired at the date of acquisition comprised of property, plant and equiptments of ₹ 8.37 lakhs.

46 In respect of Entertainment-tax exemption claimed and its treatment in these accounts:

The Entertainment tax exemption in respect of some of the multiplexes of the Group has been accounted on the basis of eligibility criteria as laid down in the respective Schemes but is subject to final orders yet to be received from respective authorities. Accordingly, the Group has recognized ₹ 880.00 Lakhs during the year ended 31st March, 2017 (2015-2016: ₹ 1,184.00 Lakhs) being entertainment tax exemption in respect of such multiplexes. Cumulative amount as on 31st March, 2017 is ₹ 5,206.27 lakhs (2015-2016: ₹ 5,281.89 lakhs).

47. Nature of securities and terms of repayment

I. In respect of loans taken by Gujarat Fluorochemicals Limited (GFL):

(a) The Terms of repayment of Term Loans are stated as under:

As at 31st March, 2017

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	4,323.33	Half Yearly Repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,096.83	Half Yearly Repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(b)
3.	The Hongkong and Shanghai Banking Corporation Limited	External Commercial Borrowing	7,626.36	Quarterly Repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(c)
4.	Mizuho Bank Limited	External Commercial Borrowing	7,626.36	Quarterly Repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(d)

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As at 31st March, 2016

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	5,152.62	Half Yearly Repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,485.38	Half Yearly Repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(a)
3.	The Hongkong and Shanghai Banking Corporation Limited	External Commercial Borrowing	9,738.46	Quarterly Repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(b)
4.	Mizuho Bank Limited	External Commercial Borrowing	9,738.46	Quarterly Repayment, final maturity on 15th March, 2021	Hedged at 8.24% p.a.	(c)

As at 1st April, 2015

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest	Security Note
1.	ICICI Bank Limited (Hedged Part)	External Commercial Borrowing	5,555.38	Half Yearly Repayment, final maturity on 20th March, 2023	Hedged at 10.55% p.a. with Call Spread Option	(a)
2.	ICICI Bank Limited (Un-Hedged Part)	External Commercial Borrowing	2,679.65	Half Yearly Repayment, final maturity on 20th March, 2023	6M LIBOR + 4.14% p.a.	(b)
3.	Axis Bank Limited (Hedged Part)	External Commercial Borrowing	11,512.79	Quarterly Repayment, final maturity on 15th March, 2022	Hedged at 11.26% p.a.	(c)
4.	Axis Bank Limited (Un-Hedged Part)	External Commercial Borrowing	9,924.02	Quarterly Repayment, final maturity on 15th March, 2022	3M LIBOR + 4.25% p.a.	(d)
5.	DBS Bank Limited (Fully Hedged)	External Commercial Borrowing	3,125.25	Quarterly Repayment, final maturity on 14th January,2016	Hedged at 8.65% p.a.	(e)
6.	The Royal Bank of Scotland	Buyer's Credit	4,165.37	Bullet Repayment varied from 10th April, 2015 to 15th October, 2015	Interest range from 8M LIBOR + 0.95% to 12 M LIBOR + 0.95%	(f)
7.	HDFC Bank Limited	OD Facility	1,798.09	Repayable on demand	10.75% p.a.	(g)

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Securities for borrowings :-

a. **ICICI Bank Limited:-** The Foreign Currency Term Loan from ICICI Bank Limited is secured by way of an exclusive first ranking security interest /mortgage /hypothecation on movable and immovable assets including cash flow receivables and escrow account of 14 MW Wind Power Project at Mahidad. Further, the Lender has exclusive first and exclusive charge on movable fixed assets of AHF & HCFC Plant located at Survey No 16/3, 26 & 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal, Gujarat.

b. **The Hongkong and Shanghai Banking Corporation Limited:-** The Foreign currency term loan from The Hongkong and Shanghai Banking Corporation, is secured by way of first charge on pari-passu basis with Mizuho Bank Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and on movable fixed assets of DPTFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the Lender has Assignment of Rights on pari-passu basis with Mizuho Bank Limited under the Project Agreements with respect to 36 MW Wind Power Project at Mahidad.

c. **Mizuho Bank Limited:-** The Foreign currency term loan from Mizuho Bank Limited, is secured by way of first charge on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited on immovable & movable assets of 36 MW Wind Power Project at Mahidad, Gujarat and on movable fixed assets of DPTFE Plant at Plot No 12A, GIDC Estate, Village-Dahej, Taluka-Vagra, District-Bharuch, Gujarat. Further, the Lender has Assignment of Rights on pari-passu basis with The Hongkong and Shanghai Banking Corporation Limited under the Project Agreements with respect to 36 MW Wind Power Project at Mahidad.

d. **Axis Bank Limited:-** The Foreign currency term loan from Axis Bank Limited was secured by way of first charge on all movable and immovable assets of 36 MW Wind Power Project at Mahidad, Gujarat, and exclusive charge on movable fixed asset of DPTFE plant located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka -Vagra, District -Bharuch, Gujarat. Further, the lender also has a charge/lien over the Receivables, assignment of rights under the project agreements and escrow account relating to 36 MW Wind power Project at Mahidad.

e. **DBS Bank Limited:-** The Foreign Currency Term Loan from DBS Bank Limited was secured by first pari-passu charge over moveable fixed assets of the Company at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch except assets pertaining to 18 MW coal based captive power plant, DPTFE & PTPTFE plant.

f. **The Royal Bank of Scotland NV:-** The Foreign Currency Buyer's Credit from The Royal Bank of Scotland NV was secured by way of first pari-passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future, of the Company's unit located at Plot No.12-A, GIDC Estate, Village – Dahej, TalukaVagra, District Bharuch, Gujarat.

g. **HDFC Bank Limited:-** The Over Draft Facility from HDFC Bank Limited was secured by first pari-passu charge in favour of the bank by way of hypothecation over the borrower's stock and receivables, both present and future, of the Company's unit located at Plot No.12-A, GIDC Estate, Village – Dahej, Taluka Vagra, District Bharuch, Gujarat.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(b) The Terms of Repayment of Working Capital Loans are as under:

As at 31st March, 2017

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest
1.	Franklin Templeton Mutual Fund	Commercial Paper	20,945.76	Bullet Repayment on 24th August, 2017	8.25% p.a.
2.	HDFC Bank	Commercial Paper	2,495.39	Bullet Repayment on 11th April , 2017	6.80% p.a.
3.	Kotak Mahindra Bank	Buyer's Credit	3,689.78	Repayment range from 11th April ,2017 to 22nd November, 2017	Interest range from 6M LIBOR + 0.50% to 12 M LIBOR + 0.60%
4.	Yes Bank	Buyer's Credit	2,244.71	Repayment range from 14th July 2017 to 6th October, 2017	Interest range from 6M LIBOR + 0.40% to 12 M LIBOR + 0.65%
5.	ICICI Bank	Buyer's Credit	2,327.59	Repayment range from 28th April, 2017 to 24th August, 2017	Interest range from 6M LIBOR + 0.50% to 12 M LIBOR + 0.55%
6.	BNP Paribas	Packing Credit in Foreign Currency	9,788.53	Repayment range from 12th June, 2017 to 23rd September, 2017	Interest Range from 6M EURIBOR + 0.22% to 6M EURIBOR + 0.24%, 6M LIBOR + 0.15% p.a.

As at 31st March, 2016

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest
1.	HDFC Bank	Commercial Paper	2,490.01	Bullet Repayment on 18th April, 2016	8.70% p.a.
2.	Kotak Mahindra Bank	Buyer's Credit	2,572.16	Repayment range from 27th May, 2016 to 7th February, 2017	Interest range from 12M LIBOR + 0.50% to 12 M LIBOR + 1.00%
3.	Yes Bank	Buyer's Credit	5,802.19	Repayment range from 5th April, 2016 to 14th February, 2017	Interest range from 12M LIBOR + 0.58% to 12 M LIBOR + 0.95%
4.	BNP Paribas	Packing Credit in Foreign Currency	8,889.38	Repayment range from 20th June, 2016 to 26th September, 2016	Interest range from 6M EURIBOR + 0.14% to 6M EURIBOR + 0.45%, 6M LIBOR + 0.20% p.a.
5.	IDBI Bank	Packing Credit in Foreign Currency	975.41	Repayment on 10th August, 2016	6M LIBOR + 0.75% p.a.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

As at 1st April, 2015

Sr. No.	Lender's Name	Loan Type	Amount outstanding ₹ in Lakhs	Terms of Repayment	Rate of Interest
1.	HDFC Bank	Commercial Paper	4,933.19	Bullet Repayment on 29th May, 2015	8.60% p.a.
2.	HDFC Bank	Commercial Paper	5,960.30	Bullet Repayment on 30th April, 2015	8.60% p.a.
3.	ING Vysya Bank	Buyer's Credit	7,490,40	Repayment range from 29th June, 2015 to 29th December, 2015	Interest range from 12M LIBOR + 0.51% to 12 M LIBOR + 1.00%
4.	Yes Bank	Buyer's Credit	3,331.61	Repayment range from 27th August, 2015 to 23rd December, 2015	Interest range from 12M LIBOR + 0.59% to 12 M LIBOR + 1.05%
5.	BNP Paribas	Packing Credit in Foreign Currency	4,694.97	Bullet Repayment on 15th July, 2015 and 12thAugust, 2015	Interest range from 6M EURIBOR + 0.45% to 6M EURIBOR + 0.60%
6.	IDBI Bank	Packing Credit in Foreign Currency	1,901.49	Bullet Repayment on 19th August, 2015	6M LIBOR + 0.60%
7.	Citi Bank	Working Capital Loan	2,525.86	Bullet Repayment on 25th August, 2015	12M LIBOR + 2.00%
8.	BNP Paribas	Working Capital Demand Loan	4,900.00	Bullet Repayment on 17th April, 2015	9.35% p.a.

Maximum balance of commercial papers:

Maximum balance during the F.Y. 2016- 2017 was ₹ 24,100 Lakhs.

Maximum balance during the F.Y. 2015-2016 was ₹11,000 Lakhs.

Maximum balance during the F.Y. 2014- 2015 was ₹13,500 Lakhs.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

II. In respect of loans taken by Inox Renewables Limited (IRL):

(a) The Terms of repayment of Term Loans are as under:

As at 31st March, 2017

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	As at 31st March, 2016
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	23,341.90	In 20 equal half yearly installments varied between 3rd August, 2013 and 3rd February, 2023.	6 months libor + 4.14% p.a.	(a)
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	9,142.24	In 20 equal half yearly installments varied between 20th September, 2013 and 20th March, 2023.	6 months libor + 4.14% p.a.	(a)
Rupee term loan from Yes Bank Limited	11,885.50	Quarterly installments varied between 31st December, 2014 and 30th June, 2028.	12.85 % p.a.	(c)
Rupee term loan from Aditya Birla Finance Limited	3,773.50	Quarterly installments varied between 31st December, 2013 and 30th June, 2023.	12.15 % p.a.	(d)
Term loan International Finance Corporation	20,899.62	Half yearly installments varied between 14th October, 2013 and 14th April, 2027.	11.44 % p.a.	(e)

As at 31st March, 2016

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	27,859.81	In 20 equal half yearly installments varied between 3rd August, 2013 and 3rd February, 2023.	6 months libor + 4.14% p.a.	(a)
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	10,925.41	In 20 equal half yearly installments varied between 20th September, 2013 and 20th March, 2023.	6 months libor + 4.14% p.a.	(a)
Foreign currency term loan from ICICI Bank (Bahrain)	1,794.48	In 38 equal quarterly installments varied between 20th December, 2007 and 20th March, 2017.	5.86 % p.a.	(b)
Rupee term loan from Yes Bank Limited	12,482.25	Quarterly installments varied between 31st December, 2014 and 30th June, 2028.	12.10 % p.a	(c)
Rupee term loan from Aditya Birla Finance Limited	4,186.51	Quarterly installments varied between 31st December, 2013 and 30th June, 2023.	12.40 % p.a	(d)
Term loan International Finance Corporation	22,261.50	Half yearly installments varied between 14th October, 2013 and 14th April, 2027.	11.44 % p.a.	(e)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

As at 1st April, 2015 :

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	30,043.58	In 20 equal half yearly installments varied between 3rd August, 2013 and 3rd February, 2023.	6 months libor + 4.14% p.a.	(a)
Foreign currency term loan from ICICI Bank (DIFC-Dubai)	11,781.81	In 20 equal half yearly installments varied between 20th September, 2013 and 20th March, 2023.	6 months libor + 4.14% p.a.	(a)
Foreign currency term loan from ICICI Bank (Bahrain)	3,386.49	In 38 equal quarterly installments varied between 20th December, 2007 and 20th March, 2017.	5.86 % p.a.	(b)
Rupee term loan from Yes Bank Limited	13,200.00	Quarterly installments varied between 31st December, 2014 and 30th June, 2028.	12.35 % p.a	(c)
Rupee term loan from Aditya Birla Finance Limited	4,549.51	Quarterly installments varied between 31st December, 2013 and 30th June, 2023.	12.40 % p.a	(d)
Term loan International Finance Corporation	23,518.62	Half yearly installments varied between 14th October, 2013 and 14th April, 2027.	11.44 % p.a.	(e)

(b) Summary of borrowing arrangements:

a) Foreign currency term loan from ICICI bank (DIFC-Dubai) in 2 tranches:

Both the tranches are secured by way of:

a) Exclusive charge over all the borrowers' immovable assets, all present and future movable fixed assets identified under the project assets of Ossiya-1 i.e 19.5 megawatt.

b) Exclusive charge over the escrow account to be opened with ICICI Bank Limited, India (Escrow Bank) for project Dangri and Ossiya-1.

c) Exclusive charge on all project documents, rights, titles, permits, approvals in respect of all the assets of the project including power purchase agreement and wheeling agreements and all project documents including all insurance policies relating to project, project book debts, operating cash flows, revenue of whatsoever nature including "Certified Emission Reduction" (CER) receivables.

d) First pari passu with ICICI Bank, Bahrain over immovable assets and all present and future movable fixed assets identified at project of Gude Panchgani 23.1 megawatt.

e) First pari-passu charge over the escrow account with respect to Gude Panchagani 23.1 megawatt.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

b) Foreign currency term loan from ICICI bank (Bahrain):

This loan is secured by way of:

a) First mortgage/charge/security interest on all of the IRL's present and future assets pertaining to the Gude Panchagani 23.1 megawatt project including all movable properties.

b) ICICI bank have a charge/lien over the escrow account, where the cash flows out of the project (sale proceeds from the power sold to Maharashtra State Electricity Board) are to be deposited by IRL.

c) Rupee term loan from Yes Bank Limited (Mumbai)

This loan is secured by way of:

a) First charge on all the present and future tangible/intangible movables assets, current assets including receivables, others reserves and bank accounts pertaining to project.

b) First charge on all the present and future immovable assets both freehold and leasehold pertaining to the project.

c) First charge on all the rights, title, interest, benefits, claims and demands whatsoever of IRL in project agreements, clearances etc. pertaining to the project.

d) Rupee term loan from Aditya Birla Finance Limited

This loan is secured by way of:

a) First charge on all the present and future tangible/intangible movable assets, current assets including receivables pertaining to 22.5 MW Rajasthan project (Sadiya & Ossiya II).

b) First charge on all the present and future immovable assets both freehold and leasehold pertaining to the 22.5 MW Rajasthan project (Sadiya and Ossiya II).

c) First charge on all the projects bank accounts including but not limited to escrow account and any other reserves and other bank accounts of the borrower pertaining to the 22.5 MW Rajasthan project (Sadiya and Ossiya II).

e) Term loan from International Finance Corporation

Term loan from International Finance Corporation is secured by hypothecation of all movable and immovable fixed assets including cash flow and receivables of project assets of its Dangri (64MW) wind farm.

(c) The Terms of repayment of Working Capital Loans are as under:

(₹ in Lakhs)

Particulars	Amount outstanding as at 31st March, 2017 ₹ in Lakhs	Amount outstanding as at 31st March, 2016 ₹ in Lakhs	Amount outstanding 1st April, 2015 ₹ in Lakhs	Terms of repayment	Rate of interest
Rupee term loan from IndusInd Bank Limited	10,000.00	10,000.00	-	Repayable by a way of bullet repayment at the end of six months from the date of rollover i.e. 31st March, 2017	9.00% p.a.(As at 31st March, 2016 10.60%)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

III. **In respect of loans taken by Inox Wind Limited (IWL):**

(a) The Terms of repayment of Term Loans are as under :

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Foreign currency term loan from Bank is secured by first pari-passu charge by way of hypothecation on the entire fixed assets of Plant at Relwa Khurd Industrial Area and carries interest @ 10.25% p.a and is repayable in 18 quarterly installments starting from 30th October, 2015.	4,205.18	5,736.14	3,040.85
Foreign currency term loan from Bank is secured by first pari-passu charge by hypothecation on the entire fixed assets of Plant at Relwa Khurd Industrial Area and carries interest @10.50% p.a and repayable in 12 quarterly installments starting from 10th February, 2017	5,803.05	-	-
Rupee term loan from Bank is secured by First exclusive charge on existing & future movable & immovable fixed assets of Una and Rohika Plants, carries interest @ 11.30% p.a. and is repayable in 20 quarterly installments starting from 30th September, 2014.	1,125.00	1,500.00	-
Term loan was secured by first and exclusive charge on existing & future movable & immovable fixed assets of Una and Rohika Plants, carried interest @ 11.85% p.a. and was repayable in 20 quarterly installments starting from 1st February, 2013.	-	-	7,625.00
Rupee term loan from Bank is secured by extention of first exclusive charges on immovable fixed assets of the Company at Una, Himachal Pradesh & Bavla (Rohika), Gujarat excluding charge on land bearing survey no. 129/13 at Bavla and first exclusive charge on existing and future movable fixed assets of the IWL at Bavla, Gujarat and First pari passu charges on movable fixed assets of IWL at Una, Himachal Pradesh (along with existing charge of District Industries Centre, Himachal Pradesh of INR 3.0 million), carries intrerest @ 9.10% p.a. and is repayable in 20 quarterly installments starting from 30th June, 2017.	2,000.00	-	-
Rupee term loan is secured by first pari-passu charge on the current assets, receivables, moveable fixed assets of Inox Wind Infrastructure Services Limited and carries interest @ 12.75% p.a. The loan is repayable in five years starting from December 2015, with annual repayment of 12%, 20%, 32% and 36% respectively for each year, with quarterly rests.	-	94.00	100.00
Vehicle term loan from others is secured by hypothecation of the said vehicle and carries interest @ 11.28% p.a. The loan is repayable in 36 monthly installments starting from 3rd March, 2017.	102.85	-	-
Vehicle term loan from others is secured by hypthecation of the said vehicle and carries interest @ 12.00% p.a. The loan is repayable in 36 monthly installments starting from 23rd September, 2015.	85.50	103.37	-

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(b) The Terms of repayment and securities of Current borrowings are as under :

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Foreign currency term loan is secured by first pari -passu charge on current and movable fixed assets of IWL and carries interest rate @ 8.00% p.a.	1,429.50	1,500.74	-
Buyer's credit facilities are secured by first pari-passu charge on the current assets of IWL and carry interest rate of applicable LIBOR plus bank's spread which is generally in the range of 0.25% to 1%.	60,607.79	99,911.64	48,142.12
Working capital demand loan from bank is secured by first pari-passu charge on the current assets of IWL and carries interest in the range of 8.50% - 9.00% p.a.	8,100.00	2,000.00	6,000.00
Cash credit facilities are secured by first pari-passu charge on the current assets of IWL and carries interest rate in the range of 9.25%-12.85% p.a.	32,202.77	5,156.37	12,116.78
Other Loan - (Invoice Purchase Finance) is secured by first pari-passu charge on the current assets of IWL and carries interest rate of 8.75% p.a.	1,680.82	-	-
Working capital demand loan from a financial institution was secured by first pari passu charge on current assets of IWL and carried interest @ 12.25% p.a. The loan was repayable on demand.	-	-	5,000.00
Working capital demand loans from bank is unsecured, taken for 181 days and carries interest @ 8.50% p.a.	1,500.00	-	-
Commercial papers are unsecured and are net of unamortized interest of ₹ 357.89 Lakh (31st March, 2016: ₹ 321.66 Lakhs, 1st April, 2015: ₹ 78.65 Lakhs) and carry interest in the range of 8.50% to 9.15% p.a. and are repayable in 64 to 90 days. Maximum balance during the year ₹ 54,039.32 Lakhs (₹ 39,295.32 Lakhs as on 31st March, 2016 and ₹ 4,921.35 Lakhs as on 1st April, 2015).	28,642.11	29,678.34	4,921.35

(c) Debentures:

1950 non-convertible redeemable debentures of ₹ 10 Lakhs each fully paid up, are issued at par, and carry interest @ 8.33% p.a. payable semi-annually. The maturity pattern of the debentures is as under:

(₹ in Lakhs)

Month	Principal
Aug-17	4,875.00
Feb-18	4,875.00
Aug-18	4,875.00
Feb-19	4,875.00
	19,500.00

The above debentures are secured by sole and exclusive charge by way of hypothecation of fixed assets and certain immovable assets of Inox Wind Infrastructure Services Limited.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

IV. In respect of loans taken by Inox Leisure Limited (ILL):

(i) The terms of repayment of term loans from banks are as under:

As at 31st March, 2017

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Axis Bank (Term Loan II)	1,444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1st October, 2014	9.55%	(a)
HDFC Bank Ltd	4,001.01	The loan is repayable in 16 equal quarterly instalments of ₹ 250 Lakhs beginning from 4th June, 2017.	9.30%	(b)
The Hongkong and Shanghai Banking Corporation Limited (Term Loan I)	5,001.91	The loan is repayable in 16 equal quarterly instalments of ₹ 312.50 Lakhs beginning from 7th February, 2018.	8.75%	(c)
The Hongkong and Shanghai Banking Corporation Limited (Term Loan II)	3,000.00	The loan is repayable in 16 equal quarterly instalments of ₹ 187.50 Lakhs beginning from 29th March, 2018.	8.75%	(c)
The Hongkong and Shanghai Banking Corporation Limited (Term Loan III)	2,000.48	The loan is repayable in 16 equal quarterly instalments of ₹ 125 lakhs beginning from 26th June, 2018.	8.60%	(c)

As at 31st March, 2016

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Axis Bank (Term Loan I)	1,498.56	Repayable in 16 equal quarterly instalments of ₹ 374.64 Lakh each beginning from 30th June, 2013	9.70%	(a)
Axis Bank (Term Loan II)	2,444.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1st October, 2014	9.70%	(a)
HDFC	4,000.00	The loan is repayable in 16 equal quarterly instalments beginning from 30th June, 2017.	9.30%	(b)

As at 1st April, 2015

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Axis Bank (Term Loan I)	2,997.11	Repayable in 16 equal quarterly instalments of ₹ 374.64 Lakh each beginning from 30th June, 2013	11.40%	(a)
Axis Bank (Term Loan II)	100.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1st October, 2014	11.40%	(a)
Axis Bank (Term Loan III)	3,303.00	Repayable in 16 equal quarterly instalments of ₹ 250.00 Lakh each beginning from 1st October, 2014	11.40%	(a)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

The weighted average effective interest rate on these loans is 8.93% per annum (as at 31st March, 2016: 9.50% per annum). Securities and terms of repayment are as under:

(ii) The Terms of repayment of Working Capital as under :

As at 31st March, 2016

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Axis bank-Over draft facility	2,512.65	Repayable on demand	10.60%	(d)

As at 1st April, 2015

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest	Security Note
Axis bank-Over draft facility	1,410.06	Repayable on demand	10.60%	(d)
Inter-corporate deposits	59.85	Refer Note (e)		

(iii) Securities provided for secured loans

a. Axis Bank Ltd

Term loans from Axis Bank are secured by mortgage of immovable property situated at Vadodara and Anand and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/ property financed by the said term loans and escrow of entire cash flows relating to such multiplexes

b. HDFC Bank Ltd

Term loan from HDFC Bank is secured by mortgage of immovable property situated at Mumbai and first exclusive charge on all movable fixed assets of the new multiplexes/property financed by the said term loan.

c. The Hongkong and Shanghai Banking Corporation Limited

Term loans from The Hongkong and Shanghai Banking Corporation Limited are secured by paripasu charge on mortgage of immovable property situated at Vadodara and first exclusive charge on all movable fixed assets and current assets of the new multiplexes/property financed by the said term loans.

d. Axis Bank –Over draft facility

Bank overdraft from Axis Bank is secured against first charge on the entire current assets of ILL, both present and future; and extension of first charge by way of mortgage of property at Vadodara and Anand, Gujarat

e. Inter-corporate deposits

Inter-corporate deposits were repayable on demand and carried interest @ 12%

(iv) Commercial Papers

During the year ended 31st March, 2016, the ILL had raised short term funds by issue of Commercial Papers (CP). Discount on CP varied between 7.55% to 8.05% and maximum balance outstanding during the year was ₹ 3,000.00 lakhs (1st April, 2015 ₹ 32,000.00 lakhs).

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(v). In respect of loans taken by GFL GM Fluorspar:

(i) The terms of repayment of term loan from bank is as under:

As at 31st March, 2017

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest
Exim Bank	6,156.63	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2017.	6 Month Libor Plus 4% per annum

As at 31st March, 2016

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest
Exim Bank	3787.62	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2016.	6 Month Libor Plus 4% per annum

As at 1st April, 2015

Particulars	Amount outstanding ₹ in Lakhs	Terms of repayment	Rate of interest
Exim Bank	1,062.50	The ECB is repayable in 10 structured half yearly instalments commencing from 8th September, 2016.	6 Month Libor Plus 4% per annum

Note:

Foreign currency term loan is secured by way of exclusive charge on movable fixed assets of the proposed project up to value of USD 9.495 million, book debts, operating cash flows, receivables, commission, present & future revenues and unconditional irrevocable Corporate Guarantee of Gujarat Fluorochemicals Limited, India.

48. Contingent liabilities :-

(a) Claims against the Group not acknowledged as debts ₹11,833.38 Lakhs (as at 31st March 2016: ₹ 8,968.10 Lakhs, as at 1st April,2015 : ₹ 8,679.95 Lakhs). This includes

i. In respect of Inox Leisure Limited(ILL):

a) ILL had issued termination notice for one of its proposed multiplexes seeking refund of security deposit and reimbursement of the cost of fit-outs incurred by ILL, aggregating to ₹ 932.44 Lakh. The party has made a counter claim towards rent for lock in period and other costs which is included in the amount above. At present the matter is pending before the Arbitrator and hence the amount of ₹ 932.44 Lakh is carried forward as amount recoverable towards claim in 'Other financial assets'.

b) In the arbitration proceedings in respect of termination notice of MOU for another proposed multiplex, the arbitrator has awarded the matter against ILL and directed ILL to pay ₹ 116.36 Lakh towards rent for the lock in period, which is included in the amount above. Further, the arbitrator has also directed ILL to pay the amount of difference between the rent payable by ILL as per the MOU and the amount of actual rent received by the other party from their new tenant. The differential amount is presently not determinable. ILL has challenged the arbitration award before the Hon'ble High Court of judicature at Delhi and the same is pending.

c) Other claims Nil (as at 31st March, 2016 ₹ 298.46 Lakhs , as at 1st April 2015: ₹175.90 Lakhs) are by owners of the multiplex premises which are under negotiations with the respective parties

ii. **In respect of Inox Renewables Limited**

Claim of ₹ 870.00 Lakhs (as at 31st March, 2016: ₹ 870.00 Lakhs, as at 1st April, 2015 : ₹ 870.00 Lakhs) due to litigation with one of the state electricity distribution board.

iii. **In respect of Inox Wind Limited**

a) Claims made by contractors - ₹ 3,828.16 Lakhs (as at 31st March, 2016: ₹ 667. 88 Lakhs, as at 1st April, 2015 : ₹ 502.29 Lakhs).

Some of the suppliers have raised claims including interest on account of non-payment in terms of the respective contracts. IWL has contended that the suppliers have not adhered to some of the contract terms. At present the matters are pending before the jurisdictional authorities or are under negotiations

b) In respect of claims made by three customers for non-commissioning of WTGs, the amount is not ascertainable.

(b) In respect of Income tax Matters ₹ 28,134.31 Lakhs (as at 31st March, 2016: ₹ 9,776.03 Lakhs, as at 1st April, 2015: ₹ 8,365.14 Lakhs). This includes

i. In respect of Gujarat Fluorochemicals Limited

The Company has received CIT (A) orders for A.Y. 2008-09 to A.Y. 2011-12 wherein the CIT (A) has confirmed the action of the Assessing Officer in respect of:

i. treatment of Investment activity of the Company in respect of investment in shares as a business activity, and

ii. re- computation of the amount of deduction u/s 80IA by applying the regulatory prices in respect of power generated at its captive power units.

iii. Disallowance u/s 14A in respect of exempt income
The Company has not accepted the orders of the CIT(A) and has preferred appeal before ITAT, Ahmedabad. The said issues were decided in favour of the Company by CIT(A) in earlier years. Consequently, the amount of demands in respect of the above are included in the amount of contingent liabilities including for subsequent years where assessment orders are received. Amount of ₹ 8,359.20 Lakhs (as at 31st March,2016 : ₹ 8,093.33 Lakhs, as at 1st April,2015 : ₹8,093.33 Lakhs) has been paid in respect of above income tax demands and not charged to the Statement of Profit and Loss.

iv. For the A.Y.2012-13, Assessing Officer has made protective disallowance in respect of slump sale transaction and treated the same as income from short term capital gain as per direction given by Dispute Resolution Panel, Mumbai. The total demand as per assessment order is ₹19,068.69 lakhs (as at 31st March,2016 : Nil, as at 1st April,2015 : Nil).

The Company has not accepted the orders of the Assessing Officer and has preferred appeal before ITAT, Ahmedabad.

ii. In respect of Inox Leisure Limited(ILL):

Assessment dues for assessment year 2013-14 of ₹ 216.16 Lakhs (as at 31 March, 2016: ₹ 216.16 Lakhs, as at 1st April, 2015: Nil). Reassessment dues for A.Y. 2011-12 ₹ 183.19 Lakhs (as at 31st March,2016 : Nil, as at 1st April,2015: Nil)and penalty levied for assessment year 2011-12 ₹ 200 Lakhs (as at 31st March,2016 : Nil, as at 1st April,2015: Nil), which is being contested by ILL before appellate authorities.

iii. In respect of Inox Wind Limited(IWL):

Income tax matters - ₹ 95.02 lakhs (31st March, 2016: Nil, 1st April, 2015: Nil)

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During the year, IWL has received income tax order for financial year 2012-2013, levying demand of ₹ 95.02 Lakhs on account of mismatch of Tax deducted at source (TDS). IWL has filed appeals before the first appellate authority.

iv. In respect of Inox Renewables Limited

Income tax Demands of ₹ 310.83 Lakh (as at 31st March, 2016: ₹ 1441.46 Lakhs, as at 1st April, 2015: ₹ 246.73 Lakhs) for assessment year 2012-13 , 2013-14 & 2014-15 which is being contested and appeals have been filed under the applicable laws.

(c) In respect of excise duty & service tax matters - ₹ 24,245.57 Lakhs (31st March, 2016: ₹ 21,327.28 Lakhs, as at 1st April, 2015: ₹ 10,404.41 Lakhs). This includes:

i. In respect of Gujarat Fluorochemicals Limited.

a. Amount of ₹ 17.94 Lakhs (as at 31st March, 2016: ₹ 573.68 Lakhs, as at 1st April, 2015: 410.83 Lakhs) for which the Company has received various show cause notices regarding levy of service tax on certain items. The Company has filed the replies or is in the process of filing replies.

b. Amount of ₹ 414.22 Lakhs (as at 31st March, 2016 : Nil, as at 1st April, 2015 : Nil) in respect of Service tax demand on account of non-payment of Service tax in respect of Import of services relating to supply of intangible services and Storage Warehousing services.

c. Amount of ₹ 2,251.52 Lakhs (as at 31st March, 2016 : ₹ 2,357.02 Lakhs, as at 1st April, 2015 : ₹ 2,189.12 Lakhs) for which the Company has received various show cause notices regarding service tax input credit on certain items and inter-unit transfers. The Company has filed the replies or is in the process of filing replies.

d. Amount of ₹462.58 Lakhs (as at 31st March, 2016 : ₹ 155.19 Lakhs, as at 1st April, 2015 : Nil) is respect of demand on account of cenvat credit availed on certain items, levy of excise duty on freight recovered from customers and cenvat credit availed on equipment and components supplied by third party. The Company has filed appeal before Commissioner of Central Excise and Service tax.

e. Amount of ₹ 927.32 Lakhs (as at 31st March, 2016 ₹ 849.18 Lakhs, as at 1st April, 2015 : ₹ 627.53 Lakhs) in respect of demand on account of cenvat credit availed on certain items and levy of excise duty on freight recovered from customers. The Company has filed appeal before CESTAT.

f. In respect of above Service tax, Excise and Customs matters, the Company has paid an amount of ₹ 32.09 Lakhs (as at 31st March, 2016 : ₹ 14.64 Lakhs, as at 1st April, 2015 : Nil) and not charged to Statement of Profit and Loss.

ii. In respect of Inox Leisure Limited (ILL):

a) Amount of ₹ 16,641.03 Lakhs (as at 31st March, 2016 : ₹ 15,027.63 Lakhs, as at 1st April, 2015 : ₹ 5,577.97 Lakhs) is in respect of levy of service tax on film distributors' share paid by ILL and the matter is being contested by way of appeal / representation before the appropriate authorities.

b) Amount of ₹ 2,360.45 Lakhs (as at 31st March, 2016 : ₹ 2,360.45 Lakhs, as at 1st April, 2015 : ₹1,502.00 Lakhs) for which ILL has received a show cause notice regarding levy of service tax on sale of food and beverages in multiplex premises and ILL has filed replies to these show cause notices.

c) In respect of service tax on payment of architect fee to foreign architects by ILL and receipt of pouring and signing fee as at 31st March, 2017 : Nil (as at 31st March, 2016 : Nil , as at 1st April, 2015: ₹ 90.12 Lakhs)

iii. In respect of Inox Wind Limited (IWL):

a) IWL has received orders for the period September 2011 to March 2016, in respect of Service Tax, levying demand of ₹ 1,401.63 lakhs on account of disallowance of exemption of Research & Development cess from payment of service tax. IWL has filed appeals before the first appellate authority. IWL has estimated the amount of demand which may be ultimately sustained at ₹ 32.19 lakhs and provision for the same is made during the year.

(d) In respect of Custom duty matter – ₹ 1,174.85 Lakhs (as at 31st March, 2016 : ₹ 1,091.89 Lakhs, as at 1st April, 2015 : ₹ 977.93 Lakhs).

i. In respect of Gujarat Fluorochemicals Limited:

The Company has received demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeal before CESTAT and the matters are pending. Amount of ₹ 83.00 Lakhs (previous year ₹ 83.00 Lakhs) has been paid in respect of above Custom duty demand and not charged to the Statement of Profit and Loss.

The Company has received demands on account of differential custom duty on imported material on high seas basis. The Company has filed appeal before CESTAT and the matters are pending.

ii. In respect of Inox Leisure Limited (ILL):

ILL has received a notice in respect of custom duty of ₹ 4.36 Lakhs (as at 31st March, 2016 ₹ 4.36 Lakhs, as at 1st April, 2015 : ₹ 4.36 Lakhs) payable on import of cinematographic films. The amount of duty is not quantified by the authorities and ILL has filed an appeal before the Appellate Tribunal and the same is pending hearing.

(e) In respect of Sales tax matters ₹ 458.73 Lakhs (as at 31st March, 2016 : ₹ 388.29 Lakhs, as at 1st April, 2015 : ₹320.96 Lakhs).This includes:

i. In respect of Gujarat Fluorochemicals Limited

Company has received VAT & CST assessment order levying VAT demand of ₹ 62.88 Lakhs & CST demand of ₹ 49.58 Lakhs for the F.Y.2011-12 & 2012-13 respectively. Company has not accepted the Order and has filed appeal to Joint Commissioner of Commercial tax for F.Y.2011-12 and is in process of filing appeal with Joint Commissioner of Commercial tax for F.Y.2012-13.

ii. In respect of Inox Leisure Limite**d**

Demand of ₹ 237.06 Lakhs (as at 31st March, 2016 : ₹ 237.06 Lakhs, as at 1st April, 2015 : ₹237.06 Lakhs) pursuant to reassessment order for the year 2008-09. ILL has filed an appeal and stay is granted on payment of ₹ 2.00 Lakhs.

iii. In respect of Inox Wind Limited (IWL)

IWL had received orders for the financial years ended 31st March, 2013 and 31st March, 2014, In respect of Himachal Pradesh VAT, levying penalty of ₹ 112.87 lakhs for delayed payment of VAT. IWL had filed appeals before the first appellate authority. During the year ended 31st March, 2015, IWL had received appellate order for the year ended 31st March, 2014 confirming the levy of penalty and the Company has filed further appeal against the said order. However, IWL has estimated the amount of penalty which may be ultimately sustained at ₹ 53.78 lakhs and provision for the same was made during the year ended 31st March, 2015. After adjusting the amount of ₹ 23.35 lakhs paid against the demands, the balance amount of ₹ 30.43 lakhs is carried forward as “Disputed sales tax liabilities (net of payments)” in Note no.26

Notes to the Consolidated Financial Statements
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(f) In respect of property tax matters ₹ 569.73 Lakhs (as at 31st March, 2016 : ₹ 605.08 Lakhs, as at 1st April, 2015 : ₹ 569.72 Lakhs).This represents:

i. In respect of Inox Leisure Limited (ILL)

The quantum of property tax levied in case of one multiplex is disputed and the matter is pending before Court of Small Causes and Hon'ble High Court of judicature at Bombay. Estimated provision for the same is made by ILL.

(g) In respect of Entertainment tax demands ₹ 3,180.85 Lakhs (as at 31st March, 2016 : ₹ 2,937.69 Lakhs, as at 1st April, 2015 : ₹ 2,448.10 Lakhs). This includes:

i. In respect of Inox Leisure Limited

a) Demand of ₹ 2,385.46 Lakhs (as at 31st March, 2016 : ₹ 2199.71 Lakhs, as at 1st April, 2015 : ₹ 1,941.22 Lakhs) in respect of some multiplexes pertaining to exemption period and the same is contested by way of appeal before appropriate authorities.

b) Demand of ₹ 693.07 Lakhs (as at 31st March, 2016 : ₹ 602.37 Lakhs, as at 1st April, 2015: ₹477.34 Lakhs) in respect of one multiplex where the eligibility for exemption from payment of entertainment tax is rejected and the same is contested by way of appeal before appropriate authorities.

c) Other demands of ₹102.32 Lakhs (as at 31st March, 2016 : ₹135.61 Lakhs, as at 1st April, 2015 : ₹ 29.54 Lakhs) are mainly in respect of levy of entertainment tax on service charges and convenience fee collected.

(h) In respect of stamp duty matters ₹ 263.81 Lakhs (as at 31st March, 2016 : ₹ 263.81 Lakhs, as at 1st April, 2015 : ₹263.81 Lakhs)

i. In respect of Inox Leisure Limited

Authority has raised the demand for non-payment of stamp duty on Leave & License Agreement in respect of one of the multiplexes holding the same as lease transaction. Stay has been granted and the matter is pending before the Board of Revenue.

(i) Other matters:

i) Inox Leisure Limited may be required to charge additional cost of ₹ 389.83 Lakhs (as at 31st March, 2016 : ₹ 389.83 Lakhs, as at 1st April, 2015 : ₹ 389.83 Lakhs) towards electricity from 1st June, 2007 to 31st March, 2010 pursuant to the increase in the tariff in case the appeal made with Maharashtra Electricity Regulatory Commission 'MERC' by ILL through the Multiplex Association of India is rejected and the case filed in the Supreme Court by one of the electricity supplier against the order of the Appellate Tribunal for Electricity, dated 19th January, 2009, for change in category, in favour of the appeal made by the Multiplex Association of India is passed in favour of the electricity supplier. ILL has paid the whole amount to the respective authorities under protest (which is included in Note 14: 'Other non-current assets').

ii) Claims in respect of labour matters amount is not ascertainable.

In respect of above matters, no additional provision is considered necessary as the Group expects favourable outcome. Further, it is not possible for the Group to estimate the timing and amounts of further cash outflows, if any, in respect of these matters.

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49. Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, is ₹ 27,145.25 Lakhs (as at 31st March, 2016 : ₹ 33,461.99 Lakhs, as at 1st April, 2015 : ₹36,537.37 Lakhs).

(b) Amount of customs duty exemption availed by the Inox Wind Limited ('IWL') under EPCG Scheme for which export obligations are required to be fulfilled within stipulated period - ₹. 2,983.84 Lakhs (31st March, 2016 ₹ 1,997.83 Lakhs, as at 1st April, 2015 : ₹ 1997.83 Lakhs).

(c) Commitments for the operating multiplexes for minimum period of operations in terms of respective State Government policies equivalent to the exemption availed from commencement till reporting date as at 31st March, 2017 : ₹ 11,842.08 Lakhs (as at 31st March, 2016 : ₹ 14,292.47 Lakhs, as at 1st April, 2015: ₹11,589.77 Lakhs).

The above amount includes amount of entertainment tax disputes pertaining to exemption period reported under Note 48 as at 31st March, 2017 : ₹ 1,195.85 Lakhs (as at 31st March, 2016 : ₹ 1,112.67 Lakhs, as at 1st April, 2015: ₹1,012.64 Lakhs).

(d) Capital commitment towards partly paid shares – ₹ 16,800.00 Lakhs (31st March, 2016 ₹ 16,800.00 Lakhs, as at 1st April, 2015 : ₹ 16,800.00 Lakhs)

50 Segment information

50.1 As per Ind AS 108 'Operating Segments' the Group has following business segments:

a) Chemicals - Comprising of Refrigerant gases, Anhydrous Hydrochloric acid, Caustic, Chlorine, Chloromethane, PTFE and Speciality Chemicals.

b) Wind Energy Business – Comprising of manufacture and sale of Wind Turbine Generators (WTGs), providing related Erection, Procurement & Commissioning (EPC), Common Infrastructure Facilities,development of wind farms and Operation & Maintenance (O&M) services.

c) Power - Comprising of Power Generation.

d) Theatrical Exhibition – Comprising of operating and managing multiplex cinema theatres.

The amount of expenditure capitalized in the Consolidated Financial Results represents cost of WTGs manufactured and services for their erection and commissioning provided by Wind Energy Business segment and capitalized as fixed assets in Power segment.

50.2 Inter-segment revenue comprises of:

a) Wind Turbine Generators manufactured by Wind Energy business segment (including Erection and Commissioning services), capitalized as fixed assets in other segments and is priced at estimated market value.

b) Operations & Maintenance services provided by Wind Energy business segment to other segments and is priced at estimated market value.

50.3 Chemicals business is operated in two geographical markets viz. domestic and overseas markets. The main manufacturing facilities of chemicals business in India are common for India and overseas market and hence it is not possible to directly attribute or allocate on a reasonable basis the expenses, assets and liabilities to these geographical segments. In respect of power segment, the entire production is indigenously sold. All multiplexes/ theatres are located in India. The entire revenue of WTG segment is from domestic market. The disclosures regarding geographical segments are made accordingly.

Notes to the Consolidated Financial Statements
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50.4 Information about Primary (Business) Segments.

(₹ in Lakhs)

Sr.No.	Particulars	2016-2017	2015-2016
1.	**Segment Revenue**		
	i. Chemicals	1,56,951.61	1,47,873.68
	ii. Wind Energy Business	3,40,976.49	4,52,120.42
	iii. Power	22,144.32	16,552.29
	iv. Theatrical Exhibition	1,22,066.23	1,16,052.42
	Total Segment Revenue	**6,42,138.65**	**7,32,598.81**
	Less : Inter Segment Revenue		
	Wind Energy Business	2,843.71	21,540.76
	Total External Revenue	**6,39,294.94**	**7,11,058.05**
2.	**Segment Result**		
	i. Chemicals	16,242.57	13,020.51
	ii. Wind Energy Business	49,226.90	68,648.81
	iii. Power	9,669.84	6,752.62
	iv. Theatrical Exhibition	6,142.38	10,938.50
	Total Segment Result	**81,281.69**	**99,360.44**
	Add/(Less): Un-allocable Income/(Expenses) (Net)	10,840.38	8,133.18
	Less: Finance cost	27,898.96	21,767.75
	Total Profit before tax and exceptional items	**64,223.11**	**85,725.87**
3.	**Other information**		
I	**Segment Assets**		
	i. Chemicals	2,94,765.46	2,89,615.95
	ii. Wind Energy Business	4,54,998.12	3,93,696.56
	iii. Power	1,23,249.26	1,60,390.73
	iv. Theatrical Exhibition	1,07,827.76	1,03,010.63
	v. Others,Un-allocable and Corporate	1,17,063.57	1,13,247.82
	Total Segment Assets	**10,97,904.17**	**10,59,961.69**
II	**Segment Liabilities**		
	i. Chemicals	20,539.46	20,795.83
	ii. Wind Energy Business	1,24,561.70	1,41,510.24
	iii. Power	904.76	1,743.59
	iv. Theatrical Exhibition	27,374.68	25,708.73
	v. Others,Un-allocable and Corporate	3,64,551.60	3,29,252.96
	Total Segment Liabilities	**5,37,932.20**	**5,19,011.35**
III	**Segment Capital Employed**		
	i. Chemicals	2,74,226.00	2,68,820.12
	ii. Wind Energy Business	3,30,436.42	2,52,186.32
	iii. Power	1,22,344.50	1,58,647.14
	iv. Theatrical Exhibition	80,453.08	77,301.90
	v. Others,Un-allocable and Corporate	(2,47,488.03)	(2,16,005.14)
	Total Segment Capital Employed	**5,59,971.97**	**5,40,950.34**

Notes to the Consolidated Financial Statements
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(₹ in Lakhs)

Sr.No.	Particulars	2016-2017	2015-2016
IV	**Capital Expenditure (Including Capital Advances)**		
	i. Chemicals	21,188.63	14,219.22
	ii. Wind Energy Business	28,989.99	40,380.62
	iii. Power	312.23	17,561.56
	iv. Theatrical Exhibition	15,316.36	12,289.52
	v. Others,Un-allocable and Corporate	-	-
	Total Capital Expenditure (Including Capital Advances)	**65,807.21**	**84,450.92**
V	**Depreciation & Amortization**		
	i. Chemicals	14,917.44	14,411.33
	ii. Wind Energy Business	4,648.51	3,876.56
	iii. Power	6,893.76	6,268.79
	iv. Theatrical Exhibition	8,407.03	7,892.70
	v. Others,Un-allocable and Corporate	3.38	3.38
	Total Depreciation & Amortization	**34,870.12**	**32,452.76**
VI	**Non-cash expenses (other than depreciation)**		
	i. Chemicals	16.63	414.75
	ii. Wind Energy Business	1,084.32	547.02
	iii. Power	2,277.23	471.56
	iv. Theatrical Exhibition	318.00	450.48
	v. Others,Un-allocable and Corporate	-	-
	Total Non-cash expenses (other than depreciation)	**3,696.18**	**1,883.81**
VII	**Impairment losses**		
	i. Theatrical Exhibition	88.46	-
	ii. Power	2,402.88	-
	Total Impairment losses	**2,491.34**	-
VIII	**Assets classified as held for sale**		
	i. Power	1,02,419.12	-
	Total assets classified as held for sale	**1,02,419.12**	-

Notes to the Consolidated Financial Statements
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50.5 Revenue from major products and services

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
(a) Sale of products		
Refrigerant Gases	25,329.12	27,439.96
Caustic Soda (Caustic Soda Lye & Flakes)	38,104.36	33,662.11
Chloromethane (Methylene Chloride, Chloroform, and Carbon Tetrachloride)	26,286.44	27,750.02
Poly Tetrafluoroethylene (PTFE)	56,474.99	48,068.66
Wind turbine generators and components	2,69,760.48	3,72,944.23
Food & beverages	28,406.54	26,563.14
Wind Energy	19,112.99	15,304.21
Other products	11,880.20	10,675.15
	4,75,355.12	**5,62,407.48**
(b) Sale of services		
Revenue from box office	74,809.42	71,278.28
Erection, procurement & commissioning services	56,181.88	48,678.46
Operation & maintenance services	9,883.24	5,134.24
Common infrastructure facility services	1,082.53	1,439.36
Wind farm development services	534.35	1,597.05
Conducting fee income	1,766.93	1,982.51
Revenue from advertising income	9,619.74	9,101.32
Others	368.59	383.70
	1,54,246.68	**1,39,594.92**
(c) Other operating revenue	**9,693.14**	**9,055.65**
Total	**6,39,294.94**	**7,11,058.05**

50.6 Geographical Information

The Group's revenue from external customer by location of operations are detailed below

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
India	5,79,550.89	6,58,491.22
European Union	22,903.48	20,610.58
USA	11,210.96	9,514.92
Rest of world	25,629.61	22,441.33
Total	**6,39,294.94**	**7,11,058.05**

50.7 Information about major customers

There are no single external customers contributed more than 10% to the Group's revenue for both FY 2016-2017 and FY 2015-2016

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51 Earnings Per Share

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Profit for the year (₹ In lakhs)	21,450.95	60,933.09
Equity shares outstanding at the beginning & at the end of the year – (Nos.)	109850000	109850000
Nominal value of each share – (in ₹)	1.00	1.00
Basic and Diluted Earnings per share (in ₹)	**19.53**	**55.47**

52. Leasing arrangements

As a Lessee

a) Leasing arrangements for multiplexes

ILL is operating some of the multiplexes under operating lease/ business conducting arrangement. These arrangements are for an initial period of 9-25 years with a minimum lock-in period of 3-10 years and the agreements provide for escalation after pre-determined periods. The Group does not have an option to purchase the leased premises at the expiry of the lease periods.

Lease payments recognised as expenses in the Statement of Profit and Loss is ₹ 18,041.74 Lakhs (F.Y. 2015-16 ₹ 15,764.21 Lakhs) in respect of such lease arrangements.

Non-cancellable operating lease commitments

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Not later than 1 year	18,036.75	16,270.85	13,299.98
Later than 1 year and not later than 5 years	72,923.31	65,226.90	46,059.49
Later than 5 years	1,69,971.72	1,62,020.47	1,15,983.71
Total	**2,60,931.78**	**2,43,518.22**	**1,75,343.18**

b) In respect of other assets taken on Operating Lease

The Plants taken on operating lease are for an initial non-cancellable period of 10 years which can be further extended at the mutual option of both the parties. The future minimum lease payments under these lease arrangements are as under:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Payments recognised as expense	76.31	80.28

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Cancellable Operating Lease commitments			
not later than one year	64.40	71.46	80.28
later than one year and not later than five years	234.02	180.00	206.46
later than five years	-	26.25	71.25

Notes to the Consolidated Financial Statements
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c) **Interest in land taken on lease and classified as operating lease:**

The leasehold land are generally taken for the period of 20 to 99 years. The entire lease premium is already paid and future rentals are nominal. Amortisation of such lease payments is included in 'Rent in Statement of Profit and Loss' and the balance remaining amount to be amortised is included in balance sheet as Prepayments Leasehold land .

As a Lessor
In respect of assets given on Operating Lease
Operating leases relate to Investment Properties owned by the company with Lease terms of between 11 to 60 Months and are usually renewable by mutual consent on mutually agreeable terms. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. Lessee does not have an option to purchase the property at the expiry of the lease period.

Rental Income earned by the company from its Investment Properties and direct operating expenses arising on the investment properties for the year are set out in Note 33 and Note 40 respectively.

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-Cancellable Operating Lease Receivable			
not later than one year	527.94	412.54	579.14
later than one year and not later than five years	811.76	69.43	481.97
later than five years	-	-	-

53 Employee Benefits:

(a) **Defined Contribution Plans**

The Group contributes to the Government managed provident & pension fund for all qualifying employees.

Contribution to Provident & Other funds of ₹1,347.28 Lakhs (31st March, 2016: ₹1,059.79 Lakhs) is recognized as an expense and included in 'Contribution to Provident & Other funds' in the Statement of Profit and Loss and ₹ 26.21 Lakhs (31st March, 2016: ₹ 19.67 Lakhs) is included in pre-operative expenses.

(b) **Defined Benefit Plans:**

The Group has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the payment of Gratuity Act,1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefit. The level of benefits provided depends on the employee's length of services and salary at retirement age. The Group's defined benefit plan is unfunded.

There are no other post retirement benefits provided by the Group

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31st March, 2017 by Mr.G N Agarwal,fellow of the institute of the Actuaries of India. The present value of the defined benefit obligation,the related current service cost and past service cost, were measured using the projected unit credit method

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(i) Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
Opening defined benefit obligation	1,976.62	1,580.06
Current Service Cost	530.29	388.83
Interest cost	142.23	119.80
Actuarial gains / (losses) on obligation:		
a) arising from changes in financial assumptions	184.13	45.37
b) arising from experience adjustments	7.98	(23.10)
Past service cost, including losses/(gains) on curtailments	1.16	-
Benefits Paid	(181.28)	(134.34)
Present value of obligation as at year end	**2,661.13**	**1,976.62**

(ii) Components of amount recognized in profit and loss and other comprehensive income are as under:

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2017	As at 31st March, 2016
Service Cost		
Current Service Cost	488.17	400.59
Past service cost and (gains)/losses from settlements	0.42	0.42
Net interest expense	142.23	119.79
Amount recognized in profit & loss	**630.82**	**520.80**
Actuarial gains / (losses) on:		
a) arising from changes in financial assumptions	184.13	45.37
b) arising from experience adjustments	7.98	(23.10)
Components of defined benefit costs recognized in other comprehensive income	**192.11**	**22.27**
Total	**822.93**	**543.07**

(iii) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation (Gratuity)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.69% to 6.69%	7.46% to 7.70%	7.77% to 7.77%
Expected rate of salary increase	7% to 8%	7% to 8%	7% to 8%
Employee Attrition Rate	5% to 10%	5% to 10%	5% to 10%
Mortality	IALM(2006-08) Ultimate Mortality Table		

Estimates of future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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These plans typically expose the Group to actuarial risks such as interest rate risk and salary risk
a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

(iv) Sensitivity Analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in Lakhs)

Particulars	Gratuity	
	As at 31st March, 2017	**As at 31st March, 2016**
Impact on Present Value of defined benefit obligation If Discount Rate increased by 1%	(237.23)	(156.90)
Impact on Present Value of defined benefit obligation If Discount Rate decreased by 1%	257.73	170.09
Impact on Present Value of defined benefit obligation If Salary Escalation Rate increased by 1%	244.37	162.72
Impact on Present Value of defined benefit obligation If Salary Escalation Rate decreased by 1%	(210.05)	(152.74)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) Expected contribution to the defined benefit plan in future years

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Expected outflow in 1st Year	411.24	250.25
Expected outflow in 2nd Year	215.46	88.64
Expected outflow in 3rd Year	253.05	87.32
Expected outflow in 4th Year	227.01	112.40
Expected outflow in 5th Year	249.00	88.90
Expected outflow in 6th to 10th Year	2,167.64	1,463.60

The average duration of the defined benefit plan obligation at the end of the reporting period is in the range of 7.49 to 14.71 years.

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(c) **Other employment benefits:**

Leave benefits

The liability towards leave benefits(annual earned and sick leave), based on actuarial valuation, carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 496.94 Lakhs (31st March, 2016: ₹ 409.55 Lakhs), which is included in the employee benefits in the Statement of Profit and Loss.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation (Leave Encashment)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Discount rate	6.69% to 6.69%	7.46% to 7.70%	7.77% to 7.77%
Expected rate of salary increase	7% to 8%	7% to 8%	7% to 8%
Employee Attrition Rate	5% to 10%	5% to 10%	5% to 10%
Mortality	IALM (2006-08) Ultimate Mortality Table		

54 Financial Instruments:

54.1 Capital Management

The Group manages its capital structure with a view that the Group will be able to continue as going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of Group consists of net debt (borrowings as detailed in note 24 and note 28 offset by cash and cash equivalent) and total equity of the Group.

The Group is not subject to any externally imposed capital requirement. The Group has complied with lending covenants throughout the reporting period.

The Group reviews the capital structure on annual basis. As part of this review, Board of Directors considers the cost of capital and risk associated with each class of capital.

54.1.1 The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total Debt	3,33,349.60	2,99,382.70	2,59,224.60
Cash & Cash Equivalents	(23,769.24)	(12,723.93)	(6,228.94)
Net Debt	3,09,580.36	2,86,658.77	2,52,995.65
Total Equity	5,59,971.96	5,40,950.32	4,89,839.64
Net Debt to equity Ratio	55.28%	52.99%	51.65%

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54.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a) Financial assets			
Measured at Cost			
Investment in Joint Venture Companies	98.99	461.10	907.30
Investment in Associate	3,201.88	3,201.88	3,201.47
Measured at fair value through profit or loss (FVTPL)			
(a) Mandatorily measured as at FVTPL			
(i) Investments in Mutual Funds	58,354.08	32,723.42	9,131.12
(ii) Investments in Venture Capital Funds	672.90	882.81	1,156.99
(iii) Investments in Debentures	5,324.50	-	-
(b) Designated as at FVTPL			
(i) Investments in Other Companies	-	1,977.52	2,392.05
(c) Derivative instruments designated as Fair value hedge in Hedge Accounting and other derivatives	3,939.69	5,102.88	7,436.99
Measured at amortised cost			
(a) Cash and bank balances	49,618.82	57,305.29	1,11,525.84
(b) Investments in NSC/Other Govt.Securities	156.85	144.59	142.47
(c) Other financial assets at amortised cost			
(i) Trade Receivables	2,77,469.29	2,87,864.84	1,84,064.93
(ii) Loans	11,319.57	9,732.41	8,564.36
(iii) Others	26,225.78	17,515.73	9,646.36
b) Financial liabilities			
Measured at fair value through profit or loss (FVTPL)			
Derivative instruments in designated hedge accounting relationship	6,303.10	2,757.51	1,020.38
Measured at amortised cost			
Borrowings	3,30,796.00	2,97,277.45	2,56,856.99
Trade Payables	1,10,490.03	1,34,349.81	83,716.43
Other Financial Liabilities	26,485.05	19,206.33	20,310.90
Measured at Fair Value through Other Comprehensive Income (FVTOCI)			
Derivative instruments designated as Cash flow hedge in Hedge Accounting(Net)	231.16	1,464.31	1,268.00

The carrying amount reflected above represents the Group's maximum exposure to credit risk for such financial assets.

54.3 Financial risk management objectives

The corporate finance function of the respective companies provides services to the business, coordinates access to financial market, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of the risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of currency and interest rate risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors of the Company, which provide principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments and the investment of the excess liquidity. Compliance with policies and exposure limits is reviewed on a continuous basis. The Group doesn't enter into or trade financial instruments including derivative financial instruments for speculative purpose.

54.4 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into the variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk including:

1. Interest rate swaps to mitigate the risk of rising interest rates

2. Principal only swaps, Currency Swaps, Options and forwards contracts to mitigate foreign currency risk of foreign currency borrowings and receivables & payables in foreign currency.

54.5 Foreign Currency Risk Management

The Group is subject to the risk that changes in foreign currency values impact the Company exports revenue, imports of material/capital goods, services/royalty etc and borrowings. Exchange rate exposures are managed within approved policy parameters by entering in to foreign currency forward contracts, options and swaps.

Foreign exchange transactions are covered with in limits placed on the amount of uncovered exposure, if any, at any point in time. The aim of the Group's approach to management of currency risk is to leave the Group with no material residual risk.

The carrying amount of unhedged Foreign Currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Liabilities			
USD	38,110.52	69,316.52	58,974.35
Euro	14,089.75	22,367.96	26,739.86
Others	2,570.83	1,055.35	139.60
Assets			
USD	10,417.21	9,334.36	10,365.53
Euro	6,958.83	7,457.84	7,585.34
Others	257.74	332.35	109.00

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54.5.1 Foreign Currency Sensitivity Analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The following table details the Group's sensitivity to a 10% increase and decrease in the Rupees against the relevant foreign currencies.10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes unhedged external loans, receivables and payables in currency other than the functional currency of the Group.

A 10% strengthening of the INR against key currencies to which the Group is exposed (net of hedge) would have led to additional gain in the Statement of Profit and Loss. A 10% weakening of the INR against these currencies would have led to an equal but opposite effect.

(₹ in Lakhs)

Particulars	US Dollar Impact (net of tax)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Impact on profit or loss for the year	1,810.92	3,922.35	4,860.88
Impact on total equity as at the end of the reporting period	1,810.92	3,922.35	4,860.88

(₹ in Lakhs)

Particulars	EURO Impact (net of tax)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Impact on profit or loss for the year	466.31	975.00	1,252.55
Impact on total equity as at the end of the reporting period	466.31	975.00	1,252.55

(₹ in Lakhs)

Particulars	Others (net of tax)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Impact on profit or loss for the year	151.26	47.28	3.06
Impact on total equity as at the end of the reporting period	151.26	47.28	3.06

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54.5.2 Forward Foreign Exchange Contracts

The Group enters into call spread option contract and Cross Currency Swap agreement to hedge the foreign currency risk and interest rate risk.

Outstanding Contracts	Exchange Rate			Foreign currency (in Lakhs)			Nominal amounts (₹ in Lakhs)			Fair Value assets / (liabilities) (₹ in Lakhs)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Fair value hedges												
Principal only swaps (POS) contracts (Financial Assets)	64.84	66.30	62.56	493.33	689.08	946.09	31,989.15	45,688.39	59,187.24	3,788.29	5,102.88	7,333.69
Forward contracts												
USD	64.84	66.33	62.54	433.86	699.04	267.58	28,131.48	46,367.32	16,735.75	(843.32)	(826.91)	(49.15)
EUR	69.25	75.10	67.51	250.12	244.19	73.66	17,320.81	18,338.67	4,972.79	(354.17)	104.17	(499.38)
CNY	9.43	-	-	26.86	-	-	253.29	-	-	(12.76)	-	-
Principal only swaps (POS) contracts (Financial Liability)	64.85	66.29	62.59	389.56	279.30	48.58	25,261.02	18,514.52	3,040.62	(1,237.49)	(144.06)	(1.62)

The line-items in the consolidated balance sheet that include the above hedging instruments are "other financial assets" and "other financial liabilities".

54.6 Interest Rate Risk Management

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As per the Groups's risk management policy to minimize the interest rate cash flow risk on foreign currency long term borrowings, interest rate swaps are taken for most of the borrowings to convert the variable interest rate risk into rupee fixed interest rate. Thus, there is no major interest rate risks associated with foreign currency long term borrowings. In respect of foreign currency short term borrowings the Group does not have any borrowings at variable rate of interest. Cash credit borrowings are subject to variable rate of interest. Considering the overall mix of the fixed and floating rate borrowings, the interest rate risk is minimised.

54.6.1 Interest Rate Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for floating rate liabilities at the end of the reporting period. For floating rate liabilities, a 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31st March, 2017 would decrease/increase by ₹ 200.39 Lakhs (net of tax) (for the year ended 31st March, 2016 decrease/increase by ₹ 184.41 Lakhs (net of tax)). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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54.6.2 Interest Rate Swap Contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

(₹ in Lakhs)

Particulars	Average Contracted Fixed Interest Rate			Notional Principal Value			Fair value assets / (liabilities)		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash Flow Hedges									
DBS Bank			8.65%			2,258.25			(21.57)
Axis Bank			11.26%			9,650.79			124.87
Less than 1 year						**11,909.04**			**103.30**
HSBC Bank	8.24%	8.24%		7,626.36	9,251.53		75.70	(26.57)	-
MIZUHO Bank	8.24%	8.24%		7,626.36	9,251.53		75.70	(26.57)	-
RBL Bank	10.50%			5,958.00			(85.69)		
ICICI BANK	10.26%	10.26%	9.88%	23,053.71	25,379.51	25,641.00		(45.48)	(168.35)
1 to 5 years	**-**	**-**	**-**	**44,264.43**	**43,882.57**	**25,641.00**	**65.71**	**(98.62)**	**(168.35)**
ICICI BANK	10.55%	10.55%	10.55%	4,323.33	5,153.17	5,555.38	(94.08)	(248.84)	(216.00)
ICICI BANK	10.26%	10.26%	9.88%	4,610.74	9,434.01	13,352.70	(202.79)	(1,162.33)	(1,155.30)
5 years +				**8,934.07**	**14,587.18**	**18,908.08**	**(296.87)**	**(1,411.17)**	**(1,371.30)**
Total				**53,198.50**	**58,469.75**	**44,549.08**	**(231.16)**	**(1,509.79)**	**(1,436.35)**
Balance in the cash flow hedge reserve (net of tax and minority interest)							**(137.11)**	**(927.65)**	**(718.93)**

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposures resulting from variable interest rates on borrowing. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that floating rate interest payments on debt affect profit or loss.

The line-items in the consolidated balance sheet that includes the above hedging instruments is "Other financial assets" and "Other financial liabilities".

54.7 Other price risks

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments and mutual funds. The Group is exposed to equity price risks arising from equity investments. Equity investments in Joint Ventures and Associates are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group is also exposed to price risk arising from investments in debt and arbitrage mutual funds, but these being debt instruments, the exposure to risk of changes in market rates is minimal.

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54.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis below have been determined based on the exposure to equity price risks for Investments in equity shares (including investments in equity oriented mutual funds) of companies other than joint ventures and associates at the end of the reporting period.

If equity prices had been 5% higher/lower, Profit for the year ended 31st March, 2017 would increase/decrease by ₹ 617.27 Lakhs (for the year ended 31st March, 2016: increase / decrease by ₹ 287.56 Lakhs) as a result of the change in fair value of equity investments which are designated as FVTPL.

54.8 Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, balances with banks, loans and other receivables.

a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products varies from company to company. The concentration of credit risk is limited due to the fact that the customer base is large and diverse. The Group is engaged in diverse line of businesses. All trade receivables are reviewed and assessed for default on a quarterly basis. There is no external customer representing more than 10% of the total balance of trade receivables.

For trade receivables, as a practical expedient, the Group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates for each Group Company depending on the credit risk of each entity.

Movement in the expected credit loss allowance

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Balance at beginning of the year	1,085.63	631.20
Movement in expected credit loss allowance	258.88	454.44
Balance at the end of the year	**1,344.51**	**1,085.63**

b) Loans and Other Receivables

The Group applies Expected Credit Losses (ECL) model for measurement and recognition of loss allowance on the loans given by the Group to the external parties. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

The Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

c) **Other financial assets**

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the various credit rating agencies.

54.9 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Company, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

54.9.1 Liquidity risk table

The following tables detail the analysis of derivative as well as non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

a) **Non-Derivative Financial Liabilities :**

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
As at 31st March, 2017				
Borrowings	1,85,654.75	86,456.52	27,921.59	3,00,032.86
Trade Payables	1,10,490.03	-	-	1,10,490.03
Security Deposits	688.82	113.83	240.00	1,042.65
Unpaid dividend	174.14	-	-	174.14
Other Payables	55,838.03	135.24	58.74	56,032.01
Derivative financial liabilities	3,878.75	2,654.91	-	6,533.66
Total	**3,56,724.52**	**89,360.50**	**28,220.33**	**4,74,305.35**
As at 31st March, 2016				
Borrowings	1,71,488.89	68,467.01	38,271.90	2,78,227.80
Trade Payables	1,34,349.81	-	-	1,34,349.81
Security Deposits	675.25	159.17	240.00	1,074.42
Unpaid dividend	273.72	-	-	273.72
Other Payables	36,831.64	-	76.22	36,907.86
Derivative financial liabilities	3,666.25	555.56	-	4,221.81
Total	**3,47,285.56**	**69,181.74**	**38,588.12**	**4,55,055.42**
As at 1st April, 2015				
Borrowings	1,19,351.43	68,735.00	46,960.66	2,35,047.09
Trade Payables	83,716.43	-	-	83,716.43
Security Deposits	550.80	318.42	240.00	1,109.22
Unpaid dividend	208.99	-	-	208.99
Other Payables	38,577.88	195.85	107.42	38,881.15
Derivative financial liabilities	3,462.71	747.12	-	4,209.83
Total	**2,45,868.24**	**69,996.39**	**47,308.08**	**3,63,172.71**

The above liabilities will be met by the Group from internal accruals, realization of current and non-current financial assets (other than strategic investments). Further, the Group also has unutilised financing facilities.

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54.10 Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities

54.10.1 Fair Value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(₹ in Lakhs)

Financial Assets / financial liabilities	Fair Value as at			Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31st March, 2017	31st March, 2016	1st April, 2015				
1. Principal only swaps designated in hedge accounting relationships (Note 12 and 25)	Assets - ₹ 3,939.69 Lakhs and Liabilities ₹ 2,208.59 Lakhs"	Assets - ₹5,102.88 Lakhs and Liabilities - ₹ 1,287.64 Lakhs	Assets - ₹7,333.69 Lakhs and Liabilities - ₹ 1,321.12 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/Interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted Foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
2. Interest rate swaps designated in hedge accounting relationships (Note 12 and 25)	Assets - ₹ 57.32 Lakhs and Liabilities ₹288.48 Lakhs"	Liabilities- ₹1,464.31 Lakhs	Assets - ₹ 124.87 Lakhs and Liabilities ₹1,392.87 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/Interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted Foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
3. Investments in equity instruments (quoted) (Note 10(c))	Nil	Listed equity securities in a Group managed by beverage industry domiciled in India - aggregate fair value of ₹1,977.52 Lakhs	Listed equity securities in a Group managed by beverage industry domiciled in India - aggregate fair value of ₹ 2,392.05 Lakhs	Level 1	Quoted prices in an active market	NA	NA
4. Investments in Mutual Funds (Note 10(c))	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 58,354.08 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 32,723.42 Lakhs	Equity and Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 9,131.12 Lakhs	Level 1	Quoted prices in an active market	NA	NA

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Financial Assets / financial liabilities	Fair Value as at			Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31st March, 2017	31st March, 2016	1st April, 2015				
5. Investment in Venture Capital Funds (Note 10(c))	Investments in units of Venture capital fund: aggregate fair value of ₹ 672.90 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 882.82 Lakhs	Investments in units of Venture capital fund: aggregate fair value of ₹ 1,156.99 Lakhs	Level 3	Net asset approach - in this approach value per unit of investment is derived by dividing net assets of Venture Capital Fund with total no. of units issued by Venture Capital Fund	Net assets of venture capital fund, taking into account all assets and liabilities as reported in the audited financials of venture capital fund	A significant change in the Net assets in isolation would result in significant change in the fair value of Investment in Venture capital Fund
6. Forward foreign currency contracts (Note 25)	Liabilities-₹1,210.25 Lakhs	Assets-₹104.17 Lakhs	Liabilities-₹548.53 Lakhs	Level 2	Discounted cash flow. Foreign currency and INR cash flow are converted and discounted based on relevant exchange rates/Interest rate (from observable data points available at the end of the reporting period). Difference between gross discounted Foreign currency and INR cash flow is stated as the final MTM as at reporting period.	NA	NA
7. Investments in debentures (Note 10(c))	Debentures of Citicorp Finance (India) Limited ₹ 5,324.50 Lakhs	Nil	Nil	Level 1	Quoted prices in an active market	NA	NA

During the period, there were no transfers between Level 1 and Level 2

54.10.2 Fair Value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

55 Related Party disclosures

(A) Where control exists:

Holding company –
Inox Leasing and Finance Limited

(B) Other related parties with whom there are transactions during the year:

Joint Ventures –
Xuancheng Hengyuan Chemical Technology Co. Ltd (XHCT Co. Ltd) upto 07th September, 2016
Swarnim Gujarat Fluorspar Private Limited
Swanston Multiplex Cinema Private Limited (SMPCL)-Joint Venture of a subsidiary

Associate of Subsidiary–
Megnasolace City Private Limited

Key Management Personnel –
Mr. V K Jain (Managing Director)
Mr. D K Jain (Non Executive Director)
Mr. P K Jain (Non Executive Director)
Mr. D K Sachdeva (Whole Time Director)
Mr. J. S. Bedi (Whole Time Director) upto 28th April, 2015.
Mr. Anand Bhusari (Whole Time Director) w.e.f. from 28th April, 2015
Mr. Shailendra Swarup (Non Executive Director)
Mr. Om Prakash Lohia (Non Executive Director)
Mr. Deepak Asher (Non Executive Director)
Mr. Shanti Prasad Jain (Non Executive Director)
Mr. Rajagopalan Doraiswami (Non Executive Director)
Ms. Vanita Bhargava (Non Executive Director)
Mr. Chandra Prakash Jain (Non Executive Director)
Mr. Siddharth Jain – (Non Executive Director in Inox Leisure Limited)
Mr. Amit Jatia – (Non Executive Director in Inox Leisure Limited)
Ms. Girija Balkrishnan – (Non Executive Director in Inox Leisure Limited)
Mr. Haigreve Khaitan – (Non Executive Director in Inox Leisure Limited)
Mr. Kishore Biyani – (Non Executive Director in Inox Leisure Limited)
Mr. Alok Tandon – (Chief Executive Officer in Inox Leisure Limited)
Mr. Devansh Jain- (Whole Time Director in Inox Wind Limited)
Mr. Rajeev Gupta (Whole Time Director in Inox Wind Limited)
Mr. Kailash Lal Tarachandani- (Chief Executive Officer in Inox Wind Limited)
Dr. S Rama Iyer - (Non Executive Director in Inox Wind Limited) upto 31st March, 2016
Mr. Bhupesh Kumar Juneja- (Whole Time Director in Inox Renewables Limited)
Ms. Bindu Saxena - (Non Executive Director in Inox Wind Limited)
Mr. V. Sankaranarayanan - (Non Executive Director in IWL) from 2nd September, 2016
Mr. Manoj Dixit - (Executive Director in Inox Wind Infrastructure Services Limited)
Mr. Vineet Davis - (Executive Director in Inox Wind Infrastructure Services Limited)
Mr. Mukesh Manglik - (Non Executive Director in Inox Wind Infrastructure Services Limited)
Mr. Mukesh Patni - (Non Executive Director in Marut Shakti Energy India Limited)

Enterprises over which a Key Management Personnel, or his relatives, have significant influence –
Devansh Gases Private Limited
Devansh Trademart LLP (formerly known as Devansh Trading and Finance PrivateLimited)
Inox India Private Limited (formerly known as Inox India Limited)
Inox Air Products Private Limited (formerly known as Inox Air Products Limited)
Inox Chemicals LLP (formerly known as Inox Chemicals Private Limited)
Refron Valves Limited
Rajni Farms Private Limited
Siddhapavan Trading LLP (formerly known as Siddhapavan Trading and Finance Private Limited)
Siddho Mal Trading LLP (formerly known as Siddho Mal Investments Private Limited)
Inox FMCG Private Limited

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Particulars of transactions

(₹ in Lakhs)

Particulars	Holding Company		Joint Ventures		Key Management Personnel (KMP)		Enterprises over which KMP or their relatives have significant influence		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
A) Transactions during the year										
Sale of Goods										
Inox Air Products Private Limited							0.89	1.12	0.89	1.12
Inox India Private Limited							1.98	2.34	1.98	2.34
Inox FMCG Private Limited							40.70	-	40.70	-
Others							0.05	0.03	0.05	0.03
Total							**43.62**	**3.49**	**43.62**	**3.49**
Purchase of Assets										
Inox India Private Limited							48.00	30.00	48.00	30.00
Total							**48.00**	**30.00**	**48.00**	**30.00**
Purchase of Goods										
Inox Air Products Private Limited							451.79	448.82	451.79	448.82
Inox India Private Limited							2,313.16	2,465.17	2,313.16	2,465.17
Inox FMCG Private Limited							147.97	-	147.97	-
Total							**2,912.92**	**2,913.99**	**2,912.92**	**2,913.99**
Equity shares Purchased										
Mr. V K Jain					2.25	-			2.25	-
Mr. D K Jain					2.25	-			2.25	-
Mr. P K Jain					2.25	-			2.25	-
Mr.Devansh Jain					2.25	-			2.25	-
Total					**9.00**	**-**			**9.00**	**-**
Advance given										
Inox FMCG Private Ltd.							274.15	-	274.15	-
Total							**274.15**	**-**	**274.15**	**-**
Advance received back										
Inox FMCG Private Ltd.							274.15	-	274.15	-
Total							**274.15**	**-**	**274.15**	**-**
Expenses (Repairs)										
Inox India Limited							-	5.00	-	5.00
Refron Valves Limited							4.83	-	4.83	-
Total							**4.83**	**5.00**	**4.83**	**5.00**
Reimbursement of expenses (paid)										
Devansh Gases Private Limited							7.32	7.32	7.32	7.32
Total							**7.32**	**7.32**	**7.32**	**7.32**
Rent Received										
Inox Air Products Private Limited							144.90	144.90	144.90	144.90
Others							0.72	0.72	0.72	0.72
Total							**145.62**	**145.62**	**145.62**	**145.62**
Rent paid										
Inox Air Products Private Limited							2.40	2.40	2.40	2.40
Devansh Gases Private Limited							24.00	24.00	24.00	24.00
Inox Leasing & Finance Limited	69.00	69.00							69.00	69.00

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(₹ in Lakhs)

Particulars	**Holding Company**		**Joint Ventures**		**Key Management Personnel (KMP)**		**Enterprises over which KMP or their relatives have significant influence**		**Total**	
	2016-17	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**	**2016-17**	**2015-16**
Others					1.20	1.20			1.20	1.20
Total	**69.00**	**69.00**			**1.20**	**1.20**	**26.40**	**26.40**	**96.60**	**96.60**
O&M Charges & Lease Rents paid										
Inox Air Products Private Limited							208.33	213.83	208.33	213.83
Total							**208.33**	**213.83**	**208.33**	**213.83**
Professional fees paid to Director										
Mr.Deepak Asher					30.00	30.00			30.00	30.00
Total					**30.00**	**30.00**			**30.00**	**30.00**
Remuneration, Commission & Sitting fees										
Mr. D K Jain					166.54	157.25			166.54	157.25
Mr. V K Jain					622.56	612.13			622.56	612.13
Mr. Kailash Lal Tarachandani					252.39	151.40			252.39	151.40
Others					739.37	630.20			739.37	630.20
Total					**1,780.86**	**1,550.98**			**1,780.86**	**1,550.98**

(₹in Lakhs)

	Particulars	Joint Ventures			Key Management Personnel (KMP)			Enterprises over which KMP or their relatives have significant influence			Total		
		2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15	2016-17	2015-16	2014-15
B)	Amounts outstanding												
	Amount payable												
	Mr. V K Jain				334.56	334.00	334.53				334.56	334.00	334.53
	Mr. D K Jain				108.91	102.83	86.07				108.91	102.83	86.07
	Inox India Private Limited							242.84	177.72	265.98	242.84	177.72	265.98
	Inox Air Products Private Limited							102.73	69.47	79.71	102.73	69.47	79.71
	Others			11.63	104.53	103.53	98.32	28.50			133.03	103.53	109.95
	Total			11.63	548.00	540.36	518.92	374.07	247.19	345.69	922.07	787.55	876.24
C)	Amount Receivable												
	Trade Receivables												
	Refron Valves Limited							0.02	-	-	0.02	-	-
	Inox FMCG Private Limited							1.24	-	-	1.24	-	-
	Inox India Private Limited								0.27	0.37	-	0.27	0.37
	Total							1.26	0.27	0.37	1.26	0.27	0.37

Notes

(a) Sales, purchases and service transactions with related parties are made at arm's length price.

(b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

(c) No expense has been recognised for the year ended 31st March, 2017, 31st March, 2016 and 1st April, 2015 for bad or doubtful trade receivables in respect of amounts owed by related parties.

(d) There have been no gurantees received or provided for any related party receivables or payables.

(e) The remuneration of directors and Key Management Personnel (KMP) is determined by the Nomination and Remuneration Committee having regard to the performance of individuals and market trends. As the liabilities for the defined benefit plans and other long term benefits are provided on actuarial basis for the Group as a whole, the amount pertaining to KMP are not included above. Contribution to Providend Fund (defined contribution plan) is included in the amount of remuneration reported above.

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56 Treasury shares in case of Inox Leisure Limited (ILL):

Pursuant to the Composite Scheme of Amalgamation ("Scheme") of ILL's subsidiary Fame India Limited ("Fame") and subsidiaries of Fame with ILL, which was operative from 1st April, 2012, ILL had allotted 3,45,62,206 equity shares to the shareholders of the transferor companies on 10th July, 2013, including 2,44,31,570 equity shares to Inox Benefit Trust ("Trust") towards shares held by ILL in Fame. These shares ("Treasury Shares") are held by the Trust exclusively for the benefit of ILL. ILL's interest in the Trust (at cost), being akin to Treasury Shares, in accordance with their substance and economic reality, is deducted from Shareholders' Fund. Any profit or loss arising from sale of Treasury Shares by the Trust is being recorded separately as 'Reserve on sale of Treasury Shares' under other equity, being transactions relating to the capital of ILL.

57 Exceptional Items:

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Income		
Gain on sale of Group's entire stake in Joint Venture Company Xuancheng Hengyuan Chemical Technology Company Ltd.	702.04	-
Total	**702.04**	**-**
Expenses		
Loss on measurement of non-current asset classified as held for sale (see Note 20)	20,784.02	-
Net value of Assets written off in respect of one Multiplex, the operations of which were terminated during the year	-	352.92
Provision for Additional Bonus payable in respect of financial year 2014-15 pursuant of retrospective amendment made by The Payment of Bonus (Amendment) Act, 2015	-	143.10
Total	**20,784.02**	**496.02**
Net Exceptional Items	**(20,081.98)**	**(496.02)**

58 Disclosure required under section 186(4) of the Companies Act, 2013

Inter-corporate deposit to other parties:

(₹ in Lakhs)

Name of the party	Rate of Interest	Amount outstanding		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Maxtech Oil and Gas Services Private Limited	12%	700.00	700.00	700.00
Wearit Global Limited	10%	650.00	-	300.00
Castle Suppliers Private Limited	10%	336.95	336.95	336.95
Ritspin Synthetics Limited	10%	300.00	400.00	100.00
Vista Mining Private Limited	10%	15.00	-	-
Global Powernet Private Limited	12%	-	850.00	-
Deepa Bagla Financial Consultants Pvt. Ltd.	11%	-	100.00	-

The above inter-corporate deposits are given for general business purpose and are repayable at call.

Notes to the Consolidated Financial Statements
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59 Corporate Social Responsibility (CSR)

(a) The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) is ₹ 1174.70 Lakhs (31st March,2016: ₹ 1127.37 Lakhs)

(b) Amount spent during the year on:

(₹ in Lakhs)

Sr. No	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any fixed assets	**Nil** (Nil)	**Nil** (Nil)	**Nil** (Nil)
(ii)	On purposes other than (i) above Donations	**349.01** (387.00)	**Nil** Nil	**349.01** (387.00)

(Figures in brackets pertain to year ended 31st March, 2016)

60 Prior period items

(a) The Group has restated the financial statements as at 1st April, 2015 to give effect to the following prior period items:

(i) Payment made during the year towards contribution to Indian Wind Turbine Manufacturers Association (IWTMA) of ₹ 27.20 Lakhs for the period 2014-2015, is adjusted in the opening retained earnings as at 1st April, 2015 with corresponding effect in the carrying amount of other current assets.

(ii) Reversal of sales and service income of ₹ 142.71 Lakhs, which was earlier included in 'Miscellaneous Expenses' during the year ended 31st March, 2016, is now adjusted in the opening retained earnings as at 1st April, 2015 with corresponding effect in the carrying amount of trade receivables.

The effect on basic and diluted EPS is ₹ 0.15 per share of ₹ 1 each.

(b) The Group has restated the financial statements for the year 2015-2016 to give effect to the following prior period items:

Sr. No.	Nature of prior period items	Amount (₹ in Lakhs)	Line items affected	
			Balance Sheet	**Statement of Profit and Loss**
(i)	Legal and professional fees paid for initial assessment of new business initiative	311.18	Reduction in capital advance	Increase in Legal and professional expenses
(ii)	Revised computation of electricity duty benefit on the basis of re-interpretation of exemption order conditions	391.13	Reduction in amount of electricity duty refund receivable	Reduction in other operating income
		731.77		Increase in Power and fuel expenses
iii)	Contributon to IWTMA	40.00	Increase in trade payables	Increase in Miscellaneous expenses
iv)	EPCG grant written off on non-fulfilment of export obligation	121.82	Decrease in deferred income arising from government grant	Increase in Miscellaneous expenses

Notes to the Consolidated Financial Statements
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Sr. No.	Nature of prior period items	Amount (₹ in Lakhs)	Line items affected	
			Balance Sheet	Statement of Profit and Loss
v)	Interest on EPCG grant	174.54	Increase in trade payables	Increase in other borrowing cost
vi)	Interest on Vehicle loan	7.88	Increase in trade payables	Increase in other borrowing cost
vii)	Sales commission	218.40	Decrease in prepayment others	Increase in Sales commission
viii)	Settlement of claims of suppliers	372.74	Decrease in advance to suppliers	Increase in Miscellaneous expenses
ix)	Legal & professional fees	246.93	Increase in trade payables	EPC & project development
x)	Project development expenses	358.55	Increase in trade payables	EPC & project development
	Total	**2,974.94**		

The basic and diluted EPS for the year 2015-16 is reduced by ₹ 2.71 per share of Re. 1 each on account of above.

61 Transactions in Specified Bank Notes (SBNs)

During the year, the Group had specified bank notes or other denomination notes as defined in the MCA notification G.S.R.308 (E) dated 31st March, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016. The denomination wise SBNs and other notes as per the notification is given below:

(₹ in Lakhs)

Sr. No.	Particulars	SBNs*	Other denomination notes	Total
i	Closing cash in hand as on 8th November, 2016	287.51	139.39	426.90
ii	(+) Permitted receipts	-	7,034.20	7,034.20
iii	(-) Permitted payments	-	1,460.99	1,460.99
iv	(-) Amount deposited in Banks	287.51	5,308.86	5,596.37
v	Closing cash in hand as on 30th December, 2016	-	403.75	403.75

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November, 2016

Permitted payments in other denomination notes includes disbursement of ₹ 1,080.09 Lakhs by Inox Leisure Limited under the SBI Cash @ POS Scheme to ease out the cash shortage during demonetization period for debit card holders.

62 Non - controlling Interests

Details of non-wholly owned subsidiaries that have material non-controlling interests.

The table below shows details of non-wholly owned subsidiaries of the group that have material non-controlling interests:

(₹ in Lakhs)

Name of Subsidiary Particulars	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests			Profit allocated to non-controlling interests		Accumulated non-controlling interests		
		31st March,2017	31st March,2016	1st April,2015	31st March,2017	31st March,2016	31st March,2017	31st March,2016	1st April,2015
Inox Leisure Limited - refer Note 5.1(e)	India	51.91%	51.91%	51.91%	1,494.85	4,000.37	27,331.85	25,835.00	21,738.96
Inox Wind Limited	India	36.91%	36.91%	36.91%	11,176.04	17,021.23	80,825.72	69,687.00	52,665.44
Individually immaterial subsidiaries with non controlling interests							(11.48)	70.00	93.96
Total					**12,670.89**	**21,021.60**	**1,08,146.09**	**95,592.00**	**74,498.36**

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

The summarized financial information below represents amounts before intragroup eliminations:

(a) Inox Leisure Limited

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	1st April, 2015
Non-current assets	1,03,879.80	93,492.72	85,999.38
Current assets	10,527.72	11,712.70	10,069.77
Non-current liabilities	38,795.11	31,247.71	29,859.50
Current liabilities	20,358.10	21,729.79	22,069.54
Equity attributable to owners of the company	27,922.45	26,392.93	22,401.16
Non-controlling interest	27,331.85	25,835.00	21,738.96

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Revenue	1,22,982.96	1,16,840.66
Expenses	1,18,528.16	1,07,507.56
Share of Profit of Joint ventures	8.12	2.53
Profit before exceptional items and tax	**4,462.92**	**9,335.63**
Profit for the year	**3,061.49**	**8,104.20**
Profit attributable to owners of the company	1,546.66	4,094.24
Profit attributable to non-controlling interests	1,514.83	4,009.96
Profit for the year	**3,061.49**	**8,104.20**
Other comprehensive income attributable to the owners of the company	(20.41)	(8.28)

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(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Other comprehensive income attributable to the non-controlling interests	(19.98)	(8.11)
Other comprehensive income for the year	**(40.39)**	**(16.39)**
Total comprehensive income attributable to the owners of the company	1,526.25	4,085.96
Total comprehensive income attributable to the non-controlling interests	1,494.85	4,001.85
Total comprehensive income for the year	**3,021.10**	**8,087.81**
Net cash inflow (outflow) from operating activities	10,802.84	16,906.24
Net cash inflow (outflow) from investing activities	(14,532.00)	(15,679.17)
Net cash inflow (outflow) from financing activities	2,439.34	62.11
Net cash inflow (outflow)	**(1,289.82)**	**1,289.18**

(b) Inox Wind Limited

(₹ in Lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	1st April, 2015
Non-current assets	1,21,673.11	84,932.07	41,921.69
Current assets	3,93,785.21	3,92,879.25	2,82,463.59
Non-current liabilities	29,936.71	10,566.95	10,872.12
Current liabilities	2,66,563.00	2,78,561.91	1,70,941.92
Equity attributable to owners of the company	1,38,132.89	1,18,995.46	89,905.80
Non-controlling interest	80,825.72	69,687.00	52,665.44

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Revenue	3,49,910.08	4,49,916.89
Expenses	3,07,229.46	3,84,976.59
Profit before exceptional items and tax	**42,680.62**	**64,940.30**
Profit for the year	**30,329.19**	**46,117.10**
Profit attributable to owners of the company	19,134.68	29,095.27
Profit attributable to non-controlling interests	11,194.51	17,021.83
Profit for the year	**30,329.19**	**46,117.10**
Other comprehensive income attributable to the owners of the company	(33.46)	(3.71)
Other comprehensive income attributable to the non-controlling interests	(19.57)	(2.17)
Other comprehensive income for the year	**(53.03)**	**(5.88)**
Total comprehensive income attributable to the owners of the company	19,101.22	29,091.56
Total comprehensive income attributable to the non-controlling interests	11,174.94	17,019.66
Total comprehensive income for the year	**30,276.16**	**46,111.22**
Net cash inflow (outflow) from operating activities	11,366.16	(16,318.09)
Net cash inflow (outflow) from investing activities	(470.84)	(96,925.43)
Net cash inflow (outflow) from financing activities	1,935.17	50,143.64
Net cash inflow (outflow)	**12,830.49**	**(63,099.88)**

63. Details of subsidiaries at the end of the reporting period are as follows.

a) Subsidiaries of the Company

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			31st March,2017	31st March,2016	1st April,2015
Inox Leisure Limited (ILL) - refer Note 5.1 (e)	ILL is engaged in Operating and Mangaing Multiplex theatres and Cinemas in India	India	48.09%	48.09%	48.09%
Inox Infrastructure Limited (IIL)	IIL is engaged in business of real estate and property development	India	100.00%	100.00%	100.00%
Inox Wind Limited (IWL)	IWL is engaged in the business of manufacture and sale of Wind Turbine Generators (WTGs).It also provides Erection, Procurement and Commissioning (EPC), Operations and Maintainance (O&M) and Common Infrastructure Facilities services for WTGs and Wind Farm development services.	India	63.09%	63.09%	63.09%
Inox Renewables Limited (IRL)	IRL is engaged in the business of generation and sale of wind energy and providing Common Infrastructure Facilities services for WTGs	India	100.00%	99.98%	99.98%
Gujarat Fluorochemicals Americas, LLC (GFL Americas)	GFL Americas is engaged in the business of manufacture, trading and sale of Post Treated Polytetrafluorethylene (PT-PTFE) Compounds	USA	100.00%	100.00%	100.00%
Gujarat Fluorochemicals Singapore Pte. Limited	Gujarat Fluorochemicals Singapore is engaged in investment activities.	Singapore	100.00%	100.00%	100.00%
Gujarat Fluorochemicals GmbH, Germany (GFL GmbH)	Gujarat Fluorochemicals GmbH is engaged in the business of trading of polymer compounds especially, Post-Treated Polytetrafluoroethylene (PT-PTFE).	Germany	100.00%	100.00%	100.00%

b) Subsidiary of GFL Singapore Pte.Limited

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			31st March,2017	31st March,2016	1st April,2015
GFL GM Flourspar SA	GFL GM Flourspar SA is engaged in the business of exploration of fluorspar mines.	Morrocco	74%	74%	74%

c) Subsidiaries of ILL

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			31st March,2017	31st March,2016	1st April,2015
Shouri Properties Private Limited	Shourie Properties Private Limited holds a license to operate a multiplex cinema theatre which is operated by Inox Leisure Limited.	India	99.29%	99.29%	93.75%
Inox Leisure Limited - Employees Welfare Trust	Inox Leisure Limited - Employees Welfare Trust manages the ESOP Scheme of Inox Leisure Limited	India	Controlled by Inox Leisure Limited		
Inox Benefit Trust	Inox Benefit Trust holds treasury shares for the benefit of Inox Leisure Limited	India	Controlled by Inox Leisure Limited		

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Change in the ILL's ownership interest in the subsidiary
During the year ended 31st March, 2016, the Group increased its stake in Shourie Properties Private Limited (SPPL) from 93.75% to 99.29% by acquiring 12,50,000 equity shares of SPPL.

d) Subsidiaries of IWL

Name of Subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group		
			31st March,2017	31st March,2016	1st April,2015
Inox Wind Infrastructure Services Limited (IWISL)	Inox Wind Infrastructure Services Limited (IWISL) is engaged in the business of providing EPC, O&M, Common Infrastructure Facilities services for WTGs and development of wind farms	India	100.00%	100.00%	100.00%
Subsidiaries of IWISL:					
(i) Marut Shakti Energy India Limited	All subsidiaries of IWISL are engaged in the business of providing wind farm development services and also provide EPC and Common Infrastructure Facilities services for WTGs.	India	100.00%	100.00%	100.00%
(ii) Satviki Energy Private Limited (SEPL)		India	100.00%	100.00%	N.A
(iii) Sarayu Wind Power (Tallimadugula) Private Limited (SWPTPL)		India	100.00%	100.00%	N.A
(iv) Vinirrmaa Energy Generation Private Limited (VEGPL)		India	100.00%	100.00%	N.A
(v) Sarayu Wind Power (Kondapuram) Private Limited (SWPKL)		India	100.00%	100.00%	N.A
(vi) RBRK Investments Limited		India	100.00%	N.A	N.A

Acquisitions during the year by IWISL:

i) During the year ended 31st March, 2017, RBRK has become a subsidiary w.e.f. 28th August, 2016 on acquisition of the entire share capital of RBRK by IWISL. Consequently, the financial results of RBRK are included in the CFS from 29th August, 2016 on the basis of the financial statements prepared and certified by RBRK's management for the period ended on 28th August, 2016.

ii) During the year ended 31st March, 2016, SEPL has become a subsidiary of IWISL w.e.f. 19th November, 2015 on acquisition of the entire share capital of SEPL by IWISL. Consequently, the financial results of SEPL are included in the CFS from 19th November, 2015 on the basis of the financial statements prepared and certified by SEPL's management for the period ended on 18th November, 2015.

iii) During the year ended 31st March, 2016, SWPTPL has become a subsidiary w.e.f. 9th December, 2015 on acquisition of the entire share capital of SWPTPL by IWISL. Consequently, the financial results of SWPTPL are included in the CFS from 9th December, 2015 on the basis of the financial statements prepared and certified by SWPTPL's management for the period ended on 8th December, 2015.

iv) During the year ended 31st March, 2016, VEGPL has become a subsidiary w.e.f. 23rd January, 2016 on acquisition of the entire share capital of VEGPL by IWISL. Consequently, the financial results of VEGPL are included in the CFS from 23rd January, 2016 on the basis of the financial statements prepared and certified by VEGPL's management for the period ended on 22nd January, 2016.

v) During the year ended 31st March, 2016, SWPKL has become a subsidiary w.e.f. 25th March, 2016 on acquisition of the entire share capital of SWPKPL by IWISL. Consequently, the financial results of SWPKPL are included in the CFS from 25th March, 2016 on the basis of the financial statements prepared and certified by SWPKPL's management for the period ended on 24th March, 2016.

The financial year of the above entities is 1st April to 31st March.
There are no restrictions on the Parent or the subsidiaries' ability to access or use the assets and settle the liabilities of the Group.

64: Disclosure of additional information as required by the Schedule III

(a) As at and for the year ended 31st March, 2017

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Gujarat Fluorochemicals Limited	54.23%	3,03,640.00	68.19%	14,628.45	5.58%	147.14	78.54%	14,775.59
Subsidiaries (Group's share)								
Indian Subsidiaries								
Inox Infrastructure Limited	1.03%	5,767.08	0.39%	84.11	-0.01%	(0.19)	0.45%	83.92
Inox Wind Limited	38.66%	2,16,488.71	119.49%	25,631.33	-2.05%	(54.11)	135.95%	25,577.22
Inox Wind Infrastructure Services Limited	1.23%	6,905.84	19.17%	4,112.51	0.04%	1.08	21.87%	4,113.59
Marut Shakti Energy India Limited	-0.19%	(1,059.82)	-1.90%	(407.64)	0.00%	-	-2.17%	(407.64)
Satviki Energy Private Limited	0.01%	78.82	-0.01%	(1.45)	0.00%	-	-0.01%	(1.45)
Sarayu Wind Power (Tallimadugula) Private Limited	-0.01%	(61.24)	-0.02%	(5.20)	0.00%	-	-0.03%	(5.20)
Vinirrmaa Energy Generation Private Limited	-0.01%	(55.63)	-0.22%	(46.63)	0.00%	-	-0.25%	(46.63)
Sarayu Wind Power (Kondapuram) Private Limited	0.00%	(12.44)	-0.01%	(2.89)	0.00%	-	-0.02%	(2.89)
RBRK Investments Limited	0.01%	47.56	0.27%	58.29	0.00%	-	0.31%	58.29
Inox Renewables Limited	1.98%	11,082.86	-116.09%	(24,903.24)	-515.73%	(13,602.58)	-204.67%	(38,505.82)
Inox Renewables (Jaisalmer) Limited	2.30%	12,865.63	-0.59%	(127.13)	0.04%	1.01	-0.67%	(126.12)
Inox Leisure Limited	9.87%	55,258.61	14.21%	3,047.71	-1.53%	(40.39)	15.98%	3,007.32
Inox Leisure Limited Employees welfare trust	0.00%	13.32	0.00%	0.52	0.00%	-	0.00%	0.52
INOX Benefit Trust	0.00%	0.91	0.00%	-	0.00%	-	0.00%	-

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Shouri Properties Private Limited	0.01%	74.70	0.02%	5.15	0.00%	-	0.03%	5.15
Foreign Subsidiaries								-
Gujarat Fluorochemicals GmbH, Germany	0.05%	296.50	0.26%	55.39	-1.02%	(26.79)	0.15%	28.60
Gujarat Fluorochemicals Americas LLC, USA	0.18%	995.53	0.32%	68.00	-1.01%	(26.77)	0.22%	41.23
Gujarat Fluorochemicals Singapore Pte. Limited	0.44%	2,437.15	0.08%	17.03	-1.37%	(36.22)	-0.10%	(19.19)
GFL GM Fluorspar SA, Morocco	-0.01%	(72.75)	-1.29%	(275.97)	-0.11%	(3.02)	-1.48%	(278.99)
Minority Interest in all subsidiaries	19.31%	1,08,146.61	58.92%	12,638.96	-1.53%	(40.35)	66.97%	12,598.61
Indian Associates								-
Megnasolace City Private Limited	0.57%	3,201.88	-	-	-	-	-	-
Joint Ventures(Investments as per equity method)								
Indian Joint Venture								-
Swarnim Gujarat Flourspar Private Limited	0.02%	93.18	-0.01%	(2.36)	-	-	-0.01%	(2.36)
Swanston Multiplex Cinemas Private Limited	0.00%	5.82	0.04%	8.12	0.00%	-	0.04%	8.12
Foreign Joint Venture								-
Xuancheng Hengyuan Chemical Technology Co. Ltd	-	-	-0.84%	(181.11)	-	-	-0.96%	(181.11)
Intercompany eliminations								-
Consolidation eliminations / adjustments	**-29.68%**	**(1,66,166.86)**	**-60.38%**	**(12,950.99)**	**418.70%**	**11,043.64**	**-10.14%**	**(1,907.35)**
Total	**100.00%**	**5,59,971.97**	**100.00%**	**21,450.96**	**-100.00%**	**(2,637.55)**	**100.00%**	**18,813.41**

(b) **As at and for the year ended 31st March, 2016**

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Gujarat Fluorochemicals Limited	53.36%	2,88,652.46	15.66%	9,540.22	-20.23%	(116.34)	15.61%	9,423.88
Subsidiaries (Group's share)								
Indian Subsidiaries								
Inox Infrastructure Limited	1.05%	5,683.16	0.22%	133.80	0.02%	0.13	0.22%	133.93
Inox Wind Limited	35.29%	1,90,911.49	78.19%	47,646.28	-0.77%	(4.42)	78.93%	47,641.86
Inox Wind Infrastructure Services Limited	0.52%	2,790.01	-2.73%	(1,660.53)	-0.25%	(1.46)	-2.75%	(1,661.99)
Marut Shakti Energy India Limited	-0.12%	(652.19)	-1.16%	(707.72)	0.00%	-	-1.17%	(707.72)
Satviki Energy Private Limited	0.01%	80.27	-0.01%	(3.23)	0.00%	-	-0.01%	(3.23)
Sarayu Wind Power (Tallimadugula) Private Limited	-0.01%	(56.05)	-0.10%	(58.64)	0.00%	-	-0.10%	(58.64)
Vinirrmaa Energy Generation Private Limited	0.00%	(9.00)	-0.02%	(10.35)	0.00%	-	-0.02%	(10.35)
Sarayu Wind Power (Kondapuram) Private Limited	0.00%	(9.55)	-0.02%	(9.57)	0.00%	-	-0.02%	(9.57)
Inox Renewables Limited	9.17%	49,588.68	-3.04%	(1,853.21)	-19.31%	(111.06)	-3.25%	(1,964.27)
Inox Renewables Jaisalmer Limited	2.40%	12,991.75	0.30%	181.88	0.26%	1.47	0.30%	183.35
Inox Leisure Limited	9.66%	52,246.00	13.32%	8,115.68	-2.85%	(16.39)	13.42%	8,099.29
Inox Leisure Limited Employees welfare trust	0.00%	12.80	0.00%	0.50			0.00%	0.50
INOX Benefit Trust	0.00%	0.93	0.00%	-	-	-	0.00%	-
Shouri Properties Private Limited	0.01%	69.55	-0.02%	(14.51)	0.00%		-0.02%	(14.51)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Foreign Subsidiaries								-
Gujarat Fluorochemicals GmbH, Germany	0.05%	267.72	0.34%	204.32	-92.46%	(531.66)	-0.54%	(327.34)
Gujarat Fluorochemicals Americas LLC, USA	0.18%	954.30	-0.52%	(319.12)	24.48%	140.77	-0.30%	(178.35)
Gujarat Fluorochemicals Singapore Pte. Limited	0.33%	1,772.69	0.01%	6.46	7.60%	43.68	0.08%	50.14
GFL GM Fluorspar SA, Morocco	0.04%	206.25	-0.19%	(116.77)	4.79%	27.52	-0.15%	(89.25)
Minority Interest in all subsidiaries	17.67%	95,592.05	34.47%	21,001.14	-1.79%	(10.27)	34.78%	20,990.87
Indian Associates								
Megnasolace City Private Limited	0.59%	3,201.88	-	-	-	-	0.00%	-
Joint Ventures(Investments as per equity method)								
Swarnim Gujarat Flourspar Private Limited	0.02%	95.55	0.00%	(2.20)	-	-	0.00%	(2.20)
Swanston Multiplex Cinemas Private Limited	0.00%	(2.30)	0.00%	2.53	-	-	0.00%	2.53
Xuancheng Hengyuan Chemical Technology Co. Ltd	0.07%	365.56	0.75%	455.38	-	-	0.75%	455.38
Intercompany eliminations								
Consolidation eliminations / adjustments	-30.29%	(1,63,803.67)	-35.45%	(21,599.25)	0.51%	2.99	-35.76%	(21,596.26)
Total	**100.00%**	**5,40,950.34**	**100.00%**	**60,933.09**	**-100.00%**	**(575.04)**	**100.00%**	**60,358.05**

65 First-time adoption of Ind AS

For all periods upto and including the year ended 31st March, 2016, the Group had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

This note explains the principal adjustments made by the Company in restating its financial statements prepared under previous GAAP.

The exemptions allowed by Ind AS 101 and availed by the Company are set out in Note 4.

65.1 Effect of Ind AS adoption on the Balance Sheet as at 31st March, 2016 and 1st April, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2016			As at 1st April, 2015		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
(a) Property, plant & equipment	a,b,c,h,u	4,57,105.05	(9,485.60)	4,47,619.45	3,96,470.06	(6,167.65)	3,90,302.41
(b) Capital work-in-progress	u	23,901.31	(59.85)	23,841.46	40,336.03	(39.97)	40,296.06
(c) Investment property	a	262.82	763.37	1,026.19	264.76	778.80	1,043.56
(d) Goodwill	d,e	3,227.13	(1,435.28)	1,791.85	29.11	12.74	41.85
(e) Other intangible assets	u	10,883.96	(260.56)	10,623.40	9,896.85	(284.59)	9,612.26
(f) Financial assets							
(i) Investments							
a) Investments in associates		3,201.88	-	3,201.88	3,201.47	-	3,201.47
b) Investments in joint ventures	u	-	461.10	461.10	-	907.30	907.30
c) Other investments	f	25,246.44	1,466.08	26,712.52	10,197.81	443.37	10,641.18
(ii) Loans	g,u	12,261.70	(5,534.58)	6,727.12	11,456.38	(5,019.69)	6,436.69
(iii) Other non-current financial assets	h,i	6,965.90	10,522.56	17,488.46	4,769.46	8,440.98	13,210.44
(g) Deferred Tax Assets (net)	p	10,859.54	1,158.82	12,018.36	10,973.29	2,798.12	13,771.41
(h) Other non-current assets	b,g,r	13,327.12	12,175.12	25,502.24	6,754.14	9,065.88	15,820.02
(i) Income tax assets (net)	u	13,487.66	(16.19)	13,471.47	12,032.42	(16.19)	12,016.23
Total non-current assets		**5,80,730.51**	**9,754.99**	**5,90,485.50**	**5,06,381.78**	**10,919.10**	**5,17,300.88**
Current Assets							
(a) Inventories	e,q,u	92,224.48	1,424.04	93,648.52	87,039.88	(416.83)	86,623.05
(b) Financial assets							
(i) Other Investments	j	9,226.37	(210.54)	9,015.83	2,287.95	(106.50)	2,181.45
(ii) Trade receivables	k,u	2,90,025.26	(2,160.42)	2,87,864.84	1,86,351.77	(2,286.84)	1,84,064.93

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2016			As at 1st April, 2015		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS	Previous GAAP	Effect of Transition to Ind AS	Ind AS
(iii) Cash & cash equivalents	t,u	13,402.06	(678.13)	12,723.93	1,08,423.62	(206.23)	1,08,217.39
(iv) Bank balances other than (iii) above		44,584.82	(3.46)	44,581.36	3,313.73	(5.28)	3,308.45
(v) Loans	k,u	4,437.55	(1,432.26)	3,005.29	3,472.42	(1,344.75)	2,127.67
(vi) Other current financial assets	r,i,h,t	5,575.86	(457.76)	5,118.10	1,983.23	1,830.68	3,813.91
(c) Other current assets	b,g,h,c,r	14,548.70	(1,030.38)	13,518.32	11,262.98	(16.73)	11,246.25
Total current assets		**4,74,025.10**	**(4,548.91)**	**4,69,476.19**	**4,04,135.58**	**(2,552.48)**	**4,01,583.10**
Total assets		**10,54,755.61**	**5,206.08**	**10,59,961.69**	**9,10,517.36**	**8,366.62**	**9,18,883.98**
EQUITY & LIABILITIES							
Equity							
(a) Equity share capital		1,098.50	-	1,098.50	1,098.50	-	1,098.50
(b) Other equity		4,48,541.93	(4,282.14)	4,44,259.79	4,14,289.21	(141.70)	4,14,147.51
(c) Non-Controlling Interest		97,354.26	(1,762.21)	95,592.05	76,770.97	(2,169.79)	74,601.18
Total equity	**65.2**	**5,46,994.69**	**(6,044.35)**	**5,40,950.34**	**4,92,158.68**	**(2,311.49)**	**4,89,847.19**
Liability							
Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings	h	1,06,336.11	402.80	1,06,738.91	1,13,582.32	2,113.34	1,15,695.66
(ii) Other non-current financial liabilities	l	475.37	555.57	1,030.94	861.68	747.12	1,608.80
(b) Provisions		2,438.56	-	2,438.56	1,797.30	-	1,797.30
(c) Deferred tax liabilities (net)	p	21,511.33	(1,164.54)	20,346.79	18,891.09	(1,290.91)	17,600.18
(d) Other non-current liabilities	c,l	2,555.86	12,791.91	15,347.77	2,628.99	14,188.05	16,817.04
Total non-current liabilities		**1,33,317.23**	**12,585.74**	**1,45,902.97**	**1,37,761.38**	**15,757.60**	**1,53,518.98**
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	h,u	1,75,374.58	(3,885.69)	1,71,488.89	1,22,017.19	(2,665.76)	1,19,351.43
(ii) Trade payables	r,u	1,34,783.05	(433.26)	1,34,349.79	84,716.09	(1,007.21)	83,708.88
(iii) Other current financial liabilities	hl	39,367.31	2,079.56	41,446.87	39,992.77	2,807.62	42,800.39
(b) Other current liabilities	c,u	17,679.52	955.12	18,634.64	20,909.53	464.36	21,373.89
(c) Provisions	m	2,316.34	(51.04)	2,265.30	9,944.07	(4,678.50)	5,265.57
(d) Current tax liabilities (net)	s	4,922.89	-	4,922.89	3,017.65	-	3,017.65
Total current liabilities		**3,74,443.69**	**(1,335.31)**	**3,73,108.38**	**2,80,597.30**	**(5,079.49)**	**2,75,517.81**
Total equity & liabilities		**10,54,755.61**	**5,206.08**	**10,59,961.69**	**9,10,517.36**	**8,366.62**	**9,18,883.98**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

65.2 Reconciliation of Total Equity as at 31st March, 2016 and 1st April, 2015

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2016	As at 1st April, 2015
Total equity (shareholders' funds under previous GAAP)		**5,46,994.69**	**5,08,450.80**
Effect of amalgamation of erstwhile Satyam Cineplexes Limited w.e.f. 8th August, 2014 given in the financial statements for the year 2015-16 under previous GAAP	s	-	(16,292.12)
Adjusted equity as per previous GAAP		**5,46,994.69**	**4,92,158.68**
Add/(less):			
Change in fair value of investments	f,j	1,304.21	337.81
Effect of measuring other Financial Instruments at fair value	h	(671.75)	(2,188.74)
Recognition of Entertainment tax exemption – government grants (net)	c	(9,771.05)	(9,962.58)
Impact of discounting of security deposits (net)	g	(676.99)	(576.40)
Impact of reversal of Goodwill Amortization (net)	d,e	368.16	163.76
Provision for expected credit loss on trade receivables and intercorporate deposits	k	(2,017.33)	(1,479.30)
On account of straight lining of O&M revenue	i	6,084.78	2,834.35
ESOP Trust Consolidation	t	12.80	12.30
Dividends not recognised as liability until declared under Ind AS	m	-	4,627.45
Prior period adjustments	r	(3,002.18)	(169.91)
Other adjustments		1.64	0.74
Tax impact on above items	p	2,323.36	4,089.03
Total Adjustments to equity		**(6,044.35)**	**(2,311.49)**
Total Equity under Ind AS		**5,40,950.34**	**4,89,847.19**

65.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Revenue from operations	l,o,u	7,02,463.03	8,595.02	7,11,058.05
Other income	c,f,j,k,g,h,u	8,525.44	1,732.46	10,257.90
Total Income		**7,10,988.47**	**10,327.48**	**7,21,315.95**
Expenses				
Cost of materials consumed	e,u	3,22,743.63	(4,143.50)	3,18,600.13
Purchases of stock-in-trade		223.94	-	223.94
Changes in inventories of finished goods, stock-in-trade and work in progress		9,570.49	-	9,570.49
Excise duty	o	-	10,082.03	10,082.03
Employee benefits expense	n,u	27,945.31	(80.31)	27,865.00
Finance costs	r,l,u	23,235.21	(1,467.28)	21,767.93

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for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	Note No.	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Depreciation and amortisation expense	b,u	32,752.79	(300.03)	32,452.76
Goodwill on consolidation written off	e	164.62	(164.62)	-
Other expenses	g,r,k,b,h,u	2,30,572.30	3,010.91	2,33,583.21
Total expenses		**6,47,208.29**	**6,937.20**	**6,54,145.49**
Less: Expenditure capitalized		(18,999.08)	-	(18,999.08)
Total expenses		**6,28,209.21**	**6,937.20**	**6,35,146.41**
Share of profit / (loss) of joint ventures and associates	u	-	(443.67)	(443.67)
Profit before exceptional items and tax		**82,779.26**	**2,946.61**	**85,725.87**
Exceptional items		(496.02)	-	(496.02)
Profit before tax		**82,283.24**	**2,946.61**	**85,229.85**
Tax expense				
(1) Current tax		23,161.01	-	23,161.01
(2) MAT credit entitlement		(1,569.67)	-	(1,569.67)
(3) Deferred tax	p	3,540.95	1,883.80	5,424.75
(4) Taxation pertaining to earlier years		(2,719.33)	-	(2,719.33)
		22,412.96	**1,883.80**	**24,296.76**
Profit for the year		**59,870.28**	**1,062.81**	**60,933.09**
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss				
Changes in revaluation surplus		-	(24.88)	(24.88)
Remeasurement of defined benefits plans	n	-	(22.27)	(22.27)
A (ii) Tax on above	p	-	7.67	7.67
B (i) Items that will be reclassified to profit or loss				
Exchange differences in translating the financial statements of foreign operations		-	(326.84)	(326.84)
Gain/(loss) on effective portion of on hedging instruments in a cash flow hedge	h	-	(319.19)	(319.19)
B (ii) Tax on above	p	-	110.47	110.47
Total other comprehensive income		**-**	**(575.04)**	**(575.04)**
Total comprehensive income for the year (Comprising Profit and Other Comprehensive Income for the year)		**59,870.28**	**487.77**	**60,358.05**
Profit for the year attributable to:				
- Owners of the Company		39,386.67	545.28	39,931.95
- Non-controlling interests		20,483.61	517.53	21,001.14
Other comprehensive income for the year attributable to:				
- Owners of the Company		-	(564.77)	(564.77)
- Non-controlling interests		-	(10.27)	(10.27)
Total comprehensive income for the year attributable to:				
- Owners of the Company		39,386.67	(19.49)	39,367.18
- Non-controlling interests		20,483.61	507.26	20,990.87

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

65.4 Reconciliation of Total comprehensive Income for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	2015-2016 (Latest period presented under IGAAP)
Net profit under previous GAAP		**59,870.28**
Add/(less)		
Impact of discounting of security deposits (net)	g	(100.59)
Recognition of Entertainment tax exemption - government grants (net)	c	191.53
Effect of changes in fair value of investments	f,j	966.40
Effect of measuring other financial instruments at fair value	h,l	1,762.73
Impact of reversal of Goodwill Amortization (net)	d,e	204.40
Provision for expected credit loss on trade receivables and intercorporate deposits	k	(538.03)
Actuarial gain/(loss) on employee defined benefit plan recognised in other comprehensive income	n	22.27
On account of straight lining of O&M revenue	i	3,250.43
Prior period adjustments	r	(2,832.27)
Other adjustments		19.74
Tax impact on above items		(1,883.80)
Total effect of Transition to Ind AS		**1,062.81**
Net Profit reported under Ind AS		**60,933.09**
Other comprehensive Income (net of Tax)	v	(575.04)
Total Comprehensive Income for the year under Ind AS		**60,358.05**

65.5 Effect of Ind AS adoption on the Cash flows for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	2015-2016		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from operating activities	u	38,448.08	(499.31)	37,948.77
Net cash flows from investing activities	u	(1,47,236.79)	159.10	(1,47,077.69)
Net cash flows from financing activities	u	13,683.27	(131.69)	13,551.58
Net increase (decrease) in cash and cash equivalents		**(95,105.44)**	**(471.90)**	**(95,577.34)**
Cash and cash equivalents at the beginning of the period		**1,08,423.62**	**(206.23)**	**1,08,217.39**
Cash and cash equivalents acquired in business combinations		83.88	-	83.88
Cash and cash equivalents at the end of the year		**13,402.06**	**(678.13)**	**12,723.93**

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

65.6 Footnotes for IGAAP to Ind AS reconciliation

a) Reclassification of Investment Property from Property, Plant & Equipment:

Under previous GAAP, there was no specific requirement to present investment property separately and the same was included under property, plant and equipment. Under IndAS, investment property is required to be presented separately in the balance sheet.

Consequent to this change, ₹ 778.80 Lakhs is transferred from property, plant and equipment to Investment property on the transition date (₹ 763.37 Lakhs as at 31st March, 2016).

The above changes do not affect total equity as at date of transition to Ind AS and as at 31st March, 2016 and the profit before tax and profit for the year ended 31st March, 2016.

b) Reclassification of leasehold land:

Under previous GAAP, leasehold lands were included under property, plant and equipment. Under Ind AS, leasehold land is required to be recognised as an operating or a finance lease as per the definition and classification criteria under Ind AS 17. Accordingly, deemed cost of the leasehold lands, classified as operating leases, is transferred from property, plant and equipment and disclosed as leases prepayments under non-financial assets.

Consequent to this change, amount of ₹ 8,211.41 Lakhs is transferred from property, plant and equipment to "pre-payments – leasehold lands" as at 31st March, 2016 (₹ 5,081.26 Lakhs as at 1st April, 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31st March, 2016 and the profit before tax and profit for the year ended 31st March, 2016.

c) Government Grants:

Under Ind AS, the Group has recognised following Government grants:

- Entertainment tax exemption
- Exemption from payment of customs duty on import of capital goods
- Purchase of rights in leasehold lands at a concessional rate

Accordingly:

- Some of the multiplexes operated by the Group are entitled to exemption from payment of entertainment tax in terms of the schemes notified by the respective State Governments, whose primary condition is that the Group should establish and operate multiplexes in specified areas. Under Ind AS, such government grant are initially recognised as deferred income in the balance sheet and is subsequently recognised in profit or loss as other operating revenue on a systematic and rational basis over the useful lives of the related assets.
- In respect of capital goods and leasehold lands, the amount of Government grant is recognised as 'Government grant – deferred income' with a corresponding increase in the carrying amount of related assets and the same is subsequently transferred to profit or loss as other income on a systematic and rational basis.

Consequent to this change, on the date of transition to Ind AS, an amount of ₹ 9,962.58 Lakhs is recognised as deferred revenue in the balance sheet and is adjusted in the opening retained earnings. The corresponding amount as at 31st March, 2016 is ₹ 9,771.05 Lakhs.

Further, on the date of transition to Ind AS, an amount of ₹ 1,313.80 Lakhs is recognised as deferred income in the balance sheet with the corresponding increase in carrying amount of plant and equipment. During the year ended 31st March, 2016, the additional amount of deferred income recognised in respect of rights in leasehold land is ₹ 266.38 Lakhs.

The profit for the year ended 31st March, 2016 increased by ₹ 191.53 Lakhs due to the transfer of deferred revenue to other operating revenue of ₹ 1,596.10 Lakhs which is partially off-set by transfer of ₹ 1,404.57 Lakhs to deferred revenue on account of entertainment tax exemption availed during the year.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

d) Amortisation of goodwill:

Under previous GAAP, goodwill acquired in a business combination was amortised. Under Ind AS, goodwill is not to be amortised; instead is to be tested for impairment on annual basis.

Consequent to this change, amortisation provided as per previous GAAP on the goodwill acquired during the year ended 31st March, 2016, amounting to ₹127.53 Lakhs has been reversed.

The profit before tax for the year ended 31st March, 2016 is increased by ₹ 127.53 Lakhs on account of reversal of goodwill amortisation.

e) Treatment of goodwill on acquisition of subsidiaries

Under previous GAAP, the excess of the cost to the parent of its investment in a subsidiary, over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary was made, was recognised as goodwill in the consolidated financial statements. Under Ind AS, considering the nature of business of the subsidiary and purpose of its acquisition being a business combination, such excess represents incremental cost of inventories in the consolidated financial statements.

Accordingly, as on the date of transition, such goodwill as per previous GAAP of ₹ 164.62 Lakhs is reclassified as inventories (as at 31st March, 2016 – ₹ 1,740.17 Lakhs).

Further, as on the date of transition, amount of ₹ 13.58 Lakhs, being the proportionate cost of inventories consumed, is adjusted against opening retained earnings. The profit for the year ended 31st March, 2016 is higher by ₹ 76.37 Lakhs on account of reversal of the goodwill on consolidation written off under previous GAAP of ₹ 164.62 Lakhs which is partially offset by charge of ₹ 88.25 Lakhs being proportionate cost of inventories consumed during the year.

f) Non-current Investments:

In the financial statements prepared under previous GAAP, non-current investments of the Group were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Group has recognised such investments as follows:

- Equity shares of joint venture company – at cost - refer foot note (u)
- Equity shares of associate - at cost
- Investments in Other Equity Instruments – at fair value
- Investments in Mutual Funds – at fair value
- Investments in debentures - at fair value
- Investment in Government securities – at amortised cost

The accounting policy for carrying cost of investments in joint venture and associate – refer Note 3.4

On the date of transition to Ind AS, the difference between the fair value of non-current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by ₹ 443.37 Lakhs which has been recognised in retained earnings. As at 31st March, 2016, the difference between the fair value of non-current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in increase in the carrying amount of these investments by ₹ 1,466.08 Lakhs.

During the year ended 31st March, 2016, net gain amounting to ₹ 1,022.71 Lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

g) Discounting of security deposits for leases:

Under the previous GAAP, interest free lease security deposits paid (that are refundable on completion of the lease term) were recorded at their transaction value. Under Ind AS, these security deposits are required to be recognised at amortised cost. Accordingly, the Group has discounted these security deposits under IndAS. Difference between the discounted value and the transaction value of the security deposit has been recognised as 'Deferred rent expense'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income under 'other income'. Further, the deferred lease rent expense is recognised in the Statement of Profit and Loss over the respective lease terms on a straight-line basis and included in line item 'Rent' under 'other expense'.

Consequent to this change, the amount of security deposits paid is decreased by ₹ 5,534.44 Lakhs as at 31st March, 2016 (₹ 5,019.54 Lakhs as at 1st April, 2015). The amount of deferred lease rent recognized is ₹ 4,857.45 Lakhs as at 31st March, 2016 (₹ 4,443.14 Lakhs as at 1st April, 2015). The net impact of ₹ 576.40 Lakhs on the transition date is adjusted in opening retained earnings

The profit for the year ended 31st March, 2016 decreased by ₹ 100.59 Lakhs due to the amortisation of deferred lease rent expense of ₹ 423.37 Lakhs which is partially off-set by recognition of notional interest income on security deposits of ₹ 322.79 Lakhs.

h) Derivative Financial Instruments:

Under previous GAAP, derivative forward contracts were accounted as per AS 11 of Indian GAAP. However, these are now classified as Financial Assets or Financial Liabilities as per IND AS 109 and measured at fair value. The Group has reversed the impact of AS 11 on the date of transition and restated those contracts at fair value on the date of transition and the gain or loss on the same has been adjusted in the Retained Earnings. Under previous GAAP, premium on forward contracts was amortised over the period of contract. Under Ind AS, the same is measured and recognised at fair value at reporting date.

The Group's certain foreign currency borrowings are fully hedged, both as to the principal and interest (cross currency swap), and hence were recorded in fixed rupee terms under previous GAAP. Consequently, the corresponding derivative assets/liabilities were also not recorded.

Under Ind AS, the foreign currency borrowings are translated using the closing rates and the difference is recognised in profit or loss as foreign exchange fluctuation gain/loss. Further, the corresponding derivative assets/ liabilities are recorded at fair value.

Consequent to this change,

- Non-current derivative financial assets of ₹4,707.66 Lakhs are recognised as on 31st March, 2016 (₹ 6,601.75 Lakhs as on 1st April, 2015) and current derivative financial assets of ₹395.22 Lakhs are recognised as on 31st March 2016 (₹ 835.24 Lakhs as on 1st April, 2015).
- Current derivative financial liabilities of ₹ 744.41 Lakhs is recognised as on 31st March, 2016 (₹ 1,266.36 Lakhs as on 1st April, 2015).
- During the year ended 31st March, 2016, net gain amounting to ₹ 287.36 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income and net loss amounting to ₹ 65.91 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other expense.
- The amount of foreign currency borrowings as on transition date is increased by ₹ 1,456.30 lakhs and as at 31st March, 2016, foreign currency borrowings is reduced by ₹ 1,233.97 Lakhs.
- As on the date of transition, the unamortised premium on forward contract as per previous GAAP of ₹ 448.04 Lakhs is reversed (as at 31st March, 2016 – ₹ 1,139.40 Lakhs)

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

As per the requirements of IND AS 109, the Group has accounted gain/(loss) on account of fair valuation of financial instruments under cash flow hedge in Other Comprehensive Income (OCI). In previous GAAP, the same were accounted in Hedge Reserve. Accordingly, ₹ 319.19 Lakhs were accounted in other comprehensive income for the year ended 31st March, 2016.

i) **Revenue from services:**

In the financial statements prepared under previous GAAP, revenue from services in respect of Operation & Maintenance (O & M) services were recognised in terms of the respective contract. However, under Ind AS, revenue from sale of services in respect of O & M services is recognised on Straight Line Method (SLM) over the period of the contract.

Consequent to this change, on the date of transition to Ind AS, unbilled revenue from O & M services of ₹ 2,834.38 Lakhs is recognized with corresponding increase in the retained earnings. The amount of such unbilled revenue recognised as at 31st March, 2016 is ₹ 6,084.83 Lakhs.

The profit before tax for the year ended 31st March, 2016 is increased by ₹ 3,250.44 Lakhs on account of recognition of O & M revenue on SLM basis.

j) **Current Investments:**

In the financial statements prepared under previous GAAP, current investments of the Group were measured at lower of cost and fair value. Under Ind AS, the Group has recognised such investments as follows:

- Investments in Venture capital fund– at fair value
- Investments in Mutual Funds – at fair value

On the date of transition to Ind AS, the difference between the fair value of current investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in decrease in the carrying amount of these investments by ₹ 106.50 Lakhs which has been recognised in retained earnings. As at 31st March, 2016, the difference between the fair value of current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under previous GAAP, has resulted in decrease in the carrying amount of these investments by ₹ 165.55 Lakhs.

During the year ended 31st March, 2016, net loss amounting to ₹ 59.04 Lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

k) **Expected credit losses:**

Under previous GAAP, the Group used to create provision for impairment of receivables and deposits only in respect of specific amount for doubtful receivables and deposits. Under Ind AS, additional impairment allowance has been determined based on Expected Credit Loss model (ECL).

Consequent to this change, on the date of transition to Ind AS, allowance for ECL of ₹ 1,479.30 Lakhs (i.e. ECL of ₹ 631.20 Lakhs on trade receivable and ₹ 700.00 Lakhs on Inter-corporate deposit (ICD) and reversal of accrued interest on ICD of ₹ 147.75 Lakhs) is recognized with corresponding reduction in the retained earnings.

The amount of allowance for ECL on trade receivable & ICD and consequential reversal of interest on ICD recognised as at 31st March, 2016 is ₹ 2,017.33 Lakhs.

The profit before tax for the year ended 31st March, 2016 is decreased by ₹ 538.03 Lakhs on account of allowance for ECL and consequential reversal of interest on ICD.

l) **Premium Payable on Option Contract:**

On transition to IND AS i.e. on 1st April, 2015 the Group has provided for the outstanding Option Premium Liability, the other impact is being given in the opening reserves as per the requirements of IND AS 109. The same was accounted as finance cost under previous GAAP and the Group used to charge the same when the banks are actually debiting the amount from the account of the Group.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

Consequent to this change, Premium payable on option contract was recognised amounting to ₹5,124.82 Lakhs as on 31st March 2016 (₹ 6,666.06 Lakhs as on 1st April, 2015)

The profit before tax for the year ended 31st March, 2016 is increased by ₹ 1,541.24 Lakhs due to reversal of finance cost.

m) Declaration of Dividend:

Under previous GAAP, dividends on equity shares recommended by the board of directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under IndAS, such dividends are recognised when declared by the members in a general meeting.

Consequent to this change, on the date of transition to Ind AS, provision for dividend including dividend distribution tax amounting to ₹ 4,627.45 Lakhs is reversed with corresponding increase in the retained earnings. Same is recognised in FY 2015-2016 with corresponding reduction in retained earnings.

n) Remeasurement of defined benefit plan:

In the financial statements prepared under previous GAAP, remeasurement of defined benefit plans and assets (gratuity), arising due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefit relating to defined benefit plans and assets is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2016, remeasurement of gratuity liability resulted in a net loss of ₹ 22.27 Lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI.

The above changes do not affect total equity as at date of transition to Ind AS and as at 31st March 2016.

o) Excise duty:

In the financial statements prepared under previous GAAP, revenue from sale of products was presented net of excise duty. However, under Ind AS, revenue from sale of products includes excise duty.

Consequently, the revenue from sale of products for the year ended 31st March, 2016 includes excise duty ₹ 10,082.03 Lakhs with a corresponding excise duty expense presented separately on the face of the Statement of Profit and Loss.

The above changes do not affect profit for the year ended 31st March, 2016 and total equity as at date of transition to Ind AS and as at 31st March, 2016

p) Deferred Tax

In the financial statements prepared under previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under previous GAAP. In addition, the transitional adjustments as described in the preceding paragraphs have also led to temporary differences and creation of deferred tax thereon.

Consequent to this change, on the date of transition to Ind AS, net deferred tax assets of ₹ 4,089.03 Lakhs were recognised with corresponding increase in retained earnings and reduction in the amount of deferred tax liabilities in the Balance Sheet.

For the year ended 31st March, 2016, it has resulted in increase in deferred tax expense by ₹ 1,883.80 Lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit of ₹ 118.14 Lakhs in OCI.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

q) Inventory valuation:

In case of one of the subsidiary, due to change in policy for valuation of inventories from FIFO basis to weighted average cost basis w.e.f. 1st April, 2015, the value of inventory on the date of transition is decreased by ₹ 5.57 Lakhs with corresponding adjustment in opening retained earnings. As at 31st March, 2016, the value of inventories is increased by 2.40 Lakhs and the profit before tax for the year ended 31st March, 2016 increased by ₹ 7.97 Lakhs.

r) Prior period items:

Refer Note 60 for impact of prior period items.

s) Amalgamation of erstwhile Satyam Cineplexes Limited

During the year ended 31st March, 2015, Inox Leisure Limited ("ILL") had acquired 100% of the equity shares in Satyam Cineplexes Limited ("SCL") and consequently SCL had become a wholly owned subsidiary of the ILL with effect from 8th August, 2014. During the year ended 31st March, 2016, pursuant to the Scheme of Amalgamation ("the Scheme") under Section 391 to 394 of the Companies Act 1956, sanctioned by the Hon'ble High Court of Delhi vide order dated 10th February, 2016, SCL was amalgamated with ILL with effect from 8th August, 2014 ("the Appointed Date"). As the Scheme had become effective on 23rd March, 2016 viz. the date on which the certified copy of the order of the Delhi High Court sanctioning the Scheme is filed with the Registrar of Companies, Gujarat and Registrar of Companies, Delhi, effect of the Scheme was given in the financial statements for the year ended 31st March, 2016 prepared under previous GAAP. Under Ind AS, as the business combination has occurred on 8th August, 2014, the Scheme has been given effect as at 8th August, 2014 and accordingly the impact of amalgamation as at 8th August, 2014 and for the period from 8th August, 2014 to 31st March, 2015 is given in the opening balance sheet as at the date of transition as under:

	(₹ In Lakhs)
Cost of the ILL's investment in SCL	18,800.59
Less: Net assets taken over, at book value	2,321.46
Add: Reduction in provision for taxation for the year ended 31 March 2015 consequent to the amalgamation of SCL	187.00
Net impact as at 1st April, 2015 is given as under:	**16,292.13**

Reserves and surplus of SCL on the appointed date recorded at their existing carrying amounts		
Securities Premium	2,340.45	
General Reserve	100.00	2,440.45
Effect on the Surplus/deficit in the Statement of Profit and Loss		
		(391.54)
Sub-total		2,048.91
Less: Adjusted against Reserves as per the Scheme		
Amalgamation Reserve	750.66	
Reserve on sale of Treasury Shares	14,872.93	
General Reserve	2,717.45	(-) 18,341.04
Net impact as at 1st April, 2015		**16,292.13**

t) ESOP and Inox benefit trust consolidation

Based on a control assessment carried out under Ind AS 110 Consolidated Financial Statements Inox Leisure Limited - Employees Welfare Trust and INOX Benefit Trust are considered to be subsidiaries under Ind AS 110 since the Group has sufficiently dominant power to appoint the Trustees and direct the relevant activities of these trusts.

The following assets and liabilities of these two trusts, determined in accordance with Ind AS as at 31st March, 2016 and 1st April, 2015, have been consolidated with that of the Group using the principles laid down in Ind AS 110.

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents	12.80	12.30

Further, the following income and expenses of these two trusts for the year ended 31st March, 2016 have been consolidated with that of the Group using the principles laid down in Ind AS 110.

(₹ in Lakhs)

Particulars	Year ended 31st March 2016
Revenue from operation	Nil
Other Income	0.50
Other expenses	Nil
Profit for the year	0.50

Further, the below cash flows of these two trusts for the year ended 31st March, 2016 have been considered in the consolidated statement of cash flows for the year ended 31st March, 2016 prepared as per Ind AS.

(₹ in Lakhs)

Particulars	Year ended 31st March, 2016
Cash flows from operating activities	Nil
Cash flows from investing activities	0.50
Cash flows from financing activities	Nil

u) **Joint venture**

Under previous GAAP, followings were classified as a joint venture and accounted for using the proportionate consolidated method.

Particulars	As at 31st March, 2016	As at 1st April, 2015
Xuancheng Hengyuan Chemical Technology Co. Ltd (XHCTCL)	33.77%	33.77%
Swarnim Gujarat Fluorspar Private Limited (SGFPL)	25.00%	25.00%
Swanston Multiplex Cinemas Private Limited (SMCPL)	50.00%	50.00%

XHCTCL is incorporated in China and is engaged in the business of manufacturing of AHF and allied activities and is no longer a joint venture from 7th September, 2016

SGFPL is incorporated in India and is engaged in the business of manufacturing of Acid Grade Fluor Spar.

SMCPL is incorporated in India and was engaged in the business of operating a multiplex and has ceased its operations since July 2012

The above joint ventures are accounted for using the equity method in these consolidated financial statements.

The following assets and liabilities of Joint ventures have been proportionately consolidated under previous GAAP at the rate of respective % given above:

Notes to the Consolidated Financial Statements
for the year ended 31st March, 2017

(₹ in Lakhs)

Particulars	As at 31st March, 2016			As at 1st April, 2015		
	XHCTCL	SGFPL	SMCPL	XHCTCL	SGFPL	SMCPL
Assets	4431.38	98.07	65.41	4809.99	99.73	66.81
Liabilities	4065.83	2.54	71.25	4000.43	1.99	71.64

Under Ind AS, the investment in joint ventures has been recognised as under:

(₹ in Lakhs)

Particulars	As at 31st March, 2016			As at 1st April, 2015		
	XHCTCL	SGFPL	SMCPL	XHCTCL	SGFPL	SMCPL
Carrying value of Investments	365.55	95.55	0	809.56	97.74	0

The following are the income and expense of joint ventures for the year ended 31st March, 2016. Under previous GAAP, these had been proportionately consolidated @ respective % given above.

(₹ in Lakhs)

Particulars	2015-2016		
	XHCTCL	SGFPL	SMCPL
Income	4565.75	0.37	0.01
Expenses	5021.13	2.57	2.01

Under Ind AS, joint ventures are accounted for using the equity method in these consolidated financial statements. The Group's share of profit/(loss)for the year ended 31st March, 2016 is as under:

Particulars	2015-2016		
	XHCTCL	SGFPL	SMCPL
The Group's share of profit/(loss)	(181.11)	(2.36)	8.12
The Group's share of other comprehensive income	-	-	-

The amount of provision for liability on account of additional losses of this joint venture, being constructive obligation recognised as at the date of transition is ₹ 4.83 Lakhs (as at 31st March, 2016 – ₹ 2.30 Lakhs).

v) **Other Comprehensive income:**

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other Comprehensive income.

This change does not affect total equity as at date of transition to Ind AS and as at 31st March, 2016.

As per our report of even date attached
For **PATANKAR & ASSOCIATES**
Chartered Accountants

M. Y. Kulkarni
Partner

Place : Pune
Dated : 29th May, 2017

For **GUJARAT FLUOROCHEMICALS LIMITED**

V. K. Jain
Managing Director

Deepak Asher
Director & Group Head
(Corporate Finance)

B. V. Desai
Company Secretary

Manoj Agrawal
Chief Financial Officer

Place : Noida
Dated : 29th May, 2017

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

GUJARAT FLUOROCHEMICALS LIMITED

(CIN: L24110GJ1987PLC009362)

Registered office: Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380,
Taluka Ghoghamba, District Panchmahal
Telephone: 02678-248153, Fax: 02678-248153
Website: www.gfl.co.in, **Email id:** contact@gfl.co.in

30th Annual General Meeting – 28th September, 2017

Name of the Member(s)	**:**	
Registered Address	**:**	
E-mail ID	**:**	
Folio No./ Client ID	**:**	
DP ID	**:**	

I/ We, being the Member(s) of ________________________ shares of the above named Company, hereby appoint

Name : ____ E-mail ID : _________________________________

Address : ____

Signature : ________________________ Or failing him/ her

Name : ____ E-mail ID : _________________________________

Address : ____

Signature : ________________________ Or failing him/ her

Name : ____ E-mail ID : _________________________________

Address:____

Signature : ________________________

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 30th Annual General Meeting of the Company, to be held on Thursday the 28th September 2017, at 04:00 p.m. at Survey Number 16/3, 26 and 27, Village Ranjitnagar 389380, Taluka Ghoghamba, District Panchmahal and at any adjournment thereof in respect of such Resolutions as are indicated below.

Resolution Number	**Resolution**	**Vote (Optional see Note 2)(Please mention no. of shares)**		
		For	**Against**	**Abstain**
Ordinary Business				
1	Adoption of the a) Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2017, the report of Auditors thereon and the report of the Board of Directors for the said year; and b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2017 and the report of the Auditors thereon.			
2	Declaration of Dividend for the Financial Year ended 31st March, 2017.			
3	Appointment of Director in place of Shri Deepak Asher, (DIN: 00035371) who retires by rotation and, being eligible, seeks re-appointment.			
4	Appointment of Independent Auditors to hold office from the conclusion of this Annual General Meeting to the conclusion of 35th Annual General Meeting and to fix their remuneration.			
Special Business				
5	Re-appointment of Shri Vivek Jain (DIN: 00029968) as Managing Director of the Company and payment of remuneration to him.			
6	Re-appointment of Shri Dinesh Kumar Sachdeva (DIN: 00050740) as Whole-time Director of the Company and payment of remuneration to him.			
7	Re-appointment of Shri Anand Rambhau Bhusari (DIN: 07167198) as Whole-time Director of the Company and payment of remuneration to him.			
8	Ratification of approval of payment of remuneration to the Cost Auditors.			

Signed this______________________ day of ____________ 2017.

Affix Revenue Stamp not less that ₹ 1

__________________ Signature of Member

_______________________ Signature of Proxy Holder(s)

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

GUJARAT FLUOROCHEMICALS LIMITED
Registered Office
Survey Number16/3, 26 & 27
Village Ranjitnagar 389380
Taluka Ghoghamba
District Panchmahal
Gujarat

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