



IWL: NOI: 52: 2017

28<sup>th</sup> September, 2017

The Secretary BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street , Mumbai 400 001	The Secretary National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051
Scrip code: 539083	Scrip code: INOXWIND
Fax No 022-22723121/2037/39/41/61	Fax No 022-2659 8237/38

**Sub: Annual Report for the Financial Year 2016-17**

**Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)**

Dear Sirs,

Pursuant to Regulation 34(1) of the Listing Regulations, we enclose herewith soft copy of the Annual Report of the Company for the Financial Year 2016-17 inter-alia, containing, the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017, the report of Auditors thereon and the report of the Board of Directors for the said year; and the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the report of the Auditors thereon, which was approved and adopted by the Members at their Eighth Annual General Meeting held on Tuesday, the 26<sup>th</sup> September, 2017 at 11.00 A. M. at Hotel Pandit Moolraj Residency, SH-25, Una - Nangal Road, Rakkar Colony, District Una - 174303, Himachal Pradesh.

The Annual Report of the Company for the Financial Year 2016-17 is placed on the website of the Company, [www.inoxwind.com](http://www.inoxwind.com).

We request you to take the above on record.

Yours faithfully,  
**For Inox Wind Limited**

  
**Deepak Banga**  
**Company Secretary**



Encl.: As above

# POWERING OUR FUTURE





# POWERING OUR FUTURE

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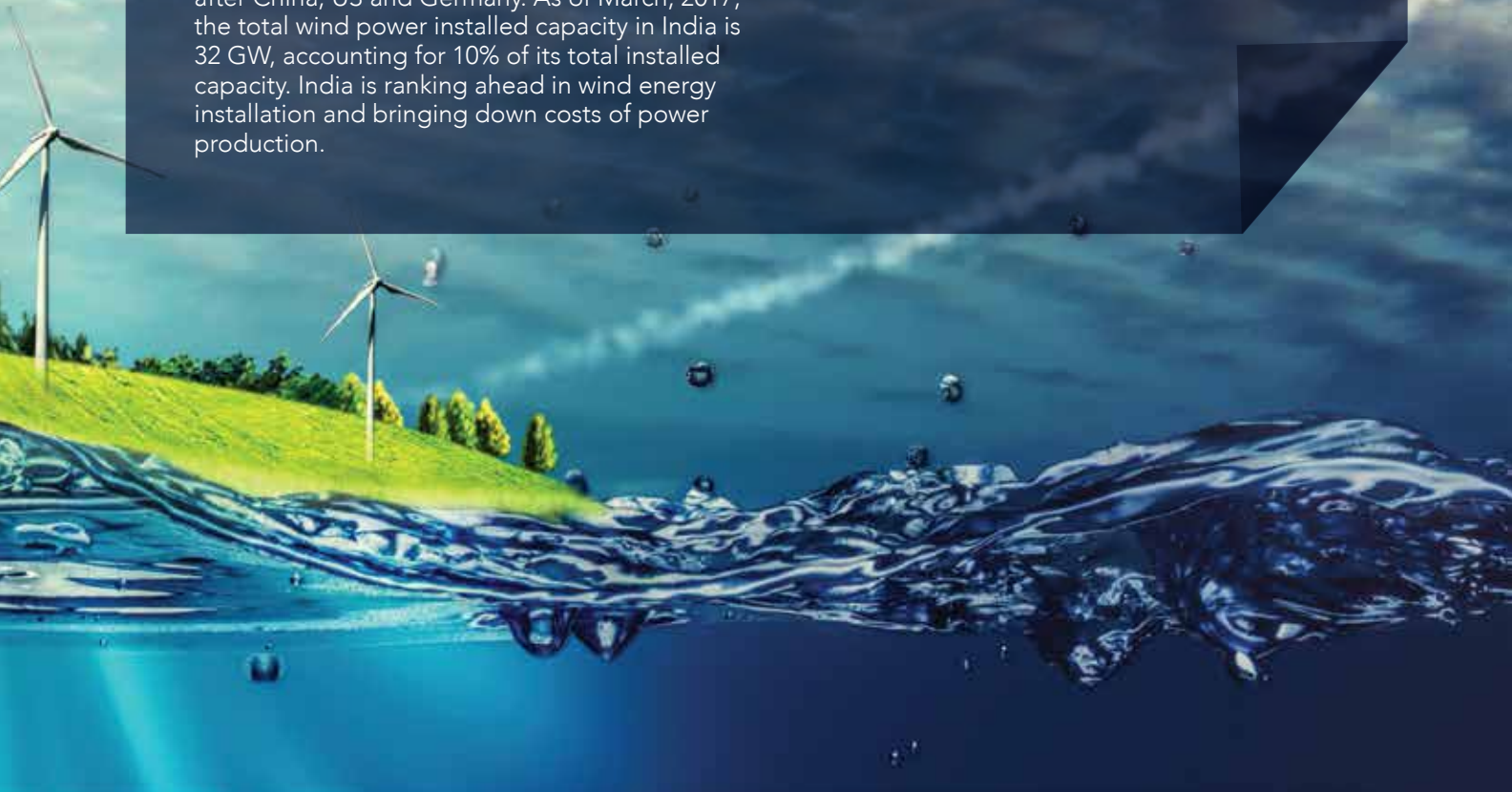


**Renewable energy is one of the key means for replacing carbon based fuels and emissions, while meeting the future energy needs of both advanced and developing countries. Wind energy is one of the fastest growing clean energy sources in the world. As wind turbines do not produce any atmospheric emissions, wind is a strong contender for reducing cumulative greenhouse gas emissions. It uses zero water in its energy generation, and is amongst the lowest cost renewable energy technologies present today.**

India has an abundant supply of harvestable wind. An MNRE study puts the potential of India's wind power generation at 302 GW at a hub height of 100m. The country's wind power generating capacity is increasing year on year, reaching a cumulative capacity of 32 GW in FY2017, enough to power 20 million homes. The Government has an ambitious target of reaching 175 GW capacity from renewable energy resources by 2022, and of this 60 GW is expected to come from wind power. Globally, India ranks 5<sup>th</sup> in its annual capacity additions and 4<sup>th</sup> in terms of wind power installed capacity after China, US and Germany. As of March, 2017, the total wind power installed capacity in India is 32 GW, accounting for 10% of its total installed capacity. India is ranking ahead in wind energy installation and bringing down costs of power production.

At INOX Wind limited, we are amongst the fastest-growing and one of the leading wind energy solutions providers in India. We are vertically integrated with the ability to provide end-to-end turnkey solutions for wind farm projects – from developing the entire site infrastructure, to supplying the wind turbine generators (WTGs) and long term operations and maintenance services.

With the shift over to an auction regime, we are on a solid growth footing and confident of maintaining a steady and sustainable growth trajectory in the wind power space. Our ability for offering turnkey solutions, and participating in every stage of the value chain, gives us a competitive edge in the marketplace. With state-of-the art technology and project execution capabilities; with one of the largest bank of project sites; and with a strong reputation for delivering top notch O&M service, we have steadily strengthened our market position over the years. Today, with a healthy order book and a strong balance sheet, we are well positioned to grow our business. In FY2018, we aim to further consolidate our position as one of India's leading wind energy solutions providers.



# At a Glance

**INOX Wind Limited is a fully integrated player in the wind energy market with 3 state-of-the-art manufacturing plants in Gujarat, Madhya Pradesh and Himachal Pradesh. We are one of the largest manufacturers of Wind Turbine Generators (WTGs) in India.**

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With project sites across Rajasthan, Gujarat, Maharashtra, Madhya Pradesh and Andhra Pradesh, our current inventory of project sites is in excess of 5,000 MW.

We supply wind turbines, along with associated and auxiliary components to ensure high quality, most advanced technology, reliability and cost competitiveness. We offer wind farm projects on a turnkey basis across India through our wholly-owned subsidiaries – INOX Wind Infrastructure Services Limited (IWISL) and Marut-Shakti Energy India Limited (MSEIL).

Our robust and reliable WTGs are optimised to deliver higher yields at lower costs. Our diversified suite of products is aimed at delivering efficient wind power solutions customised to the exact needs of the client.



08<sup>States</sup>

Our Presence in India

03

Manufacturing Facilities

1,600<sup>MW</sup>

Manufacturing Capacity

2.2<sup>GW</sup>Cumulative  
Wind Turbines Installed656<sup>MW</sup>Aggregate capacity  
erected and  
commissioned during  
FY2017

~7%

Market Share of  
cumulative Wind  
Energy Projects  
installed in India

## At a Glance (contd.)

### KEY MARKET DIFFERENTIATORS



### OUR CERTIFICATIONS:

- An ISO 9001:2008 certified company
- Manufacturing units are awarded with ISO 14001:2004, OHSAS 18001:2007 and ISO 3834-2 (tower manufacturing facility)
- Wind turbines are type certified by TUV SUD and duly enlisted in RLMM by C-WET



Our robust and reliable WTGs are optimised to deliver higher yields at lower costs. Our diversified suite of products is aimed at delivering efficient wind power solutions customised to the exact needs of the client.

## OUR END-TO-END SOLUTIONS

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### A. Wind Farm Identification and Land Acquisition

- Wind resource assessment to identify suitable sites for wind farms and physical assessment of wind sites
- Energy assessment of sites
- Identification and acquisition of land
- Approach road and logistics feasibility

### B. Power Evacuation Development

- Study of power evacuation options at site
- Construction of substation and transmission lines, based on load flow study and capacity
- Evacuation approvals from state transmission authorities
- Land or Right of way for the transmission line

### C. Infrastructure Development

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

### D. Facilitation & Government Approvals

- Assist the customer in obtaining statutory approvals necessary to install and operate wind farms and common infrastructure facilities, including sub-station and transmission lines.
- Provide support in connection with power purchase agreements, and wheeling and banking agreements with state distribution companies

### E. Engineering, Procurement & Construction

- Construction of WTG tower foundations
- Supply, erection and installation of turbines
- Construction and installation of unit sub-station and switch yard at each WTG
- Pre-commissioning and commissioning of WTGs

### F. Operations and Maintenance

- 24/7 operations and maintenance of WTGs and wind farms, including preventive maintenance of WTGs, unit sub-stations and common infrastructure facilities, comprising substation and transmission lines
- Maintain spares and consumables for operations and maintenance of turbines
- Installation of supervisory control and data acquisition system
- Provide various manpower, including with respect to wind farm security and site Management

### G. Post-Commissioning Support

- Support for registration for renewable energy certificates (REC), generation based incentives (GBI) and clean development mechanism (CDM)
- Dedicated customer relationship management for customers' daily generation report, monthly billing and other support.



# Pride of Parentage

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.

INOX Group is a multi-billion dollar professionally managed business conglomerate. The Group amongst other companies has three listed companies and has a joint venture with a global giant. The Group employs over 9,000 people at over 100 business units across the country, and has a leadership position across six sectors. The Group's distribution network spans over 50 countries around the globe.

## THE INOX GROUP COMPANIES

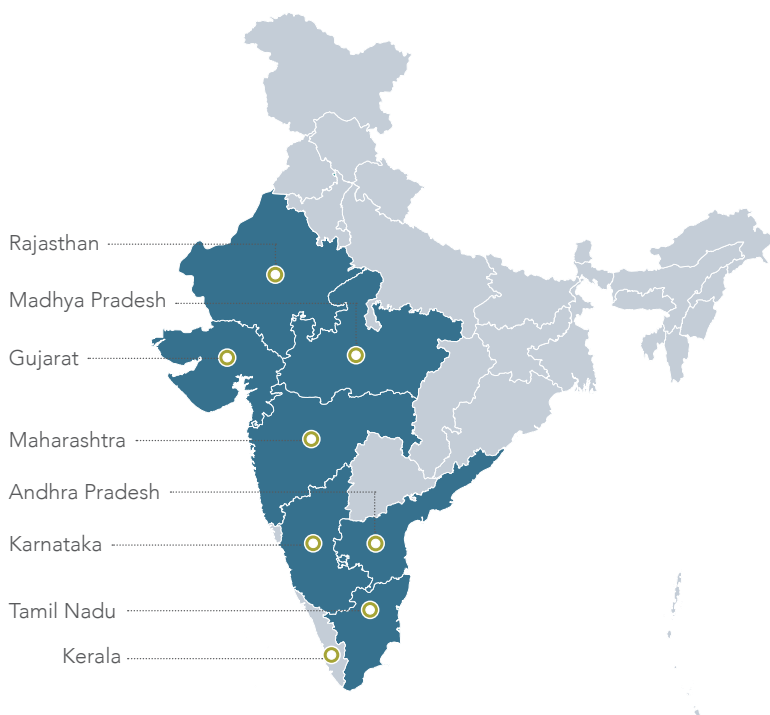




## OTHER KEY COMPANIES

INOX Air Products Limited	INOX India Limited	INOX Renewables Limited
		
<ul style="list-style-type: none"> <li>50:50 joint venture with Air Products Inc., USA</li> <li>Largest producer of industrial gases in India</li> <li>40 plants spread throughout the country</li> </ul>	<ul style="list-style-type: none"> <li>Largest producer of cryogenic liquid storage and transport tanks in India</li> <li>Offers comprehensive solutions in cryogenic storage, vaporization and distribution engineering</li> <li>Has operations in India, USA, Canada, Netherlands and Brazil</li> </ul>	<ul style="list-style-type: none"> <li>Engaged in the business of setting up and operating of wind farms</li> <li>260 MW operational capacity located across 4 States in India</li> <li>Sold to Leap Green Energy in March, 2017</li> </ul>

# Our Enriched Portfolio

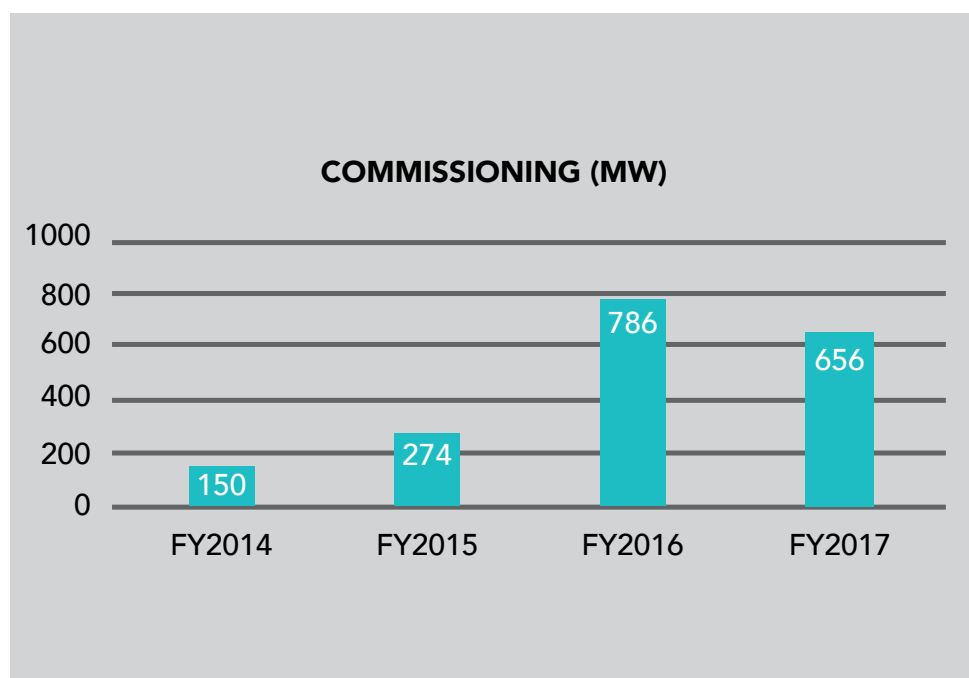


## CURRENT PIPELINE OF PROJECT SITES:

- Leadership across wind rich states
- Amongst the largest project site allottees in Gujarat, Rajasthan and Madhya Pradesh
- Expanded presence in Andhra Pradesh, Karnataka and Kerala
- Sufficient project site inventory for installation of an aggregate capacity of more than 5,000 MW

## COMMISSIONING:

ACHIEVED COMMISSIONING OF 656 MW DURING THE YEAR





# Corporate Information

## BOARD OF DIRECTORS

**Deepak Asher**

*Non-Executive Director*

**Devansh Jain**

*Whole-time Director*

**Siddharth Jain**

*Non-Executive Director*

**Rajeev Gupta**

*Whole-time Director*

**Chandra Prakash Jain**

*Independent Director*

**Shanti Prashad Jain**

*Independent Director*

**V. Sankaranarayanan**

*Independent Director*

**Bindu Saxena**

*Independent Director*

## KEY MANAGERIAL PERSONNEL

**Kailash Lal Tarachandani**

*Chief Executive Officer*

**Jitendra Mohananey**

*Chief Financial Officer*

**Deepak Banga**

*Company Secretary and Compliance Officer*

## STATUTORY AUDITOR

**M/s Patankar & Associates**

Chartered Accountants  
Office No. 19 to 23,  
4<sup>th</sup> Floor, Gold Wings,  
S.No. 118/A, Plot No. 543,  
Sinhgad Road, Parvati Nagar,  
Pune – 411 030,  
Maharashtra, India.  
Tel: +91 20 2425 2117  
Fax: +91 20 2425 2118  
Email: sanjay@patankarassociates.com  
Firm Registration No.: 107628W  
Contact Person: Mr. Sanjay Agrawal  
Membership No.: 49051

## BANKERS

Axis Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
IndusInd Bank Limited  
The Federal Bank Limited

Standard Chartered Bank  
Yes Bank Limited  
RBL Bank Limited  
Abu Dhabi Commercial Bank  
Kotak Mahindra Bank Limited  
IDFC Bank Limited  
The South Indian Bank Limited  
Société Générale  
State Bank of India  
Citi Bank  
The Hongkong and Shanghai Banking Corporation Limited

## BOARD LEVEL COMMITTEES

**IWL Committee of the Board for Operations**

Deepak Asher, Member  
Devansh Jain, Member  
Rajeev Gupta, Member

**Audit Committee**

Shanti Prashad Jain, Chairman  
Deepak Asher, Member  
Chandra Prakash Jain, Member  
Bindu Saxena, Member

**Nomination & Remuneration Committee**

Shanti Prashad Jain, Chairman  
Chandra Prakash Jain, Member  
Siddharth Jain, Member

**Stakeholders' Relationship Committee**

Deepak Asher, Chairman  
Devansh Jain, Member  
Shanti Prashad Jain, Member

**Corporate Social Responsibility (CSR) Committee**

Devansh Jain, Chairman  
Rajeev Gupta, Member  
Shanti Prashad Jain, Member

**Issue Committee**

Deepak Asher, Chairman  
Devansh Jain, Member  
Rajeev Gupta, Member

**Business Responsibility Committee**

Devansh Jain, Member  
Rajeev Gupta, Member  
Deepak Asher, Member  
Chief Financial Officer, Member

**Address for Investor**

**Correspondence:**

Link Intime India Private Limited,  
44, Community Centre, 2<sup>nd</sup> Floor,  
Naraina Industrial Area,  
Phase-1, New Delhi-110028, India

**Any Query on Annual Report:**

Company Secretary, INOX Wind Limited,  
INOX Towers, Plot No. 17, Sector-16A,  
Gautam Budh Nagar, District  
Noida-201301, Uttar Pradesh, India.

## PLANT LOCATION

**Una Plant**

Plot No. -1, Khasra Nos. 264 to 267,  
Industrial Area, Village Basal, District  
Una-174 303, Himachal Pradesh

**Rohika Plant**

Plot No. 128, Ahmedabad-Rajkot  
Highway, Village-Rohika,  
Tehsil- Bavla, Ahmedabad

**Barwani Plant**

Plot No. 20, AKVN Industrial Area, Relwa  
Khurd, Tehsil – Rajpur,  
Dist. - Barwani - 451449,  
Madhya Pradesh

## REGISTERED OFFICE

Plot No. 1, Khasra Nos. 264 to 267,  
Industrial Area,  
Village Basal – 174 303,  
District Una,  
Himachal Pradesh, India  
Tel No: +91 1975 272001  
Fax No: +91 1975 272001

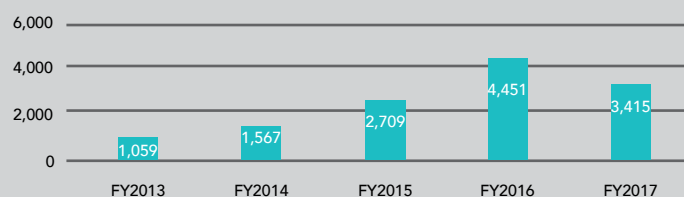
## CORPORATE OFFICE

**INOX Towers,**

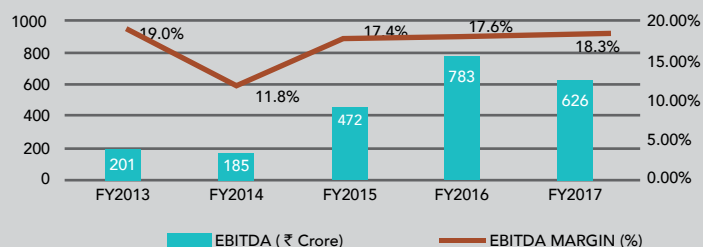
Plot No. 17, Sector-16A,  
Gautam Budh Nagar,  
District Noida – 201 301,  
Uttar Pradesh, India  
Tel No: +91 120 614 9600  
Fax No: +91 120 614 9610  
Website: www.INOXwind.com  
Registration Number: 031083  
Corporate Identification Number:  
L31901HP2009PLC031083

# Our Financial Scorecard

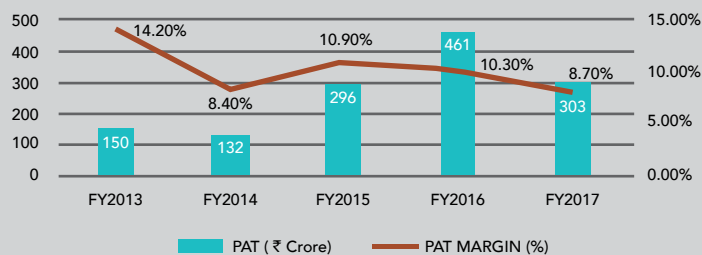
**REVENUE FROM OPERATIONS (RS CRORE)**  
CAGR 34%



**EBITDA (INCLUDING OI) AND EBITDA MARGIN (%)**



**PAT AND PAT MARGIN (%)**



# Key Operational Highlights

1 Own ~7% market share of cumulative wind energy installed in India on an aggregate basis

2 Current order book at 300 MW

3 Manufacturing capacity stands at 1,600 MW

4 Aggregate capacity of 656 MW commissioned in FY2017

5 Expanded our presence in Andhra Pradesh, Karnataka and Kerala

6 Own sufficient project site inventory for installation of an aggregate capacity of more than 5,000 MW

7 Analysing options to cast towers and mould blades close to project sites to cut down logistics cost to gain higher Plant Load Factor

8 Analysing bigger turbines (120m+ height) and bigger blades with the aim of yielding higher energy production

11 Working on boosting generation of existing and upcoming turbines by "Power Booster" technology, leading to 6% to 7% upgrade in energy output across the operating fleet

9 Projects commissioned in 8 different states

- Gujarat (396 MW), Rajasthan (100 MW), Andhra Pradesh (80 MW), Madhya Pradesh (42 MW), Kerala (16 MW), Karnataka (20 MW) and Tamil Nadu (2 MW).

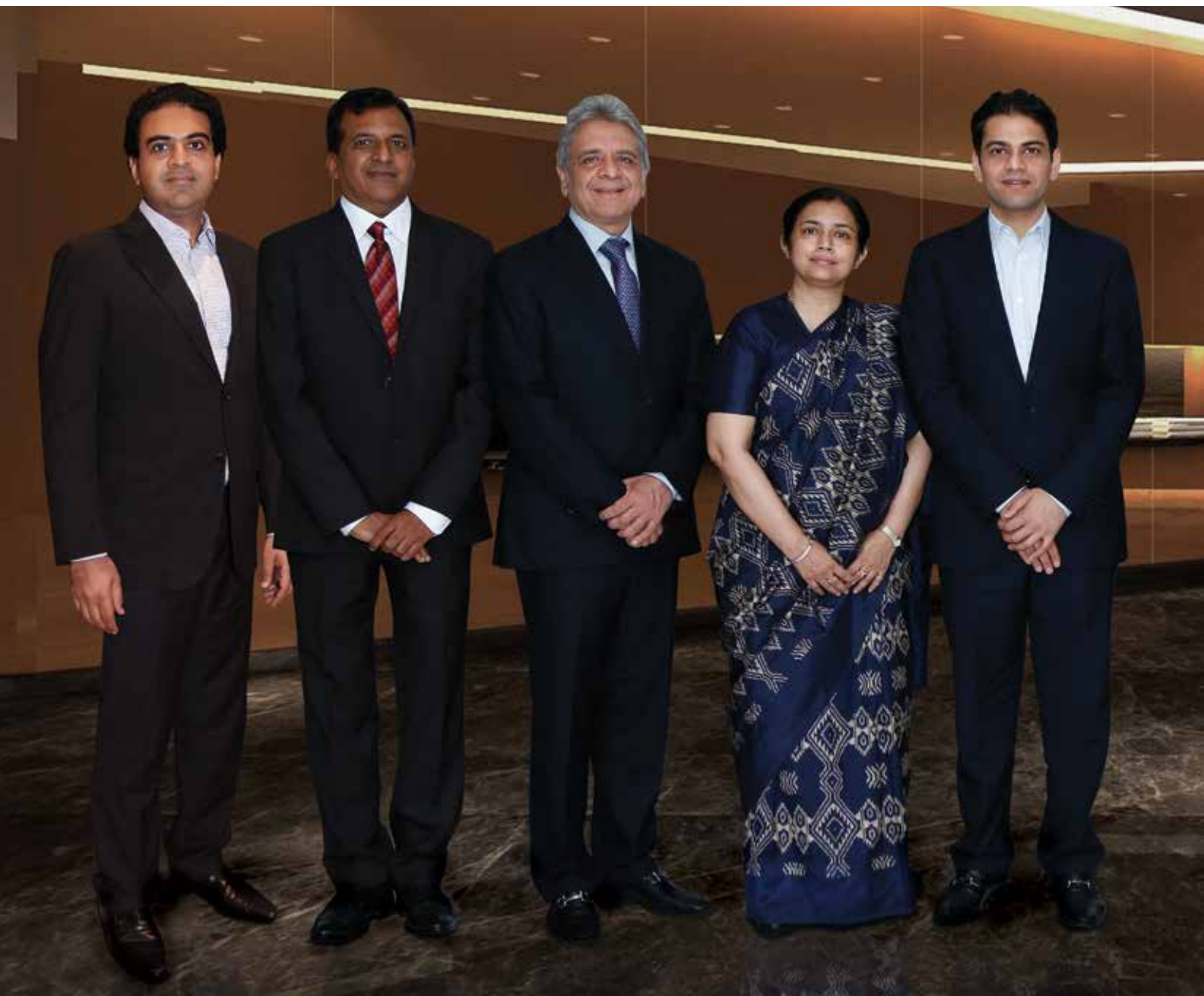
10 Projects commissioned for three different segments of customers:

- 426 MW of IPPs
- 156 MW of PSU Tenders
- 74 MW of Retail





# Board of Directors



**Siddharth Jain**  
Non-Executive Director

**Rajeev Gupta**  
Whole-Time Director

**Vivek Kumar Jain**  
MD, Gujarat Fluorochemicals  
Limited

**Bindu Saxena**  
Independent Director

**Devansh Jain**  
Whole-Time Director



Deepak Asher  
Non-Executive Director

Chandra Prakash Jain  
Independent Director

V. Sankaranarayanan  
Independent Director

Shanti Prashad Jain  
Independent Director

# Management Team



**Deepak Asher**  
Non-Executive Director



**Devansh Jain**  
Whole-Time Director



**Siddharth Jain**  
Non-Executive Director



**Rajeev Gupta**  
Whole-Time Director



**Shanti Prashad Jain**  
Independent Director

- Associated with INOX Group for more than 25 years in various capacities
- Has been instrumental in INOX Group's diversification into the cinema, CDM and wind energy businesses
- Founder President of the Multiplex Association of India and Member of FICCI Entertainment Committee
- Was awarded the Theatre World Newsmaker of the Year Award in the year 2002
- Holds a Bachelor's Degree in Commerce & a Bachelor's Degree in Law from Maharaja Sayajirao University of Baroda
- Fellow member of the Institute of Chartered Accountants of India and an Associate Member of the Institute of Cost and Works Accountants of India
- Has over 9 years of work experience in various management positions
- He has been spearheading INOX Group's foray into the wind energy sector
- He is on the National Council of Indian Wind Power Association and Honorary Secretary of Indian Wind Turbine Manufacturers Association
- Has completed a Double Major in Economics and Business Administration from Carnegie Mellon University, Pittsburgh, USA
- Was awarded (a) 'Wind Power Man of the Year 2012-13' at the annual event conceptualised by Global Energia (b) Outstanding Contribution of an Individual Towards Development of Wind Power Projects & Establishment of Indigenous Manufacturing by Global Energia and (c) For outstanding contribution to renewable energy at the Energy and Environment Foundation – Global Excellence Awards 2014
- Has over 12 years of work experience in various management positions in the INOX Group
- Currently looking after new project developments at INOX Air Products
- Holds a Bachelor's Degree in Mechanical Engineering from the University of Michigan – Ann Arbor and holds a Master's Degree in Business Administration from INSEAD, France
- Has more than 35 years experience in corporate planning, business and project development, project management, sales, procurement and operations in international and domestic industries
- Was involved in setting up GFL's chemical complex at Dahej and production plants for Aditya Birla Group, TOA Group of Companies, a Thai group and Lurgi India Private Limited
- Has more than seven years' experience in the wind industry in various capacities
- Holds a Bachelor's Degree in Chemical Technology from IIT, Delhi
- Has more than four decades of experience as a chartered accountant and direct tax consultant
- Senior partner of firm M/s Shanti Prashad & Co., Chartered Accountants, New Delhi
- Fellow member of the Institute of Chartered Accountants of India





**Chandra Prakash Jain**  
Independent Director

- Holds a Bachelor's Degree in Law & a Advance Diploma in Management
- Fellow member of the Institute of Chartered Accountants of India
- Former Chairman & Managing Director of NTPC Limited
- He was also the Chairman of the Standing Conference of Public Enterprises (SCOPE) for the period 2003-05
- Past member of the Standing Technical Advisory Committee of the Reserve Bank of India, Audit Advisory Board of the Comptroller & Auditor General of India
- In the past headed the CII's (Confederation of Indian Industries) 'National Committee on Energy'
- Presently he is also an Independent Director on the Boards of various companies including IL&FS Energy Development Company Limited, Adani Power Limited and PCI Limited.



**Bindu Saxena**  
Independent Director

- An advocate and is a partner of the law firm Swarup & Company, New Delhi, India
- Completed her Bachelor's in Commerce and Bachelor's in Law from Lucknow University
- Has over 25 years of experience as corporate attorney with experience of commercial transactions and projects in India and overseas.



**V. Sankaranarayanan**  
Independent Director

- Holds a Bachelor's degree in Commerce from Madurai University.
- He has wide exposure and experience of over 31 years in Finance and Taxation.
- He is on the Board of various companies including INOX Wind Infrastructure Services Limited, Durant Refrigeration Private Limited and Triumph Trading Limited.



**Kailash Tarachandani**  
Chief Executive Officer

- Holds a Bachelors Degree of Technology in Electrical Engineering from Indian Institute of Technology, Kanpur and a Master's Degree in business administration from INSEAD, France
- Has more than 22 years of experience in the field of strategy management, global project execution, product management, business development and was instrumental in building organisations, setting up their plants, acquiring technologies and developing their management team
- Prior to joining IWL in May 2013, he was associated with Kernerseys Private Limited, Pune, Vestas Wind Systems, Alstom Power (Switzerland) and Larsen and Toubro Limited



**Jitendra Mohanane**  
Chief Financial Officer

- Fellow Member of the Institute of Chartered Accountants of India and also a qualified Company Secretary from Institute of Company Secretaries of India and a Law Graduate.
- He has around 30 years of experience in the fields of Finance, Accounting, Taxation, Risk Management, Corporate Governance, Corporate Laws, and M&A, among others.
- He has previously worked with companies such as Sembcorp Green Infra Ltd., Lanco Infratech Ltd., Indraprastha Gas Ltd. and Bharti Duraline Ltd.

# Building an Inclusive and Greener Economy for All





# 300<sub>GW</sub>

Projected Demand  
for Power in India

India is making giant leaps in the renewable energy sector to fix India's chronic power shortages and reduce dependence on coal, with a renewable energy sector that is growing fastest in the world. Committed to become a low-carbon economy, we are transitioning to an energy future with a significant component of renewable energy.

As per the McKinsey Report, "Powering India – The Road to 2017", India's power demand is likely to cross 300 GW in the next 10 years. Currently, 300 million people have no access to electricity. The current power infrastructure in India is not capable of providing sufficient and reliable power supply. According to the Statistical Review of World Energy by British Petroleum 2030, India is expected to overtake China as the largest growth market for energy. This can be attributed to growth in the manufacturing industry and to the Government's target of providing full access to electricity to all citizens by 2022. A systemic approach that focusses on enabling the environment for more renewable energy will help India to meet its target of generating more energy.

Power generation from renewable sources is on the rise in India, with share of renewable energy in India's total energy mix rising from 12.3% in FY2013 to 18% in FY2017. India has taken a lead in the world's renewable energy sector. It has overtaken the United States to become the second-most attractive country after China for renewable energy investment. With the 5<sup>th</sup> largest power generation portfolio across the world, India's renewable

energy contribution stands at 57 GW, including 32 GW of wind power and 12 GW of solar power installed capacity.

With combined renewable energy capacity in excess of 57 GW as of March, 2017, renewable energy contributes ~18% of the total installed power capacities in India. During FY2017, India added 11.5 GW of renewable energy capacity, as compared with 10.2 GW from conventional sources. The output of renewable power projects rose by 65% in FY2017 at 11.5 GW, from 6.96 GW in FY2016. A combination of strong government support and increasingly attractive economics is pushing India into second place in terms of renewable energy. India is aiming to expand its renewable energy capacities to a record level, making it the world's largest green energy producing nation.

## AN AMBITIOUS TARGET

Although the share of renewable energy in the energy generation mix is rising over the years, India still has a large untapped renewable energy potential. The nation has fixed an ambitious target to increase its renewable capacity to 175 GW by 2022, from 57 GW currently – a 3-fold increase. With millions of jobs and access to high quality training programme to

# Building an Inclusive and Greener Economy for All (contd.)

support domestic solar and wind manufacturing market, the pace of renewable energy scale-up in India is high. Besides taking India closer to its goal of 40% non-fossil fuel based power by 2030 and 100% Renewable Energy by 2050, meeting the target will also provide employment to about 3 lakh new workers and more than 1 million employment opportunities.

India is working towards ensuring renewable energy accounts for 40% of the total installed capacity by 2040. Of this, 100 GW is planned for solar, 60 GW for wind and the remaining for hydro power and biomass projects. Wind energy accounts for 61% of the total renewable capacity, thereby making India the 4<sup>th</sup> largest in terms of capacity. As of March 2017, the cumulative installed wind generating capacity of wind power in India was 32.2 GW, compared to 26.7 GW in March 2016, taking the share of wind in the total grid connected renewable capacity to 56%. With the right incentives, the industry is capable of adding as much as 10 GW in installed capacity every year.

## ADVANTAGES OF WIND ENERGY

Wind energy is a clean and renewable energy source and offers many advantages, which explains why it is one of the fastest growing energy sources in the world. It is a clean fuel source and doesn't pollute the air like power plants that rely on combustion

of fossil fuels, such as coal and natural gas. According to the Wind Vision Report, wind turbines do not produce atmospheric emissions. Wind has the potential to reduce cumulative greenhouse gas emissions by 14%, with the capability to save US\$ 400 billion by 2050 in global damage.

Wind power is also cost effective. It is one of the lowest cost renewable energy technologies available today. Wind power does not use water, unlike conventional electricity sources. It uses zero water in its energy generation. Wind energy is a domestic source of energy. The nation's wind supply is abundant. Over the past 10 years, wind capacity in India increased by an average of 31% per year, reaching a cumulative capacity of over 32.2 GW by FY2017, enough to power 20 million homes. Wind power is the largest source of annual generating capacity, well ahead of the next two leading sources, solar power and natural gas. Wind power is also inexhaustible.

60 GW

Wind Energy Capacity to be Installed in India by 2022

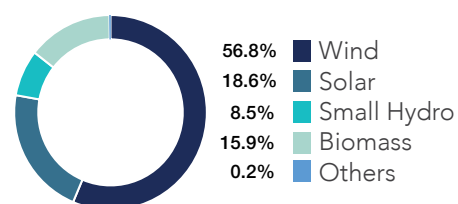




### GROWTH IN INSTALLED CAPACITY OF RENEWABLE ENERGY IN INDIA

	(GW)
FY2007	10.2
FY2008	12.4
FY2009	14.5
FY2010	16.9
FY2011	20.0
FY2012	24.9
FY2013	28.1
FY2014	31.7
FY2015	35.8
FY2016	42.7
FY2017	57.3

### INSTALLED CAPACITY OF RENEWABLE ENERGY IN INDIA



### KEY DRIVERS OF RENEWABLE ENERGY IN INDIA

- Energy security concerns
- Government support
- Climate change
- Increasing cost competitiveness of renewable energy technology
- Distributed electricity demand
- Favourable foreign investment policy



# Industry undergoing a tectonic shift to an auction regime



₹3.46 Per Unit  
Wind Power Tariff discovered in  
Auction of February 2017

**A new momentum has emerged in India's wind energy sector with a significant shift in market dynamics from Feed in Tariff (FIT) regime to an auction-based route. The new regime ensures competitive bidding and a larger market with lower tariffs.**

India's wind energy industry has shifted to a new reverse auction-based structure with lower tariffs, as compared to the Renewable Purchase Obligation based structure with Feed In Tariff (FIT) tariffs earlier. The new regime leads to orders coming through the auction route for the sector.

Reverse auction is a price discovery mechanism, where a project is offered at a base tariff by an authority. Developers bid at or below the base rate and the lowest bidder secures the right to develop the project. India's first-ever wind power competitive auction in February 2017 resulted in price discovery of Rs 3.46 per unit as wind power tariff, compared to the prevalent FIT price ranging between Rs 4 to Rs 6 per unit. Going forward, the Central Government is expected to auction 4 GW of capacity through SECI, the State Governments are expected to auction an incremental 2 GW and PSU/captives would be ordering 1 GW plus, taking the market to >7GW annually.

### **TOWARDS COST ECONOMISATION**

The imminent implementation of reverse auction mechanism for awarding wind power projects will see the industry strive towards cost economisation. Auctions will reduce power purchase costs, rake in transparency, double the wind turbine market for companies engaged in the WTG business and reduce the regulatory risks for power producers by upfront signing

of Power Purchase Agreements and evacuation by the central grid.

### **INDUSTRY ADVANTAGE**

Reduction in tariffs will spur demand for wind power and unlock the true potential of the sector. The move to the auction-based regime, with push from the Central Government to achieve wind capacity of 60 GW by 2022, places the wind power industry into a higher gear, and is likely to add at least 6 GW to 8 GW capacity per year over the next few years.

### **HOW DO WE BENEFIT**

INOX Wind Limited (IWL) is known to be amongst the most cost competitive producer of wind turbines globally. In an auction-driven market where cost competitiveness is imperative, we hope to gain market share significantly, owing to our cutting-edge operational efficiency. Introduction of more efficient turbines and lower cost of capital will ensure tariff reductions need not be matched with corresponding price reductions. Higher volumes will lead to significant operating leverage. At IWL, we plan to enter into back-to-back arrangements with Independent Power Producers who will invest into SPVs and also arrange project capital.

At IWL, we are poised to leverage the auction-based regime, being the lowest cost wind turbine manufacturer globally. We have steadily strengthened our market

position with state-of-the art technology, project execution capabilities; over 5 GW of project sites; and a reputation for delivering top-notch O&M service. Our current order book of 300 MW is derived from the reverse auctions conducted by SECI in February, 2017. **We had the highest market share of ~30% in the February SECI auction.** This includes 250 MW won by IWL directly and 50 MW tied up with a winning IPP.

### **BENEFITS TO INDUSTRY:**

#### **•Lower Regulatory Risk**

- Long term (25 year) PPAs signed upfront
- Assurance of grid connectivity to be done with central government utility

#### **•Lower Financial Risk**

- Lower cost of debt available
- Higher duration loans available
- Lower investor return expectation on back of lowering of risks in projects

#### **•Others**

- Industry to move away from a "4<sup>th</sup> Quarter/March" phenomenon
- Uniform production and execution time for execution of projects
- Reduces working capital for OEMs
- Stable set of long only investors to enter the space

# Leveraging our Competitive Cost Structure

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3<sub>MW</sub>

Capacity of Wind  
Turbine Generators  
being tested by  
INOX Wind



**Our cost structure is among the most competitive in the industry. A key reason is a clear focus on procuring components from scale manufacturers which gives an enhanced efficiency in terms of high quality, most advanced technology, reliability and cutting-edge cost competitiveness.**

We are among the most competitive WTG (wind turbine generator) producers globally. We manufacture key components of WTGs in house to maintain high quality, most advantaged technology, reliability and cost competitiveness. We are constantly evaluating options for driving cost efficiencies in the system.

Our strong sourcing and procurement team, along with efficient logistics partners, have added further advantage to our cost structure. Our strong relationship with independent power producers (IPPs) and global technology leaders, coupled with a ready pipeline of project sites and strategically located manufacturing units, have enabled us to benefit from the industry shift.

On the product front, we are analysing bigger turbines (3 MW WTG), higher turbines (120m+ height) and bigger blades, which are expected to yield higher energy production. We are analysing options to cast towers and mould blades close to sites to cut down our logistics cost, where large projects are being deployed at a single location.

#### **OUR LOGISTICS STRATEGY**

We have adopted a strategy of shifting pre-decided components directly to the project site to reduce the time and cost involved in project execution. Additionally, we are working on boosting the generation of existing and upcoming turbines through the "Power Booster" technology, which can lead to a 6% to 7% upgrade in energy output across the operating fleet.

#### **How we plan to increase energy efficiency?**

- Technical evaluation of new platforms such as 3 MW wind turbines
- Evaluating higher hub heights
- Longer blade sets





# Capitalising on Disruptive Changes in Technology





**As the wind industry stands at inflection point in terms of innovation, we continue to be on top of technological advancements in the Indian wind turbine industry. Development of the 3 MW turbine reiterates our firm commitment to provide our clients with superior, energy efficient, resource saving technologies. It ensures we play a pioneering role in India's wind turbine industry.**

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We are setting the pace in the Wind Turbine Generator (WTG) market through our 113 meter rotor diameter WTG on the 2 MW platform. We have an exclusive and perpetual license from AMSC, a leading wind energy technology Company for manufacturing of 2 MW WTGs in India. In addition to this, we have a non-exclusive license from WIND novation Engineering Solutions GmbH, Germany to manufacture rotor blade sets in variant of 93.3, 100 and 113 meter rotor diameter.

Our 113 meter rotor diameter WTG on the 2 MW platform has been tested to have one of the highest generation performance per kilowatt of all WTG variants available in India. For optimal utilisation of wind resources, the 113 metre variant will be manufactured with hub heights of 92 metre and 120 metre.

### 3 MW TURBINES

We are working on a 3MW wind turbine suited for the Indian conditions. The 3 MW turbine will eventually extend our product offerings in India and reinforce the company's position as the leading wind turbine manufacturer across the nation. The development of the 3 MW turbine reiterates our firm commitment to provide our clients

with superior, energy efficient, resource saving technologies. It will ensure that INOX Wind continues to play a pioneering role in India's wind turbine industry. We have also taken over the right to make ECS systems from our partners to form a supply chain security perspective.

### HIGHER HUB HEIGHTS

The launch of the 120 meter tower has put us amongst the select few manufacturers with the capability to produce such tall hub heights. The 113 meter rotor dia WTG significantly increases annual energy production and is especially suited for low wind segments in India. In addition, we see blade technology developing to come up with segmented blades and hybrid towers to enhance the height of the

towers.

### INCREASING THE OUTPUT

We are also working on boosting the output of our existing and upcoming turbines by the "Power Booster" technology which can lead to an upgrade in energy output by 6-7% across the operating fleet. Besides, we are planning to introduce an advanced platform for performance monitoring of our wind turbines which will enable the user to remotely access and analyse performance related parameters. This will also play an important role in the preventive maintenance, scheduling and forecasting.

**The 113 meter rotor dia WTG significantly increases annual energy production and is especially suited for low wind segments in India.**

# Management Discussion & Analysis

US\$ 5 Trillion

India's GDP Projected by FY2025





## ECONOMIC OVERVIEW

Although the Indian economy faced certain government induced speed breakers during the past year, its growth trend is expected to remain steady, if not improve. According to the Central Statistics Organisation (CSO), the Indian economy grew by 7.1% during FY2016-17, slower than the 8% recorded in the previous year and equal to the CSO estimate of 7.1%. The International Monetary Fund (IMF) expected growth to slow to 6.6%, explained as an after-effect of the demonetisation of high-value currency notes in November 2016. However, despite this impediment, the economy received an overall positive stimulus from declining oil prices, encouraging economic activity, further improving the country's external current account, and helping in releasing the steam off inflation. In addition to this, continued fiscal consolidation by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance, have helped cement macro-economic stability. According to the IMF, India is expected to resume its above 8% growth path in the medium term, as soon as the short-term dislocation to consumption from demonetisation passes.

### World's 7<sup>th</sup> Largest Economy

India's US\$ 2.2 trillion economy makes it the 7<sup>th</sup> largest in the world (GDP 2016) (International Monetary Fund, World Economic Outlook, April 2017). With a per capita income of US\$ 1,700 India ranks behind some of the key emerging markets such as China, Russia, Brazil, Indonesia, Philippines, Mexico and Turkey. This gives ample room for per-capita income growth in the country within the medium term. As a country of around 1.25 billion people, India is amongst the fastest growing economies and amongst the top ten in terms of current prices and purchasing power parity. With a Gross Domestic Product (GDP) growth rate that appears to outpace that of China, it is already considered one of the fastest expanding markets in the world. The global economic order is expected to shift from advanced economies to emerging economies over the next few decades, according to a report by Price Waterhouse Coopers. The report further projects that by 2040, India could potentially overtake the USA to become the world's second largest economy in terms of purchasing power parity (PPP).

### Shaping the Growth Trajectory

According to a research note by Morgan Stanley, the Indian economy is expected to reach US\$ 5 trillion in GDP by FY2025. It also expects the per capita income to rise by 125% to US\$ 3,650 by FY2025. India's millennial population of 400 million is the largest in the world and is armed with around US\$ 180 billion in spending power. The population dynamics will greatly influence India's overall growth trajectory, and also in shaping how product markets will develop as the preferences of the population evolve.

However, the Report noted that the demographics factor alone is not sufficient for an acceleration in GDP growth. It is important that the working age population is adequately skilled to participate in a globally competitive environment. The next leg of harnessing this young and better skilled population would require the creation of adequate employment opportunities, which may prove to be challenging for India. With the growth of the Indian economy, discretionary expenditure will rise faster and premium products will gain market share, as seen in the other emerging markets of Russia and China. Indian consumers will become more sophisticated, discerning, and demanding, and will be ready to pay a bit more for their choices.

# Management Discussion & Analysis (contd.)

## INDUSTRY STRUCTURE AND DEVELOPMENTS

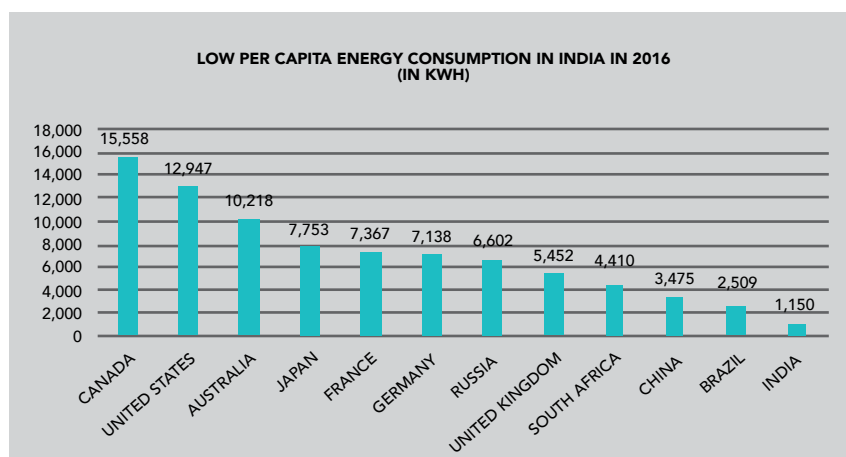
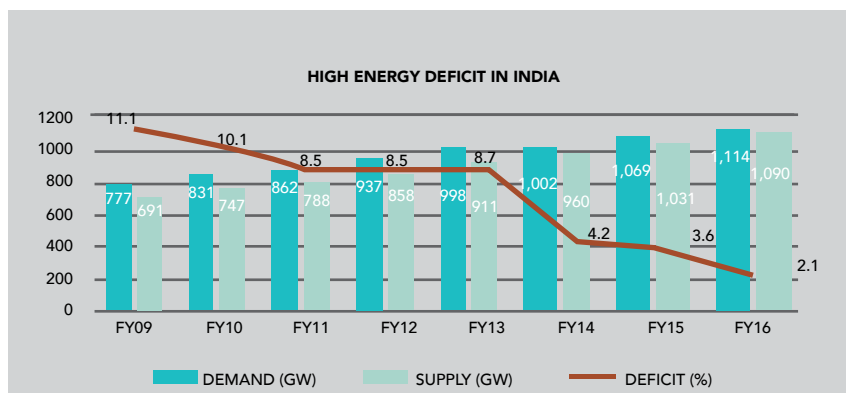
### India – Energy Industry

India is the 4<sup>th</sup> largest energy consumer in the world, next only to the United States, China and Russia. According to the International Energy Agency (IEA), India is already the single largest contributor to an increase in global energy demand contributing about 25% to the growth in energy demand globally. Despite India's overall electricity consumption growing over the past few decades, the "per capita electricity consumption" remains fairly low. Even today, about 240 million people do not have any access to electricity, while 2/3<sup>rd</sup> of India's total population lacks any access to clean cooking fuel.

As India hosts 18% of the global population and accounts for only 6% of global energy use, IEA estimates that growth in energy demand will continue. India is also on its way to become the largest oil importer in the world, with 63% of the total consumption being supplied by the Middle East. IEA envisages a massive expansion of installed capacity in India based on renewable energy, going from less than 100 GW in 2014 to more than 450 GW by 2040. It estimates that by 2030, India will derive more than 40% of its energy through renewable energy sources. (Source: IEA.org)

According to the Global Wind Energy Council (GWEC) publication, Global Wind Report: Annual Market Update, more than 54 GW of

clean renewable wind power has been installed across the global market in 2016. This comprises of more than 90 countries, including 9 with more than 10 GW installed, and 29 countries which have now passed the 1GW mark. Cumulative capacity grew by 12.6% during the year, to reach a total of 486.8 GW. Wind power is now successfully competing with heavily subsidised incumbents across the globe, building new industries, creating hundreds of thousands of jobs and leading the way towards a clean energy future, the Report said. GWEC's rolling five-year forecast sees almost 60 GW of new wind installations in 2017, rising to an annual market of about 75 GW by 2021, bringing cumulative installed capacity of over 800 GW by the end of 2021.



**240** Million  
Indian Population without  
any access to Electricity



## OPPORTUNITIES AND THREATS

### Asia to lead Global Energy Growth

China will continue to lead all markets in power growth. However, India set a new record for installations this past year and has a real shot to meet the Government's ambitious targets for the sector. There are a number of exciting new markets in the region with great potential. Market fundamentals are strong in North America, and Europe's steady march towards its 2020 targets has received a big boost by a dramatic price reduction for offshore wind. Europe will continue to lead the offshore market, but the low prices have attracted the attention of policymakers worldwide, particularly in North America and Asia.



### Highest New Installed Capacity in 2016

Country	GW
China	23.3
US	8.2
India*	5.5
Germany	5.4
Brazil	2.0
France	1.5
Turkey	1.4
Netherlands	0.9
United Kingdom	0.7
Canada	0.7
<b>World Total</b>	<b>54.6</b>

(\*All countries data as of December 2016; India as of March, 2017)  
Source: GWEC

### Top 10 Countries by Cumulative Capacity

Country	GW
China	168.7
US	82.1
Germany	50.0
India**	32.2
Spain	23.1
United Kingdom	14.5
France	12.1
Canada	11.9
Brazil	10.7
Italy	9.2
<b>World Total</b>	<b>486.8</b>

(\*\*All countries as of December 2016; India as of March, 2017)  
Source: GWEC

### Renewable Energy - Global

The renewable energy industry remains one of the most vibrant, fast-changing and transformative sectors of the global economy. Technology improvements, cost declines, and the catalytic influence of new financing structures have turned the sector into a driver of economic growth around the world. Global clean energy investment, including renewable energy, totaled more than US\$ 329 billion in 2015.

The renewable energy industry continues to grow steadily. Between 2005 and 2015, the world added over 1,000 GW of total capacity in four sub-sectors – Geo-thermal, Hydro, Solar and Wind. Of these, United States – which ranks 2nd in the world for renewable energy capacity – has a mature hydro industry, but it is projected to be soon overtaken by wind power generation.



# Management Discussion & Analysis (contd.)

According to the projections of the International Trade Administration (ITA), 74 markets across the globe will install over 250 GW of new renewable energy capacity through 2017. To help meet this demand, the global import market is expected to touch US\$ 195 billion cumulatively during the 2016-2017 timeframe.

Over the next two years, China is seen accounting for over 40% of all capacity installations outside the United States. According to MNRE, India's investment in renewable energy is expected to be split relatively evenly between Solar and Wind in 2017. Other key developers of the new capacity will be Japan, Brazil, Turkey, and the European Union (particularly, Germany and the United Kingdom).

## Renewable Energy - India

India's total installed power capacity stands at 380 GW, including captive power plants. The installed capacity nationwide of Renewable Energy stands at 57.3 GW at the end of FY2017, adding 11.5 GW installed during the year. Wind and solar were the major contributors, according to data from the Ministry of New and Renewable Energy (MNRE), as they added 5.5 GW each during the year, amounting to a

combined record capacity addition of 11 GW, compared with 6.32 GW added in FY2016). (Source: Central Electricity Authority)

Moving ahead, the Government of India has set a target for renewable energy generation of 175 GW by 2022. Of this, 60 GW is expected to be achieved from wind power, 100 GW from solar power, 10 GW from biomass and 5 GW from small hydro projects. India's installed capacity of renewable energy is likely to reach 147 GW by 2020, according to the International Energy Agency. There is a need for capital investment of Rs 8.01 lakh crore (US\$ 120 billion) to achieve the ambitious target.

## Wind Energy Market – Global

The wind industry is a large and growing sector with a supply chain that produces thousands of component parts. It is also a service sector that is increasingly advanced in its use of technology to design turbines, organise wind farms and map wind potential.

The global wind market is in the midst of a recovery after a brief decline in 2013. Orders for nearly all manufacturers have increased year-over-year and turbine prices have stabilised around the world. Wind power component factories can be

found in a diverse range of locations around the world, although the vast majority of manufacturing capacity is in China, Brazil, India, and the United States. Global wind capacity in 2015 increased 17% over the previous year. This included over 4 GW of offshore wind projects, most of which was in Europe. However, although this segment is growing rapidly, offshore wind accounts for only 3% of the total global wind capacity.

Meanwhile, demand continues shifting towards Asia and other emerging markets and away from the saturated European market. China, in particular, will be the focal point of the industry going forward. After installing roughly 33 GW of new capacity in 2015, it intends to install another 30 GW in 2016, aiming to reach 200 GW by 2020. Other key wind markets include India, Brazil, Canada, Germany, the United Kingdom, France, Mexico and Turkey.

# 57.3 GW

India's Renewable Energy  
Installed Capacity in FY2017



## GLOBAL MARKET FORECAST FOR WIND ENERGY

	2016	2017	2018	2019	2020	2021
Cumulative (GW)	486.8	546.1	607	671.7	741.7	817
Cumulative Capacity Growth Rate (%)	12.5%	12.2%	11.2%	10.7%	10.7%	10.4%
Annual installed capacity (GW)	54.6	59.4	60.9	64.7	70.0	75.3
Annual installed capacity growth rate (%)	-14.2%	8.8%	2.5%	6.2%	8.2%	7.6%

Source: GWEC

## Wind Energy Market – India

Wind energy, with an average growth rate of 30%, is the fastest growing source of renewable energy in the world. India occupies the 4<sup>th</sup> place in global wind energy generation after China, USA and Germany. New technological developments in wind energy design have contributed to the significant advances in wind energy penetration and to get optimum power from available wind. At the end of FY2017, India's cumulative wind energy capacity stood at 32.2 GW, against 26.7 GW and 23.4 GW at the end of FY2016 and FY2015, respectively. Wind continues to be the primary source of renewable energy, with solar energy's cumulative capacity at 12.3 GW – significantly behind that of wind at 32.2 GW.

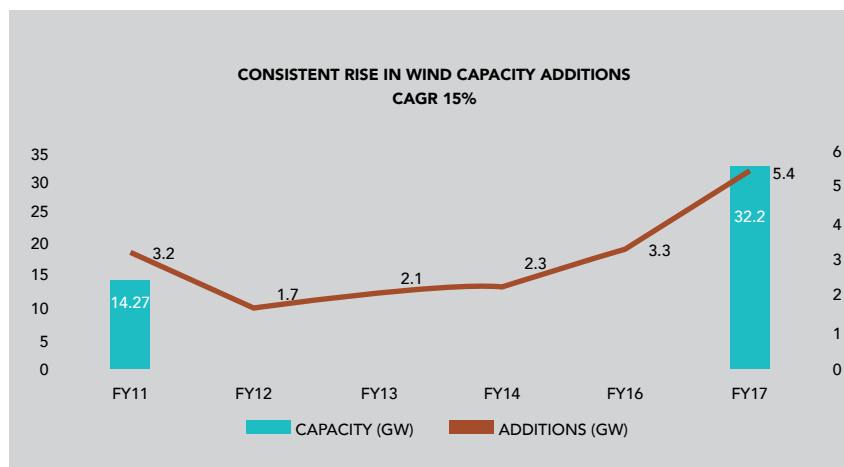
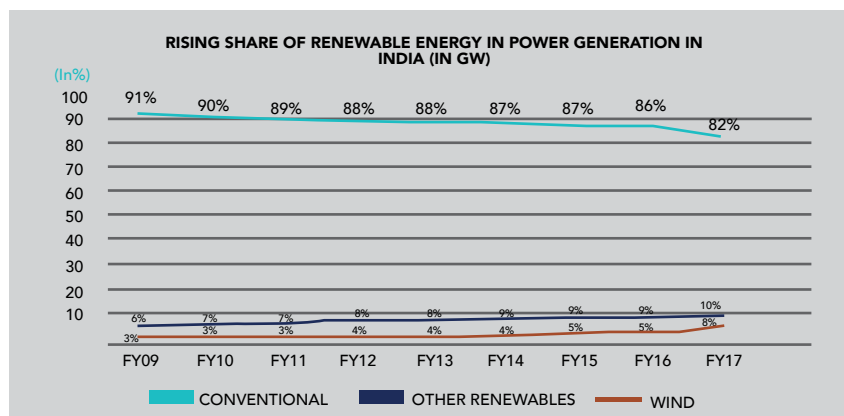
Pradesh topped installations at 2.2 GW, followed by Gujarat at 1.3 GW and Karnataka at 0.9 GW. At 32.2 GW, India has the 4<sup>th</sup> highest wind installation in the world after China at 145 GW, United States at 74 GW and Germany at 45 GW.

**32.2** GW  
India's Cumulative  
Wind Energy Capacity

Government's target for Wind Energy Capacity is  
60 GW by 2022 – CAGR 13%+ Per Annum

## Wind Energy - Status and Future Prospects

India is already a major renewable energy market (with the 6<sup>th</sup> largest renewable energy capacity) despite fossil fuels still accounting for 82% of its energy mix. A new national government commitment to clean energy is facilitating growth over the next several years. India added a record 5.5 GW of wind energy capacity during 2016-17, compared to 3.5 GW added during FY2016. With this, it exceeded its target of 4 GW and also crossed the 5 GW mark. Among the leading states of India in wind power capacity addition during FY2017, Andhra



# Management Discussion & Analysis (contd.)

## Large Untapped Potential for Wind Power in India

WIND STUDY POTENTIAL			
NAME OF STATE	POTENTIAL MEASURED AT 100m HUB HEIGHT	GOVERNMENT TARGET BY 2022 (MW)	INSTALLED CAPACITY AS % OF GOVERNMENT'S TARGET BY 2022
Andhra Pradesh	44,229	8,100	43%
Gujarat	84,431	8,800	61%
Karnataka	55,857	6,200	61%
Madhya Pradesh	10,484	6,200	40%
Maharashtra	45,394	7,600	63%
Rajasthan	18,770	8,600	49%
Tamil Nadu	33,800	11,900	67%
Telangana	4,244	2,000	5%
Others	5,042	600	17%
<b>Total</b>	<b>302 GW</b>	<b>60 GW</b>	

Source: MNRE

**10%**  
India's wind energy  
potential developed  
till date

## State-wise Cumulative Installation of Wind Power in India

State Wise Cumulative Installation (MW)	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Wind Power Cap (GW)	1,565	2,350	3,197	1,699	2,083	2,312	3,461	5,502
Cumulative Cap (GW)	11,807	14,157	17,354	19,053	21,264	23,448	26,908	32,210
<b>State-wise Break-up</b>								
Tamil Nadu	4,907	5,904	6,988	7,162	7,270	7,474	7,671	7,918
Rajasthan	1,089	1,525	2,071	2,685	2,784	3,272	3,960	4,247
Gujarat	1,764	2,076	2,866	3,075	3,354	3,583	3,969	5,361
Maharashtra	2,078	2,317	2,733	3,022	4,096	4,436	4,645	4,763
Karnataka	1,473	1,727	1,934	2,135	2,415	2,646	2,886	3,768
Andhra Pradesh	15	70	124	327	625	910	1,273	3,460
Telangana	-	-	-	-	-	-	78	101
Madhya Pradesh	229	276	376	386	423	861	2,153	2,510

**State-wise Annual Installation of Wind Power in India**

<b>State Wise Annual Installation Addition (MW)</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
Tamil Nadu	602	997	1,084	175	107	204	197	248
Rajasthan	350	437	546	614	99	488	688	287
Gujarat	197	313	790	208	280	229	386	1,392
Maharashtra	139	239	417	289	1,075	340	209	118
Karnataka	145	254	207	202	280	230	240	882
Andhra Pradesh	14	55	54	202	299	285	363	2,187
Telangana	-	-	-	-	-	-	78	23
Madhya Pradesh	17	47	101	10	37	438	1,292	357
Kerala	-	-	-	-	-	-	8	8
<b>Total</b>	<b>1,565</b>	<b>2,350</b>	<b>3,197</b>	<b>1,699</b>	<b>2,083</b>	<b>2,312</b>	<b>3,461</b>	<b>5,502</b>
YoY Growth (%)	5%	50%	36%	-47%	23%	11%	50%	59%





# Management Discussion & Analysis (contd.)

## REGULATORY GROWTH DRIVERS

### A. Auction of Wind Capacity

The wind auction market is expected to be more than 7 GW annually, comprising of 4 GW auction from SECI, 2 GW+ from windy state auctions and 1 GW+ from captives and PSUs. Being the lowest cost producers of WTGs, IWL is on a strong footing to capture additional market share in this 7GW+ market. In an auction-based scenario, the most cost competitive player will earn higher market share.

- **SECI Auctions** - The process has already started with SECI concluding the first auction of 1,050 MW in February 2017, in which IWL won 300 MW (29% market share). The 2<sup>nd</sup> SECI auction of 1,000 MW is scheduled to be held in September, 2017.
- **State Auctions** - The states have also started announcing wind power auctions, with Gujarat and Tamil Nadu having announced 500 MW auctions each to be concluded in September, 2017. We expect other states to follow with their auction guidelines soon to take the process ahead.
- **PSU/Captives** – PSU tenders of approx 700 MW have been announced already and are in the public domain. Some of the tenders announced are from NTPC, GIPCL, SJVNL, and REMCL, among others.

### B. Signing of upfront Power Purchase Agreements

The big regulatory change emanating from the new

auction-based regime is lowering of project risks in the form of PPA being signed upfront with the Independent Power Producer (IPP) or project developer. In the earlier Feed-In-Tariff regime, the PPA was signed at the end of the project, which meant the project was exposed to the risk of delays in signing of PPAs or the eventuality that the PPA does not get signed itself.

### C. Wind Power Projects for CSR

- Strengthens demand from PSUs and corporate with Corporate Social Responsibility obligations

### D. Green Corridor

- Fast Tracks Evacuation for green power enabling more renewables to be added to the grid
- National Clean Energy cess doubles resulting into access to low cost funds

### E. Renewable Generator Obligation

- Renewable Generator Obligation introduced in the New Tariff Policy
- Mandates all coal-fired plants commissioned after a specific date to generate a certain percentage of their power from renewable energy sources

### F. Amendments in Tariff Policy

- Waiving off inter-state transmission charges to promote effective utilisation of renewable sources

### G. Priority Sector Lending

- As per Reserve Bank of India's notification released on 23rd April 2015, bank loans up to ₹ 150 million per borrower (AD customer) for installation of wind mills will be classified under Priority Sector Lending.





## INDUSTRY CHANGES IN TECHNOLOGY

The growth in the wind sector has been aided by tremendous improvements in Wind Turbine Technology, with only select turbine manufacturers offering the latest 2 MW Wind Turbine Generator (WTG) platform. The improved platform comes with larger rotor diameter blades and higher hub heights offering superior generation, and thus, drastically reducing the cost of energy. Advancement in technology ensures that the most efficient wind turbine manufacturers, with the best technology and proven execution capabilities across states thrive in the industry. India is seen becoming the global manufacturing hub for wind turbines.

With the emergence of wind independent power producers (IPPs), the focus has shifted towards utilising higher efficiency technologies to maximise project returns. The historical trends show that 2 MW turbines are becoming more popular, as compared to smaller capacity turbines. At the same time, with a focus on developing low wind speed sites, WTGs suited to such conditions are being preferred. The technology in India is moving towards bigger rotor

diameters with better aerodynamic design, lighter blades and higher hub heights, resulting in the lower cost of generating energy.

### Shift in Market Dynamics

The wind energy industry is undergoing a significant change in market dynamics by shifting from Feed in Tariff based market to auction-based competitive markets with lower tariffs. The Government's auctioning of capacities with a view to sell power to non-windy states will be a game-changer. Under the new scenario, the conventional order book loses its relevance, since these orders were under an FIT based market regime, which is no longer functioning today. Going ahead, orders are expected to come through the auction route apart from PSUs and captive orders. The 2<sup>nd</sup> 1GW SECI auction circular has been released on 4<sup>th</sup> May, 2017 and is expected to conclude by August. Going forward, the Central Government is expected to auction 4GW of capacity through SECI, the State Governments are expected to auction an incremental 2 GW and PSU/captives would be ordering 1 GW plus, taking the market to >7GW annually.

### Impact of New Tariff Structure on Wind Energy Sector

- a. Significantly larger market – 7 GW+ per annum**
  - Central Government tenders 4 GW per annum
  - State Government tenders 2 GW+ per annum
  - PSU / captive market 1 GW+ per annum
- b. Lower regulatory risk**
  - Long term (~25 year) PPAs signed upfront
  - Assurance of grid connectivity with Central Transmission Utility (CTU)
- c. Lower financial risk**
  - Lower cost of debt due to lower project risks and easing money markets
  - Higher leveraging and longer debt tenors improve return on equity
  - Lower return investor expectations
- d. Improved operational efficiency**
  - Longer project execution time
  - Less dependence on March quarter execution
  - Improved working capital management
- e. Lower credit risk**
  - Payments to come from Power Trading Corporation, instead of directly from Discoms in SECI auctions



# Management Discussion & Analysis (contd.)

## SEGMENT-WISE AND PRODUCT-WISE PERFORMANCE

### Company Overview

INOX Wind Limited (IWL), part of the INOX Group, is an integrated wind energy solutions provider and a pure-play renewable energy Company. It is the fastest growing and one of the leading wind power solution providers in India.

We manufacture key components of WTGs in-house, which ensures cost competitiveness, cost-effective logistics and attractive margins. We have an installed base of 2.2 GW in India, with multi-year O&M agreements. On an aggregate basis, we have a total of ~7% of market share of the cumulative wind energy installed in India on March 31, 2017.

We have obtained ISO 9001:2008, ISO 14001:2004, OHSAS 18001 and ISO 3834 certification for our management systems, pertaining to manufacturing, installation, the commissioning and O&M of wind turbines.

### Our Manufacturing Facilities

The Company is engaged in the business of manufacture of Wind Turbine Generators ("WTGs") and also provides related Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance

("O&M") and Common Infrastructure Facilities services for WTGs, which is considered as a single business segment. Hence, there is only one reportable business segment as envisaged in IND AS 108: 'Operating Segment'. Further, all the activities of the Company are in India and hence there is a single geographical segment.

The Company has three state-of-the-art manufacturing plants in Gujarat, Himachal Pradesh and Madhya Pradesh. The plant near Ahmedabad (Gujarat) manufactures Blades & Tubular Towers while Hubs & Nacelles are manufactured at the company's facility at Una (Himachal Pradesh). The new integrated manufacturing facility at Barwani (Madhya Pradesh) manufactures blades and towers.

The Company has commissioned a fully integrated manufacturing unit at Barwani, Madhya Pradesh which currently manufactures rotor blade sets and towers. It is in close proximity to upcoming projects in Madhya Pradesh, Rajasthan, Gujarat and Andhra Pradesh.

The Company has one of the largest project site inventories spread across India's wind rich states of Rajasthan, Gujarat, Maharashtra, Madhya Pradesh and Andhra

Pradesh, suitable for installation of an aggregate of more than 5,000 MW of capacity. It intends to develop the project sites for customers as part of its turnkey model for wind farm development.

The facility at Rohika currently has the capacity to manufacture 400 rotor blade sets and 150 towers per annum. Similarly, our Barwani facility at Madhya Pradesh has the capacity to manufacture 400 rotor blade sets and 150 towers per annum. Our Una facility can manufacture 550 Nacelles and Hubs. We can increase our capacities by doing minor capex incase the need arises in the near future.

### Our Capacities in Manufacturing

We have a manufacturing capacity of 1,600 MW of wind turbines spread across our three plants in Una (Himachal Pradesh), Rohika (Gujarat) and Barwani (Madhya Pradesh).

**1,600<sup>MW</sup>**  
Our Existing Installed Capacity

### Capacity Break-up

	Una, Himachal Pradesh	Rohika, Gujarat	Barwani, Madhya Pradesh	Total
Nacelles & Hubs	1,100	-		1,100
Blades	-	800	800	1,600
Towers	-	300	300	600

Figures in MW

### Our End-to-end Turnkey Solutions

We offer our clients turnkey wind power solutions, which provides us with a competitive edge in the marketplace and is a key to our wind value chain. Our capability to develop and build wind farms on a turnkey basis gives us a competitive edge in the marketplace and helps us establish a leading position in states.

### Current Order Book

Our current order book on auction based market is 300 MW from the auctions conducted by SECI in February, 2017. We are also in talks with multiple IPPs for bidding in future SECI auctions, through which the Central Government is expected to auction 4 GW of the capacity,

while State Governments are expected to auction an incremental 2 GW+.

### Leadership across Wind Rich States

We are among the largest project site inventories in Gujarat, Rajasthan and Madhya Pradesh. We have expanded our presence in Andhra Pradesh and Kerala. As of March 31, 2017, we have sufficient project site inventories for installation of an aggregate capacity of more than 5,000 MW.

Pradesh and Kerala. As of March 31, 2017, we have sufficient project site inventories for installation of an aggregate capacity of more than 5,000 MW.

### Our Key Market Differentiators

#### a. Strong Management

The Company is a part of the INOX Group, a multi-billion dollar professionally managed business conglomerate,

### LEADERSHIP ACROSS WIND RICH STATES



# Management Discussion & Analysis (contd.)

with a strong legacy of more than 80 years. The Group enjoys leadership position across diversified businesses including Industrial Gases, Refrigerants, Engineering Plastics, Chemicals, Cryogenic Engineering, Renewable Energy and Entertainment sectors. It employs more than 8,000 people across 150 business units in India, with a distribution network spread in 50 countries across the globe.

## b. Advanced Technology

The Company's capability to provide turnkey solutions to its customers makes it a preferred partner to wind farm developers and IPPs. We have a state-of-the-art technology licensed from AMSC, a leading wind energy technology company, for exclusive manufacturing of 2 MW WTGs in India. We also have a non-exclusive license to manufacture 2 MW WTGs worldwide, based on AMSC's proprietary technology. In addition to this, we have a non-exclusive license from WIND novation Engineering Solutions GmbH, Germany to manufacture rotor blade sets in variant of 93.3, 100 and 113-meter rotor diameter.

WTGs are designed and developed with a view to achieve efficient power curves, improved up-times and reduce operations and maintenance costs. We currently offer multiple blade and tower variants of the 2 MW turbine to its customers. Additionally, we have a collaboration with AMSC to develop a 3 MW turbine specially designed for the Indian market. The 3 MW turbine will eventually extend

our product offerings in India.

## c. Moving towards Bigger Turbines

We are in advanced stages of creating the next generation of wind turbines. We will also soon launch the "power booster" technology upgrade by boosting the generation of existing and upcoming turbines. This can lead to an upgrade in energy output by 6% to 7% across the operating fleet. We are one of the few players in India to have 120 metres of

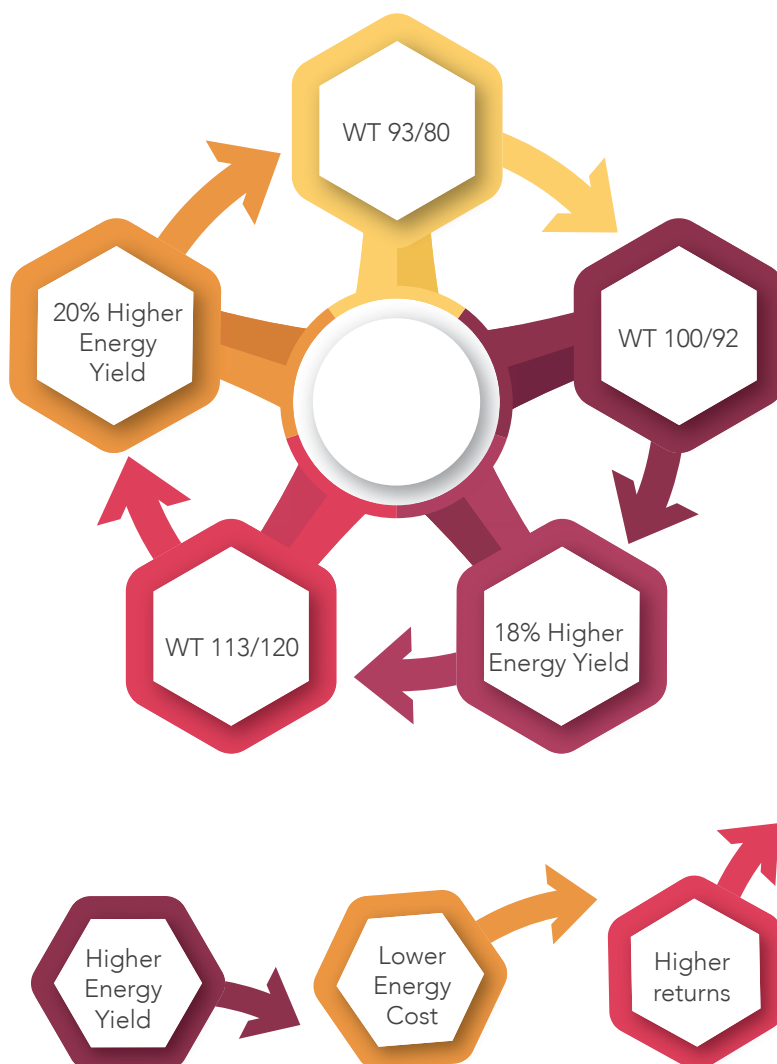
hybrid towers.

## d. In-house Manufacturing

**Facilities of Key Components**  
The Company has dedicated in-house facilities for manufacturing components of WTGs such as nacelles, hubs,

# 300<sup>MW</sup>

Current Order Book in Auction-based Market





rotor blade sets and towers. This ensures high quality, advanced technology and reliability and maintaining cost competitiveness.

**e. Project Sites**

We are amongst the largest project site inventories in Gujarat, Rajasthan and Madhya Pradesh. We have expanded our presence in Andhra Pradesh, Karnataka and Kerala during FY17. We have sufficient project site inventory as of March 2017 for the installation of an aggregate capacity of more than 5,000 MW. Our existing rotor blade and tower manufacturing facilities are located at Rohika, Gujarat, which is adjacent to a highway. This facilitates easier handling during transportation to wind sites and sea ports. It is relatively in close proximity to states offering good potential in wind energy production, such as Rajasthan, Gujarat, Maharashtra and Madhya Pradesh. Nacelles

and hubs are more easily transported than rotor blade sets and towers. The Company currently manufactures nacelles and hubs at Una unit in Himachal Pradesh, which helps it benefit from certain tax incentives.

**f. Order Book**

The Company has an order book of 300 MW as on March 31, 2017 from the first auction of SECI. We are expecting to witness over 2 GW of auction market in August-September 2017, from SECI (1 GW), Gujarat (500 MW) and Tamil Nadu (500 MW).

**g. Competitive Pricing Structure**

Our turbines are the most cost competitive when compared with other Indian and MNC competitors, depending upon the model chosen and the project agreement. Due to our extremely cutting-edge cost competitiveness, we are able to offer our products and

services to customers at very competitive prices.

**h. O&M Credibility and Capabilities**

We provide long term, reliable and comprehensive O&M services, with the Operations & Maintenance segment contributing 3% to our consolidated revenues in FY2017. We have an installed base of 2.2 GW, of which ~1.4 GW is in the free O&M period. As the fleet size increases and comes out from the free O&M period, revenues from O&M are expected to pick up strongly in the coming years. Revenues from O&M are non-cyclical in nature, have steady cash flow generation and higher margins.



# Management Discussion & Analysis (contd.)

## IMPACT OF NEW TARIFF STRUCTURE

We believe the market has shifted to a new auction-based structure with lower tariffs, as compared to the Renewable Purchase Obligation based structure with Feed In Tariff (FIT) tariffs earlier. This would lead to a much larger market size going forward. At INOX Wind Limited, we are known to be amongst the most cost competitive producer of wind turbines in India. In an auction driven market where cost competitiveness determines the ability to succeed, we hope to gain market share significantly owing to our cutting-edge operational efficiency.

The introduction of more efficient turbines and lower cost of capital for investors will ensure tariff reductions to protect returns for investors as well as our margins. Higher volumes will lead to significant operating leverage. At IWL, we plan to enter into back-to-back arrangements with Independent Power Producers who will invest into SPVs and also arrange project capital.

### Key Growth Drivers

- Industry moving to an auction regime
- Enhanced capacity to leverage market opportunities
- Increasing inventory of project sites
- Improving cost-efficiency of generating power from wind energy
- Entry into New States
- Annuity from O&M Revenues

### Our Technology Partners

- Exclusive and perpetual license from AMSC for manufacturing 2 MW ECS in India.

- AMSC is amongst the leading technology companies in the wind energy space. Globally, more than 9,300 WTGs and over 15 GW of aggregate production capacity installed globally is based on AMSC technology
- Perpetual and exclusive rights from AMSC to manufacture 2 MW Electronic Control Systems in India - Long term security, Improved supply chain control and cost savings due to indigenisation - Reduced FX exposure
- Access to custom-made rotor blade-sets design through WINDnovation
- Benefit of a strong supply chain with at least two suppliers approved by AMSC for each major component that is not manufactured in-house (other than ECS)
- Access to gearboxes designed by Romax and Orbital 2; each based in United Kingdom

## Risks & Concerns

### 1. Competitive Landscaping

India's WTG manufacturing capacity is estimated to be 10 GW per annum, as per a presentation made by the Indian Wind Turbine Manufacturers Association (IWTMA) at a national level consultation on National Wind Energy Mission organised by MNRE. IWL competes with players such as Suzlon Energy, Gamesa Wind Turbine Private Limited, Vestas, Wind World (India) Limited, and Regen Powertech, amongst others, in the marketplace. As more international players continue eyeing the Indian market, competition is likely to remain high.

### 2. Regulatory Changes

Rollback or reduction in policy push, or hike in duties and taxes, can have a negative repercussion on WTG manufacturers. It can also have an impact on wind installations.

### 3. Ability to pass Higher Costs to Customers

Our ability to pass on increased costs to customers is limited by market prices of WTGs and services, and the pricing offered by our competitors. If the cost of manufacturing a product or providing a service exceeds estimated costs, our profitability can be impacted.

### 4. Fluctuation in Currency Rates

Fluctuation in the value of the Indian Rupee vis-à-vis foreign currencies can have an adverse effect on the Company's results of operations.

15<sup>GW</sup>

Aggregate Production Capacity installed Worldwide based on AMSC Technology

## DISCUSSION ON FINANCIAL PERFORMANCE, WITH RESPECT TO OPERATIONAL PERFORMANCE

### Financial Overview

FY2017 was a landmark year for the wind industry as we shifted to a new reverse auction-based structure with lower tariffs during the year, as compared with the Renewable Purchase Obligation based structure with Feed-In Tariff (FIT) tariffs earlier. The new regime ensures that all orders, henceforth, would come through the auction route which is good for cost competitive players such as INOX Wind. India's first-ever wind power competitive auction in February 2017 resulted in price discovery of ₹ 3.46 per unit as wind power tariff, compared to the prevalent FIT price ranging between ₹ 4 to ₹ 6 per unit. We see the wind sector to have an annual capacity addition of 7 GW+ in the coming years from SECI auctions (4GW), State Auctions (2GW+) and captives/PSU orders (1GW+). The Government of India has set a target for renewable energy generation of 175 GW by 2022. Of this, 60 GW is expected to be achieved from wind power, compared to its current capacity of 32 GW (as of March, 2017). Our Consolidated Revenues, EBITDA (including other income) and PAT for the year ending March 2017 stood at ₹ 34,150.0 million, ₹ 6,256.6 million and ₹ 3,027.6 million, respectively, resulting in a CAGR growth of 34%, 34% and 21%, respectively, over the last five years.

### Key Highlights:

- **Revenue from Operations**  
Revenue from Operations decreased from ₹ 44,506.7 Million in FY2016 to ₹ 34,150.0

Million in FY2017, a decline of 23% due to decrease in sales volume from 826 MW in FY2016 to 522 MW in FY2017 and commissioning volumes from 786 MW to 656 MW on the back of stoppage of PPA signing in key markets post SECI auctions price discovery in February 2017.

- **Earnings Before Interest Tax Depreciation And Amortisation (EBITDA including Other Income)**  
EBITDA de-grew from ₹ 7,822.00 Million in FY2016 to ₹ 6,256.60 Million in FY2017, a decline of 20% on the back of lowered sales in the fourth quarter of the year, post SECI price discovery in auctions.

- **Profit after Tax**  
Profit After Tax decreased from ₹ 4,611.1 Million in FY2016 to ₹ 3,027.6 Million in FY2017, a decline of 34% on account of states stopping signing PPAs in our key markets post SECI auctions in February, 2017 which impacted sales.
- **Interest and Depreciation**  
Interest expenses grew from ₹ 977.8 Million in FY2016 to ₹ 1,551.2 Million in FY2017, due to an increase in working capital requirements. Depreciation expenses grew to ₹ 437.5 Million in FY2017, from ₹ 350.3 Million in FY2016.



# Management Discussion & Analysis (contd.)

## MANAGEMENT OUTLOOK

Going forward, with the Government's thrust on renewables, we are well placed on back of our strong operating performance, a quality management team and excellent technology tie-ups. The management is confident of maintaining a high growth trajectory in the wind power space. Continuous order inflows reflect customer confidence on our superior product quality and project delivery capabilities. We expect increased wind power capacity auctioning to translate into incremental revenues, providing good visibility and driving earnings growth. We foresee wind energy capacity additions to witness a faster pace compared to other conventional segments such as thermal or hydro, over the next couple of years further improving the industry prospects.

What also lends significant confidence to the business is that we provide turnkey solutions and control one of the largest project site inventories. Being a leading player in the wind energy segment, we stand to reap the benefits of higher sectoral growth. We are well positioned to scale higher with a healthy order book and a strong balance sheet. We hope to sustain a robust growth rate, and further improve our return ratios. We also aim to further consolidate our position as one of India's leading wind energy solution providers in the country.

**18.3%**  
EBITDA Margin in FY2017





## OUR HUMAN RESOURCE ASSETS

Industrial relations at INOX Wind Limited continued to be cordial and progressive. Dedicated employees are crucially important to our efforts to create a dynamic corporate culture and drive innovation and results. Being a progressive organisation, we believe in the strength of our most vital asset – our strong workforce. To maintain our competitive edge in a highly dynamic industry, we recognise the importance of having a workforce which is consumer focussed, performance driven and future capable. At INOX Wind Limited, we have devised several policies and initiatives to ensure a healthy balance between business needs and individual aspirations.

Human Resource is the most vital factor to achieve the goals of any organisation. At INOX Wind Limited, we have created a formidable talent pool and provide them with learning and development opportunities to ensure capacity building. We continue to build on our efforts to provide a distinctive experience to our employees. Our focus has been to strengthen an integrated talent management approach, which aims to acquire, nurture and develop the best talent to prepare employees for leadership roles within the organisation.

We are a people-oriented company and we continue to strengthen the motivation of our employees. We are also committed to attracting and retaining talent. This is aimed towards ensuring the maximisation of our human capital potential and enabling them balance their professional and personal lives. We strive to reward our team members

with satisfying career paths that leverage their individual talents, and appropriately incentivise their performances. Our objective is to enable our team members to reach their highest potential in a rapidly changing and competitive business environment.

# ₹3,415

**Crore**

Consolidated Revenues in  
FY2017



# Management Discussion & Analysis (contd.)

## Internal Control Systems and their Adequacy

The Company has put in place strong, improved internal control systems and processes commensurate with its growing size and scale of operations. The enhanced control systems ensure compliance with all applicable laws and regulations in the sector in which the Company operates and ensures the optimum utilisation of resources. The Company has implemented a comprehensive internal audit system and has appointed Independent firms of Chartered Accountants as Auditors to conduct the Internal Audit function.

The internal audit process is regularly monitored and reviewed by the Audit Committee. The effective oversight of the process ensures that deviations

from established benchmarks are corrected promptly. The observations and recommendations made by the Internal Auditors are also reviewed by the Audit Committee. The Audit Committee of the Company met six times during the year under review. The Company has additionally developed robust financial and management reporting systems. These are supported by Management Information Systems (MIS) that ensure operational expenditure meets budgeted allocations. The Company also ensures timely improvements in its systems and processes.

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of INOX Wind 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 entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of INOX Wind Limited's Annual Report, 2016-17.



# Notice

## INOX WIND LIMITED (CIN: L31901HP2009PLC031083)

Registered Office: Plot No. 1, Khasra Nos. 264 to 267, Industrial Area,  
Village Basal- 174303, District Una, Himachal Pradesh, India

Telephone/ Fax: +91 1975 - 272001

Website: [www.inoxwind.com](http://www.inoxwind.com) Email: [investors.iwl@inoxwind.com](mailto:investors.iwl@inoxwind.com)

NOTICE is hereby given to the Members of **Inox Wind Limited** that the **Eighth Annual General Meeting** of the Company will be held at Hotel Pandit Moolraj Residency, SH-25, Una-Nangal Road, Rakkar Colony, District Una - 174303, Himachal Pradesh, India on Tuesday, the 26<sup>th</sup> September, 2017 at 11:00 A.M., 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 31<sup>st</sup> 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 31<sup>st</sup> March, 2017 and the report of the Auditors thereon.

#### 2. RE-APPOINTMENT OF SHRI SIDDHARTH JAIN AS DIRECTOR OF THE COMPANY

To appoint a Director in place of Shri Siddharth Jain (DIN: 00030202) who retires by rotation and being eligible offers himself for re-appointment.

#### 3. RATIFICATION OF APPOINTMENT OF INDEPENDENT STATUTORY AUDITORS OF THE COMPANY AND TO AUTHORISE THE BOARD OF DIRECTORS OF THE COMPANY TO FIX THEIR REMUNERATION

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

**"RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, the appointment of Patankar & Associates, Chartered Accountants, Pune (Firm Registration No. 107628W), as Statutory Auditors of the Company be and is hereby ratified from the conclusion of the Eighth Annual General Meeting till the conclusion of Ninth Annual General Meeting and that the Board of Directors of the Company be and are hereby authorized to fix their remuneration based on the recommendations of the Audit Committee including reimbursement of out of pocket expenses, as may be incurred in connection with the audit of the Accounts for the Financial Year ending on 31<sup>st</sup> March, 2018."

# Notice

## SPECIAL BUSINESS

### 4. RE-APPOINTMENT OF SHRI DEVANSH JAIN 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(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 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 Devansh Jain (DIN: 01819331) be and is hereby re-appointed as Whole-time Director of the Company, for a further period of five years commencing from 1<sup>st</sup> 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 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 Devansh Jain, subject to the same not exceeding limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof:

### REMUNERATION:

Basic pay ₹ 6,00,000 per month in the grade of ₹ 5,00,000 – 50,000 – 7,50,000

House rent allowance ₹ 1,00,000 per month

In addition to the above remuneration, Shri Devansh Jain would also be entitled to the Company's car with driver, telephone facility, 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.

Leave encashment payable in addition to the aforesaid remuneration as per the rules of the Company.  
Gratuity payable in addition to the above remuneration at the rate of half month's salary for each completed year of service.

The above remuneration may be revised in case of annual increment during the year.

### 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 maximum limit of ₹ 1 Crore per annum or pro-rata for the part of the year.

However, the overall remuneration to Shri Devansh Jain shall not exceed the limits specified under section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) thereof."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."



# Notice

## 5. RE-APPOINTMENT OF SHRI RAJEEV GUPTA AS WHOLE-TIME DIRECTOR OF THE COMPANY AND RATIFICATION OF REMUNERATION PAID FOR THE FINANCIAL YEAR 2016-17

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 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 any statutory modification(s) or re-enactment thereof, for the time being in force, and pursuant to the recommendations of the Board of Directors and Nomination and Remuneration Committee and in partial modification of resolution passed at the Annual General Meeting held on 22<sup>nd</sup> September, 2016, revision in payment of additional remuneration of ₹ 46.15 Lakh to Shri Rajeev Gupta (DIN: 01773304) for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 be and is hereby ratified."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 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 Rajeev Gupta (DIN:01773304) be and is hereby re-appointed as Whole-time Director of the Company, for a further period of one year commencing from 1<sup>st</sup> 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 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 Rajeev Gupta, subject to the same not exceeding limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof:

Remuneration of upto ₹ 90 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.

In addition to remuneration within the above range, Shri Rajeev Gupta would also be entitled to the Company's car with driver, telephone facility, furnished Company owned or leased accommodation, 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.

Leave encashment payable in addition to the aforesaid remuneration as per the rules of the Company.

Gratuity payable in addition to the above remuneration at the rate of half month's salary for each completed year of service.

However, the overall remuneration to Shri Rajeev Gupta shall not exceed the limits specified under section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) thereof."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

# Notice

## 6. APPOINTMENT OF SHRI VENKATANARAYANAN SANKARANARAYANAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Venkatanarayanan Sankaranarayanan (DIN: 01184654), who was appointed as an Independent Director of the Company to fill the casual vacancy caused by resignation of Dr. S. Rama Iyer (DIN: 00076549) Independent Director, be and is hereby appointed as an Independent Director of the Company, to hold office till the original term of Dr. S. Rama Iyer i.e. for a term upto 31<sup>st</sup> March, 2019."

## 7. RATIFICATION OF REMUNERATION OF M/S JAIN SHARMA AND ASSOCIATES (FIRM REGISTRATION NO. 000270), COST AUDITORS OF THE COMPANY FOR THE FINANCIAL YEAR 2017-18

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

**"RESOLVED THAT** pursuant to the provisions of Sections 141, 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 ₹ 1,87,000 (Rupees One Lakh and Eighty Seven Thousand Only) plus tax 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 Jain Sharma and Associates, Cost Auditors (Firm Registration No. 000270) of the Company for conducting the audit of the cost records of the Company for the Financial Year ending on 31<sup>st</sup> March, 2018, be and is hereby ratified and confirmed."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby 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**

**Place :** Noida  
**Date:** 9<sup>th</sup> August, 2017

**Deepak Banga**  
Company Secretary

# Notice

## 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 SHARECAPITAL OF THE COMPANY. 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 FOR ANY OTHER PERSON OR MEMBER.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business as per Item No. 4 to 7 hereinabove is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will be closed from Thursday, 21<sup>st</sup> September, 2017 to Tuesday, 26<sup>th</sup> September, 2017 (both days inclusive).
5. Appointment / Re-appointment of Directors:

The information required to be provided under Regulation 36 (3) of the 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 Siddharth Jain	Shri Devansh Jain	Shri Rajeev Gupta	Shri Venkatanarayanan Sankaranarayanan
Age and Date of Birth	38 Years, 21 <sup>st</sup> September, 1978	30 Years, 13 <sup>th</sup> October, 1986	58 Years, 15 <sup>th</sup> December, 1958	60 Years, 14 <sup>th</sup> July, 1957
Date of first appointment on the Board	25 <sup>th</sup> April, 2009	25 <sup>th</sup> April, 2009	26 <sup>th</sup> November, 2009	02 <sup>nd</sup> September, 2016
Directors Identification Number	00030202	01819331	01773304	01184654
Qualification	Bachelor's degree in Mechanical Engineering from the University of Michigan Ann Arbor, USA and holds a Masters degree in Business Administration from INSEAD, France.	Double Major in Economics and Business Administration from Carnegie Mellon University, Pittsburgh, USA	B. Tech. (Chemical Engineering) from the Indian Institute of Technology, Delhi	Commerce Graduate from Madurai University.
Experience/ Expertise in Specific Functional Area	He has over 12 years of work experience in various management positions in the Inox Group.	He has over 9 years of work experience in various management positions. He has been spearheading Inox Group's foray into the wind energy sector.	He has more than 36 years' experience in corporate planning, business and project development, project management, sales, procurement and operations in international and domestic industries. He was involved in setting up GFL's chemical complex at Dahej and production plants for	He has wide exposure and experience of over 31 years in Finance and Taxation.

# Notice

Name of Director	Shri Siddharth Jain	Shri Devansh Jain	Shri Rajeev Gupta	Shri Venkatanarayanan Sankaranarayanan
			Aditya Birla group, TOA Group of Companies, a Thai group and Lurgi India Private Limited, subsidiary of Lurgi AG, a German engineering company. He has more than eight years' experience in the wind industry in various capacities.	
Directorship held in other Companies	1. Inox Leisure Limited 2. Inox Consumer Products Private Limited 3. Devansh Gases Private Limited 4. Inox Air Products Private Limited 5. Megnasolace City Private Limited 6. Inox Leasing and Finance Limited 7. Rajni Farm Private Limited 8. Inox FMCG Private Limited 9. Inox India Private Limited	1. Inox Consumer Products Private Limited 2. Inox Renewables Limited 3. Inox Renewables (Jaisalmer) Limited 4. Inox Leasing and Finance Limited 5. Inox FMCG Private Limited	SCC Consulting India Private Limited	1. A & A Mines and Minerals Private Limited 2. Inox Renewables Limited 3. Inox Renewables (Jaisalmer) Limited 4. Inox Wind Infrastructure Services Limited 5. RTC Restaurants (India) Limited 6. Triumph Trading Limited 7. Triumph Properties Limited 8. Nature Morte Art Limited
Membership/ Chairmanship of Committees in other Companies	Inox Leisure Limited 1. Stakeholders' Relationship Committee, Member 2. Compensation, Nomination & Remuneration Committee, Member Inox Leasing and Finance Limited 1. Share Transfer & Stakeholders Relationship Committee, Member 2. Audit Committee, Member 3. Corporate Social Responsibility Committee, Member Inox India Private Limited 1. Corporate Social Responsibility Committee, Member Inox Air Products Private Limited 1. Share Transfer & Stakeholders Relationship Committee, Member 2. Audit Committee, Member 3. Corporate Social Responsibility Committee, Member 4. Operations Committee of Board of Directors, Member	Inox Renewables Limited 1. Corporate Social Responsibility Committee, Chairman 2. Nomination and Remuneration Committee, Member 3. IRL Committee of Board of Directors for Operations, Member Inox Renewables (Jaisalmer) Limited 1. Corporate Social Responsibility Committee, Chairman 2. Nomination and Remuneration Committee, Member 3. IRJL Committee of Board of Directors for Operations, Member	None	Inox Wind Infrastructure Services Limited 1. Audit Committee, Member 2. Nomination and Remuneration Committee, Member Inox Renewables Limited 1. Audit Committee, Member 2. Nomination and Remuneration Committee, Member Inox Renewables (Jaisalmer) Limited 1. Audit Committee, Member 2. Nomination and Remuneration Committee, Member
The Number of Meeting of the	1	6	5	3

# Notice

Name of Director	Shri Siddharth Jain	Shri Devansh Jain	Shri Rajeev Gupta	Shri Venkatanarayanan Sankaranarayanan
Board attended during the year				
Remuneration last drawn	₹ 0.20 Lakh (Sitting Fees)	₹ 120.64 Lakh P.A.	₹126.15 Lakh P.A.	₹ 0.60 Lakh (Sitting Fees)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None	None
Shareholding in the Company	Nil	Nil	630 Equity Shares	Nil

6. 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, Annual Report of the Company for the Financial Year 2016-17 has been sent via Electronic Mode (e-mail) to the Members whose e-mail addresses was made available to us by the Depositories Participants. We request the Members to register/ update their e-mail address with their Depository Participant, 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.
7. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Members/ beneficial owners shall be reckoned on the equity shares held by them as on 20<sup>th</sup> September, 2017;
  - (i) The voting period begins on Saturday, 23<sup>rd</sup> September, 2017 at 9:00 A.M. and ends on Monday, 25<sup>th</sup> September, 2017 at 5:00 P.M. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20<sup>th</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The Members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (iii) Click on "Members" tab.
  - (iv) 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.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:



# Notice

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the address label.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> <li>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).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for INOX WIND LIMITED on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) 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.
- (xviii) Members 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.

# Notice

(xix) Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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 mailed to [helpdesk.evoting@cdslindia.com](mailto: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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting user manual for Shareholders available at the website [www.evotingindia.com](http://www.evotingindia.com), under help section or contact Shri Rakesh Dalvi, Dy. Manager, CDSL, 17<sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai – 400001, email: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Tel: 1800-200-5533.

- I. The voting period begins on Saturday, 23<sup>rd</sup> September, 2017 at 09:00 A.M. and ends on Monday, 25<sup>th</sup> September, 2017 at 5:00 P.M. During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20<sup>th</sup> September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - II. 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 20<sup>th</sup> September, 2017. For all others who are not holding shares as on 20<sup>th</sup> September, 2017 and receive the Annual Report of the Company, the same is for their information.
  - III. A copy of this Notice has been placed on the website of the Company and the website of CDSL.
  - IV. M/s NSP & Associates, Practising Company Secretaries, New Delhi (Unique Code of Sole Proprietorship Concern: S2013DE215000) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
  - V. The Scrutinizer shall, immediately after the conclusion of voting at the general 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.
  - VI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.inoxwind.com](http://www.inoxwind.com) and on the website of CDSL and shall be communicated to BSE Limited and National Stock Exchange of India Limited.
8. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., Link Intime India Private Limited, Unit: Inox Wind Limited, 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area Phase-1, Near PVR Naraina, New Delhi - 110028, India, 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.
  9. 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 Corporate Office, so as to enable the Company to keep the information ready.

# Notice

10. Members/ Proxies are requested to bring their filled in Attendance Slip and their copy of Annual Report to the Meeting.
11. 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.
12. Members holding shares in single name and in Physical form are advised to make nomination in respect of their shareholding in the Company.
13. 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 one day prior to this Meeting and at the venue of AGM on the day of the Meeting. Copies thereof shall also be available for inspection in physical form at the Corporate Office of the Company situated at INOX Towers, Plot No. 17, Sector -16A, Noida – 201301, Uttar Pradesh.
14. 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.
15. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, quoting their Folio number

# ANNEXURE TO THE NOTICE

THE STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

## ITEM NO 4

At the Extra-ordinary General Meeting of the Company held on 24<sup>th</sup> November, 2012, the Members had appointed Shri Devansh Jain (DIN: 01819331) as Whole-time Director of the Company for a period of five years from 01<sup>st</sup> November, 2012 to 31<sup>st</sup> October, 2017. It is desirable that the Company should continue to avail the services of Shri Devansh Jain as a Whole-time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Shri Devansh Jain as Whole-time Director was placed before the Nomination and Remuneration Committee and it has recommended his re-appointment on the terms and conditions as mentioned in the Resolution.

In compliance with Sections 196, 197 read with Schedule V of the Act and Rules framed thereunder, the re-appointment of Shri Devansh Jain as Whole-time Director of the Company for a period of five years with effect from 01<sup>st</sup> November, 2017 is being placed before the Members for their approval.

Brief resume of Shri Devansh 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 Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided at Note No. 5 of the Notice.

Shri Devansh Jain is interested in the resolution set out at Item No.4 of the Notice with regard to his re-appointment. The relatives of Shri Devansh Jain may also be deemed to be interested in this resolution, 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 this resolution.

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

## ITEM NO 5

At the Seventh Annual General Meeting of the Company, the Members had re-appointed Shri Rajeev Gupta (DIN: 01773304) as a Whole-time Director of the Company for a period of one year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017. It is desirable that the Company should continue to avail the services of Shri Rajeev Gupta as a Whole-time Director of the Company, on the terms as contained in the Resolution.

The matter regarding re-appointment of Shri Rajeev Gupta as Whole-time Director was placed before the Board of Directors in their meeting held on 3<sup>rd</sup> February, 2017, based on the recommendations of the Nomination and Remuneration Committee, and it has recommended his re-appointment on the terms and conditions as mentioned in the Resolution.

In compliance with Sections 196, 197 read with Schedule V of the Companies Act, 2013 and Rules framed thereunder, the re-appointment of Shri Rajeev Gupta as Whole-time Director of the Company for a period of one year with effect from 1<sup>st</sup> April, 2017 is being placed before the Members for their approval.

Brief resume of Shri Rajeev Gupta, 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 Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided at Note No. 5 of the Notice.

## ANNEXURE TO THE NOTICE

Further, the Board of Directors at its meeting held on 3<sup>rd</sup> February, 2017 had passed a resolution for revision in the salary of Shri Rajeev Gupta for the Financial Year 2016-17 to ₹ 126.15 Lakh per annum (including special incentive) from ₹ 80 Lakh per annum, subject to the approval of the Members of the Company.

Shri Rajeev Gupta is interested in the resolution set out at Item No.5 of the Notice with regard to his re-appointment and revision of remuneration. The relatives of Shri Rajeev Gupta may also be deemed to be interested in this resolution, 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 this resolution.

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

### ITEM NO 6

Shri Venkatanarayanan Sankaranarayanan (DIN: 01184654) was appointed on the Board of the Company as an Independent Director to fill the casual vacancy caused by the resignation of Dr. S. Rama Iyer (DIN:00076549) for a term upto 31<sup>st</sup> March, 2019.

It is proposed to appoint Shri Venkatanarayanan Sankaranarayanan as an Independent Director under Section 149 and 152 of the Companies Act, 2013 ('Act') to hold office till the original term of Dr. S. Rama Iyer i.e. for a term upto 31<sup>st</sup> March, 2019. He shall not be included in the total number of Directors liable to retire by rotation at the Annual General Meeting.

Shri Sankaranarayanan has given a declaration to the Board that he is not disqualified from being appointed as an Independent Director in terms of Sections 149, 164 and other applicable provisions of the Act read with Rules framed thereunder and has given his consent to act as a Director. Further, Shri Sankaranarayanan has given a declaration to the Board that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

The matter regarding appointment of Shri Venkatanarayanan Sankaranarayanan as an Independent Director was placed before the Board of Directors in their meeting held on 2<sup>nd</sup> September, 2016, based on the recommendations of the Nomination and Remuneration Committee, and it has recommended his appointment.

In the opinion of the Board, Shri Sankaranarayanan fulfills the conditions for appointment as an Independent Director as specified in the Act. Shri Sankaranarayanan is independent of the management.

Brief resume of Shri Venkatanarayanan Sankaranarayanan, 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 Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in Note No. 5 of the Notice.

A copy of the letter of appointment of Shri Venkatanarayanan Sankaranarayanan as an Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company.

Shri Venkatanarayanan Sankaranarayanan is interested in the resolution with regard to his appointment. The relatives of Shri Sankaranarayanan may also be deemed to be interested in this resolution, 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 this resolution.



# ANNEXURE TO THE NOTICE

The Board recommend the Resolution as stated at Item No.6 of the Notice for approval of the Members by way of an Ordinary Resolution.

## ITEM NO 7

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 being sought for passing an Ordinary Resolution as set out at Item No.7 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending 31<sup>st</sup> 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. 7 of the Notice.

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

**By Order of the Board of Directors**

**Place:** Noida  
**Date:** 9<sup>th</sup> August, 2017

**Deepak Banga**  
Company Secretary

# Board's Report

## To the Members of INOX WIND LIMITED

Your Directors take pleasure in presenting to you their Eighth Annual Report together with the Audited Financial Statements for the Financial Year ended on 31<sup>st</sup> March, 2017.

### 1. FINANCIAL RESULTS

Following are the working results for the Financial Year 2016-2017:

Sr. No.	Particulars	Consolidated		Standalone	
		₹ in Lakh		₹ in Lakh	
		2016-17	2015-16	2016-17	2015-16
I	Revenue from Operations	341,500	445,067	286,322	387,976
II	Other income	8,410	4,849	12,047	8,308
III	Total Revenue Income (I+II)	349,910	449,916	298,369	396,284
IV	Net Expenses	307,229	384,976	263,576	329,921
V	Profit before tax (III - IV)	42,680	64,940	34,792	66,363
VI	Total Tax expense	12,351	18,823	9,161	18,717
<b>VII</b>	<b>Profit/(Loss) for the year (V - VI)</b>	<b>30,329</b>	<b>46,117</b>	<b>25,631</b>	<b>47,646</b>
VIII	Other comprehensive income	(53)	(6)	(54)	(4)
<b>IX</b>	<b>Total other comprehensive income (VII + VIII)</b>	<b>30,276</b>	<b>46,111</b>	<b>25,577</b>	<b>47,642</b>
<b>X</b>	<b>Opening balance in Retained Earnings</b>	<b>101,905</b>	<b>55,794</b>	<b>104,134</b>	<b>56,492</b>
<b>XI</b>	<b>Amount available for Appropriations</b>	<b>132,231</b>	<b>101,911</b>	<b>129,765</b>	<b>104,138</b>
XII	Amount transferred to Debenture redemption reserve	1,800	-	-	-
<b>XIII</b>	<b>Closing balance of Retained Earnings</b>	<b>130,437</b>	<b>101,905</b>	<b>129,763</b>	<b>104,134</b>

Detailed analysis of the Financial and Operational Performance of the Company has been given in the Management Discussion and Analysis 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 accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable and on the basis of audited financial statements of the Company, its subsidiary companies, as approved by the respective Board of Directors.

The Consolidated Financial Statements together with the Independent Auditor's 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.

# Board's Report

## 3. DIVIDEND

With a view to finance the Company's ongoing projects and considering future plans, no dividend has been recommended by the Board of Directors for the financial year ended 31<sup>st</sup> March, 2017.

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.inoxwind.com](http://www.inoxwind.com).

## 4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserves.

## 5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Your Directors recommend appointment/ re-appointment of following Directors:

Appointment of Shri Siddharth Jain (DIN: 00030202) who retires by rotation and being eligible, offers himself for re-appointment.

Re-appointment of Shri Devansh Jain (DIN: 01819331) as Whole-time Director of the Company for a further period of five years with effect from 1<sup>st</sup> November, 2017 and Shri Rajeev Gupta (DIN: 01773304) as Whole-time Director of the Company for a further period of one year with effect from 1<sup>st</sup> April, 2017.

During the year under review, Shri Venkatanarayanan Sankaranarayanan (DIN: 01184654) was appointed as an Independent Director of the Company with effect from 2<sup>nd</sup> September, 2016 to fill up the casual vacancy caused by the resignation of Dr. S. Rama Iyer, to hold office till the original term of Dr. S. Rama Iyer i.e. upto 31<sup>st</sup> March, 2019.

Necessary Resolutions in respect of Directors seeking appointment / re-appointment and their brief resume pursuant to Clause 36(3) 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 Jitendra Mohanany was appointed as Chief Financial Officer of the Company with effect from 30<sup>th</sup> May, 2016. Further, Ms. Shubha Singh, Company Secretary of the Company has resigned from the Company with effect from 2<sup>nd</sup> July, 2016 and Shri Deepak Banga was appointed as Company Secretary and Compliance Officer of the Company with effect from 2<sup>nd</sup> September, 2016. There is no change in the other 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 made 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 5<sup>th</sup> 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

# Board's Report

## 10. MEETINGS OF THE BOARD

During the year under review, the Board met Six 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 31<sup>st</sup> March, 2017, the applicable Accounting Standards and Schedule III of the Companies Act, 2013 have been followed and there are no 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 Statements of the Company. Please refer to Notes No. 9, 38 and 52 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.inoxwind.com/wp-content/uploads/2014/11/Policy-on-Materiality-of-Related-Party-Transactions-IWL.pdf>

All transactions entered with Related Parties for the year under review were on arm's length basis. Hence, disclosure in Form 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.

# Board's Report

## 15. SUBSIDIARY COMPANIES INCLUDING JOINT VENTURE AND ASSOCIATE COMPANIES

A separate statement containing the salient features of financial statements of all subsidiaries 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 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 Corporate 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.inoxwind.com](http://www.inoxwind.com). The Company has formulated a policy for determining material subsidiaries. The policy may be accessed on the website of the Company.

The Report on the performance and financial position of each of the Subsidiaries of the Company is annexed to this report in Form 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**.

## 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 Auditor's of the Company.

## 17. INDEPENDENT AUDITOR'S REPORT

There are no reservations, qualifications or adverse remarks in the Independent Auditor's 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 AUDITOR'S

The Members at their 6<sup>th</sup> Annual General Meeting held on 19<sup>th</sup> September, 2015 had appointed M/s Patankar & Associates, Chartered Accountants, Pune as Independent Auditor's of the Company from the conclusion of 6<sup>th</sup> Annual General Meeting until conclusion of 11<sup>th</sup> Annual General Meeting.

The Members at their 7<sup>th</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2016 had ratified the appointment of Independent Auditor's of the Company from the conclusion of 7<sup>th</sup> Annual General Meeting until the conclusion of 8<sup>th</sup> Annual General Meeting. Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors at their Meeting held on 12<sup>th</sup> May, 2017 recommended to the Members to ratify their appointment as Independent Auditor's of the Company from the conclusion of the 8<sup>th</sup> Annual General Meeting until the conclusion of 9<sup>th</sup> Annual General Meeting. Accordingly, a resolution seeking members' ratification for the appointment of the Statutory Auditors is included in the Notice convening the Annual General Meeting.

The Independent Auditors, M/s. Patankar & Associates, Chartered Accountants, Pune (Firm Registration No. 107628W) have confirmed that their appointment, if made, will be in accordance with Section 139 of the Companies Act, 2013 and they satisfy the criteria laid down in Section 141 of the Companies Act, 2013.

## 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 re-appointed M/s Jain Sharma and Associates, Cost Auditors (Firm Registration No. 000270 ) to audit the cost audit records maintained by the Company for Financial Year 2016-17 on a remuneration of Rupees 1,87,000 (Rupees One Lakh and Eighty



## Board's Report

Seven Thousand Only). 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 Jain Sharma and Associates, Cost Auditors was included in the Notice convening the Seventh Annual General Meeting.

Particulars of Cost Audit Report submitted by M/s. Jain Sharma and Associates, Cost Auditors in respect of Financial Year 2015-16 is as follows.

Financial Year :	2015-16
Due Date of Filing Cost Audit Report:	30 <sup>th</sup> September, 2016
Date of Filing Cost Audit Report:	9 <sup>th</sup> September, 2016

### 20. SECRETARIAL AUDIT REPORT

In terms of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s NSP & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report given by M/s NSP & Associates in Form 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 (2)(e) and 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 to 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 Auditor's 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 Chief Executive Officer 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 Chief Executive Officer 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.inoxwind.com](http://www.inoxwind.com).

### 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, 2014, the extract of Annual Return as provided in Form MGT -9 is annexed to this report as **Annexure D**.

# Board's Report

## 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, as amended, 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, he/she may write to the Company Secretary at the Corporate Office of the Company.

## 27. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Corporate Social Responsibility (CSR) Committee of the Company comprises of Shri Devansh Jain, Non Independent Director, Shri Rajeev Gupta, Non Independent Director and Shri Shanti Prashad Jain, Independent Director of the Company. The CSR Policy of the Company is disclosed on the website of the Company which can be viewed at <http://www.inoxwind.com/wp-content/uploads/2014/11/CSR-Policy-Inox-Wind-Limited.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) and certification of OHSAS 18001:2007 (Occupational Health and Safety Management System) for its Una and Rohika Units. 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 HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place Prevention, Prohibition and Redressal of 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.

## Board's Report

The following is the summary of sexual harassment complaints received and disposed off during the financial 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 or 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 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**

**Place :** Noida  
**Date :** 9<sup>th</sup> August, 2017

**Devansh Jain**  
 Whole-time Director  
 DIN: 01819331

**Rajeev Gupta**  
 Whole-time Director  
 DIN: 01773304

# 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 Inox Wind 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 and 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 Inox Wind 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:

## Annexure A

### 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 and 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 and Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.



# Annexure A

- 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 website 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

## Form AOC 1

**(Pursuant to first proviso to sub-section(3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)**

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

### PART A – SUBSIDIARIES

(Figures in ₹)

	Name of Subsidiaries						
	Inox Wind Infrastructure Services Limited	Marut-Shakti Energy India Limited	Satviki Energy Private Limited	Sarayu Wind Power (Tallimadugula) Private Limited	Vinirrrmaa Energy Generation Private Limited	Sarayu Wind Power (Kondapuram) Private Limited	RBRK Investments Limited
Date on which the subsidiary was acquired	11/05/2012	13/09/2013	19/11/2015	09/12/2015	23/01/2016	25/03/2016	30/08/2016
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	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Share Capital	5,00,000	61,10,700	83,50,000	100,000	5,00,000	100,000	7,00,000
Reserves and Surplus	186,700,436	(11,20,90,292)	(4,68,308)	(62,24,467)	(60,63,431)	(13,44,096)	40,56,408
Total Assets	14,52,25,90,640	42,70,02,983	83,48,281	4,77,21,558	4,62,19,309	1,10,41,250	12,47,54,044
Total Liabilities (excluding Share Capital and Reserves and Surplus)	14,00,63,65,166	53,29,82,576	4,66,589	5,38,46,025	51,782,740	1,22,85,346	11,99,97,636
Investments	12,86,24,407	-	-	-	-	-	-
Turnover	6,96,94,42,321	7,33,27,818	-	1,71,30,437	13,913,040	-	10,08,48,389
Profit/(Loss) before taxation	74,62,47,029	(4,07,60,841)	(1,27,072)	(5,19,947)	(46,63,183)	(289,019)	81,39,145
Provision for taxation	33,50,52,000	-	18,000	-	-	-	26,55,060

## Annexure B

(Figures in ₹)

	Name of Subsidiaries						
	Inox Wind Infrastructure Services Limited	Marut-Shakti Energy India Limited	Satviki Energy Private Limited	Sarayu Wind Power (Tallimadugula) Private Limited	Vinirrrmaa Energy Generation Private Limited	Sarayu Wind Power (Kondapuram) Private Limited	RBRK Investments Limited
Profit/(Loss) after taxation	41,11,95,029	(4,07,60,841)	(1,45,072)	(5,19,947)	(46,63,183)	(289,019)	54,84,085
Proposed Dividend	-	-	-	-	-	-	-
% of Shareholding	100.00	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

**Name of subsidiaries which are yet to commence operations:** Nil

**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:** Nil

(Figures in ₹)

Sr. No.	Particulars		
1	Latest Audited Balance Sheet date	Not Applicable	Not Applicable
2	Date on which the Associate or Joint Venture was associated or acquired		
3	Shares of Associates/Joint Ventures held by the Company on the year end		
	Number		
	Amount of investment in Associates/ Joint Venture		
	Extent of holding %		
4	Description of how there is significant influence		
5	Reason why the associate/joint venture is not consolidated		
6	Net worth attributable to Shareholding as per latest balance sheet		
7	Profit/Loss for the year		
i.	considered in consolidation		
ii.	Not considered in consolidation		

## Annexure B

**Name of associates or joint ventures which are yet to commence operations:** Nil

**Names of associates or joint ventures which have been liquidated or sold during the year:** Nil

As per our report of even date attached

**For Inox Wind Limited**

**For Patankar & Associates**

Chartered Accountants

**Devansh Jain**

Whole-time Director

DIN: 01819331

**Rajeev Gupta**

Whole-time Director

DIN: 01773304

**S S Agrawal**

Partner

**Jitendra Mohananey**

Chief Financial Officer

**Deepak Banga**

Company Secretary

**Place:** Pune

**Date :** 9<sup>th</sup> August, 2017

**Place:** Noida

**Date :** 9<sup>th</sup> August, 2017

# Annexure C

## Form MR - 3

### SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 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,  
Inox Wind Limited  
(L31901HP2009PLC031083)  
Plot No. 1, Khasra No. 264 to 267,  
Industrial Area, Village : Basal,  
District: Una - 174303  
Himachal Pradesh

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Inox Wind Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company, 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 31<sup>st</sup> March, 2017, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, 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 31<sup>st</sup> March, 2017, according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) 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;
- (5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, [herein after referred to as SEBI (LODR), 2015].
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (6) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:
  - i. Applicable Labour Laws
  - ii. Applicable direct and indirect tax laws
  - iii. Prevention of Money Laundering Act 2002;
  - iv. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and



## Annexure C

- v. Forest (Conservation) Act, 1980
- vi. Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change , Government of India
- vii. Regulations & Guidelines issued by Ministry of Water Resources, Government of India
- viii. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- ix. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- x. Environment (Protection) Act, 1986 and rules made thereunder
- xi. Guidelines issue by National Green Tribunal.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

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 were carried out in compliance with the provisions of the Act.

Adequate notice is given to all 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 clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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 applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no events to be reported.

For NSP & Associates,  
Company Secretaries

(Proprietor)  
FCS No.:9028  
C P No.:10937

**Place :** New Delhi  
**Date :** 22<sup>nd</sup> June, 2017

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

# Annexure C

## "Annexure A"

To,  
The Members,  
Inox Wind Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NSP & Associates,  
Company Secretaries

(Proprietor)  
FCS No.:9028  
C P No.:10937

**Place :** New Delhi  
**Date :** 22<sup>nd</sup> June, 2017

# Annexure D

## Form MGT-9

**Extract of Annual Return as on the Financial Year ended on 31<sup>st</sup> 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	:	L31901HP2009PLC031083
ii.	Registration Date	:	09 <sup>th</sup> April, 2009
iii.	Name of the Company	:	Inox Wind Limited
iv.	Category/Sub-Category of the Company	:	Company Limited by Shares / Indian Non-Government Company
v.	Address of the Registered Office and Contact Details	:	Registered Office and Factory : Plot No. 1, Khasra Nos. 264 to 267, Industrial Area, Village Basal-174303, District Una, Himachal Pradesh Tel: +91 1975 272001 Fax: +91 1975 272001
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 44, Community Centre, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028, India Tel. : +91 11 4141 0592 Fax: +91 11 4141 0591 Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>

### 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.	Manufacturing of Wind Turbine Generators and its Components	2710	95.00

## Annexure D

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	CIN/GLN	Holding/subsidiary/ associate	% of shares held	Applicable Section
1.	L24110GJ1987PLC009362 Gujarat Fluorochemicals Limited Survey No. 16/3, 26 and 27 Ranjitnagar 389380 Taluka Ghoghamba District Panchmahal Gujarat	Holding	63.09	2 (46)
2	U65910MH1995PLC085703 Inox Leasing and Finance Limited, 69, Jolly Maker Chambers II, Nariman Point, Mumbai – 400021	Holding	NIL	2 (46)
3	U45207GJ2012PLC070279 Inox Wind Infrastructure Services Limited Plot No. 1837 and 1834, Moje Jetalpur, ABS Towers, Second Floor, Old Padra Road, Vadodara 390 007	Subsidiary	100.00	2 (87)
4	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)
5	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)
6	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)
7	U40109TG2007PTC056146 Vinirrmma 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)
8	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)
9	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)





## Annexure D

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (01 <sup>st</sup> April, 2016)				No. of Shares held at the end of the year (31 <sup>st</sup> March, 2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Sub Total (B)(1)</b>	<b>15137281</b>	<b>0</b>	<b>15137281</b>	<b>6.8211</b>	<b>8189136</b>	<b>0</b>	<b>8189136</b>	<b>3.6902</b>	<b>-3.1309</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	5097168	1	5097169	2.2969	10588101	1	10588102	4.7712	2.4743
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1282983	0	1282983	0.5781	2581055	0	2581055	1.1631	0.5850
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	4250	0	4250	0.0019	17450	0	17450	0.0079	0.0060
	Foreign Nationals	0	0	0	0.0000	29	0	29	0.0000	0.0000
	Hindu Undivided Family	510768	0	510768	0.2302	942587	0	942587	0.4247	0.1945
	Non Resident Indians (Non Repat)	96887	0	96887	0.0437	134353	0	134353	0.0605	0.0168
	Non Resident Indians (Repat)	233616	0	233616	0.1053	605376	0	605376	0.2728	0.1675
	Clearing Member	325784	0	325784	0.1468	908286	0	908286	0.4093	0.2625
	Bodies Corporate	9229488	0	9229488	4.1590	7951852	0	7951852	3.5832	-0.5758
	<b>Sub Total (B)(3)</b>	<b>16780944</b>	<b>1</b>	<b>16780945</b>	<b>7.5618</b>	<b>23729089</b>	<b>1</b>	<b>23729090</b>	<b>10.6927</b>	<b>3.1309</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>31918225</b>	<b>1</b>	<b>31918226</b>	<b>14.3829</b>	<b>31918225</b>	<b>1</b>	<b>31918226</b>	<b>14.3829</b>	<b>0.0000</b>
	<b>Total (A)+(B)</b>	<b>221918225</b>	<b>1</b>	<b>221918226</b>	<b>100.0000</b>	<b>221918225</b>	<b>1</b>	<b>221918226</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>221918225</b>	<b>1</b>	<b>221918226</b>	<b>100.0000</b>	<b>221918225</b>	<b>1</b>	<b>221918226</b>	<b>100.0000</b>	<b>0.0000</b>

## Annexure D

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01 <sup>st</sup> April, 2016)			Shareholding at the end of the year (31 <sup>st</sup> March, 2017)			% change in shareholding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	GUJARAT FLUOROchemicals LIMITED	139999000	63.0859	-	140000000	63.0863	-	0.0004
2	DEVANSH TRADEMART LLP	12500000	5.6327	-	12500000	5.6327	-	-
3	INOX Chemicals LLP	12500000	5.6327	-	12500000	5.6327	-	-
4	SIDDHAPAVAN TRADING LLP	12500000	5.6327	-	12500000	5.6327	-	-
5	SIDDHO MAL TRADING LLP	12500000	5.6327	-	12500000	5.6327	-	-
6	DEEPAK RANJIT ASHER	500*	0.0002	-	0	-	-	-0.0002
7	MUKESH PATNI	500*	0.0002	-	0	-	-	-0.0002
<b>Total</b>		<b>190000000</b>	<b>85.6171</b>	<b>-</b>	<b>190000000</b>	<b>85.6171</b>	<b>-</b>	<b>0.0000</b>

\*Holding as nominee of Gujarat Fluorochemicals Limited (Promoter of the Company)

# Annexure D

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

Sr. No.	Name & type of transaction	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)			Transactions during the year			Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)		
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares			No of shares held	% of total shares of the company	
1	GUJARAT FLUOROchemicals LTD	139999000	63.0859					139999000	63.0859	
	Transfer			15 Apr 2016	500			139999500	63.0861	
	Transfer			22 Apr 2016	500			140000000	63.0863	
	AT THE END OF THE YEAR							140000000	63.0863	
2	INOX Chemicals LLP	12500000	5.6327					12500000	5.6327	
	AT THE END OF THE YEAR							12500000	5.6327	
3	DEVANSH TRADEMART LLP	12500000	5.6327					12500000	5.6327	
	AT THE END OF THE YEAR							12500000	5.6327	
4	SIDDHAPAVAN TRADING LLP	12500000	5.6327					12500000	5.6327	
	AT THE END OF THE YEAR							12500000	5.6327	
5	SIDDHO MAL TRADING LLP	12500000	5.6327					12500000	5.6327	
	AT THE END OF THE YEAR							12500000	5.6327	
6	MUKESH PATNI	500	0.0002					500	0.0002	
	Transfer			15 Apr 2016	(500)			0	0.0000	
	AT THE END OF THE YEAR							0	0.0000	
7	DEEPAK RANJIT ASHER	500	0.0002					500	0.0002	
	Transfer			15 Apr 2016	(500)			0	0.0000	
	AT THE END OF THE YEAR							0	0.0000	

## Annexure D

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Transactions during the year		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No. of shares held	% of total shares of the Company	Date of transaction	No. Of shares	No. of shares held	% of total shares of the Company
1	RELIANCE CAPITAL TRUSTEE CO. LTD A/C RELIANCEEQUITY OPPORTUNITIES FUND	4207121	1.8958			4207121	1.8958
	Transfer			22 Apr 2016	112000	4319121	1.9463
	Transfer			06 May 2016	476300	4795421	2.1609
	Transfer			10 May 2016	40341	4835762	2.1791
	Transfer			20 May 2016	250000	5085762	2.2917
	Transfer			27 May 2016	97118	5182880	2.3355
	Transfer			03 Jun 2016	26402	5209282	2.3474
	Transfer			10 Jun 2016	187370	5396652	2.4318
	Transfer			17 Jun 2016	121900	5518552	2.4868
	Transfer			11 Aug 2016	(26859)	5491693	2.4746
	Transfer			26 Aug 2016	(426733)	5064960	2.2824
	Transfer			02 Sep 2016	(41234)	5023726	2.2638
	Transfer			08 Sep 2016	(21815)	5001911	2.2539
	Transfer			16 Sep 2016	(16000)	4985911	2.2467
	Transfer			23 Sep 2016	(484000)	4501911	2.0286
	Transfer			21 Oct 2016	(10597)	4491314	2.0239
	Transfer			28 Oct 2016	(990)	4490324	2.0234
	AT THE END OF THE YEAR					4490324	2.0234
2	RELIANCE NIPPON LIFE INSURANCE COMPANY LIMITED	1138198	0.5129			1138198	0.5129
	Transfer			08 Apr 2016	1205	1139403	0.5134
	Transfer			15 Apr 2016	6601	1146004	0.5164
	Transfer			22 Apr 2016	2512	1148516	0.5175
	Transfer			29 Apr 2016	(32253)	1116263	0.5030
	Transfer			06 May 2016	19185	1135448	0.5117
	Transfer			13 May 2016	517819	1653267	0.7450
	Transfer			20 May 2016	46623	1699890	0.7660
	Transfer			27 May 2016	144258	1844148	0.8310
	Transfer			03 Jun 2016	18057	1862205	0.8391
	Transfer			10 Jun 2016	40931	1903136	0.8576
	Transfer			17 Jun 2016	(45356)	1857780	0.8371
	Transfer			24 Jun 2016	15295	1873075	0.8440
	Transfer			30 Jun 2016	29331	1902406	0.8573

## Annexure D

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Transactions during the year		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			01 Jul 2016	39202	1941608	0.8749
	Transfer			08 Jul 2016	(293)	1941315	0.8748
	Transfer			15 Jul 2016	(117753)	1823562	0.8217
	Transfer			22 Jul 2016	66733	1890295	0.8518
	Transfer			29 Jul 2016	(127)	1890168	0.8517
	Transfer			05 Aug 2016	26250	1916418	0.8636
	Transfer			11 Aug 2016	(21820)	1894598	0.8537
	Transfer			19 Aug 2016	3091	1897689	0.8551
	Transfer			26 Aug 2016	(184)	1897505	0.8550
	Transfer			02 Sep 2016	(41902)	1855603	0.8362
	Transfer			08 Sep 2016	61123	1916726	0.8637
	Transfer			09 Sep 2016	72446	1989172	0.8964
	Transfer			16 Sep 2016	68591	2057763	0.9273
	Transfer			23 Sep 2016	(189)	2057574	0.9272
	Transfer			30 Sep 2016	44466	2102040	0.9472
	Transfer			07 Oct 2016	2141	2104181	0.9482
	Transfer			14 Oct 2016	(2502)	2101679	0.9471
	Transfer			21 Oct 2016	716	2102395	0.9474
	Transfer			28 Oct 2016	(14580)	2087815	0.9408
	Transfer			04 Nov 2016	(2191)	2085624	0.9398
	Transfer			11 Nov 2016	(2500)	2083124	0.9387
	Transfer			18 Nov 2016	13870	2096994	0.9449
	Transfer			25 Nov 2016	(148)	2096846	0.9449
	Transfer			02 Dec 2016	(2067)	2094779	0.9439
	Transfer			09 Dec 2016	(377)	2094402	0.9438
	Transfer			16 Dec 2016	(2576)	2091826	0.9426
	Transfer			23 Dec 2016	(65)	2091761	0.9426
	Transfer			13 Jan 2017	(37)	2091724	0.9426
	Transfer			20 Jan 2017	(167)	2091557	0.9425
	Transfer			27 Jan 2017	(115)	2091442	0.9424
	Transfer			03 Feb 2017	(17993)	2073449	0.9343
	Transfer			10 Feb 2017	(1014)	2072435	0.9339
	Transfer			17 Feb 2017	(48645)	2023790	0.9120
	Transfer			24 Feb 2017	(73306)	1950484	0.8789
	Transfer			03 Mar 2017	(248170)	1702314	0.7671
	Transfer			10 Mar 2017	(2428)	1699886	0.7660
	Transfer			17 Mar 2017	7406	1707292	0.7693
	Transfer			24 Mar 2017	(718)	1706574	0.7690



## Annexure D

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Transactions during the year		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			31 Mar 2017	(969)	1705605	0.7686
	AT THE END OF THE YEAR					1705605	0.7686
3	BIO ACTION OF VEDA RESEARCH PVT LTD	808313	0.3642			808313	0.3642
	Transfer			01 Apr 2016	192224	1000537	0.4509
	AT THE END OF THE YEAR					1000537	0.4509
4	JAI-VIJAY RESOURCES PVT LTD	0	0.0000			0	0.0000
	Transfer			16 Sep 2016	550000	550000	0.2478
	Transfer			09 Dec 2016	(100000)	450000	0.2028
	Transfer			16 Dec 2016	(100000)	350000	0.1577
	Transfer			24 Feb 2017	615000	965000	0.4348
	AT THE END OF THE YEAR					965000	0.4348
5	GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND	312500	0.1408			312500	0.1408
	Transfer			15 Apr 2016	29000	341500	0.1539
	Transfer			27 May 2016	164500	506000	0.2280
	Transfer			17 Jun 2016	83500	589500	0.2656
	AT THE END OF THE YEAR					589500	0.2656
6	THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF NISSAY INDIA EQUITY SELECTION MOTHER FUND	518439	0.2336			518439	0.2336
	Transfer			13 May 2016	50000	568439	0.2561
	Transfer			27 May 2016	(5000)	563439	0.2539
	Transfer			10 Jun 2016	20307	583746	0.2630
	Transfer			26 Aug 2016	23000	606746	0.2734
	Transfer			02 Sep 2016	49704	656450	0.2958
	Transfer			14 Oct 2016	(41729)	614721	0.2770
	Transfer			09 Dec 2016	(34000)	580721	0.2617
	AT THE END OF THE YEAR					580721	0.2617
7	HSBC MIDCAP EQUITY FUND	364000	0.1640			364000	0.1640
	Transfer			10 May 2016	25000	389000	0.1753

## Annexure D

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Transactions during the year		Cumulative Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
	Transfer			20 May 2016	30000	419000	0.1888
	Transfer			27 May 2016	35000	454000	0.2046
	Transfer			24 Jun 2016	20000	474000	0.2136
	Transfer			15 Jul 2016	30000	504000	0.2271
	Transfer			20 Jan 2017	55000	559000	0.2519
	AT THE END OF THE YEAR					559000	0.2519
8	AADI FINANCIAL ADVISORS LLP	614965	0.2771			614965	0.2771
	Transfer			08 Sep 2016	199000	813965	0.3668
	Transfer			09 Sep 2016	1000	814965	0.3672
	Transfer			24 Feb 2017	(615000)	199965	0.0901
	Transfer			17 Mar 2017	168732	368697	0.1661
	AT THE END OF THE YEAR					368697	0.1661
9	MV SCIF MAURITIUS	0	0.0000			0	0.0000
	Transfer			16 Dec 2016	106062	106062	0.0478
	Transfer			23 Dec 2016	184122	290184	0.1308
	Transfer			06 Jan 2017	(3247)	286937	0.1293
	Transfer			03 Feb 2017	(1043)	285894	0.1288
	Transfer			03 Mar 2017	(4110)	281784	0.1270
	Transfer			24 Mar 2017	5152	286936	0.1293
	AT THE END OF THE YEAR					286936	0.1293
10	WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC.	0	0.0000			0	0.0000
	Transfer			23 Sep 2016	284500	284500	0.1282
	Transfer			30 Sep 2016	(7947)	276553	0.1246
	Transfer			07 Oct 2016	(4405)	272148	0.1226
	Transfer			11 Nov 2016	(13942)	258206	0.1164
	Transfer			18 Nov 2016	(2607)	255599	0.1152
	Transfer			25 Nov 2016	14746	270345	0.1218
	Transfer			20 Jan 2017	4340	274685	0.1238
	Transfer			03 Feb 2017	6944	281629	0.1269
	AT THE END OF THE YEAR					281629	0.1269

## Annexure D

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Date	Increase or Decrease in Holding	Shareholding at the end of the year (31 <sup>st</sup> March, 2017)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
Directors							
1	Shri Devansh Jain, Whole –time Director	0	0	NIL Movement	NIL Movement	0	0
2	Shri Deepak Asher*, Non Independent Director	500	0.0002	22/04/2016	(500)	0	0
3	Shri Siddharth Jain, Non Independent Director	0	0	NIL Movement	NIL Movement	0	0
4	Shri Rajeev Gupta, Whole-time Director	630	0.0003	NIL Movement	NIL Movement	630	0.0003
5	Shri Shanti Prashad Jain, Independent Director	0	0	NIL Movement	NIL Movement	0	0
6	Shri Chandra Prakash Jain, Independent Director	0	0	NIL Movement	NIL Movement	0	0
7	Ms. Bindu Saxena, Independent Director	0	0	NIL Movement	NIL Movement	0	0
8	Shri V. Sankaranarayanan	0	0	NIL Movement	NIL Movement	0	0
Key Managerial Personnel							
9	Shri Kailash Lal Tarachandani, Chief Executive Officer	530	0.0002	NIL Movement	NIL Movement	530	0.0002
10	Shri Rajgopal Swami, Chief Financial Officer (Resigned w.e.f. 30/05/2016)	0	0	NIL Movement	NIL Movement	0	0
11	Shri Jitendra Mohananey, Chief Financial Officer	5	0	NIL Movement	NIL Movement	5	0
12	Ms. Shubha Singh, Company Secretary (Resigned w.e.f. 02/07/2016)	0	0	NIL Movement	NIL Movement	0	0
13	Shri Deepak Banga, Company Secretary	0	0	12/09/2016	2	2	0

\*Holding as nominee of Gujarat Fluorochemicals Limited (Promoter of the Company)

## Annexure D

### V. INDEBTEDNESS

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

(Amount ₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	115,908.24	29,678.34		145,586.58
ii. Interest due but not paid	22.12			22.12
iii. Interest accrued but not due	156.00			156.00
<b>Total (i+ii+iii)</b>	116,086.36	29,678.34	-	145,764.70
<b>Change in Indebtedness during the financial year</b>				
• Addition	1,476.58			1,476.58
• Reduction		(1,036.23)		(1,036.23)
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	117,342.45	28,642.11		145,984.56
ii. Interest due but not paid	132.32			132.32
iii. Interest accrued but not due	88.17			88.17
<b>Total (i+ii+iii)</b>	117,562.94	28,642.11	-	146,205.05

### 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 Devansh Jain (Whole-time Director)	Shri Rajeev Gupta (Whole-time Director)	
1.	Gross salary	19.20	123.46	142.66
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	100.00	-	100.00
	- as % of profit			
	- others, specify...			
5.	Others, please specify PF	1.44	2.69	4.13
	<b>Total (A)</b>	120.64	126.15*	246.79
	Ceiling as per the Act			3511.01

\* includes ₹ 46.15 lakh paid towards special incentive

## Annexure D

### B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ in lakh)
		Shri Shanti Prashad Jain	Shri Chandra Prakash Jain	Ms. Bindu Saxena	Shri V. Sankaranarayanan	
1	Independent Directors					
	Fee for attending Board/Committee Meetings	2.60	2.60	1.80	0.60	7.60
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	Total (1)	2.60	2.60	1.80	0.60	7.60
2	Other Non-Executive Directors	Shri Deepak Asher		Shri Siddharth Jain		
	Fee for attending Board/Committee Meetings		2.40		0.20	2.60
	Commission		-		-	-
	Others		-		-	-
	Total (2)		2.40		0.20	2.60
	<b>Total of B = (1+2)</b>					<b>10.20</b>
	Total Managerial Remuneration (A+B)					256.99
	Overall Ceiling as per the Act					3862.11

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

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Chief Executive Officer	Company Secretary	Company Secretary	Chief Financial Officer	Chief Financial Officer	
		(Shri Kailash Lal Tarachandani)	(Ms. Shubha Singh)	(Shri Deepak Banga)	(Shri Rajgopal Swami)	(Shri Jitendra Mohananeey)	
		(From 01/04/2016 to 31/03/2017)	(From 01/04/2016 to 02/07/2016)	(From 02/09/2016 to 31/03/2017)	(From 01/04/2016 to 30/05/2016)	(From 30/05/2016 to 31/03/2017)	
1	Gross salary	252.17	8.23	17.80	10.99	74.34	363.53
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961						
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961						



## Annexure D

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Chief Executive Officer	Company Secretary	Company Secretary	Chief Financial Officer	Chief Financial Officer	
		(Shri Kailash Lal Tarachandani)	(Ms. Shubha Singh)	(Shri Deepak Banga)	(Shri Rajgopal Swami)	(Shri Jitendra Mohananey)	
		(From 01/04/2016 to 31/03/2017)	(From 01/04/2016 to 02/07/2016)	(From 02/09/2016 to 31/03/2017)	(From 01/04/2016 to 30/05/2016)	(From 30/05/2016 to 31/03/2017)	
2	Stock Option						
3	Sweat Equity	-	-	-	-	-	-
4	Commission						
	- as % of profit	-	-	-	-	-	-
	- others, specify...	-	-	-	-	-	-
5	Others, please specify (Provident Fund)	0.22	0.06	0.13	0.04	0.22	0.66
	<b>Total</b>	252.39#	8.29	17.93	11.03	74.56	364.19

# includes ₹ 75.22 lakh paid towards special incentive

### 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)
<b>COMPANY</b>					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
<b>Directors</b>					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil
<b>Other Officers in default</b>					
Penalty		Nil	Nil	Nil	Nil
Punishment		Nil	Nil	Nil	Nil
Compounding		Nil	Nil	Nil	Nil

# Annexure E

## To The Directors' Report

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

- The power factor maintained at 0.996 (avg.) by replacing Capacitor Bank. ₹ 4.96 lakh rebate received from State Electricity Board
- The water conservation efforts resulted in reduced water consumption from an average 127 KL / day (2015-16) to 57 KL/day (2016-17). This was achieved by installation of level sensor and linking the sensors to Mobile app. Reduction in Electric cost achieved due to less pumping : 0.6 Lac/annum
- Installed screw type air compressors with "Variable frequency drives" which reduces frequent starting and stopping reducing the power consumption by 20% compared to a regular compressors.
- Installed many LED lights in the factory as high bay lights which consume only 20% of the energy as compared to regular lights.
- Changed all the conventional CFL lamps to LED lamps in all the offices there by reducing the consumption by 25%.
- Installed automatic power factor correction system in the main power circuit to reduce power consumption.

#### (ii) The steps taken by the Company for utilising alternate sources of energy: Nil

#### (iii) Capital Investment on energy conservation equipments: Nil

### (B) TECHNOLOGY ABSORPTION

Your Company has been able to fully absorb the technology granted under the licence agreements entered by the Company with AMSC Austria GmbH and WIND novation Engineering Solution GmbH. A few changes to the technology have been made, with the concurrence of licensors, to enable easy and early adaption of the technology to local conditions as well as to improve performance. Further, we have set the pace in the Wind Turbine Generators (WTG) market through introduction of 113 meter rotor diameter WTG on the 2 MW platform. The 113 meter rotor diameter WTG significantly increases annual energy production and is especially suited for low wind segment in India.

### (C) THE EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT: Nil

### (D) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange Earned - Nil  
Foreign exchange Outgo - ₹ 110,560.99 Lakh

By Order of the Board of Directors

Place : Noida  
Date : 9<sup>th</sup> August, 2017

Devansh Jain  
Whole-time Director  
DIN: 01819331

Rajeev Gupta  
Whole-time Director  
DIN: 01773304

# 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:

Sr. No.	Name of Director / KMP for FY 2016-17 (₹ in Lakh)	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 Devansh Jain, Whole-time Director	120.64	Not Applicable	1 : 126.39
2	Shri Rajeev Gupta, Whole-time Director	126.15 <sup>#</sup>	8%**	1 : 77.75**
3	Shri Siddharth Jain, Non-Independent Director	*	*	*
4	Shri Deepak Asher, Non-Independent Director	*	*	*
5	Shri V. Sankaranarayanan, Independent Director (w.e.f.02/09/2016 to 31/03/2017)	*	*	*
6	Shri Shanti Prashad Jain, Independent Director	*	*	*
7	Shri Chandra Prakash Jain, Independent Director	*	*	*
8	Ms. Bindu Saxena, Independent Director	*	*	*
9	Dr. S. Rama Iyer, Independent Director (Resigned w.e.f. 01/04/2016)	-	-	-
10	Shri Kailash Lal Tarachandani, Chief Executive Officer	252.17 <sup>##</sup>	17%**	1 : 187.89**
11	Shri Rajgopal Swami, Chief Financial Officer (w.e.f. 01/04/2016 to 30/05/2016)	10.99	-	1 : 11.66
12	Shri Jitendra Mohanane, Chief Financial Officer (w.e.f. 30/05/2016 to 31/03/2017)	74.34	-	1 : 78.83

## Annexure F

Sr. No.	Name of Director / KMP for FY 2016-17 (₹ in Lakh)	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
13	Ms. Shubha Singh, Company Secretary (w.e.f. 01/04/2016 to 02/07/2016)	8.23	-	1 : 9.12
14	Shri Deepak Banga, Company Secretary (w.e.f. 02/09/2016 to 31/03/2017)	17.80	-	1 : 18.78

\*Directors are only paid Sitting fees and no other Remuneration

# includes ₹ 46.15 lakh paid towards special incentive; ## includes ₹ 75.22 lakh paid towards special incentive; \*\* excludes payment made towards special incentive

- 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 0%
- 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 31<sup>st</sup> March, 2017 was 3204
- 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 14%
- 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 and Remuneration of Managerial Personnel) 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, he/she may write to the Company Secretary at the Corporate 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 programs		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 <a href="https://www.inoxwind.com/wp-content/uploads/2014/11/CSR-Policy-Inox-Wind-Limited.pdf">https://www.inoxwind.com/wp-content/uploads/2014/11/CSR-Policy-Inox-Wind-Limited.pdf</a>				
2.	The Composition of CSR Committee		Shri Shanti Prashad Jain, Independent Director Shri Devansh Jain, Whole-time Director Shri Rajeev Gupta, Whole-time Director				
3.	Average net profit of the Company for last three Financial Years		₹ 41,600.78 Lakh				
4.	Prescribed CSR Expenditure (2% of the amount as in item 3 above)		₹ 832.02 Lakh				
5.	Details of CSR spent during the Financial Year:						
	(a)	Total amount to be spent for the Financial Year	₹ 166.25 Lakh				
	(b)	Amount unspent, if any	₹ 665.77 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 programs (1) Local area or (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget project or programs 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	Promoting Education	(ii)	Monetary assistance to girl child education (higher studies, post primary schooling, pursuing sports, pursuing a career etc.) at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri - Rajasthan	78.21	78.21	78.21	Contribution to corpus funds of Inox Group CSR Trust

## Annexure G

(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 programs (1) Local area or (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget project or programs 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
			Monetary assistance for higher education of children (assistance to pursue post XII class education) at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri -Rajasthan	46.56	46.56	124.77	
2	Health Care	(i)	Monetary assistance to improve sanitary facilities at home (Lavatory, drinking water, toilet/bathroom etc.) at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri -Rajasthan	37.28	37.28	162.05	Contribution to corpus funds of Inox Group CSR Trust
			Monetary assistance to access health care facilities for girl child, women and elderly at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri -Rajasthan	22.15	22.15	184.20	



## Annexure G

(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 programs (1) Local area or (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget project or programs 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
3	Promoting Sustainable Environment	(iv)	Monetary assistance to conduct low till or any other practice of sustainable agriculture at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri - Rajasthan	11.04	11.04	195.24	Contribution to corpus funds of Inox Group CSR Trust
			Monetary assistance for water conservation at farm, home or in community at Shajapur, Lahori, Nipaniya, Mandsaur and Ujjain - Madhya Pradesh, Anantapur - Andhra Pradesh, Badali, Sadla, Rojmal and Kidi - Gujarat, Jaisalmer & Dangri - Rajasthan	1.75	1.75	196.99	
				196.99*	196.99*	196.99*	
6	In case the Company has failed to spend the two percent of the average net profit of last three Financial Years or any part thereof, the company shall provide reasons for not spending the amount in its Board Report.			The Company has un-spent amount of ₹ 665.77 Lakh. The Company is obtaining advisory services for identification of CSR Projects for its CSR activities and will spend the amount on identification of CSR Projects.			
7	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.			

\* Includes an amount of ₹ 30.74 Lakh, carried forward from the previous financial year, which was also spent on CSR activities during the financial year 2016-17.

**Place :** Noida  
**Date :** 9<sup>th</sup> August, 2017

**Kailash Lal Tarachandani**  
 Chief Executive Officer

**Devansh Jain**  
 Chairman, CSR Committee

# 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), Inox Wind 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.

Inox Wind 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 31<sup>st</sup> March, 2017, the Board of Directors consisted of 8 Directors of which 2 were Executive Directors and 6 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 4 Independent Directors and 4 Non-Independent Directors during the Financial Year 2016-17. Thus, the composition of the Board, as on 31<sup>st</sup> 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 6 (Six) times on following dates, namely, 6<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 2<sup>nd</sup> September, 2016, 28<sup>th</sup> October, 2016 and 3<sup>rd</sup> February, 2017.

The following table gives details of Directors, details of attendance of Directors at the Board Meetings, at the Annual General Meeting (AGM), Disclosure of relationships between Directors inter-se and number of shares held by Non-Executive Directors as at 31<sup>st</sup> March, 2017:

Name of the Director	Category of Director	No. of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Devansh Jain	Whole-time Director	6	No	No inter-se relationship between Directors	Not Applicable
Shri Rajeev Gupta	Whole-time Director	5	No	No inter-se relationship between Directors	Not Applicable
Shri Siddharth Jain	Non-Independent Non-Executive Director	1	No	No inter-se relationship between Directors	-

# Corporate Governance Report

Name of the Director	Category of Director	No. of Board Meetings attended	Whether attended last AGM	Relationship between Directors inter-se	Number of shares held by Non-Executive Director
Shri Deepak Asher	Non-Independent Non-Executive Director	6	Yes	No inter-se relationship between Directors	-
Shri V. Sankaranarayanan (Appointed with effect from 02 <sup>nd</sup> September, 2016)	Independent Non-Executive Director	2	Yes	No inter-se relationship between Directors	-
Shri Shanti Prashad Jain	Independent Non-Executive Director	6	No	No inter-se relationship between Directors	-
Shri Chandra Prakash Jain	Independent Non-Executive Director	6	No	No inter-se relationship between Directors	-
Ms. Bindu Saxena	Independent Non-Executive Director	4	No	No inter-se relationship between Directors	-

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 Devansh Jain	Whole-time Director	5	1	0
Shri Rajeev Gupta	Whole-time Director	1	0	0
Shri Siddharth Jain	Non-Independent Non-Executive Director	9	3	0
Shri Deepak Asher	Non-Independent Non-Executive Director	6	9	0
Shri V. Sankaranarayanan (Appointed with effect from 02 <sup>nd</sup> September, 2016)	Independent Non-Executive Director	8	3	0
Shri Shanti Prashad Jain	Independent Non-Executive Director	6	7	2

# Corporate Governance Report

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 Chandra Prakash Jain	Independent Non-Executive Director	9	9	1
Ms. Bindu Saxena	Independent Non-Executive Director	4	1	0

(\*) 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 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 <https://www.inoxwind.com/wp-content/uploads/2017/04/Familiarization%20Programmes%20for%20Independent%20Directors%202016-17.pdf>

## (E) INDEPENDENT DIRECTORS

### 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 03<sup>rd</sup> 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;
- 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 and
- to familiarise Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of Industry in which the Company operates, its business model 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 29<sup>th</sup> 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.

# Corporate Governance Report

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; and
  - (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, right 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 right 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 there on;
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

# Corporate Governance Report

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 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 6 (Six) times on following dates, namely 6<sup>th</sup> May, 2016, 30<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 2<sup>nd</sup> September, 2016, 28<sup>th</sup> October, 2016 and 3<sup>rd</sup> February, 2017.

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

Name	Position	Number of Meetings held during the year	Number of Meetings attended during the year
Shri Shanti Prashad Jain, Independent Director	Chairman	6	6
Shri Deepak Asher, Non-Independent Director	Member	6	6
Shri Chandra Prakash Jain, Independent Director (with effect from 6 <sup>th</sup> May, 2016)	Member	6	6
Ms. Bindu Saxena, Independent Director	Member	6	4

Shri Shanti Prashad Jain, Chairman of the Audit Committee was unable to attend last Annual General Meeting held on 22<sup>nd</sup> September, 2016 due to pre-occupation with other 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 29<sup>th</sup> 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

- 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;
- To lay down criteria to carry out evaluation of every Director's performance;
- To formulate criteria for determining qualification, positive attributes and Independence of a Director;
- To determine the composition and level of remuneration, including reward linked with the performance, which



# Corporate Governance Report

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 5 (Five) times on following dates namely 30<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 2<sup>nd</sup> September, 2016, 3<sup>rd</sup> February, 2017 and 15<sup>th</sup> 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	Committee Meetings held during the year	Number of Meetings Attended during the year
Shri Shanti Prashad Jain, Independent Director	Chairman	5	5
Shri Chandra Prakash Jain, Independent Director (with effect from 6 <sup>th</sup> May, 2016)	Member	5	5
Shri Siddharth Jain, Non-Independent Director	Member	5	1

## (C) PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

Nomination and Remuneration Committee (NR Committee) and the Board of Directors had at their Meeting held on 3<sup>rd</sup> February, 2017 have approved the revised 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 05<sup>th</sup> 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, NR Committee had also decided to continue the terms of appointment of all Independent Directors of the Company.

The Chairman of NR Committee had authorised Shri Deepak Asher, Director of the Company to answer the queries of the Shareholders at the Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2016.

# Corporate Governance Report

## 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:

Remuneration paid during the Financial Year 2016-17				
Name of the Director	Relationship with other Directors	Business Relationship with the Company, if any	All elements of Remuneration package i.e. salary, benefits, bonuses, pension etc.	Service Contracts, Notice period, severance fee
Shri Devansh Jain	None	Whole-time Director	<b>Particulars</b> Salary & Allowances : 19.20 Perquisites : .... Contribution to PF : 1.44 Commission : 100.00 Total : 120.64	Service Contract 01.11.2012 to 31.10.2017
Shri Rajeev Gupta	None	Whole-time Director	<b>Particulars</b> Salary & Allowances : 123.46 Perquisites : .... Contribution to PF : 2.69 Total : 126.15	Service Contract 01.04.2016 to 31.03.2017

Note: Out of the remuneration of ₹ 126.15 Lakh paid to Shri Rajeev Gupta, Whole-time Director, an amount of ₹ 46.15 Lakh is subject to approval by the Shareholders in the ensuing Annual General Meeting.

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

Name of the Director	Sitting Fees (₹)
Shri Deepak Asher	2,40,000
Shri Siddharth Jain	20,000
Shri Shanti Prashad Jain	2,60,000
Shri Chandra Prakash Jain	2,60,000
Ms. Bindu Saxena	1,80,000
Shri V. Sankaranarayanan	60,000
<b>Total</b>	<b>10,20,000</b>

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://www.inoxwind.com/wp-content/uploads/2014/11/Nomination\\_Remuneration\\_Policy\\_IWL.pdf](http://www.inoxwind.com/wp-content/uploads/2014/11/Nomination_Remuneration_Policy_IWL.pdf)

# Corporate Governance Report

## 6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(a)	Name of Non-Executive Director heading the Committee	Shri Deepak Asher
(b)	Name and designation of Compliance Officer*	Ms. Shubha Singh, Shri Kalyan Ghosh and Shri Deepak Banga
(c)	Number of Shareholders complaints received during the Financial Year 2016-17	6
(d)	Number not resolved to the satisfaction of Shareholders	Nil
(e)	Number of pending complaints	Nil

\*Ms. Shubha Singh resigned from the post of Compliance Officer w.e.f. 2<sup>nd</sup> July, 2016; Shri Kalyan Ghosh was appointed as Compliance Officer for the interim period from 2<sup>nd</sup> July, 2016 till appointment of Shri Deepak Banga as Compliance Officer w.e.f. 2<sup>nd</sup> September, 2016.

As on 31<sup>st</sup> March, 2017, Nil equity shares of the Company had remained unclaimed subsequent to the Initial Public Issue of the Company in 2015.

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Nil	Nil
Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year;	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	Nil	Nil

## 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	Date and Time	Location	Details of Special Resolutions passed
2013-2014	9 <sup>th</sup> September, 2014 at 11:00 A.M.	Plot-1, Khasra Nos. 264 to 267, Industrial Area, Village Basal, District Una -174303, Himachal Pradesh	<ol style="list-style-type: none"> <li>Approval of Borrowing of money in excess of Paid-up Capital and Free Reserves of the Company as permitted under Section 180 (1) (c) of the Companies Act, 2013.</li> <li>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 as permitted under Section 180 (1) (a) of the Companies Act, 2013.</li> <li>Approval of transactions with Related Party under Section 188 of the Companies Act, 2013.</li> <li>Approval of Remuneration by way of commission to Dr. S. Rama Iyer, Independent Director.</li> </ol>

# Corporate Governance Report

2014-2015	19 <sup>th</sup> September, 2015 at 11:00 A.M.	Plot-1, Khasra Nos. 264 to 267, Industrial Area, Village Basal, District Una -174303, Himachal Pradesh	1. Approval of Remuneration by way of commission to Dr. S. Rama Iyer, Independent Director. 2. Issue of Non – convertible Debentures
2015-2016	22 <sup>nd</sup> September, 2016 at 11:00 A.M.	Plot-1, Khasra Nos. 264 to 267, Industrial Area, Village Basal, District Una -174303, Himachal Pradesh	Nil

During the Financial Year ended 31<sup>st</sup> March, 2017, no Special Resolution was passed by the Company's Members through Postal Ballot.

The Board of Directors in their meeting held on 31<sup>st</sup> July, 2017 considered and approved to conduct the Postal Ballot in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations to seek approval of the Shareholders of the Company by way of Special Resolution to vary the terms of "Objects of the Issue" as mentioned in the Company's Prospectus dated 25<sup>th</sup> March, 2015.

Accordingly, the Company had completed the dispatch of the Postal Ballot Notice dated 31<sup>st</sup> July, 2017 along with the Explanatory Statement, Postal Ballot Form and self-addressed business reply envelopes on 05<sup>th</sup> August, 2017 to the Members who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to the Members whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company has given facility of e-voting to its Members to enable them to cast their vote electronically. The voting under the Postal Ballot shall be kept open from 6<sup>th</sup> August, 2017 (9.00 A.M. IST) to 4<sup>th</sup> September, 2017 (5.00 P.M. IST). Upon completion of scrutiny of the Postal Ballot Forms and votes cast through e-voting in a fair and transparent manner, the Scrutinizer will submit his report and the results of the Postal Ballot will be announced by the Company on 5<sup>th</sup> September, 2017. The voting results shall also be sent to the Stock Exchanges and also displayed on the Company's website [www.inoxwind.com](http://www.inoxwind.com) and on the website of Central Depository Services (India) Limited [www.evotingindia.com](http://www.evotingindia.com).

## 8. MEANS OF COMMUNICATION

The Quarterly / Annual Financial Results as also Annual Report of the Company/Subsidiaries during / for the Financial Year ended 31<sup>st</sup> 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 Hindi (Himachal Dastak) and English dailies (Business Standard and Financial Express) as well. The said results along with official press releases and presentations made to the Institutional Investors/ Analysts were submitted to Stock Exchanges and also posted on the Company's website viz. <http://www.inoxwind.com> and website of BSE and NSE.

## 9. GENERAL SHAREHOLDER INFORMATION

<b>9.1</b>	<b>Annual General Meeting</b>	
(i)	Date	26 <sup>th</sup> September, 2017
(ii)	Time	11:00 A.M.
(iii)	Venue	Hotel Pandit Moolraj Residency, SH-25, Una - Nangal Road, Rakkar Colony, District Una - 174 303, Himachal Pradesh, India
<b>9.2</b>	<b>Financial Year</b>	1 <sup>st</sup> April, 2016 to 31 <sup>st</sup> March, 2017
<b>9.3</b>	<b>Book Closure Date</b>	21 <sup>st</sup> September, 2017 to 26 <sup>th</sup> September, 2017

# Corporate Governance Report

<b>9.4 Dividend Payment Date</b>	N.A.
<b>9.5 Listing of Equity Shares</b>	National Stock Exchange of India Limited, Exchange Plaza, Bandra – Kurla Complex, Bandra (E), Mumbai 400 051 and BSE Limited, Phiroze Jeejeebhoy, Dalal Street, Mumbai 400 001
<b>9.6 Stock Code</b>	
(i) BSE Limited	539083
(ii) National Stock Exchange of India Limited (symbol)	INOXWIND
(iii) Demat ISIN Number in NSDL and CDSL	INE066P01011

## 9.7 Market price data: High, Low during each month in the Financial Year 2016-17

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	Monthly low price (in ₹)	Monthly high price (in ₹)	Monthly low price (in ₹)	Monthly high price (in ₹)
April, 2016	241.75	288.00	241.55	287.50
May, 2016	218.60	295.05	218.10	295.00
June, 2016	211.80	253.00	211.00	253.00
July, 2016	222.00	249.20	221.50	249.30
August, 2016	181.00	225.90	181.15	226.10
September, 2016	161.00	215.70	163.00	215.55
October, 2016	204.00	231.00	205.00	230.95
November, 2016	171.00	225.00	170.50	224.80
December, 2016	179.00	215.00	179.15	215.10
January, 2017	181.00	198.55	180.85	198.50
February, 2017	170.80	189.90	171.25	189.60
March, 2017	160.95	186.50	165.50	186.40

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

Date	Nifty 500	Company's Share Price on NSE
1 <sup>st</sup> April, 2016	6,438.40	260.00
31 <sup>st</sup> March, 2017	7,995.05	170.45
<b>Change</b>	<b>24.18%</b>	<b>(34.44%)</b>

Date	Sensex	Company's Share Price on BSE
1 <sup>st</sup> April, 2016	25,301.70	258.60
31 <sup>st</sup> March, 2017	29,620.50	170.00
<b>Change</b>	<b>17.07%</b>	<b>(34.26%)</b>

# Corporate Governance Report

## 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 securities transfer forms 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, 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028, India

## 9.11 Share Transfer System

Trading in the Company's shares on the Stock Exchanges 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 31<sup>st</sup> March, 2017

Shareholding (in ₹)	No of shareholders	% to total	Number of shares	Amount in ₹	% to total
1 to 5,000	55,977	91.9495	5,279,159	52,791,590	2.3789
5,001 to 10,000	2,518	4.1361	2,021,589	20,215,890	0.9110
10,001 to 20,000	1,141	1.8742	1,746,203	17,462,030	0.7869
20,001 to 30,000	400	0.6571	1,031,427	10,314,270	0.4648
30,001 to 40,000	171	0.2809	614,496	6,144,960	0.2769
40,001 to 50,000	156	0.2563	736,668	7,366,680	0.3320
50,001 to 100,000	247	0.4057	1,836,819	18,368,190	0.8277
100,001 and above	268	0.4402	208,651,865	2,086,518,650	94.0220
<b>Total</b>	<b>60,878</b>	<b>100</b>	<b>221,918,226</b>	<b>2,219,182,260</b>	<b>100</b>

Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2017 is as under:

S.No.	Category	No. of Shares Held	Percentage of Shareholding (%)
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>[1]</b>	<b>Indian</b>		
	Bodies Corporate	190,000,000	85.62
	<b>Sub Total (A)(1)</b>	<b>190,000,000</b>	<b>85.62</b>
<b>[2]</b>	<b>Foreign</b>		
	(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0.00
	(b) Bodies Corporate	0	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>190,000,000</b>	<b>85.62</b>



# Corporate Governance Report

S.No.	Category	No. of Shares Held	Percentage of Shareholding (%)
<b>(B)</b>	<b>Public Shareholding</b>		
<b>[1]</b>	<b>Institutions</b>		
(a)	Mutual Funds / UTI	5,555,324	2.50
(b)	Foreign Portfolio Investor	2,499,228	1.13
(c)	Financial Institutions / Banks	134,584	0.06
	<b>Sub Total (B)(1)</b>	<b>8,189,136</b>	<b>3.69</b>
<b>[2]</b>	<b>Non-Institutions</b>		
(a)	Individuals		
(i)	Individual shareholders holding nominal share capital upto ₹ 2 lakh.	11,579,122	5.22
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	1,590,035	0.72
(b)	Any Other (Specify)		
(i)	Trusts	17,450	0.01
(ii)	Foreign Nationals	29	0.00
(iii)	Hindu Undivided Family	942,587	0.42
(iv)	Non Resident Indians (Non Repat)	134,353	0.06
(v)	Non Resident Indians (Repat)	605,376	0.27
(vi)	Clearing Member	908,286	0.41
(vii)	Bodies Corporate	7,951,852	3.58
	<b>Sub Total (B)(2)</b>	<b>23,729,090</b>	<b>10.69</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)</b>	<b>31,918,226</b>	<b>14.38</b>
	<b>Total (A)+(B)</b>	<b>221,918,226</b>	<b>100.00</b>

## 9.13 Dematerialization of shares

The Company's Equity Shares are traded compulsorily in dematerialized form. As on 31<sup>st</sup> March, 2017, 100% of the Equity Shares of the Company was in dematerialized form (Only 1 Equity share of the Company is in Physical mode).

## 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 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.

## 9.17 Plant locations

### Una Plant

Plot No. -1, Khasra Nos. 264 to 267, Industrial Area, Village Basal, District Una-174 303, Himachal Pradesh

# Corporate Governance Report

## Rohika Plant

Plot No. 128, Ahmedabad-Rajkot Highway, Village-Rohika, Tehsil- Bavla, Ahmedabad, Gujarat

## Barwani Plant

Plot No. 20, AKVN Industrial Area, Relwa Khurd, Tehsil –Rajpur, District Barwani - 451449, Madhya Pradesh

### 9.18 (i) Address for Investor Correspondence

Link Intime India Private Limited, 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028, India

### (ii) Any query on Annual Report

Company Secretary, Inox Wind Limited, Inox Towers, Plot No. 17, Sector-16A, Noida -201301, Uttar Pradesh

## 10. OTHER DISCLOSURES

### a) Materially significant Related Party Transactions

There were no transactions with related parties during the Financial Year 2016-17 which were in conflict with the interest of the Company. Suitable disclosure of related party transactions as required by the Indian Accounting Standards (Ind AS 24) has been made in the Note No. 38 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.inoxwind.com/wp-content/uploads/2014/11/Policy-on-Materiality-of-Related-Party-Transactions-IWL.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 Board of Directors has adopted Whistle Blower Policy 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.inoxwind.com/wp-content/uploads/2014/11/Whistleblower\\_Policy\\_IWL.pdf](http://www.inoxwind.com/wp-content/uploads/2014/11/Whistleblower_Policy_IWL.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 31<sup>st</sup> 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.inoxwind.com/wp-content/uploads/2014/11/Policy-on-Material-Subsidiaries-IWL.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

# Corporate Governance Report

can be viewed at <http://www.inoxwind.com/wp-content/uploads/2014/11/Policy-on-Materiality-of-Related-Party-Transactions-IWL.pdf>

- g) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 read with Schedule V and clause (b) to (i) of sub-regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regard to corporate governance.
- 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 & Analysis Report**

Management Discussion and Analysis Report is set out in the Board's Report forming part of the Annual Report.

k) **CEO/CFO Certification**

The Company has obtained a certificate from the Chief Executive Officer and Chief Financial Officer in respect of matters stated in Regulation 17(8) of the Listing Regulations.

## 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 21<sup>st</sup> 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 Company's website. The same can be viewed at [http://www.inoxwind.com/wp-content/uploads/2015/02/Code\\_of\\_Conduct\\_Inox%20Wind%20Limited.pdf](http://www.inoxwind.com/wp-content/uploads/2015/02/Code_of_Conduct_Inox%20Wind%20Limited.pdf)

## 12. DECLARATION BY CHIEF EXECUTIVE OFFICER

Declaration signed by Shri Kailash Lal Tarachandani, Chief Executive Officer 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 as **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** : 9<sup>th</sup> August, 2017  
**Place** : Noida

**Devansh Jain**  
 Whole-time Director  
 (DIN: 01819331)

**Rajeev Gupta**  
 Whole-time Director  
 (DIN: 01773304)

# Corporate Governance Report

## ANNEXURE A

### Declaration by the CEO under Clause D of Schedule V to the Listing Regulations

#### DECLARATION

I, Kailash Lal Tarachandani, Chief Executive Officer of Inox Wind 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 year ended 31<sup>st</sup> March, 2017.

**Date :** 9<sup>th</sup> August, 2017

**Place :** Noida

**Kailash Lal Tarachandani**

Chief Executive Officer

# Corporate Governance Report

## CERTIFICATE

### To the Members of Inox Wind Limited

We have examined the compliance of conditions of Corporate Governance by Inox Wind Limited, for the Financial Year ended on 31<sup>st</sup> 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 (a) 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's Registration No. 107628W

**S S Agrawal**  
Partner  
Membership No. 49051

**Place:** Pune  
**Date :** 9<sup>th</sup> August, 2017

# Business Responsibility Report

[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 04<sup>th</sup> November, 2015 and its amendment dated 22<sup>nd</sup> 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 Inox Wind Limited (hereinafter referred to as IWL or the Company) is a part of top 500 listed companies (based on market capitalisation as on 31<sup>st</sup> 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 IWL, 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 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 of the Company	L31901HP2009PLC031083
2	Name of the Company	Inox Wind Limited
3	Registered Address	Plot No. 1, Khasra Nos. 264 to 267, Industrial Area Village Basal, District Una -174303, Himachal Pradesh
4	Website	<a href="http://www.inoxwind.com">www.inoxwind.com</a>
5	Email id	<a href="mailto:investors.iwl@inoxwind.com">investors.iwl@inoxwind.com</a>
6	Financial year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing (2710)
8	3 key products/services manufactured/provided by the Company	Wind Turbine Generators (WTGs) and its components
9	Total number of locations where business activity is undertaken by the Company	
	a Number of International Locations (Provide details of major 5)	NIL
	b Number of National Locations	3 Plants –Madhya Pradesh, Himachal Pradesh and Gujarat Marketing Offices –Vadodara, Mumbai, Chennai, Ahmedabad, Hyderabad and Surat Corporate Office- Noida
10	Markets served by the Company –Local/ State/ National/ International	National
Section B		Financial details of the Company
1	Paid up Capital (INR)	22192 lakhs
2	Total Turnover (INR)	286322 lakhs
3	Total profit after taxes (INR)	25577 lakhs
4	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	0.65%
5	List of the activities in which expenditure in 4 above has been incurred	Activities related to promotion of education, healthcare and environment conservation



# Business Responsibility Report

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
<b>1)</b>	<b>Details of Director(s) responsible for BR</b>
(a)	Details of the Director/Director responsible for implementation of the BR policy/policies:
1	DIN Number 00035371 01819331 01773304
2	Name Shri Deepak Asher Shri Devansh Jain Shri Rajeev Gupta
3	Designation Director Whole-time Director Whole-time Director
(b)	Details of the BR head:
1	DIN Number (if applicable) N.A.
2	Name Shri Kailash Lal Tarachandani
3	Designation CEO
4	Telephone number 0120-6149600
5	e-mail id kailash.tarachandani@inoxwind.com

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)	N	Y (ISO, OHSAS)		N		Y (ISO, OHSAS)		N	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

## Business Responsibility Report

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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?	#			#				#	#
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

# - [www.inoxwind.com](http://www.inoxwind.com)

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 the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	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 6 <sup>th</sup> May, 2016.
b)	Does the Company publish BR or Sustainability Report? What is hyperlink for 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: <a href="http://www.inoxwind.com">www.inoxwind.com</a>

# Business Responsibility Report

## 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

IWL 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/ offsite locations/ 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.

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 6 complaints related to non-receipt of shares and refund of share application money pertaining to the Initial Public Offer (IPO) and all the 6 complaints were resolved.

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

IWL has a Safety, Health & Environment (SHE) Policy that acts as a guiding document for protection of environment and ensuring safety of its employees. It underlines the need for integrating SHE considerations into business planning and decision making. This policy demonstrate the Company's commitment towards improving its SHE 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. Blades
  - b. Towers
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?

There is continuous improvement in the blade production process at the Ahmedabad plant which has reduced the consumption of raw materials like glass fabric, epoxy resin, hardener, and paint. This has reduced the blade weight by 250 kilos/blade, taking the annual savings in raw materials to about 130 tonnes per annum. Similarly at Ahmedabad Plant, there is an improvement in the production process of steel towers. This has reduced the consumption of raw materials like paint, welding electrode and steel grits. Moreover, the plant has reduced water consumption from 127 KL/day to 57 KL/day, amounting to annual savings of 25800 KL in the Financial Year 2016-17. During this period, the energy consumption of the plant also reduced by 28590 kWh. Similar initiatives at the Una plant have reduced the water consumption by 5 %.

## Business Responsibility Report

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

IWL manufactures Wind Turbine Generators (WTG) that are used by its consumers to generate wind energy and they do not require any major inputs to run WTG apart from wind, which is a natural resource.

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 precise technical specifications of IWL's products limits the options with respect to procurement of raw materials and components. For some components, wherever possible, the Company strives to maximize procurement from local suppliers to reduce the amount of fuel used for transportation.

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, wherever possible goods are procured from local suppliers. They are supported in enhancing their capacity through financial assistance and vendor training programmes, covering topics related to new technology and energy efficiency.

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 sewage generated at IWL's plants is treated at in-house Sewage Treatment Plants (STP) and the treated water is used for gardening within the plant premises. The waste glue generated in the production process is used to make bricks that are used for constructing the plant boundary. This has led to an annual reduction of about 42 tonnes in the quantity of waste being disposed. Use of root rings for barricading and fencing activities has helped to reuse about 126 tonnes of material annually. The Company has also increased its focus on co-processing of waste to recover energy from it. In the reporting year, about 1500 tonnes of waste generated at the plants was co-processed in cement kilns.

### 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 3125 employees.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

The Company has a total of 399 employees hired on temporary/contractual/casual basis.

3. Please indicate the number of permanent women employees.

The Company has 11 permanent women employees.

4. Please indicate the number of permanent employees with disabilities

The Company does not have any permanent employee with disabilities.

5. Do you have an employee association that is recognized by management.

The Company does not have any employee association that is recognized by the management.

# Business Responsibility Report

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.

Sr. 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?

IWL provides on-the-job as well as off-the-job training opportunities for its employees. The on-the-job training is directly related to employees' line of work, whereas the off-the-job training involves training in specific new skills. To identify the most relevant trainings for its employees, the Company has adopted the 'Skill Will' matrix. This has helped to increase employee productivity and build a high performance culture. Following is the employee training record for the reporting year:

Permanent Employees	92%
Permanent Women Employees	Nil
Casual/Temporary/Contractual Employees	51%
Employees with Disabilities	Not Applicable

## **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 IWL 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

IWL takes into account the well being 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, farmers, and socially & economically backward groups in the geographies that have been selected.

# Business Responsibility Report

- 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:

- Monetary assistance to female students and students from poor families for covering education related expenses.
- Financial assistance for water conservation initiatives at the farm or community level.

## 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.

- 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.

- 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 31<sup>st</sup> March, 2017.

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

IWL has a Safety, Health & Environment (SHE) Policy that acts as a guiding document for protection of environment and ensuring safety of its employees. It underlines the need for integrating SHE considerations into business planning and decision making. This policy demonstrate the Company's commitment towards improving its SHE performance in a continual manner.

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

The policy covers the Company as well as the suppliers and contractors associated with it.

- 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, IWL has adopted a number of initiatives to increase its energy efficiency, thereby reducing its carbon emissions.

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

The Company captures environmental risks in accordance with the Aspect-Impact format of ISO-14001. Based on the identified environmental risks, appropriate control and monitoring measures are established to deal with them.

- 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.

- 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.

# Business Responsibility Report

To reduce the electricity consumption in the plants, the roofs have been designed in such a manner that they allow maximum daylight utilization. There are dust extraction systems in place to control the dust level in the plants. Also, digitalization of records has helped in reducing the paper consumption at plants as well as at offices.

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

All emissions and wastes generated by the Company in FY 2016-17 were within the applicable permissible limits.

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 31<sup>st</sup> 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 association:

- Federation of Indian Chamber of Commerce and 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 association.

## **Principle 8: Businesses should support inclusive growth and equitable development**

The CSR policy of IWL 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 initiatives undertaken by the Company include:

- Monetary help for better access to health care facilities for women and the elderly people
- Financial assistance to improve the sanitation facilities.
- Financial support to conduct low till or any other practice of sustainable agriculture



## Business Responsibility Report

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.

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.

Amount spent on CSR during the Financial Year 2016-17 - ₹ 166.25 lakhs

The details of community development projects undertaken by the Company include giving monetary assistance for:

- i. Girl child education (higher studies, post primary schooling, pursuing sports, pursuing a career etc.);
  - ii. Higher education of children;
  - iii. Improving sanitation facilities at home (Lavatory, drinking water, toilet/bathroom etc.);
  - iv. Providing health care facilities to girl child, women and elderly people;
  - v. Conducting low till or any other form of sustainable agriculture and
  - vi. Promoting water conservation at farm, home or in the community
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.

# Business Responsibility Report

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

IWL has a Quality Policy which aims to achieve the highest standards of quality in all business units' practices and operations. The Policy guides IWL employees to continually improve the performance of the Company while offering safe, cost effective and professional service to the customers. 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.

As of 31<sup>st</sup> March, 2017, 35.7% of customer complaints are pending.

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 31<sup>st</sup> March, 2017.

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

The Company continually interacts with its customers which helps it to understand their level of satisfaction from IWL products. However, as of now, IWL does not conduct any formal customer satisfaction surveys.

# Independent Auditor's Report

## To the members of Inox Wind Limited

### REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind AS financial statements of Inox Wind Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> 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 ("the Ind AS financial statements").

### 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 31<sup>st</sup> March 2017, financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

## 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 31<sup>st</sup> March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> 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 standalone Ind AS financial statements – refer Note 41 to the standalone Ind AS financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long-term contracts including derivative contracts; and
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - 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 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and these are in accordance with the books of account maintained by the Company – refer Note 50 to the standalone Ind AS financial statements.

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

**S S Agrawal**  
Partner  
Membership No. 049051

**Place:** Pune  
**Date :** 12th May, 2017

# Annexure I

## To Independent Auditor's Report

**To the Members of Inox Wind Limited on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> 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, service tax 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	Income tax demand for F.Y. 2012-2013	95.02	Commissioner of Income Tax, Shimla
Service Tax	Service tax demand for the period from September 2011 to March 2016	1433.83	CESTAT, Allahabad
Himachal Pradesh Value Added Tax	Penalty for delayed payment of tax during the year 2013-14	70.04	Tax Tribunal, Dharmshala.
	Penalty for delayed payment of tax during the year 2012-13	19.48	Deputy Excise and Taxation Commissioner cum Appellate Authority, Palampur.

There are no dues of income tax, sales tax, service tax, duty of customs or duty of excise, which have not been deposited on account of disputes.

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 initial public offer and term loans for the purposes for which the moneys were raised.
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. In respect of compliance with the provisions of section 197 of the Companies Act, 2013 regarding payment of managerial remuneration, the particulars of remuneration paid in excess of the requisite approvals are as under:

(₹ in Lakhs)

Sr. No.	Name of the director	Remuneration			Steps proposed by the Company
		Paid	Limit as per section 197	Excess	
1	Mr. Rajeev Gupta	126.15	80.00	46.15	Company proposes to pass requisite resolution in the ensuing AGM

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.

**Place:** Pune  
**Date :** 12th May, 2017

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

**S S Agrawal**  
Partner  
Membership No. 049051

# Annexure II

## To Independent Auditor's Report

**To the members of Inox Wind Limited on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> 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 Inox Wind Limited (“the Company”) as of 31<sup>st</sup> 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.



## 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 31<sup>st</sup> 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

**S S Agrawal**  
Partner  
Membership No. 049051

**Place:** Pune  
**Date :** 12th May, 2017

# Standalone Balance Sheet

## As at 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	6	46,370.71	32,496.89	18,029.12
(b) Capital work-in-progress		1,867.48	1,344.68	1,377.18
(c) Intangible assets	7	3,012.16	3,339.91	2,308.83
(d) Financial assets				
(i) Investments				
(a) Investments in subsidiary	8	50,823.59	50,548.70	5.00
(b) Other investments	9	5,324.50	-	-
(ii) Loans	10	175.56	143.24	108.00
(iii) Other non-current financial assets	11	544.20	1,011.09	57.97
(e) Deferred tax assets (net)	22	-	728.32	5,051.72
(f) Other non-current assets	12	8,379.14	13,402.27	3,241.94
<b>Total Non - current assets</b>		<b>116,497.34</b>	<b>103,015.10</b>	<b>30,179.76</b>
<b>2 Current assets</b>				
(a) Inventories	13	33,926.77	21,463.10	12,645.61
(b) Financial assets				
(i) Other investments	8	20,007.77	6,287.39	-
(ii) Trade receivables	14	200,499.85	214,865.19	131,873.82
(iii) Cash and cash equivalents	15	16,559.89	6,722.46	70,503.65
(iv) Bank balances other than (iii) above	16	20,929.84	41,464.62	356.29
(v) Loans	10	25,286.13	39,457.85	55,301.82
(vi) Other current financial assets	11	483.67	1,162.11	2,098.44
(c) Other current assets	12	6,666.67	4,528.19	3,310.10
<b>Total current assets</b>		<b>324,360.59</b>	<b>335,950.91</b>	<b>276,089.73</b>
<b>Total Assets</b>		<b>440,857.93</b>	<b>438,966.01</b>	<b>306,269.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	17	22,191.82	22,191.82	22,191.82
(b) Other equity	18	194,296.91	168,719.68	121,077.81
<b>Total equity</b>		<b>216,488.73</b>	<b>190,911.50</b>	<b>143,269.63</b>
<b>LIABILITIES</b>				
<b>1 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	8,873.40	5,488.30	7,832.52
(ii) Other non-current financial liabilities	20	240.00	240.00	240.00
(b) Provisions	21	536.16	343.46	193.80
(c) Deferred tax liabilities (net)	22	1,046.53	-	-
(d) Other non-current liabilities	23	2,332.41	894.61	1,047.42
<b>Total Non - current liabilities</b>		<b>13,028.50</b>	<b>6,966.37</b>	<b>9,313.74</b>
<b>2 Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	24	132,662.98	138,247.08	76,180.25
(ii) Trade payables	25	63,165.53	89,774.02	56,097.52
(iii) Other current financial liabilities	20	9,434.04	5,134.03	4,392.78
(b) Other current liabilities	23	4,613.25	3,579.08	11,812.38
(c) Provisions	21	221.19	135.13	3,262.08
(d) Current tax liabilities (net)	26	1,243.71	4,218.80	1,941.11
<b>Total current liabilities</b>		<b>211,340.70</b>	<b>241,088.14</b>	<b>153,686.12</b>
<b>Total Equity and Liabilities</b>		<b>440,857.93</b>	<b>438,966.01</b>	<b>306,269.49</b>

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

**S S Agrawal**  
Partner

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Jitendra Mohanane**  
Chief Financial Officer

**Deepak Banga**  
Company Secretary

**Place :** Pune  
**Date :** 12 May 2017

**Place :** Noida  
**Date :** 12 May 2017

# Standalone Statement of Profit and Loss

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
<b>Revenue</b>			
Revenue from operations	27	286,322.35	387,976.31
Other income	28	12,046.97	8,307.67
<b>Total Revenue (I)</b>		<b>298,369.32</b>	<b>396,283.98</b>
<b>Expenses</b>			
Cost of materials consumed	29	191,966.55	271,480.61
EPC, O&M and Common infrastructure facility expenses	30	14,868.32	6,913.57
Changes in inventories of finished goods and work-in-progress	31	(4,512.73)	(834.96)
Employee benefits expense	32	7,920.44	6,403.76
Finance costs	33	14,994.48	10,285.77
Depreciation and amortisation expense	34	3,445.24	3,022.99
Other expenses	35	34,894.19	34,008.09
<b>Total expenses</b>		<b>263,576.49</b>	<b>331,279.83</b>
Less : Expenditure capitalised	47	-	1,358.82
<b>Net Expenses (II)</b>		<b>263,576.49</b>	<b>329,921.01</b>
<b>Profit before tax (I-II=III)</b>		<b>34,792.83</b>	<b>66,362.97</b>
<b>Tax expense (IV):</b>	40		
Current tax		7,358.00	16,400.00
MAT credit entitlement		(1,785.00)	-
Deferred tax		3,588.49	2,316.68
		9,161.49	18,716.68
<b>Profit for the year (III-IV=V)</b>		<b>25,631.34</b>	<b>47,646.29</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		2.94	(6.70)
Tax on above		(1.02)	2.28
B (i) Items that will be reclassified to profit or loss			
Effective portion of gains and (loss) on hedging instruments in cash flow hedge		(85.69)	
Tax on above		29.66	
<b>Total Other Comprehensive income (VI)</b>		<b>(54.11)</b>	<b>(4.42)</b>
<b>Total Comprehensive income for the year (V + VI)</b>		<b>25,577.23</b>	<b>47,641.87</b>
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)	36	11.55	21.47

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

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Standalone Statement of Cash Flows

## For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Cash flows from operating activities</b>		
Profit for the year after tax	25,631.34	47,646.29
Adjustments for:		
Tax expense	9,132.85	18,714.40
Finance costs	14,994.48	10,285.77
Interest income	(6,120.03)	(8,454.18)
Gain on investments carried at FVTPL	(3,347.14)	(1,239.49)
Dividend income	(150.13)	(34.67)
Bad debts & remissions	666.02	352.51
Allowance for doubtful trade receivables and expected credit loss	351.20	231.23
Depreciation and amortisation expenses	3,445.24	3,022.99
Unrealised foreign exchange gain (net)	(690.99)	(191.35)
Unrealised MTM (gain)/loss on financial assets & derivatives	(2,481.70)	(1,650.76)
Loss on sale / disposal of property, plant and equipment	20.21	-
	<b>41,451.35</b>	<b>68,682.74</b>
Movements in working capital:		
(Increase)/Decrease in Trade receivables	13,348.12	(83,575.11)
(Increase)/Decrease in Inventories	(12,463.67)	(8,817.49)
(Increase)/Decrease in Loans	245.92	797.72
(Increase)/Decrease in Other financial assets	677.43	854.82
(Increase)/Decrease in Other assets	(1,993.70)	(1,233.73)
Increase/(Decrease) in Trade payables	(25,917.52)	34,084.78
Increase/(Decrease) in Other financial liabilities	1,055.01	686.26
Increase/(Decrease) in Other liabilities	2,471.97	(8,499.67)
Increase/(Decrease) in Provisions	196.01	(2,983.99)
<b>Cash generated from/(used in) operations</b>	<b>19,070.92</b>	<b>(3.67)</b>
Income taxes paid	(10,834.51)	(12,621.64)
<b>Net cash generated from/(used in) operating activities</b>	<b>8,236.41</b>	<b>(12,625.31)</b>
Cash flows from investing activities		
Purchase of property, plant and equipment (including changes in capital WIP, capital creditors/advances)	(12,050.28)	(27,414.69)
Purchase of non current investments	(5,000.00)	(50,000.00)
Purchase of mutual funds	(13,720.38)	(30,121.67)
Redemption of mutual funds	747.76	24,530.07
Interest received	7,515.28	6,308.69
Dividend received	150.13	34.67
Inter corporate deposits given	(132,642.99)	(78,630.96)
Inter corporate deposits received back	147,911.74	94,386.49
Movement in Bank fixed deposits	20,232.16	(40,578.97)
<b>Net cash (used in)/generated by investing activities</b>	<b>13,143.42</b>	<b>(101,486.37)</b>
Cash flows from financing activities		
Proceeds from borrowings-non current	8,500.00	3,000.00
Repayment of borrowings	(2,165.35)	(6,429.72)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Proceeds from/(repayment of) current borrowing (net)	(3,455.00)	63,717.59
Interest paid	(14,422.05)	(9,957.38)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(11,542.40)</b>	<b>50,330.49</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>9,837.43</b>	<b>(63,781.19)</b>
Cash and cash equivalents at the beginning of the year	6,722.46	70,503.65
<b>Cash and cash equivalents at the end of the year</b>	<b>16,559.89</b>	<b>6,722.46</b>

Notes:

1. The above statement of cash flows has been prepared and presented under the indirect method.
2. Components of cash and cash equivalents are as per note 15
3. 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

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Standalone Statement of Changes in Equity

For the year ended 31 March 2017

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	
<b>Balance at 1 April 2015</b>	<b>22,191.82</b>
Changes in equity share capital during the year	-
<b>Balance at 31 March 2016</b>	<b>22,191.82</b>
Changes in equity share capital during the year	-
<b>Balance at 31 March 2017</b>	<b>22,191.82</b>

## B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Securities premium reserve	Retained earnings	Cash flow hedge reserve	
<b>Balance at 1 April 2015</b>	<b>64,586.03</b>	<b>56,491.78</b>	<b>-</b>	<b>121,077.81</b>
Additions during the year:				
Profit for the year	-	47,646.29	-	47,646.29
Other comprehensive income for the year, net of income tax (*)	-	(4.42)	-	(4.42)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>47,641.87</b>	<b>-</b>	<b>47,641.87</b>
<b>Balance at 31 March 2016</b>	<b>64,586.03</b>	<b>104,133.65</b>	<b>-</b>	<b>168,719.68</b>
Additions during the year:				
Profit for the year	-	25,631.34	-	25,631.34
Other comprehensive income for the year, net of income tax (*)	-	1.92	(56.03)	(54.11)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>25,633.26</b>	<b>(56.03)</b>	<b>25,577.23</b>
<b>Balance at 31 March 2017</b>	<b>64,586.03</b>	<b>129,766.91</b>	<b>(56.03)</b>	<b>194,296.91</b>

(\*) 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

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Notes to the standalone financial statement

## For the year ended 31 March 2017

### 1. COMPANY INFORMATION

Inox wind Limited ("the Company") is a public limited company incorporated in India. The Company is engaged in the business of manufacture and sale of Wind Turbine Generators ("WTGs"). It also provides Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for WTGs and wind farm development services. The area of operations of the Company is within India. The Company's parent company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The Company has made an Initial Public Offer (IPO) during the year ended 31 March 2015 (Refer Note 45). Fresh equity shares were allotted on 30 March 2015 and the equity shares of the Company were listed on the Bombay Stock Exchange and the National Stock Exchange of India on 9 April 2015.

The Company's registered office is located at Plot No.1, Khasra No.264-267 Industrial Area, Near Power house Village Basal Dist. Una, Himachal Pradesh, India 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 31 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 1 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 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 statement

For the year ended 31 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 1<sup>st</sup> 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 12 May 2017.

## 2.4 PARTICULARS OF INVESTMENTS IN SUBSIDIARIES ARE AS UNDER:

Name of the investee	Principal place of business and country of incorporation	Proportion of the ownership interest and voting rights
Inox Wind Infrastructure Services Limited	India	100%

The above investment is 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 is net of sales tax, value added tax, service tax and other similar taxes.

#### 3.1.1 Sale of goods

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 WTGs is recognised on supply in terms of the respective contracts. Revenue from sale of power is recognised on the basis of actual units generated and transmitted to the purchaser.

#### 3.1.2 Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion 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, as under:

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. Revenue from operations and maintenance and common infrastructure facilities contracts is recognised over

# Notes to the standalone financial statement

## For the year ended 31 March 2017

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.

### 3.1.3 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.

## 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 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. 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 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:

- 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 (refer Note 3.14 below for hedging accounting policies).

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 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.

# Notes to the standalone financial statement

## For the year ended 31 March 2017

### 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, 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 standalone 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, 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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 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.

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 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 1 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 INTANGIBLE ASSETS

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.

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.

# Notes to the standalone financial statement

## For the year ended 31 March 2017

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.

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

- Technical know-how 10 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 1 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 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 (other than goodwill) 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 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 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.

### 3.11 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 purchase, 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 imported materials include 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 3.12 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.

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 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

## 3.13 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.

#### 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.



# Notes to the standalone financial statement

For the year ended 31 March 2017

## 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.

This is a residual category applied to all other investments of the Company. 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 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.

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-month ECL.

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

# Notes to the standalone financial statement

For the year ended 31 March 2017

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 the Company 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 the Company 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.

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 Company, and commitments issued by the Company 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 profit or loss.

# Notes to the standalone financial statement

## For the year ended 31 March 2017

### 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.

## 3.14 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 39.

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 Company 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 39 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

# Notes to the standalone financial statement

For the year ended 31 March 2017

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.

## 3.15 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.

## 3.16 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 1 April 2017.

The amendment to Ind AS 7 Statement of Cash Flows 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.

## 4. FIRST-TIME ADOPTION – MANDATORY EXCEPTIONS AND OPTIONAL EXEMPTIONS

### Overall principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of 1 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 First-time Adoption of Indian Accounting Standards and availed by the Company as detailed below.

### I. Optional exemptions from retrospective application:

#### a) Deemed cost for property, plant and equipment and intangible assets

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

# Notes to the standalone financial statement

For the year ended 31 March 2017

## b) Investment in subsidiary

The Company has opted to measure the investments in all its subsidiaries at deemed cost of such investment which is previous GAAP carrying amount on the date of transition.

## 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) 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.

### c) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 Financial Instruments retrospectively; however, as permitted by Ind AS 101 First-time Adoption of Indian Accounting Standards, 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.

### d) 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 April 1, 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.

### 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 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.

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 39.

## 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 – refer Note 22
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – refer Note 37
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – refer Note 21 and Note 41
- Impairment of financial assets – refer Note 39

## 6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Carrying amounts of:</b>			
Freehold land	508.82	508.82	476.70
Buildings	17,167.00	14,778.51	6,036.42
Plant and equipment	27,982.48	16,867.78	11,447.04
Furniture and fixtures	235.54	115.21	39.16
Vehicles	337.60	119.70	6.00
Office equipment	139.27	106.87	23.80
<b>Total</b>	<b>46,370.71</b>	<b>32,496.89</b>	<b>18,029.12</b>

Note: Assets mortgaged/pledged as security for borrowings:



# Notes to the standalone financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Carrying amounts of:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Freehold land	508.82	508.82	476.70
Buildings	17,167.00	14,778.51	6,036.42
Plant and equipment	27,982.48	16,867.78	11,447.04
Furniture and fixtures	235.54	115.21	39.16
Vehicles	337.60	119.70	6.00
Office equipment	139.27	106.87	23.80

## 6A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Description of Assets	Land Freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Cost or deemed cost:</b>							
<b>Balance as at 1 April 2015</b>	476.70	6,036.42	11,447.04	39.16	6.00	23.80	18,029.12
Additions	32.12	8,842.83	7,642.19	84.45	125.23	108.99	16,835.81
Disposal	-	-	-	-	-	(0.72)	(0.72)
Borrowing cost capitalised	-	267.11	-	-	-	-	267.11
<b>Balance as at 31 March 2016</b>	<b>508.82</b>	<b>15,146.36</b>	<b>19,089.23</b>	<b>123.61</b>	<b>131.23</b>	<b>132.07</b>	<b>35,131.32</b>
Additions	-	2,957.11	13,399.49	138.99	251.58	82.32	16,829.49
Disposal	-	-	(26.09)	(0.91)	-	(32.34)	(59.34)
Borrowing cost capitalised	-	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>508.82</b>	<b>18,103.47</b>	<b>32,462.63</b>	<b>261.69</b>	<b>382.81</b>	<b>182.05</b>	<b>51,901.47</b>
<b>Accumulated Depreciation:</b>							
Balance as at 1 April 2015	-	-	-	-	-	-	-
Depreciation expense for the year	-	367.85	2,221.45	8.40	11.53	25.92	2,635.15
Eliminated on disposal of asset	-	-	-	-	-	(0.72)	(0.72)
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>367.85</b>	<b>2,221.45</b>	<b>8.40</b>	<b>11.53</b>	<b>25.20</b>	<b>2,634.43</b>
Depreciation expense for the year	-	568.65	2,268.41	18.24	33.68	46.52	2,935.50
Eliminated on disposal of asset	-	-	(9.71)	(0.49)	-	(28.94)	(39.14)
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>936.50</b>	<b>4,480.15</b>	<b>26.15</b>	<b>45.21</b>	<b>42.78</b>	<b>5,530.79</b>

(₹ in Lakhs)

Description of Assets	Land Freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>As at 1 April 2015</b>	476.70	6,036.42	11,447.04	39.16	6.00	23.80	18,029.12
<b>As at 31 March 2016</b>	508.82	14,778.51	16,867.78	115.21	119.70	106.87	32,496.89
<b>As at 31 March 2017</b>	508.82	17,166.97	27,982.48	235.54	337.60	139.27	46,370.68

## 7. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Technical know-how	2,943.44	3,256.94	2,270.38
Software	68.72	82.97	38.45
<b>Total</b>	<b>3,012.16</b>	<b>3,339.91</b>	<b>2,308.83</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## Details of Intangible Assets

(₹ in Lakhs)

Particulars	Technical know-how	Software	Total
<b>Cost or Deemed Cost</b>			
Balance as at 1 April 2015	2,270.38	38.45	2,308.83
Additions	1,335.98	82.94	1,418.92
<b>Balance as at 31 March 2016</b>	<b>3,606.36</b>	<b>121.39</b>	<b>3,727.75</b>
Additions	156.57	25.42	181.99
<b>Balance as at 31 March 2017</b>	<b>3,762.93</b>	<b>146.81</b>	<b>3,909.74</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April 2015</b>	-	-	-
Amortisation expense for the year	349.42	38.42	387.84
<b>Balance as at 31 March 2016</b>	<b>349.42</b>	<b>38.42</b>	<b>387.84</b>
Amortisation expense for the year	470.07	39.67	509.74
<b>Balance as at 31 March 2017</b>	<b>819.49</b>	<b>78.09</b>	<b>897.58</b>

Net carrying amount	Technical know-how	Software	Total
<b>As at 1 April 2015</b>	2,270.38	38.45	2,308.83
<b>As at 31 March 2016</b>	3,256.94	82.97	3,339.91
<b>As at 31 March 2017</b>	2,943.44	68.72	3,012.16

## 8. INVESTMENT IN SUBSIDIARY

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
<b>a) Financial assets carried at cost</b>			
<b>Investments in Equity instruments (unquoted, fully paid)</b>			
- In Subsidiary company	5.00	5.00	5.00
50,000 Equity Shares of ₹ 10 each, fully paid up, of Inox Wind Infrastructure Services Limited			
<b>b) Financial assets carried at FVTPL</b>			
<b>Investments in debentures (unquoted, fully paid up)</b>			
- In subsidiary Company (5,000,000 4% unsecured optionally convertible debentures of ₹ 1,000 each in Inox Wind Infrastructure Services Limited)	50,818.59	50,543.70	-
<b>Total</b>	<b>50,823.59</b>	<b>50,548.70</b>	<b>5.00</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 9. OTHER INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
<b>Financial assets carried at FVTPL</b>			
<b>Investments in debentures (unquoted, fully paid up)</b>			
5,000 debentures of ₹ 100,000 each of Citicorp Finance (India) Limited (CFIL-581ALT4)	5,324.50	-	-
<b>Total (a)</b>	<b>5,324.50</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
<b>Financial assets carried at FVTPL</b>			
<b>Investments in mutual funds (unquoted, fully paid up)</b>			
(face value ₹ 10 each)			
3453221 units (31 March 2016: Nil, 1 April 2015: Nil) of Birla Sun Life - Regular Growth Option	1,002.63	-	-
1830785 units (31 March 2016: Nil, 1 April 2015: Nil) of Franklin Templeton Mutual fund - Growth Option	775.30	-	-
1135790 units (31 March 2016: Nil, 1 April 2015: Nil) of SBI Blue chip fund - Growth Regular Option	381.31	-	-
1762916 units (31 March 2016: Nil, 1 April 2015: Nil) of HDFC High Interest Fund Dynamic - Growth Regular Option	998.35	-	-
5302508 units (31 March 2016: Nil, 1 April 2015: Nil) of UTI Dynamic Bond Fund High - Growth Option	1,017.47	-	-
317402 units (31 March 2016: Nil, 1 April 2015: Nil) of Indiabulls Ultra Short Term Fund - Growth Option	5,113.42	-	-
324090 units (31 March 2016: Nil, 1 April 2015: Nil) of IDFC Cash-fund - Growth Option	6,403.12	-	-
55699 units (31 March 2016: Nil, 1 April 2015: Nil) of SBI Mangnum Insta Cash Fund - Direct Option	2,003.67	-	-
Current year Nil (31 March 2016: 6416097 units, 1 April 2015: Nil) of Reliance - Direct Growth Option	-	2,036.12	-
Current year units Nil (31 March 2016: 24946339 units, 1 April 2015: Nil) of IDFC Arbitrage Fund Dividend -(Direct Plan)	-	3,229.08	-
8399458 units (31 March 2016: 4103271 units, 1 April 2015: Nil) of DSP Blackrock Income opportunities - Direct Plan - Growth	2,312.50	1,022.19	-
<b>Total (b)</b>	<b>20,007.77</b>	<b>6,287.39</b>	<b>-</b>
<b>Total other investments</b>	<b>25,332.27</b>	<b>6,287.39</b>	<b>-</b>
<b>Total investments</b>	<b>76,155.86</b>	<b>56,836.09</b>	<b>5.00</b>
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	76,155.86	56,836.09	5.00
Aggregate amount of impairment in value of investments	-	-	-

# Notes to the standalone financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The Company has provided an undertaking to a lender of its subsidiary, Inox Wind Infrastructure Services Limited, that it will continue to hold 100% shareholding in the subsidiary till the subsistence of the loan.			
<b>Category-wise other investments – as per Ind AS 109 classification</b>			
Investments carried at fair value through profit or Loss	76,150.86	56,831.09	-
Investment carried at cost	5.00	5.00	5.00
	<b>76,155.86</b>	<b>56,836.09</b>	<b>5.00</b>

## 10. LOANS (Unsecured considered good)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non -current</b>			
Security deposits	175.56	143.24	108.00
Total Non-current loans	<b>175.56</b>	<b>143.24</b>	<b>108.00</b>
<b>Current</b>			
<b>a) Security Deposits</b>			
Unsecured, considered good	-	270.10	270.10
<b>b) Loans to related parties (Refer Note 38)</b>			
Inter-corporate deposits to related parties	25,286.13	38,250.87	54,190.62
Other dues	-	8.14	841.10
	<b>25,286.13</b>	<b>38,259.01</b>	<b>55,031.72</b>
<b>c) Loans to others</b>			
Inter-corporate deposits to other party	-	928.74	-
	<b>-</b>	<b>928.74</b>	<b>-</b>
<b>Total current loans</b>	<b>25,286.13</b>	<b>39,457.85</b>	<b>55,301.82</b>
The above financial assets are carried at amortised cost			

## 11. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Non-current bank balances (from note 16)	544.20	1,011.09	57.97
<b>Total</b>	<b>544.20</b>	<b>1,011.09</b>	<b>57.97</b>
<b>Current</b>			
Derivative financial assets	-	395.22	-
Other interest accrued	5.77	6.78	6.53
IPO expenses recoverable from holding company	-	-	1,450.31
Insurance claims	163.15	760.11	641.60
Others	314.75	-	-
<b>Total</b>	<b>483.67</b>	<b>1,162.11</b>	<b>2,098.44</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 12. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Capital advances	4,882.27	9,760.62	2,902.46
Security deposits with government authorities	4.87	4.87	4.87
Prepayment- Leashold land	3,408.29	3,525.68	334.61
Prepayments- others	83.71	111.10	-
<b>Total</b>	<b>8,379.14</b>	<b>13,402.27</b>	<b>3,241.94</b>
<b>Current</b>			
Advance to suppliers	5,004.34	3,589.27	2,770.65
Advance for expenses	66.81	50.70	56.88
Balances with government authorities			
- Balances in Service tax & VAT Accounts	1,006.79	232.92	80.44
Prepayments - leasehold land	117.39	117.39	3.85
Prepayments- others	471.34	537.91	398.28
<b>Total</b>	<b>6,666.67</b>	<b>4,528.19</b>	<b>3,310.10</b>

## 13. INVENTORIES (at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials	24,750.66	16,735.39	8,857.35
Work-in-progress	4,657.98	2,429.95	2,897.81
Finished goods	4,438.29	2,153.59	850.77
Stores and spares	79.84	144.17	39.68
<b>Total</b>	<b>33,926.77</b>	<b>21,463.10</b>	<b>12,645.61</b>

### Notes

Inventories of ₹ 33,926.77 lakhs (as at 31 March 2016: ₹ 21,463.10 and as at 1 April 2015: ₹ 12,645.61) are hypothecated against working capital facilities from banks, refer note 51 for security details.

## 14. TRADE RECEIVABLES (Unsecured)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
Considered good	201,304.76	215,318.90	132,096.30
Less: Allowances for expected credit losses	804.91	453.71	222.48
<b>Total</b>	<b>200,499.85</b>	<b>214,865.19</b>	<b>131,873.82</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 15. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
in Current accounts	1,211.68	6,491.94	500.76
in Cash credit accounts	1,429.13	224.74	-
in Public issue accounts (Refer note below)	-	-	70,000.00
Cheques in hand and money in transit	13,916.32	-	-
Cash on hand	2.76	5.78	2.89
<b>Total</b>	<b>16,559.89</b>	<b>6,722.46</b>	<b>70,503.65</b>

Note:

The bank balance in Public issue accounts represents the Company's share in the money received pursuant to Company's IPO (Refer Note 45) which was held in escrow as at 31 March 2015. The money was released on 8 April 2015 on receiving listing approval from the stock exchanges.

## 16. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Bank deposits with original maturity period of more than 3 months but less than 12 months*#	20,367.34	41,414.62	69.64
Deposit accounts with original maturity for more than 12 months	1,072.20	1,057.65	337.20
	21,439.54	42,472.27	406.84
Less: Amount disclosed under Note 11 - 'Other financial assets-Non current'	509.70	1,007.65	50.55
<b>Total</b>	<b>20,929.84</b>	<b>41,464.62</b>	<b>356.29</b>

Notes:

\*Other bank balances include margin money deposits kept as security against bank guarantee as under:

a) Deposit account with original maturity for more than 3 months but less than 12 months	74.74	686.51	69.64
b) Deposit account with original maturity for more than 12 months	1,072.20	1,057.65	337.20

# 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 (31 March 2016 : ₹ 20,411.00 Lakhs and 1 April 2015 : Nil)

## 17. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised capital			
500,000,000 equity shares of ₹ 10 each	50,000.00	50,000.00	50,000.00
Issued, subscribed and paid up			
221,918,226 equity shares of ₹ 10 each fully paid up	22,191.82	22,191.82	22,191.82
	<b>22,191.82</b>	<b>22,191.82</b>	<b>22,191.82</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	221,918,226	22,191.82	221,918,226	22,191.82	200,000,000	20,000.00
Add: Shares issued in Initial Public Offer (IPO)	-	-	-	-	21,918,226	2,191.82
<b>Shares outstanding at the end of the year</b>	<b>221,918,226</b>	<b>22,191.82</b>	<b>221,918,226</b>	<b>22,191.82</b>	<b>221,918,226</b>	<b>22,191.82</b>

## (b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 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.

Pursuant to the Initial Public Offer, 4,43,83,646 shares held by the holding company, are locked in for a period of three years from the date of allotment of fresh shares in the IPO viz. from 30 March 2015.

## (c) Shares held by holding company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Gujarat Fluorochemicals Limited	140,000,000	14,000.00	140,000,000	14,000.00	140,000,000	14,000.00

## (d) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	140,000,000	63.09%	140,000,000	63.09%	140,000,000	63.09%
Siddho Mal Trading LLP (formerly known as Siddho Mal Investments Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Siddhapavan Trading LLP (formerly known as Siddhapawan Trading & Finance Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Devansh Trademart LLP (formerly known as Devansh Trading & Finance Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Inox Chemicals LLP (formerly known as Inox Chemicals Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%

## (e) During the year ended 31 March 2014, the Company had allotted 160,000,000 fully paid equity shares as bonus shares in the ratio of 4:1 by utilisation of surplus in retained earnings.



# Notes to the standalone financial statement

For the year ended 31 March 2017

## 18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Securities premium reserve	64,586.03	64,586.03	64,586.03
Cash flow hedge reserve	(56.03)	-	-
Retained earnings	129,766.91	104,133.65	56,491.78
<b>Total</b>	<b>194,296.91</b>	<b>168,719.68</b>	<b>121,077.81</b>

### 18(i) Securities premium reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of the year	64,586.03	64,586.03
Add: Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>64,586.03</b>	<b>64,586.03</b>

Securities Premium Reserve represents premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

### 18(ii) Cash flow hedge reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of the year	-	-
Other comprehensive income for the year, net of income tax	(56.03)	-
<b>Balance at the end of the year</b>	<b>(56.03)</b>	<b>-</b>

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.

### 18(iii) Retained earning

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at the beginning of year	104,133.65	56,491.78
Profit for the year	25,631.34	47,646.29
Other comprehensive income for the year, net of income tax	(1.92)	(4.42)
<b>Balance at the end of the year</b>	<b>129,763.07</b>	<b>104,133.65</b>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013 and is subject to levy of dividend distribution tax, if any. Thus, the amounts reported above are not distributable in entirety.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 19. NON CURRENT BORROWINGS (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured loans</b>			
<b>a) Foreign currency term loans</b>			
From Banks	10,008.23	5,736.13	3,040.85
<b>b) Rupee term loans</b>			
From Banks	3,125.00	1,500.00	7,625.00
From Other parties	188.35	103.37	-
<b>Total</b>	<b>13,321.58</b>	<b>7,339.50</b>	<b>10,665.85</b>
	-	-	-
Less: Current maturity (Disclosed under Note 20 other current financial liabilities)	4,448.18	1,851.20	2,833.33
<b>Total</b>	<b>8,873.40</b>	<b>5,488.30</b>	<b>7,832.52</b>

For terms of repayment and securities etc. refer note 51

## 20. OTHER FINANCIAL LIABILITIES (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-Current</b>			
Security deposits	240.00	240.00	240.00
<b>Total</b>	<b>240.00</b>	<b>240.00</b>	<b>240.00</b>
<b>Current</b>			
Current maturities of non-current borrowings (Refer Note 19)	4,448.18	1,851.20	2,833.33
Interest accrued			
Interest accrued but not due on borrowings	88.17	156.00	77.22
Interest accrued and due on borrowings	132.32	22.12	103.44
Creditors for capital expenditure	2,130.14	1,524.49	305.15
Derivative financial liabilities (fair value through profit or loss)	1,677.91	722.72	549.21
Other payables	957.32	857.50	524.43
<b>Total</b>	<b>9,434.04</b>	<b>5,134.03</b>	<b>4,392.78</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 21. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
<b>Provision for employee benefits (Refer Note 37)</b>			
Gratuity	352.03	216.03	130.27
Compensated absences	184.13	127.43	63.53
<b>Total</b>	<b>536.16</b>	<b>343.46</b>	<b>193.80</b>
<b>Current</b>			
<b>Provision for employee benefits (Refer Note 37)</b>			
Gratuity	18.04	7.56	2.82
Compensated absences	140.53	97.14	50.29
<b>Other Provisions</b>			
Disputed service tax liabilities - Refer Note 41	32.19	-	-
Disputed sales tax liabilities (net of payments) - Refer Note 41	30.43	30.43	30.43
Initial Public Offer (IPO) expenses - Refer Note 45	-	-	3,178.54
<b>Total</b>	<b>221.19</b>	<b>135.13</b>	<b>3,262.08</b>

(₹ in Lakhs)

Particulars	Service tax	Sales tax	IPO expenses
Balance at April 1 2015	-	30.43	3,178.54
Addition during the year	-	-	-
Paid during the year	-	-	3,178.54
Reversed during the year	-	-	-
Balance at 31 March 2016	-	30.43	-
Addition during the year	32.19	-	-
Paid during the year	-	-	-
Balance at 31 March 2017	-	-	-
	32.19	30.43	-

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 22. DEFERRED TAX BALANCES

Year ended 31 March 2017

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	(4,638.98)	(3,388.16)	-	-	(8,027.14)
Allowance for expected credit losses	157.02	121.55	-	-	278.57
Defined benefit obligations	155.09	86.35	(1.02)	-	240.42
Effects of measuring investments at fair value	(22.75)	(222.31)	-	-	(245.06)
Other deferred tax assets	94.77	(95.13)	-	-	(0.36)
Other deferred tax liabilities	58.15	(90.79)	29.66	-	(2.98)
	<b>(4,196.70)</b>	<b>(3,588.49)</b>	<b>28.64</b>	<b>-</b>	<b>(7,756.55)</b>
MAT credit entitlement	4,925.02	1,785.00	-	-	6,710.02
<b>Total</b>	<b>728.32</b>	<b>(1,803.49)</b>	<b>28.64</b>	<b>-</b>	<b>(1,046.53)</b>

Year ended 31 March 2016

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	(2,177.75)	(2,461.23)	-	-	(4,638.98)
Allowance for expected credit losses	77.00	80.02	-	-	157.02
Defined benefit obligations	83.92	68.89	2.28	-	155.09
Effects of measuring investments at fair value	-	(22.75)	-	-	(22.75)
Other deferred tax assets	-	94.77	-	-	94.77
Other deferred tax liabilities	134.53	(76.38)	-	-	58.15
	<b>(1,882.30)</b>	<b>(2,316.68)</b>	<b>2.28</b>	<b>-</b>	<b>(4,196.70)</b>
MAT credit entitlement	6,934.02	-	-	(2,009.00)	4,925.02
<b>Total</b>	<b>5,051.72</b>	<b>(2,316.68)</b>	<b>2.28</b>	<b>(2,009.00)</b>	<b>728.32</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 23. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Deferred income arising from government grants	1,884.99	894.61	1,047.42
Income received in advance	447.42	-	-
<b>Total</b>	<b>2,332.41</b>	<b>894.61</b>	<b>1,047.42</b>
<b>Current</b>			
Advances received from customers	1,480.17	763.05	10,722.51
Statutory dues and taxes payable	2,446.96	2,423.80	823.49
Deferred income arising from government grants	686.12	392.23	266.38
<b>Total</b>	<b>4,613.25</b>	<b>3,579.08</b>	<b>11,812.38</b>

## 24. CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured borrowings</b>			
<b>From banks</b>			
Foreign currency loans			
- Foreign currency short term loan	1,429.50	1,500.74	-
- Buyers credit	60,607.78	99,911.63	48,142.12
Rupee loans			
- Working capital demand loans	8,100.00	2,000.00	6,000.00
- Cash credit	32,202.77	5,156.37	12,116.78
- Others	1,680.82		
<b>From Financial Institutions (secured)</b>			
- Working capital demand loans	-	-	5,000.00
<b>Unsecured borrowings</b>			
<b>From other parties</b>			
Commercial Papers	28,642.11	29,678.34	4,921.35
<b>Total</b>	<b>132,662.98</b>	<b>138,247.08</b>	<b>76,180.25</b>

For terms of repayment and securities etc. refer note 51(a)

## 25. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Trade payables</b>			
- Dues to micro and small enterprises	202.49	467.08	-
- Dues to others	62,963.04	89,306.94	56,097.52
<b>Total</b>	<b>63,165.53</b>	<b>89,774.02</b>	<b>56,097.52</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Principal amount due to suppliers under MSMED Act at the year end.	202.49	467.08
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end.	27.30	8.30
Payment made to suppliers (other than interest) beyond the appointed date during the year	654.39	129.22
Interest paid to suppliers under section 16 of MSMED Act during the year	Nil	Nil
Interest due and payable to suppliers under MSMED Act for payments already made.	32.73	8.83
Interest accrued and not paid to suppliers under MSMED Act up to the year end.	60.04	17.13

Note: 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. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
Current tax liability			
Provision for Income tax (net of payments)	1,243.71	4,218.80	1,941.11
<b>Total</b>	<b>1,243.71</b>	<b>4,218.80</b>	<b>1,941.11</b>

## 27. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Sale of products	270,712.15	380,594.15
Sale of services	14,829.27	6,639.52
Other operating revenue	780.93	742.64
<b>Total</b>	<b>286,322.35</b>	<b>387,976.31</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 28. OTHER INCOME

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
<b>a) Interest Income</b>		
<b>Interest income calculated using the effective interest method:</b>		
On fixed deposits with banks	2,124.21	3,079.65
On Inter-corporate deposits	3,989.79	5,365.59
<b>Other interest income</b>		
On others	6.03	8.94
	<b>6,120.03</b>	<b>8,454.18</b>
<b>b) Dividend received on investments carried at FVTPL</b>	150.13	34.67
<b>c) Gain on investments carried at FVTPL</b>	3,347.14	1,239.49
<b>d) Other gains and (losses)</b>		
Net gain on foreign currency transactions and translation	1,525.50	(2,421.59)
Net gains on derivatives	352.57	286.59
	<b>1,878.07</b>	<b>(2,135.00)</b>
<b>e) Other non operating income</b>		
Government grants - deferred income	326.23	270.44
Insurance claims	225.37	443.89
	<b>551.60</b>	<b>714.33</b>
<b>Total</b>	<b>12,046.97</b>	<b>8,307.67</b>

## 29. COST OF MATERIALS CONSUMED

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
Raw materials consumed	191,966.55	271,480.61
	191,966.55	271,480.61

## 30. EPC, O&M AND COMMON INFRASTRUCTURE FACILITY EXPENSES

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
Erection, Procurement, Commissioning cost	14,315.21	6,531.36
Operation & Maintenance Services	451.57	360.76
Common infrastructure facility services	101.54	21.45
<b>Total</b>	<b>14,868.32</b>	<b>6,913.57</b>



# Notes to the standalone financial statement

For the year ended 31 March 2017

## 31. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
<b>Opening Stock</b>		
Finished goods	2,153.59	850.77
Work-in-progress	2,429.95	2,897.81
	<b>4,583.54</b>	<b>3,748.58</b>
<b>Less : Closing Stock</b>		
Finished goods	4,438.29	2,153.59
Work-in-progress	4,657.98	2,429.95
	<b>9,096.27</b>	<b>4,583.54</b>
<b>(Increase) / decrease in stock</b>	<b>(4,512.73)</b>	<b>(834.96)</b>

## 32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Salaries and wages	7,227.22	5,832.40
Contribution to provident and other funds	251.49	186.88
Gratuity	162.64	89.61
Staff Welfare Expenses	279.09	294.87
<b>Total</b>	<b>7,920.44</b>	<b>6,403.76</b>

## 33. FINANCE COSTS

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
<b>a) Interest on financial liabilities carried at amortised cost</b>		
Interest on borrowings	9,927.89	5,066.06
Net foreign exchange loss on borrowings (considered as finance cost)	2,647.90	3,016.77
<b>b) Other interest cost</b>		
Interest on Income tax	530.06	510.61
<b>c) Other borrowing costs</b>		
	1,888.63	1,959.44
	<b>14,994.48</b>	<b>10,552.88</b>
Less: Interest capitalized	-	267.11
<b>Total</b>	<b>14,994.48</b>	<b>10,285.77</b>

The capitalisation rate of funds borrowed is Nil (31 March 2016: 10.50% p.a.)

## 34. DEPRECIATION & AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Depreciation of property, plant and equipment	2,935.50	2,635.15
Amortisation of intangible assets	509.74	387.84
<b>Total</b>	<b>3,445.24</b>	<b>3,022.99</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 35. OTHER EXPENSES

	(₹ in Lakhs)	
Particulars	2016-2017	2015-2016
Stores and spares consumed	640.31	567.89
Power and fuel	726.98	622.15
Rates and taxes	25.98	182.80
Sales tax, VAT, Service tax etc.	1,032.98	551.80
Jobwork & labour charges	15,605.28	12,840.72
Testing charges	410.58	154.70
Crane and equipment hire charges	579.66	337.49
Royalty	1,558.85	1,084.49
Insurance	524.04	560.14
Repairs and maintenance - plant and equipment	77.73	88.06
Repairs and maintenance - buildings	48.91	33.31
Repairs & maintenance - others	124.21	89.77
Rent	137.24	137.47
Travelling & conveyance	1,212.08	1,067.51
Bad debts & remissions	666.02	352.51
Legal & professional fees & expenses	509.88	950.44
Freight outward	9,037.87	12,219.04
Directors' sitting fees	10.20	7.80
Commission to non-executive director	-	12.00
Corporate Social Responsibility (CSR) expenditure (Refer note 48)	166.25	265.00
Allowance for doubtful debts and expected credit losses	351.20	231.23
Loss on sale / disposal of property, plant and equipment	20.21	-
Miscellaneous expenses	1,427.73	1,651.77
<b>Total</b>	<b>34,894.19</b>	<b>34,008.09</b>

## 36. EARNINGS PER SHARE

	(₹ in Lakhs)	
Particulars	2016-2017	2015-2016
Profit for the year (₹ in Lakhs)	25,631.34	47,646.29
Equity shares outstanding at the beginning and at the end of the year- (Nos.)	221,918,226	221,918,226
Nominal value of each share (in ₹)	10.00	10.00
Basic and Diluted earnings per share (₹)	11.55	21.47

## 37. EMPLOYEE BENEFITS:

### (a) Defined Contribution Plans

The Company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident fund of ₹ 249.91 Lakhs (31 March 2016: ₹ 185.55 Lakhs) is recognized as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss .

# Notes to the standalone financial statement

For the year ended 31 March 2017

## (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 service 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 31 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.

Movement in the present value of the defined benefit obligation are as follows :

Particulars	Gratuity	
	As at 31 March 2017	As at 31 March 2016
Opening defined benefit obligation	223.59	133.09
Interest cost	16.27	10.12
Current service cost	146.37	79.50
Benefits paid	(13.22)	(5.82)
Actuarial (gain) / loss on obligations	(2.94)	6.70
<b>Present value of obligation as at the year end</b>	<b>370.07</b>	<b>223.59</b>

Components of amounts recognised in profit or loss and other comprehensive income are as under:

Gratuity	As at 31 March 2017	As at 31 March 2016
Current service cost	145.21	77.83
Past service cost (gain)/loss from settlements	1.16	1.66
Interest cost	16.27	10.12
<b>Amount recognised in profit or loss</b>	<b>162.64</b>	<b>89.61</b>
Actuarial (gain)/loss	(2.94)	6.70
a) arising from changes in financial assumptions	35.01	8.53
b) arising from experience adjustments	(37.95)	(1.83)
<b>Amount recognised in other comprehensive income</b>	<b>(2.94)</b>	<b>6.70</b>
<b>Total</b>	<b>159.70</b>	<b>96.31</b>

The principal assumptions used for the purposes of the actuarial valuations of gratuity are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount rate	6.69%	7.46%	7.77%
Expected rate of salary increase	8.00%	8.00%	8.00%
Employee attrition rate	5.00%	5.00%	5.00%
Mortality	IALM(2006-08)Ultimate Mortality Table		

# Notes to the standalone financial statement

For the year ended 31 March 2017

Estimates of future salary increases considered in actuarial valuation take 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.

- Interest risk: a decrease in the bond interest rate will increase the plan liability.
- 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.

## 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	
	2016-2017	2015-2016
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(44.47)	(24.63)
If discount rate is decreased by 1%	54.48	32.48
If salary escalation rate is increased by 1%	52.03	31.27
If salary escalation rate is decreased by 1%	(43.40)	(24.14)

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 recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## Expected outflow in future years (as provided in actuarial report)

(₹ in Lakhs)

Particulars	Gratuity	
	2016-2017	2015-2016
Expected outflow in 1 <sup>st</sup> Year	18.04	7.56
Expected outflow in 2 <sup>nd</sup> Year	17.68	17.29
Expected outflow in 3 <sup>rd</sup> Year	11.74	11.50
Expected outflow in 4 <sup>th</sup> Year	14.44	9.49
Expected outflow in 5 <sup>th</sup> Year	14.57	8.19
Expected outflow in 6 <sup>th</sup> to 10 <sup>th</sup> Year	572.71	376.75

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.71 years.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## (c) Other short term and long term employment benefits:

### Annual leave & Short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2017 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹ 100.09 lakhs (31 March 2016: ₹ 110.75 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 of compensated absences are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 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		

## 38. RELATED PARTY DISCLOSURES:

### (i) Where control exists :

Gujarat Fluorochemicals Limited (GFL) - holding company  
 Inox Leasing & Finance Limited - ultimate holding company  
 Inox Wind Infrastructure Services Limited (IWISL) - subsidiary company  
 Marut Shakti Energy India Limited- subsidiary of IWISL  
 Satviki Energy Private Limited- subsidiary of IWISL (w.e.f on 11 November 2015)  
 Sarayu Wind Power (Tallimadugula) Private Limited- subsidiary of IWISL (w.e.f on 9 December 2015)  
 Vinirmaa Energy Generation Private Limited – subsidiary of IWISL (w.e.f on 23 January 2016)  
 Sarayu Wind Power (Kondapuram) Private Limited – subsidiary of IWISL (w.e.f on 25 March 2016)  
 RBRK Investments Limited – subsidiary of IWISL (w.e.f on 30 August 2016)

### (ii) Other related parties with whom there are transactions during the year

#### Key Management Personnel (KMP)

Mr. Devansh Jain – whole-time director  
 Mr. Rajeev Gupta – whole-time director  
 Mr. Kailash Lal Tarachandani-Chief Executive Officer  
 Dr. S Rama Iyer - Non Executive Director - upto 31 March 2016  
 Ms. Bindu Saxena - Non Executive Director  
 Mr. Chandra Prakash Jain - Non Executive Director  
 Mr. Deepak Asher - Non Executive Director  
 Mr. Shanti Prasad Jain - Non Executive Director  
 Mr. Siddharth Jain - Non Executive Director  
 Mr.V.Sankaranarayanan - Non Executive Director - w.e.f. 2 September 2016

#### Fellow Subsidiaries

Inox Renewables Limited (IRL) - Subsidiary of GFL  
 Inox Renewables (Jaisalmer) Limited - Subsidiary of IRL  
 Inox Leisure Limited (ILL) - Subsidiary of GFL

#### Enterprises over which KMP or their relatives have significant influence

Inox FMCG Private Limited

# Notes to the standalone financial statement

For the year ended 31 March 2017

The following table summarizes related-party transactions and balances included in the standalone financial statements:

Particulars	(₹ in Lakhs)											
	Holding/subsidiary companies		Key Management Personnel		Fellow subsidiaries		Enterprises over which KMP or their relatives have significant influence		Total			
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
<b>A) Transactions during the year</b>												
<b>(a) Inter corporate deposits given</b>												
Inox Wind Infrastructure Services Limited	108,695.82	44,510.75	-	-	-	-	-	-	108,695.82	44,510.75		
Inox Renewables Limited	-	-	-	-	23,947.17	33,270.21	-	-	23,947.17	33,270.21		
<b>Total</b>	<b>108,695.82</b>	<b>44,510.75</b>	<b>-</b>	<b>-</b>	<b>23,947.17</b>	<b>33,270.21</b>	<b>-</b>	<b>-</b>	<b>132,642.99</b>	<b>77,780.96</b>		
<b>(b) Inter-corporate deposit received back</b>												
Inox Wind Infrastructure Services Limited	101,851.74	72,943.49	-	-	-	-	-	-	101,851.74	72,943.49		
Inox Renewables Limited	-	-	-	-	45,210.00	21,443.00	-	-	45,210.00	21,443.00		
<b>Total</b>	<b>101,851.74</b>	<b>72,943.49</b>	<b>-</b>	<b>-</b>	<b>45,210.00</b>	<b>21,443.00</b>	<b>-</b>	<b>-</b>	<b>147,061.74</b>	<b>94,386.49</b>		
<b>(c) Debentures subscribed</b>												
Inox Wind Infrastructure Services Limited	-	50,000.00	-	-	-	-	-	-	-	50,000.00		
<b>(d) Interest received</b>												
Inox Wind Infrastructure Services Limited												
- On Inter corporate deposit	1,516.64	3,435.75	-	-	-	-	-	-	1,516.64	3,435.75		
- On Debentures	2,000.00	817.53	-	-	-	-	-	-	2,000.00	817.53		
Inox Renewables Limited – On Inter corporate deposit	-	-	-	-	2,371.15	1,842.35	-	-	2,371.15	1,842.35		
<b>Total</b>	<b>3,516.64</b>	<b>4,253.28</b>	<b>-</b>	<b>-</b>	<b>2,371.15</b>	<b>1,842.35</b>	<b>-</b>	<b>-</b>	<b>5,887.79</b>	<b>6,095.63</b>		
<b>(e) Purchase of goods and services</b>												
Inox Wind Infrastructure Services Limited	14,803.09	6,603.52	-	-	-	-	-	-	14,803.09	6,603.52		
Inox Renewables Limited	-	-	-	-	308.54	191.69	-	-	308.54	191.69		
Marut Shakti Energy India Limited	-	157.39	-	-	-	-	-	-	-	157.39		
Vinirmaa Energy Generation Private Limited	139.13	-	-	-	-	-	-	-	139.13	-		
<b>Total</b>	<b>14,942.22</b>	<b>6,760.91</b>	<b>-</b>	<b>-</b>	<b>308.54</b>	<b>191.69</b>	<b>-</b>	<b>-</b>	<b>15,250.76</b>	<b>6,952.60</b>		
<b>(f) Reimbursement of expenses paid / payments made on behalf of the Company</b>												
Gujarat Fluorochemicals Limited	45.58	-	-	-	-	-	-	-	45.58	-		
Inox Wind Infrastructure Services Limited	5.36	95.11	-	-	-	-	-	-	5.36	95.11		
Inox Renewables Limited	-	-	-	-	1.63	-	-	-	1.63	-		
Inox Renewables (Jaisalmer) Limited	-	-	-	-	2.83	-	-	-	2.83	-		
<b>Total</b>	<b>50.94</b>	<b>95.11</b>	<b>-</b>	<b>-</b>	<b>4.46</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.40</b>	<b>95.11</b>		

# Notes to the standalone financial statement

For the year ended 31 March 2017

Particulars	Holding/subsidiary companies	Key Management Personnel	Fellow subsidiaries	Enterprises over which KMP or their relatives have significant influence	Total
(₹ in Lakhs)					
<b>(g) Reimbursement of expenses received / payments made on behalf by the Company</b>					
Inox Wind Infrastructure Services Limited	135.73	3,170.85	-	-	135.73 3,170.85
Marut Shakti Energy India Limited	-	52.40	-	-	- 52.40
Inox Renewables Limited	-	-	25.25	333.79	25.25 333.79
Inox Renewables (Jaisalmer) Limited	-	-	7.56	182.40	7.56 182.40
<b>Total</b>	<b>135.73</b>	<b>3,223.25</b>	<b>32.81</b>	<b>516.19</b>	<b>168.54 3,739.44</b>
<b>(h) Advance given</b>					
Inox FMCG Pvt. Ltd.	-	-	-	274.15	- 274.15
<b>(i) Advance received back</b>					
Inox FMCG Pvt. Ltd.	-	-	-	274.15	- 274.15
<b>(j) Sales (net of sales return / cancellation and discounts)</b>					
Gujarat Fluorochemicals Limited	380.11	188.45	-	-	380.11 188.45
Inox Wind Infrastructure Services Limited	-	169.51	-	-	- 169.51
Inox Renewables Limited	-	-	3,071.00	14,729.42	3,071.00 14,729.42
<b>Total</b>	<b>380.11</b>	<b>357.96</b>	<b>3,071.00</b>	<b>14,729.42</b>	<b>3,451.11 15,087.38</b>
<b>(k) Sales Return</b>					
Inox Renewables Limited	-	-	1,927.00	7,249.00	- 1,927.00 7,249.00
<b>(l) Rent Paid</b>					
Gujarat Fluorochemicals Limited	76.41	79.28	-	-	76.41 79.28
<b>(m) Managerial Remuneration, Commission and sitting fees</b>					
Mr. Devansh Jain	-	120.64	120.64	-	- 120.64 120.64
Mr. Rajeev Gupta	-	126.15	67.98	-	- 126.15 67.98
Mr. Kailash Lal Tarachandani	-	252.39	151.40	-	- 252.39 151.40
Others	-	10.20	19.80	-	- 10.20 19.80
<b>Total</b>	<b>-</b>	<b>509.38</b>	<b>359.82</b>	<b>-</b>	<b>509.38 359.82</b>



# Notes to the standalone financial statement

For the year ended 31 March 2017

Particulars	Holding/subsidiary companies			Key Management Personnel			Fellow subsidiaries			Total	
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 1 April 2015
<b>Balance as at the end of the year</b>											
<b>(a) Amounts payable</b>											
<b>Trade and other payables</b>											
Gujarat Fluorochemicals Limited	-	-	88.27	-	-	-	-	-	-	-	88.27
Inox Renewables Limited	-	-	-	-	-	-	501.77	191.59	-	501.77	191.59
Inox Wind Infrastructure Services Limited	2,508.86	1,690.05	-	-	-	-	-	-	-	2,508.86	1,690.05
Marut Shakti Energy India Limited	-	158.62	-	-	-	-	-	-	-	-	158.62
Inox Leisure Limited	-	-	-	-	-	-	-	-	43.02	-	43.02
Vinirmaa Energy Generation Private Limited	157.22	-	-	-	-	-	-	-	-	157.22	-
Mr. Devansh Jain	-	-	-	71.72	71.72	72.03	-	-	-	71.72	72.03
Mr. Rejeev Gupta	-	-	-	6.22	5.56	5.27	-	-	-	6.22	5.56
Mr. Kailash Lal Tarachandani	-	-	-	10.19	9.08	8.15	-	-	-	10.19	8.15
<b>Total</b>	<b>2,666.08</b>	<b>1,848.67</b>	<b>88.27</b>	<b>88.13</b>	<b>86.36</b>	<b>85.45</b>	<b>501.77</b>	<b>191.59</b>	<b>43.02</b>	<b>3,255.98</b>	<b>2,126.62</b>
<b>(b) Amounts receivable</b>											
Trade receivable											
Gujarat Fluorochemicals Limited	21.48	35.57	233.29	-	-	-	-	-	-	21.48	35.57
Inox Wind Infrastructure Services Limited	-	-	213.98	-	-	-	-	-	-	-	213.98
Inox Renewables Limited	-	-	-	-	-	-	1,878.74	490.00	2,285.36	1,878.74	490.00
<b>Total</b>	<b>21.48</b>	<b>35.57</b>	<b>447.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,878.74</b>	<b>490.00</b>	<b>2,285.36</b>	<b>1,900.22</b>	<b>525.57</b>
Inter-Corporate deposit given											
Inox Wind Infrastructure Services Limited	15,241.00	8,396.92	36,829.66	-	-	-	-	-	-	15,241.00	8,396.92
Inox Renewables Limited	-	-	-	-	-	-	6,544.30	27,807.13	15,979.92	6,544.30	27,807.13
<b>Total</b>	<b>15,241.00</b>	<b>8,396.92</b>	<b>36,829.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,544.30</b>	<b>27,807.13</b>	<b>15,979.92</b>	<b>21,785.30</b>	<b>36,204.05</b>
<b>Initial Public Offer (IPO) expenses recoverable from holding company</b>											
Gujarat Fluorochemicals Limited	-	1,450.31	-	-	-	-	-	-	-	-	1,450.31
<b>Debentures</b>											
Inox Wind Infrastructure Services Limited	50,000.00	50,000.00	-	-	-	-	-	-	-	50,000.00	-

# Notes to the standalone financial statement

For the year ended 31 March 2017

Particulars	Holding/subsidiary companies			Key Management Personnel			Fellow subsidiaries			Total	
Balance as at the end of the year	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015
<b>Other dues receivable</b>											
Inox Wind Infrastructure Services Limited	-	-	712.50	-	-	-	-	-	-	-	712.50
Marut Shakti Energy India Limited	-	-	3.95	-	-	-	-	-	-	-	3.95
Inox Renewables Limited	-	-	-	-	-	-	-	-	118.61	-	118.61
Inox Renewables (Jaisalmer) Limited	-	-	-	-	-	-	-	8.14	6.04	8.14	6.04
<b>Total</b>	-	-	<b>716.45</b>	-	-	-	-	<b>8.14</b>	<b>124.65</b>	<b>8.14</b>	<b>841.10</b>
<b>Interest accrued on inter-corporate deposits given</b>											
Inox Wind Infrastructure Services Limited	1,365.81	388.84	981.18	-	-	-	-	-	-	388.84	981.18
Inox Renewables Limited	-	-	-	-	-	-	2,135.02	1,657.99	399.87	1,657.99	399.87
<b>Total</b>	<b>1,365.81</b>	<b>388.84</b>	<b>981.18</b>	-	-	-	<b>2,135.02</b>	<b>1,657.99</b>	<b>399.87</b>	<b>2,046.83</b>	<b>1,381.05</b>
<b>Interest accrued on debentures</b>											
Inox Wind Infrastructure Services Limited	735.78	735.78	-	-	-	-	-	-	-	735.78	-

Notes:

- Sales, purchases and service transactions with related parties are made at arm's length price.
- Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- No expense has been recognised for the year ended 31 March 2017, 31 March 2016 and 1 April 2015 for bad or doubtful trade receivables in respect of amounts owed by related parties.
- There have been no guarantees received or provided for any related party receivables or payables.
- 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.
- Out of the remuneration of ₹ 126.15 Lakhs paid to the Mr. Rajeev Gupta (whole time director), an amount of ₹ 46.15 Lakhs is subject to approval by the shareholders in the ensuing Annual General Meeting.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 39. FINANCIAL INSTRUMENTS

### (i) Capital management

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 19 and 24 offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements. However, under the terms of the major borrowings, the Company is required to keep the gearing ratio of debt to equity not more than 350% and the ratio of debt to EBITDA must not be more than 350%. The Company has complied with these covenants throughout the period. As at 31 March 2017, the ratio of debt to EBITDA is 275% (31 March 2016 was 183%)."

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current borrowings	8,873.40	5,488.30	7,832.52
Current maturities of non-current borrowings	4,448.18	1,851.20	2,833.33
Current borrowings	132,662.98	138,247.08	76,180.25
Interest accrued but not due on borrowings	88.17	156.00	77.22
Interest accrued and due on borrowings	132.32	22.12	103.44
<b>Total Debt</b>	<b>146,205.05</b>	<b>145,764.70</b>	<b>87,026.76</b>
Less: Cash and bank balances	17,282.99	27,043.01	511.07
<b>Net debt</b>	<b>128,922.06</b>	<b>118,721.69</b>	<b>86,515.69</b>
Equity	216,488.73	190,911.50	143,269.63
<b>Net debt to equity ratio</b>	<b>59.55%</b>	<b>62.19%</b>	<b>60.39%</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## (ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>(a) Financial assets</b>			
<b>Measured at Cost</b>			
Investment in shares of subsidiary	5.00	5.00	5.00
<b>Measured at fair value through profit or loss (FVTPL)</b>			
<b>Mandatorily measured as at FVTPL</b>			
- Investments in debentures	56,143.09	50,543.70	-
- Investments in mutual funds	20,007.77	6,287.39	-
- Other current derivative financial assets	-	395.22	-
<b>Measured at amortised cost</b>			
(a) Cash and bank balances	37,489.73	48,187.08	70,859.94
(b) Trade receivables	200,499.85	214,865.19	131,873.82
(c) Non-current loans	175.56	143.24	108.00
(d) Current loans	25,286.13	39,457.85	55,301.82
(e) Other non-current financial assets	544.20	1,011.09	57.97
(f) Other current financial assets	483.67	766.89	2,098.44
<b>(b) Financial liabilities</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
Derivative instruments in designated hedge accounting relationship	1,592.22	722.72	549.21
<b>Measured at amortised cost</b>			
(a) Non-current Borrowings	8,873.40	5,488.30	7,832.52
(b) Current Borrowings	132,662.98	138,247.08	76,180.25
(b) Trade payables	63,165.53	89,774.02	56,097.52
(c) Other financial liabilities	7,996.13	4,651.31	4,083.57
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>			
Derivative instruments designated as Cash flow hedge in Hedge Accounting	85.69	-	-

The Carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

## (iii) 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 these 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 of Directors of the Company, which provide written 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 by the Company on a continuous basis. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## (iv) 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 payables foreign currency.

## (v)(a) Foreign Currency risk management

The Company is subject to the risk that changes in foreign currency values mainly impact the Company's cost of imports of materials/capital goods, royalty expenses and borrowings etc. 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 (FC) denominated monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Liabilities</b>			
Short Term in FC Borrowings (Unhedged)	11,888.74	27,758.10	20,715.96
Trade Payable	6,156.44	22,654.21	18,339.14
USD Total	<b>18,045.18</b>	<b>50,412.31</b>	<b>39,055.10</b>
Short Term in FC Borrowings (Unhedged)	4,696.66	8,948.42	9,183.16
Trade Payable	1,388.13	4,872.90	8,298.62
EURO Total	<b>6,084.79</b>	<b>13,821.32</b>	<b>17,481.78</b>
Trade Payable	2,512.17	1,036.96	123.29
Others	<b>2,512.17</b>	<b>1,036.96</b>	<b>123.29</b>

There are no foreign currency monetary assets during the year.

## (v)(b) 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	USD impact (net of tax)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Impact on profit or loss for the year	1,180.01	3,271.10	2,561.13
Impact on total equity as at the end of the reporting period	1,180.01	3,271.10	2,561.13

(₹ in Lakhs)

Particulars	EURO impact (net of tax)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Impact on profit or loss for the year	397.90	920.43	1,116.05
Impact on total equity as at the end of the reporting period	397.90	920.43	1,116.05

## (vi)(a) 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 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 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 and rupee loans the Company does not have any borrowings at variable rate of interest.

### 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 Company's profit for the year ended 31 March 2017 would decrease/increase by INR 19.49 Lakhs net of tax (for the year ended 31 March 2016 decrease/increase by INR Nil). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

## (vi)(b) Interest rate swap contract

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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

Details of Interest Rate Swap Contracts outstanding at the end of reporting period:

Particulars	Average contracted fixed interest rate			Notional principal amount (₹ in Lakhs)			Fair value assets (liabilities) (₹ in Lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Cash flows hedges</b>									
RBL Bank	10.50%	-	-	5,958.00	-	-	(85.69)	-	-
<b>1 to 5 year</b>		-	-	5,958.00	-	-	(85.69)	-	-
<b>Balance in the cash flow hedge reserve (net of tax)</b>							(56.03)	-	-

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 are "Other financial assets" and "Other financial liabilities".

## (vii) 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 does not have investment in equity instruments. Equity investments in subsidiaries are held for strategic rather than trading purposes. The Company does not actively trade these investments. The Company's investment in mutual funds are in debt funds. Hence the Company's exposure to equity price risk is minimal.

## (viii) 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, other 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 Company supplies wind turbine equipments to customers which are installed and commissioned generally by a group company and it involves various activities such as civil work, electrical & mechanical work and commissioning activities. The payment terms with customers are fixed as per industry norms. The above activities lead to certain amounts becoming due for payment on completion of related activities and commissioning. The Company considers such amounts as due only on completion of related milestones. However, the group company has also long term operation and maintenance contract with such customers. Accordingly, risk of recovery of such amounts is mitigated. Customers who represents more than 5% of the total balance of Trade Receivable as at 31 March 2017 is ₹ 94,511.05 lakhs (as at 31 March 2016 of ₹ 123,502.69 lakhs and as at 1 April 2015 of ₹ 96,394.47 lakhs) are due from 7 major customers (6 customers as at 31 March 2016 and 1 April 2015) who are reputed parties. 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:



# Notes to the standalone financial statement

For the year ended 31 March 2017

Ageing	Expected credit loss (%)
0-180 days	NIL
181-365 days	0.50%
Above 365 days	1.50%

## Age of receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
0-180 days	127,309.76	169,273.45	111,358.50
181-365 days	30,500.86	23,696.91	8,858.86
Above 365 days	43,494.14	22,348.54	11,878.94

## Movement in the expected credit loss allowance :

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	453.71	222.48
Movement in expected credit loss allowance	351.20	231.23
Balance at end of the year	804.91	453.71

### 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 and investment in mutual funds are debt fund only.

### Liquidity Risk Management

# Notes to the standalone financial statement

For the year ended 31 March 2017

Ultimate responsibility for liquidity risk management rests with the committee of board of directors of the Company, 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.

## Liquidity and interest risk tables

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.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
<b>As at 31 March 2017</b>				
Borrowings	137,331.65	8,873.40	-	146,205.05
Trade payables	63,165.53	-	-	63,165.53
Other financial liabilities	3,087.47	-	240.00	3,327.47
Derivative financial liabilities	1,677.90	-	-	1,677.90
	205,262.55	8,873.40	240.00	214,375.95
<b>As at 31 March 2016</b>				
Borrowings	140,276.40	5,488.30	-	145,764.70
Trade payables	89,774.02	-	-	89,774.02
Other financial liabilities	2,381.97	-	240.00	2,621.97
Derivative financial liabilities	722.74	-	-	722.74
	233,155.13	5,488.30	240.00	238,883.43
<b>As at 1 April 2015</b>				
Borrowings	79,194.24	7,832.52	-	87,026.76
Trade payables	56,097.52	-	-	56,097.52
Other financial liabilities	829.58	-	240.00	1,069.58
Derivative financial liabilities	549.21	-	-	549.21
	136,670.55	7,832.52	240.00	144,743.07

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.

## (ix) Forward Foreign Exchange Contracts

The Company enters into call spread option contract and Cross Currency Swap agreement to hedge the foreign currency risk and interest rate risk.

# Notes to the standalone financial statement

For the year ended 31 March 2017

Particulars	Exchange Rate		Foreign currency (Amount in Lakhs)				Nominal amounts (₹ in Lakhs)			Fair value assets/(liabilities) ₹ in Lakhs		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fair value hedges												
Principal only swaps (POS) contracts (Financial Assets)	64.84	66.33	62.59		86.47	-	-	5,736.14	-	-	395.22	-
Principal only swaps (POS) contracts (Financial Liability)	64.84	66.33	62.59	154.36	-	48.58	10,008.23	-	3,040.85	(467.65)	-	(1.62)
<b>Forward contracts</b>												
USD	64.84	66.33	62.59	433.86	699.04	212.02	28,131.08	46,367.19	13,270.21	(843.32)	(826.91)	(48.21)
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	-	-	-	-	-	-	-	-	-	(12.76)	-	-

(x) 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) & key inputs used	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2017	31 March 2016	1 April 2015				
(a) Investment in Mutual funds	Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 20007.77 Lakhs	Debt based mutual funds managed by various fund house - aggregate fair value of ₹ 6287.39 Lakhs	-	Level 1	Quoted prices in an active market	NA	NA
(b) Forward foreign currency contracts (Refer note 20)	Liability - ₹ 1210.25 Lakhs	Assets - ₹ 104.17 Lakhs and Liabilities - ₹ 826.91 Lakhs	Liability - ₹ 547.59 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
(c) Principal only swaps designated in hedge accounting relationships (Refer note 11 and 20)	Liability - ₹ 467.65 Lakhs	Asset - ₹ 395.22 Lakhs	Liability - ₹ 1.62 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
(d) Interest rate swaps designated in hedge accounting relationships (Refer note 18 and 20)	Liability - ₹ 85.69 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

# Notes to the standalone financial statement

For the year ended 31 March 2017

During the period, there were no transfers between Level 1 and level 2

(xi) **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.

## 40. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
<b>Current tax</b>		
In respect of the current year	7,358.00	16,400.00
Minimum Alternate Tax (MAT) credit	(1,785.00)	-
	<b>5,573.00</b>	<b>16,400.00</b>
<b>Deferred tax</b>		
In respect of the current year	3,588.49	2,316.68
	<b>3,588.49</b>	<b>2,316.68</b>
<b>Total income tax expense recognised in the current year</b>	<b>9,161.49</b>	<b>18,716.68</b>

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	34,792.83	66,362.97
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	12,041.10	22,966.90
Tax incentives	(3,134.78)	(4,774.08)
Effect of expenses that are not deductible in determining taxable profits	255.17	395.31
Others	-	128.55
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>9,161.49</b>	<b>18,716.68</b>

The tax rate used for the years ended 31 March 2017 and 31 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.

## 41. CONTINGENT LIABILITIES:

- (a) Claims against the Company not acknowledged as debts: claims made by contractors - ₹ 488.40 lakhs (as at 31 March 2016: ₹ 81.52 lakhs, as at 1 April 2015: Nil)

Some of the suppliers have raised claims including interest on account of non payment in terms of the respective contracts. The Company 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.
- (c) In respect of VAT matters - ₹ 59.09 lakhs (31 March 2016: ₹ 59.09 lakhs, 1 April 2015: ₹ 59.09 lakhs)

The Company had received orders for the financial years ended 31 March 2013 and 31 March 2014, in respect of Himachal Pradesh VAT, levying penalty of ₹ 112.87 lakhs for delayed payment of VAT. The Company had filed appeals before the first appellate authority. During the year ended 31 March 2015, the company had received

# Notes to the standalone financial statement

For the year ended 31 March 2017

appellate order for the year ended 31 March 2014 confirming the levy of penalty and the Company has filed further appeal against the said order. However, the Company 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 31 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 21

- (d) In respect of Service tax matter- ₹ 1401.63 lakhs (31 March 2016: Nil, 1 April 2015: Nil)

The Company has received orders for the period September 2011 to March 2016, in respect of Service Tax, levying demand of ₹ 1401.63 lakhs on account of disallowance of exemption of Research & Development cess from payment of service tax. The Company has filed appeals before the first appellate authority. The Company 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 and carried forward as "Disputed service tax liabilities" in note 21

- (e) In respect of Income tax matter - ₹ 95.02 lakhs (31 March 2016: Nil, 1 April 2015: Nil)

During the year, the Company has received income tax order for financial year 2012-13, levying demand of ₹ 95.02 Lakh on account of mismatch of Tax deducted at source (TDS). The Company has filed appeals before the first appellate authority.

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.

## 42. COMMITMENTS FOR EXPENDITURE

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 9,721.19 lakhs, (31 March 2016: ₹ 16,851.84 lakhs, 1 April 2015: ₹ 9,486.70 lakhs).
- b) Amount of customs duty exemption availed by the Company under EPCG Scheme for which export obligations are required to be fulfilled within stipulated period – ₹ 2,983.84 Lakh (31 March 2016 ₹ 1,997.83 Lakhs, 1 April 2015: 1,997.83 Lakhs).

## 43. OPERATING LEASE ARRANGEMENTS

- a) Leasing arrangements in respect of operating lease for office premises / residential premises:  
The Company's significant lease agreements are for a period of 11/60 months and are cancellable. The aggregate lease rentals are charged as "Rent" in the Standalone Statement of Profit and Loss.
- b) Interest in land taken on lease and classified as operating lease:  
The leasehold land are generally taken for the period of 30 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 the Standalone statement of Profit and Loss and the balance remaining amount to be amortised is included in the Standalone Balance Sheet as Prepayments- Leasehold land .

## 44. SEGMENT INFORMATION

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment of manufacturing of Wind Turbine Generators (WTG's) comprising of Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for WTGs and hence there is only one reportable business segment in terms of Ind AS 108: Operating Segment.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## Revenue from Major Products

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
a) Sale of products		
Wind turbine generators and components	270,712.15	380,594.15
b) Sale of services		
Erection, procurement & commissioning services	14,277.74	6,258.07
Operation & maintenance services	450.00	360.00
Common infrastructure facility services	101.54	21.45
c) Other operating revenue	780.92	742.64
<b>Total</b>	<b>286,322.35</b>	<b>387,976.31</b>

Of the above total revenue, three customers contributed more than 10% of the total Company's revenue amounting to ₹ 106,415.31 lakhs (31 March 2016: two customers amounting to ₹ 93,685.92 lakhs).

## 45. INITIAL PUBLIC OFFER

The Company had made an Initial Public Offer (IPO) during the year ended 31 March 2015, for 31,918,226 equity shares of ₹ 10 each, comprising of 21,918,226 fresh issue of equity shares by the Company and 10,000,000 equity shares offered for sale by Gujrat Fluorochemicals Limited (GFL), the Company's holding company. The equity shares were issued at a price of ₹ 325 per share (including premium of ₹ 315 per share), subject to a discount of ₹ 15 per share for eligible employees of the Company and retail investors. Out of the total proceeds from the IPO of ₹ 102,053 lakhs, the Company's share was ₹ 70,000 lakhs from the fresh issue of 21,918,226 equity shares. The total expenses in connection with the IPO are shared between the Company and GFL in proportion of the amount received from the IPO proceeds. Accordingly amount of ₹ 3,222.15 lakhs, being share of the Company in the IPO expenses, is adjusted against the securities premium account. Fresh equity shares were allotted by the Company on 30 March 2015 and the shares of the Company were listed on the stock exchanges on 9 April 2015.

Details of utilization of IPO Proceeds are as follows:

(₹ in Lakhs)				
Sr. No.	Objects of the issue as per the prospectus	Total amount to be spent	Total spent/ utilisation upto 31 March 2017	Amount pending utilization
1	Expansion and up-gradation of existing manufacturing facilities	14,748.00	4,255.00	10,493.00
2	Long term working capital requirements	29,000.00	29,000.00	-
3	Investment in wholly owned subsidiary, IWISL for the purpose of development of Power evacuation infrastructure and other infrastructure development	13,153.70	7,001.00	6,152.70
4	Issue related expenses	3,732.70	3,223.00	509.70
5	General Corporate Purposes	9,365.60	9,365.60	-
<b>Total</b>		<b>70,000.00</b>	<b>52,844.60</b>	<b>17,155.40</b>

Unspent amount is kept in fixed deposits of ₹ 17,604.00 Lakhs with banks.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 46. PAYMENT TO AUDITORS

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
Statutory Audit (including consolidated accounts)	20.50	14.50
Limited review of quarterly accounts	4.00	3.00
Tax audit and other audits under Income-tax Act	10.50	8.50
For taxation matters	1.50	0.50
Certification	3.50	3.50
Out of pocket expenses	0.78	1.72
<b>Total</b>	<b>40.78</b>	<b>31.72</b>

Note : The above amounts are exclusive of service tax

47. Amount of expenditure capitalized represents cost of one prototype WTG manufactured and capitalized as fixed assets.

## 48. CORPORATE SOCIAL RESPONSIBILITY (CSR)

- (a) The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) is ₹ 832.02 Lakhs (31 March 2016 ₹ 487.63 Lakhs).
- (b) Amount spent during the year ended 31 March 2017:

(₹ in Lakhs)			
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 purpose other than (i) above - Donations	166.25	Nil	166.25
	(265.00)	(Nil)	(265.00)

(Figures in brackets pertain to 31 March 2016)

## 49 NOTE ON PRIOR PERIOD

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 1 April 2015 with corresponding effect in the carrying amount of other current assets.

The effect of above on the basic & diluted EPS is ₹ 0.01 per share of ₹ 10 each.

The Company has restated the financial statements for the year 2015-2016 to give effect to the following prior period



# Notes to the standalone financial statement

For the year ended 31 March 2017

items:

(₹ in Lakhs)

Nature of prior Period Items	Amount (₹ in Lakhs)	Line items affected	
		Balance Sheet	Statement of Profit and Loss
Contribution to IWTMA	40.00	Increase in trade payables	Increase in Miscellaneous expenses
EPCG grant written off on non-fulfilment of export obligation	121.82	Decrease in deferred income arising from government grant	Increase in Miscellaneous expenses
Interest on EPCG grant	174.54	Increase in trade payables	Increase in other borrowing cost
Interest on Vehicle loan	7.88	Increase in trade payables	Increase in other borrowing cost
	344.24		

The effect of above on the basic & diluted EPS is ₹ 0.16 per share of ₹ 10 each.

## 50. DETAILS OF TRANSACTIONS IN SPECIFIED BANK NOTES (SBNS)

(₹ in Lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	10.20	5.32	15.52
(+) Permitted receipts	-	11.64	11.64
(-) Permitted payments	-	12.52	12.52
(-) Amount deposited in banks	10.20	0.67	10.87
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>3.77</b>	<b>3.77</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 51. TERMS OF REPAYMENT AND SECURITIES FOR NON-CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 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 30 October 2015.	4,205.18	5,736.13	3,040.85
Foreign currency term loan from Bank is secured by first pari-passu charge by hypothecation on 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 10 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 30 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 1 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 company at Bavla, Gujarat and First pari passu charges on movable fixed assets of the company 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 30 June 2017.	2,000.00	-	-
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 3 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 23 September 2015.	85.50	103.37	-

There are no defaults on repayment of principal or payment of interest on borrowings.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 51(a) Terms of repayment and securities for current borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Foreign currency term loan is secured by first pari-passu charge on current and movable fixed assets of the Company 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 the Company and carry interest rate of applicable LIBOR plus bank's spread which is generally in the range of 0.25% to 1%.	60,607.78	99,911.63	48,142.12
Working capital demand loan from bank is secured by first pari-passu charge on the current assets of the Company 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 the Company and carries interest rate in the range on 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 the Company and carries interest rate in the range 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 the company and carried interest @ 12.25% p.a. The loan was repayable on demand.	-	-	5,000.00
Commercial papers are unsecured and are net of unamortized interest of ₹ 357.89 lakhs (31 March 2016: ₹ 321.66 lakhs, 1 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 31 March 2016 and ₹ 4,921.35 lakhs as on 1 April 2015)	28,642.11	29,678.34	4,921.35

There are no defaults on repayment of principal or payment of interest on borrowings.

## 52.

### 52(a) Additional disclosure in respect of loans given, as required by the Listing Agreement:

(₹ in Lakhs)

Name of the loanee - Inox Wind Infrastructure Services Ltd.	31 March 2017	31 March 2016	1 April 2015
a) In respect of Inter-corporate deposit			
Amount at the year end	15,241.00	8,396.92	36,829.66
Maximum balance during the year	22,180.40	50,858.58	36,829.66
b) In respect of debentures			
Amount at the year end	50,000.00	50,000.00	Nil
Maximum balance during the year	50,000.00	50,000.00	Nil
c) Investment by the loanee in shares of the Company	Nil	Nil	Nil

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 52(b) Disclosure required under section 186(4) of the Companies Act, 2013

### Loans to related parties:

(₹ in Lakhs)

Name of the Party	31 March 2017	31 March 2016	1 April 2015
Inox Renewables Limited	6,544.30	27,807.13	15,979.92
Inox Wind Infrastructure Services Limited	15,241.00	8,396.92	36,829.66

The above loans are unsecured. The inter-corporate deposits are repayable on demand and carry interest @ 12% p.a. These loans are given for general business purposes.

### Inter-corporate deposit to other parties:

(₹ in Lakhs)

Name of the Party	31 March 2017	31 March 2016	1 April 2015
Global Powernet Private Limited	-	850.00	-

The above deposit was unsecured, repayable on demand and carried interest @ 12% p.a. The deposit was given for general business purposes.

## 53. FIRST-TIME IND AS ADOPTION RECONCILIATIONS

### 53(a) Effect of Ind AS adoption on the standalone balance sheet as at 31 March 2016 and 1 April 2015:

(₹ in Lakhs)

Particulars		Notes	As at 31 March 2016			As at 1 April 2015		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Non-current assets</b>								
(a)	Property, plant and equipment	(a), (f)	34,974.89	(2,478.00)	32,496.89	17,053.78	975.34	18,029.12
(b)	Capital work-in-progress		1,344.68	-	1,344.68	1,377.18	-	1,377.18
(c)	Intangible Assets		3,339.91	-	3,339.91	2,308.83	-	2,308.83
(d)	Financial Assets							
(i)	Investments						-	
	(a) Investment in subsidiary		5.00	-	5.00	5.00	-	5.00
	(b) Other investments	(b)	50,817.53	(273.83)	50,543.70	-	-	
(ii)	Loans		143.24	-	143.24	108.00	-	108.00
(iii)	Others non-current financial assets		1,011.09	-	1,011.09	57.97	-	57.97
(e)	Deferred tax assets (net)	(j)	441.11	287.21	728.32	4,840.19	211.53	5,051.72
(f)	Other non-current assets	(a)	9,876.58	3,525.69	13,402.27	2,907.34	334.60	3,241.94
<b>Total non-current assets</b>			<b>101,954.03</b>	<b>1,061.07</b>	<b>103,015.10</b>	<b>28,658.29</b>	<b>1,521.47</b>	<b>30,179.76</b>
<b>Current assets</b>								
(a)	Inventories		21,463.10	-	21,463.10	12,645.61	-	12,645.61

# Notes to the standalone financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(b) Financial Assets							
(i) Other investments	(c)	6,221.67	65.72	6,287.39	-	-	-
(ii) Trade Receivables	(d)	215,318.90	(453.71)	214,865.19	132,096.30	(222.48)	131,873.82
(iii) Cash & cash Equivalents		6,722.46	-	6,722.46	70,503.65	-	70,503.65
(iv) Bank balances other than (iii) above		41,464.62	-	41,464.62	356.29	-	356.29
(v) Loans		39,457.85	-	39,457.85	55,301.82	-	55,301.82
(vi) Other current financial assets	(e), (f)	1,824.47	(662.36)	1,162.11	2,422.78	(324.34)	2,098.44
(c) Other current assets	(a), (g)	4,445.97	82.22	4,528.19	3,333.45	(23.35)	3,310.10
<b>Total Current assets</b>		<b>336,919.04</b>	<b>(968.13)</b>	<b>335,950.91</b>	<b>276,659.90</b>	<b>(570.17)</b>	<b>276,089.73</b>
<b>Total Assets</b>		<b>438,873.07</b>	<b>92.94</b>	<b>438,966.01</b>	<b>305,318.19</b>	<b>951.30</b>	<b>306,269.49</b>
<b>Equity</b>							
(a) Equity share capital		22,191.82	-	22,191.82	22,191.82	-	22,191.82
(b) Other equity		169,633.79	(914.11)	168,719.68	121,504.69	(426.88)	121,077.81
<b>Total equity</b>		<b>191,825.61</b>	<b>(914.11)</b>	<b>190,911.50</b>	<b>143,696.51</b>	<b>(426.88)</b>	<b>143,269.63</b>
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	(e)	5,000.00	488.30	5,488.30	7,791.67	40.85	7,832.52
(ii) Trade payables		-	-	-	-	-	-
(iii) Other non-current financial liabilities		240.00	-	240.00	240.00	-	240.00
(b) Provisions		343.46	-	343.46	193.80	-	193.80
(c) Deferred tax liabilities (Net)		-	-	-	-	-	-
(d) Other non-current liabilities	(f)	-	894.61	894.61	-	1,047.42	1,047.42
<b>Total Non-current liability</b>		<b>5,583.46</b>	<b>1,382.91</b>	<b>6,966.37</b>	<b>8,225.47</b>	<b>1,088.27</b>	<b>9,313.74</b>
<b>Current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	(e)	139,987.24	(1,740.16)	138,247.08	76,705.93	(525.68)	76,180.25
(ii) Trade payables	(g)	89,559.50	214.52	89,774.02	56,097.52	-	56,097.52
(iii) Other current financial liabilities	(e)	4,376.48	757.55	5,134.03	3,843.58	549.20	4,392.78
(b) Other current liabilities	(f)	3,186.85	392.23	3,579.08	11,545.99	266.39	11,812.38
(c) Provisions		135.13	-	135.13	3,262.08	-	3,262.08
(d) Current tax liabilities (net)		4,218.80	-	4,218.80	1,941.11	-	1,941.11
<b>Total current liability</b>		<b>241,464.00</b>	<b>(375.86)</b>	<b>241,088.14</b>	<b>153,396.21</b>	<b>289.91</b>	<b>153,686.12</b>
<b>Total equity and liabilities</b>		<b>438,873.07</b>	<b>92.94</b>	<b>438,966.01</b>	<b>305,318.19</b>	<b>951.30</b>	<b>306,269.49</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

53(b) Effect of Ind AS adoption on the standalone Statement of Profit and Loss for the year ended 31 March 2016:

(₹ in Lakhs)

Particulars	Notes	2015-2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Revenue</b>				
Revenue from Operations		387,976.31	-	387,976.31
Other income	(b), (c), (e), (f)	10,380.34	(2,072.67)	8,307.67
<b>Total Revenue</b>		<b>398,356.65</b>	<b>(2,072.67)</b>	<b>396,283.98</b>
<b>Expenses</b>				
Cost of materials consumed		271,480.61	-	271,480.61
EPC, O&M and Common infrastructure facility expenses		6,913.57	-	6,913.57
Changes in inventories of finished goods and work in progress		(834.96)	-	(834.96)
Employee benefits expense	(h)	6,410.46	(6.70)	6,403.76
Finance costs	(f)	10,103.34	182.43	10,285.77
Depreciation and amortisation expense	(a), (f)	2,856.16	166.83	3,022.99
Other expenses	(a), (d), (g)	35,867.11	(1,859.02)	34,008.09
<b>Total expenses</b>		<b>332,796.29</b>	<b>(1,516.46)</b>	<b>331,279.83</b>
Less: Expenditure capitalised		1,358.82		1,358.82
<b>Total expenses</b>		<b>331,437.47</b>	<b>(1,516.46)</b>	<b>329,921.01</b>
<b>Profit before tax</b>		<b>66,919.18</b>	<b>(556.21)</b>	<b>66,362.97</b>
<b>Tax expense:</b>				
Current tax		16,400.00	-	16,400.00
Deferred tax	(j)	2,390.08	(73.40)	2,316.68
Total tax		18,790.08	(73.40)	18,716.68
Profit for the year		48,129.10	(482.81)	47,646.29
<b>Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	(h)	-	6.70	6.70
Tax on above	(j)	-	2.28	2.28
(ii) Items that may be reclassified to profit or loss				
Effective portion of gains and (loss) on designated portion of hedging instruments in a cash flow hedge		-		-
Tax on above		-		-
<b>Total other comprehensive income (A (i-ii)+B(i-ii))</b>		<b>-</b>	<b>(4.42)</b>	<b>(4.42)</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>(4.42)</b>	<b>(4.42)</b>
<b>Total comprehensive income for the year</b>		<b>48,129.10</b>	<b>(487.23)</b>	<b>47,641.87</b>

# Notes to the standalone financial statement

For the year ended 31 March 2017

## 53(c) Effect of Ind AS adoption on the standalone statement of cash flows for the year ended 31 March 2016

(₹ in Lakhs)

Particulars	2015-2016		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(12,625.31)	-	(12,625.31)
Net cash flows from investing activities	(101,486.37)	-	(101,486.37)
Net cash flows from financing activities	50,330.49	-	50,330.49
Net increase (decrease) in cash and cash equivalents	(63,781.19)	-	(63,781.19)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>70,503.65</b>	<b>-</b>	<b>70,503.65</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6,722.46</b>	<b>-</b>	<b>6,722.46</b>

Analysis of cash and cash equivalents as at 31 March 2017 and as at 1 April 2015 for the purpose of statement of cash flows under Ind AS:

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 1 April 2015
<b>Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP</b>	<b>6,722.46</b>	<b>70,503.65</b>
<b>Cash and cash equivalents for the purpose of statement of cash flows under Ind AS</b>	<b>6,722.46</b>	<b>70,503.65</b>

## 53(d) Equity reconciliation:

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016
<b>Total equity / shareholders' funds under previous GAAP</b>		<b>191,825.61</b>	<b>143,696.51</b>
Add/(Less)			
Provision for expected credit losses	(d)	(453.71)	(222.48)
Change in fair valuation of investments	(b), (c)	(208.11)	-
Translation of foreign currency borrowings at closing rate and recognition of corresponding derivative instrument	(e)	(7.58)	(42.47)
Effect of measuring other derivative instruments at fair value	(e)	(160.47)	(346.26)
Prior period items	(g)	(371.45)	(27.20)
Tax impact on above adjustments	(j)	287.21	211.53
Total adjustment to equity		(914.11)	(426.88)
<b>Total equity under Ind AS</b>		<b>190,911.50</b>	<b>143,269.63</b>



# Notes to the standalone financial statement

For the year ended 31 March 2017

## 52(e) Profit reconciliation:

(₹ in Lakhs)		
Particulars	Notes	2015-2016
<b>Net profit under previous GAAP</b>		<b>48,129.10</b>
<b>Add/Less</b>		
Actuarial loss on employee defined benefit plan recognized in other comprehensive income	(h)	6.70
Provision for expected credit losses	(d)	(231.23)
Change in fair valuation of investments	(b), (c)	(208.11)
Translation of foreign currency borrowings at closing rate and recognition of corresponding derivative instrument	(e)	34.89
Effect of measuring other derivative instruments at fair value	(e)	185.79
Prior period items	(g)	(344.25)
Tax impact on above adjustments	(j)	73.40
<b>Net Profit reported under Ind AS</b>		<b>47,646.29</b>
Other Comprehensive Income (net of tax)	(h), (j)	(4.42)
<b>Total Comprehensive Income under Ind AS as reported</b>		<b>47,641.87</b>

## Footnotes for IGAAP to Ind AS reconciliation

### a) 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 operating leases prepayments under non-financial assets.

Consequent to this change, amount of ₹ 3525.46 lakhs is transferred from property, plant and equipment to "pre-payments – leasehold lands" as at 31<sup>st</sup> March 2016 (₹ 338.46 lakhs as at 1<sup>st</sup> April 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31<sup>st</sup> March 2016 and the profit for the year ended 31<sup>st</sup> March 2016.

### b) Non-Current Investments:

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:

- Optionally convertible debenture (acquired during the year ended 31<sup>st</sup> March 2016) - at fair value
- Equity shares of subsidiary – at cost

On the date of transition, there is no change in the carrying value of investments.

Consequent to this change, the fair value loss of ₹ 273.83 lakhs is charged to the Statement of Profit and Loss.

# Notes to the standalone financial statement

For the year ended 31 March 2017

## c) Current Investments:

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, these investments have been classified as FVTPL. The fair value changes are recognised in the Statement of Profit and Loss.

The Company did not have any current investments on the date of transition to Ind AS. As at 31<sup>st</sup> 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 an increase in the carrying amount of these investments by ₹ 65.72 lakhs.

During the year ended 31<sup>st</sup> March 2016, net gain amounting to ₹ 65.72 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

## d) Expected credit loss:

Under previous GAAP, the Company used to create provision for impairment of receivables only in respect of specific amount for doubtful receivables. 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 ₹ 222.49 lakhs is recognized with corresponding reduction in the retained earnings. The amount of allowance for ECL recognised as at 31<sup>st</sup> March 2016 is ₹ 453.72 lakhs.

The profit before tax for the year ended 31<sup>st</sup> March 2016 is decreased by ₹ 231.23 lakhs on account of allowance for ECL.

## e) Derivative Financial Instruments

Under the previous GAAP, forward contracts were accounted as per AS 11. 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 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.

The Company'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.

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.

### Consequent to above changes:

- the amount of foreign currency borrowings on the transition date is reduced by ₹ 484.83 lakhs (as at 31 March 2016 – ₹ 1130.60 lakhs)
- as on the date of transition, the unamortised premium on forward contract as per previous GAAP of ₹ 324.35 lakhs is reversed (as at 31 March 2016 – ₹ 1139.40 lakhs)
- derivative liability of ₹ 549.21 lakhs is recognised on the date of transition. Further, as at 31 March 2016, derivative liability of ₹ 656.22 lakhs and derivative asset of ₹ 395.22 lakhs is recognised.

# Notes to the standalone financial statement

## For the year ended 31 March 2017

Net impact on the date of transition of ₹ 388.73 lakhs is adjusted in the opening retained earnings and profit before tax for the year ended 31<sup>st</sup> March 2016 is higher by ₹ 220.68 lakhs.

### f) Government Grants

Under Ind AS, the Group has recognised following Government grants:

- Exemption from payment of customs duty on import of capital goods
- Purchase of rights in leasehold lands at a concessional rate

Accordingly, 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 ₹ 1313.80 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 31 March 2016, the additional amount of deferred income recognised in respect of rights in leasehold land is ₹ 117.61 lakhs.

This change does not affect total equity as at date of transition to Ind AS and as at 31<sup>st</sup> March 2016.

### g) Prior period items

Prior period expenditure of ₹ 27.20 Lakhs is adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in 'other current assets'. Profit for the year ended 31<sup>st</sup> March 2016 is lower by ₹ 344.24 lakhs on account of prior period expenditure with corresponding effect in the carrying amount of trade payables, other current assets and other non-current liabilities (refer Note 49).

### 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 benefits 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 31<sup>st</sup> March 2016, remeasurement of gratuity liability resulted in net benefit of ₹ 6.70 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 31<sup>st</sup> March 2016.

### i) 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 31<sup>st</sup> March 2016.

### j) 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.

# Notes to the standalone financial statement

For the year ended 31 March 2017

The transitional adjustments as described in the preceding paragraphs have led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax asset of ₹ 211.53 lakhs as at date of transition to Ind AS with a corresponding decrease in retained earnings and reduction in the amount of deferred tax asset in the Balance Sheet.

For the year ended 31<sup>st</sup> March 2016, it has resulted in decrease in deferred tax expense by ₹ 73.40 lakhs in the Statement of Profit and Loss and increase in deferred tax expense of ₹ 2.28 lakhs in OCI.

As per our report of even date attached

**For Patankar & Associates**  
Chartered Accountants

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Independent Auditor's Report

## To the members of Inox Wind Limited

### REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Inox Wind Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> 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 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 are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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.

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 judgement, 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 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 as at 31<sup>st</sup> 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.

## 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 31<sup>st</sup> 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, none of the directors of the Group are disqualified as on 31<sup>st</sup> 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 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:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – refer Note 40 to the consolidated Ind AS financial statements;
  - ii. The Group 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;
  - iii. There were no amounts which were 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 its subsidiary companies; and
  - 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 44 to the consolidated Ind AS financial statements.

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

**S S Agrawal**  
Partner  
Membership No. 049051

**Place:** Pune  
**Date :** 12th May 2017

# Annexure

## To Independent Auditor's Report

**Annexure to Independent auditor's report to the members of Inox Wind Limited on the consolidated Ind AS financial statements for the year ended 31<sup>st</sup> 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 **Inox Wind Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, 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 and its subsidiary companies 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 and its subsidiary companies' 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 consolidated 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 Holding Company's, and its subsidiary companies' 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 financial statements.

**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 and its subsidiary companies, 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 31<sup>st</sup> March 2017, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies, considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

**S S Agrawal**  
Partner  
Membership No. 049051

**Place:** Pune  
**Date :** 12th May 2017



# Consolidated Balance Sheet

As at 31 March 2017

(₹ in Lakhs)				
	Notes	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, plant and equipment	6	73,455.69	49,297.76	18,743.24
(b) Capital work-in-progress		11,245.98	4,265.65	4,911.44
(c) Intangible assets	7	3,036.13	3,379.27	2,346.62
(d) Financial assets				
(i) Investments	8	5,324.78	0.26	0.24
(ii) Loans	9	1,590.46	1,178.06	1,192.60
(iii) Other non-current financial assets	10	17,532.80	10,615.75	5,338.71
(e) Deferred tax assets (net)	22	-	838.97	5,268.13
(f) Income tax assets (net)	11	508.34	1,430.28	431.19
(g) Other non-current assets	12	8,978.93	13,926.07	3,689.52
<b>Total Non - current assets</b>		<b>121,673.11</b>	<b>84,932.07</b>	<b>41,921.69</b>
<b>2 Current assets</b>				
(a) Inventories	13	69,037.40	55,966.62	42,533.07
(b) Financial assets				
(i) Investments	8	20,007.77	6,287.39	-
(ii) Trade receivables	14	238,243.46	240,896.52	142,968.04
(iii) Cash and cash equivalents	15	20,423.24	7,592.57	70,608.57
(iv) Bank balances other than (iii) above	16	23,319.48	41,784.58	356.29
(v) Loans	9	8,679.33	30,671.49	16,782.54
(vi) Other current financial assets	10	1,272.59	1,680.09	3,170.48
(c) Other current assets	12	12,801.94	7,999.99	6,044.60
<b>Total Current assets</b>		<b>393,785.21</b>	<b>392,879.25</b>	<b>282,463.59</b>
<b>Total Assets</b>		<b>515,458.32</b>	<b>477,811.32</b>	<b>324,385.28</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity share capital	17	22,191.82	22,191.82	22,191.82
(b) Other equity	18	196,766.80	166,490.64	120,379.42
<b>Total equity</b>		<b>218,958.62</b>	<b>188,682.46</b>	<b>142,571.24</b>
<b>LIABILITIES</b>				
<b>1 Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	18,623.40	5,594.18	7,832.52
(ii) Other non-current financial liabilities	20	240.00	240.00	240.00
(b) Provisions	21	778.15	495.31	247.68
(c) Deferred tax liabilities (net)	22	1,239.97	-	-
(d) Other non-current liabilities	23	9,055.18	4,237.46	2,551.92
<b>Total Non-current liabilities</b>		<b>29,936.70</b>	<b>10,566.95</b>	<b>10,872.12</b>
<b>2 Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	134,162.99	138,247.09	76,180.25
(ii) Trade payables	25	96,869.82	118,529.24	71,416.52
(iii) Other current financial liabilities	20	25,155.83	10,326.19	5,655.11
(b) Provisions	21	293.66	176.58	3,292.50
(c) Current tax liabilities (net)	26	1,665.81	4,218.84	1,941.15
(d) Other current liabilities	23	8,414.89	7,063.97	12,456.39
<b>Total current liabilities</b>		<b>266,563.00</b>	<b>278,561.91</b>	<b>170,941.92</b>
<b>Total Equity and Liabilities</b>		<b>515,458.32</b>	<b>477,811.32</b>	<b>324,385.28</b>

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

**S S Agrawal**  
Partner

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Jitendra Mohanany**  
Chief Financial Officer

**Deepak Banga**  
Company Secretary

**Place :** Pune  
**Date :** 12 May 2017

**Place :** Noida  
**Date :** 12 May 2017

# Consolidated Statement of Profit and Loss

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	2016-2017	2015-2016
<b>Revenue</b>			
Revenue from operations	27	341,500.21	445,067.42
Other income	28	8,409.87	4,849.47
<b>Total Revenue (I)</b>		<b>349,910.08</b>	<b>449,916.89</b>
<b>Expenses</b>			
Cost of materials consumed	29	191,966.55	271,568.86
EPC, O&M, Common infrastructure facility and site development expenses	30	48,734.69	54,002.40
Changes in inventories of finished goods and work-in-progress	31	(2,995.12)	2,852.88
Employee benefits expense	32	11,736.50	9,188.56
Finance costs	33	15,511.81	9,777.86
Depreciation and amortisation expense	34	4,374.52	3,502.99
Other expenses	35	37,900.51	35,441.86
<b>Total Expenses</b>		<b>307,229.46</b>	<b>386,335.41</b>
Less: Expenditure capitalised	45	-	1,358.82
<b>Net Expenses (II)</b>		<b>307,229.46</b>	<b>384,976.59</b>
<b>Profit before tax (I-II=III)</b>		<b>42,680.62</b>	<b>64,940.30</b>
<b>Tax expense (IV):</b>	48		
Current tax		10,104.75	16,400.00
MAT credit entitlement		(4,505.05)	-
Deferred tax		6,751.73	2,423.20
		12,351.43	18,823.20
<b>Profit for the year (III-IV=V)</b>		<b>30,329.19</b>	<b>46,117.10</b>
<b>Other Comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		4.59	(8.92)
Tax on above		(1.59)	3.04
B (i) Items that will be reclassified to profit or loss			
Effective portion of gains and (loss) on hedging instruments in cash flow hedge		(85.69)	-
Tax on above		29.66	-
<b>Total Other Comprehensive income (VI)</b>		<b>(53.03)</b>	<b>(5.88)</b>
<b>Total Comprehensive income for the year (V + VI)</b>		<b>30,276.16</b>	<b>46,111.22</b>
Basic and diluted earnings per equity share of ₹ 10 each (in ₹)	36	13.67	20.78

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

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Consolidated Statement of Cash Flows

For the year ended 31 March 2017

(₹ in Lakhs)

	As at 31 March 2017	As at 31 March 2016
<b>Cash flows from operating activities</b>		
Profit for the year after tax	30,329.19	46,117.10
Adjustments for:		
Tax expense	12,323.36	18,820.16
Finance costs	15,511.81	9,777.86
Interest income	(4,719.47)	(5,096.74)
Gain on investments carried at FVTPL	(1,072.26)	(695.79)
Dividend income	(150.13)	(34.67)
Bad debt & remissions	666.02	352.50
Allowance for doubtful trade receivables and expected credit losses	418.24	285.80
Depreciation and amortisation expenses	4,374.52	3,502.99
Unrealised foreign exchange gain (net)	(690.99)	(191.35)
Unrealised MTM (gain)/loss on financial assets & derivatives	(2,481.70)	(1,179.47)
Loss on sale / disposal of property, plant and equipment	37.69	-
	<b>54,546.28</b>	<b>71,658.39</b>
Movements in working capital:		
(Increase)/Decrease in Trade receivables	(5,195.99)	(96,522.06)
(Increase)/Decrease in Inventories	(12,330.61)	(11,484.22)
(Increase)/Decrease in Loans	(2,458.28)	(2,845.32)
(Increase)/Decrease in Other financial assets	(7,051.32)	(2,835.01)
(Increase)/Decrease in Other assets	(4,820.23)	(2,254.41)
Increase/(Decrease) in Trade payables	(14,258.46)	44,382.13
Increase/(Decrease) in Other financial liabilities	11,962.58	206.77
Increase/(Decrease) in Other liabilities	2,993.93	(169.64)
Increase/(Decrease) in Provisions	318.79	(2,874.16)
<b>Cash generated from/(used in) operations</b>	<b>23,706.69</b>	<b>(2,737.53)</b>
Income taxes paid	(12,340.53)	(13,580.56)
<b>Net cash generated from/(used in) operating activities</b>	<b>11,366.16</b>	<b>(16,318.09)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including changes in capital WIP, capital creditors/advances)	(28,989.99)	(40,380.62)
Purchase of non current investments	(5,000.00)	-
Purchase of mutual funds	(13,720.38)	(30,121.67)
Investment in subsidiaries	(729.46)	(390.27)
Redemption of mutual funds	747.76	24,530.07
Interest received	6,743.92	2,817.33
Dividend received	150.13	34.67
Inter corporate deposits given	(23,947.17)	(34,120.21)
Inter corporate deposits received back	46,060.00	21,443.00

(₹ in Lakhs)

	<b>As at 31 March 2017</b>	<b>As at 31 March 2016</b>
Movement in Bank fixed deposits	18,214.35	(40,737.73)
<b>Net cash used in investing activities</b>	<b>(470.84)</b>	<b>(96,925.43)</b>
<b>Cash flows from financing activities</b>		
Proceeds from non-current borrowings	28,000.00	3,000.00
Repayment of non-current borrowings	(2,398.50)	(6,909.54)
Proceeds from/(repayment of) short term borrowings (net)	(7,924.32)	63,717.58
Interest paid	(15,742.01)	(9,664.40)
<b>Net cash generated from financing activities</b>	<b>1,935.17</b>	<b>50,143.64</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,830.49</b>	<b>(63,099.88)</b>
Cash and cash equivalents at the beginning of the year	7,592.57	70,608.57
On acquisition through business combinations	0.18	83.88
<b>Cash and cash equivalents at the end of the year</b>	<b>20,423.24</b>	<b>7,592.57</b>

## Notes:

- 1 The above statement of cash flows has been prepared and presented under the indirect method.
- 2 Components of cash and cash equivalents are as per note 15
- 3 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

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2017

## A. EQUITY SHARE CAPITAL

(₹ in Lakhs)

	Particulars
<b>Balance at 1 April 2015</b>	<b>22,191.82</b>
Changes in equity share capital during the year	-
<b>Balance at 31 March 2016</b>	<b>22,191.82</b>
Changes in equity share capital during the year	-
<b>Balance at 31 March 2017</b>	<b>22,191.82</b>

## B. OTHER EQUITY

(₹ in Lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities premium reserve	Debenture Redemption Reserve	Retained earnings	Cash flow hedge reserve	
<b>Balance at 1 April 2015</b>	<b>64,586.03</b>	-	<b>55,793.39</b>	-	<b>120,379.42</b>
Additions during the year:					
Profit for the year	-	-	46,117.10	-	46,117.10
Other comprehensive income for the year, net of income tax (*)	-	-	(5.88)	-	(5.88)
<b>Total comprehensive income for the year</b>	-	-	46,111.22	-	46,111.22
<b>Balance at 31 March 2016</b>	<b>64,586.03</b>	-	<b>101,904.61</b>	-	<b>166,490.64</b>
Additions during the year:					
Profit for the year	-	-	30,329.19	-	30,329.19
Other comprehensive income for the year, net of income tax (*)	-	-	3.00	(56.03)	(53.03)
<b>Total comprehensive income for the year</b>	-	-	30,332.19	(56.03)	30,276.16
Transfer from retained earnings	-	<b>1,800.00</b>	<b>(1,800.00)</b>	-	-
<b>Balance at 31 March 2017</b>	<b>64,586.03</b>	<b>1,800.00</b>	<b>130,436.80</b>	<b>(56.03)</b>	<b>196,766.80</b>

(\*) 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 consolidated financial statements

As per our report of even date attached

**For Patankar & Associates**  
Chartered Accountants

**S S Agrawal**  
Partner

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohanane**  
Chief Financial Officer

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

**Place :** Pune  
**Date :** 12 May 2017

**Place :** Noida  
**Date :** 12 May 2017

# Notes to the consolidated financial statement

## For the year ended 31 March 2017

### 1. GROUP INFORMATION

Inox Wind Limited ("the Company") is a public limited company incorporated in India. These Consolidated Financial Statements ("these CFS") relate to the Company and its subsidiaries (collectively referred to as the "Group"). The Group is engaged in the business of manufacture and sale of Wind Turbine Generators ("WTGs"). It also provides Erection, Procurement and Commissioning ("EPC"), Operations and Maintenance ("O&M") and Common Infrastructure Facilities services for WTGs and wind farm development services. The area of operations of the Group is within India. The Company's parent company is Gujarat Fluorochemicals Limited and its ultimate holding company is Inox Leasing and Finance Limited. The Company had made an Initial Public Offer (IPO) during the year ended 31 March 2015 (Refer Note 39). Fresh equity shares were allotted on 30 March 2015 and the equity shares of the Company were listed on the Bombay Stock Exchange and the National Stock Exchange of India on 9 April 2015.

The Company's registered office is located at Plot No.1, Khasra No. 264-267 Industrial Area, Near Power House, Village Basal Dist. Una, Himachal Pradesh, India 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 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 31 March 2016, the Group 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 Group's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015. Refer Note 4 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Group.

#### 2.2 BASIS OF MEASUREMENT

These CFS are presented in Indian Rupees (INR), which is also the Group'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 CFS is determined on such a basis, except for 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 consolidated financial statement

For the year ended 31 March 2017

## 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 financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1<sup>st</sup> 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 case 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 12 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.

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 subsidiaries of the Group are eliminated in full on consolidation.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 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 loses 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.

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; 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.



# Notes to the consolidated financial statement

## For the year ended 31 March 2017

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 (refer 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.

### 3.4 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 is net of sales tax, value added tax, service tax and other similar taxes.

#### 3.4.1 Sale of goods

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 WTGs is recognised on supply in terms of the respective contracts. Revenue from sale of power is recognised on the basis of actual units generated and transmitted to the purchaser.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 3.4.2 Rendering of services

Revenue from services rendered is recognised in profit or loss in proportion 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, as under:

Revenue from EPC is recognised on the basis of stage of completion by reference to surveys of work performed. Revenue from operations and maintenance and common infrastructure facilities 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.

## 3.4.3 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.

## 3.5 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 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. 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.

## 3.6 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.

### 3.6.1 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.

## 3.7 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:

- 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

# Notes to the consolidated financial statement

## For the year ended 31 March 2017

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer Note 3.17) below for hedging accounting policies).

### 3.8 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.

### 3.9 EMPLOYEE BENEFITS

#### 3.9.1 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 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.

#### 3.9.2 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.

# Notes to the consolidated financial statement

## For the year ended 31 March 2017

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.

### 3.10 TAXATION

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

#### 3.10.1 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, items that are never taxable or deductible and tax incentives. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 3.10.2 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, 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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which the benefits of the temporary differences can be utilised 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.

#### 3.10.3 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.

# Notes to the consolidated financial statement

## For the year ended 31 March 2017

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.

### 3.11 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.

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 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 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 3.12 INTANGIBLE ASSETS

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.

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.

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.

Estimated useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

- Technical know-how 10 years
- Operating software 3 years
- Other Software 6 years

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

## 3.13 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 (other than goodwill) 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 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 statement

For the year ended 31 March 2017

## 3.14 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 purchase, 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 imported materials include 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.

## 3.15 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 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised in accordance with Ind AS 18 Revenue, if any.

## 3.16 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group member 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 a group member 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

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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. 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.



# Notes to the consolidated financial statement

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## 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.

# Notes to the consolidated financial statement

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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 member 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 member 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 a Group member becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the 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.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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.

## 3.17 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 37.

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.

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 37 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

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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.

## 3.18 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group 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.

## 3.19 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 Group from April 1, 2017.

The amendment to Ind AS 7 Statement of Cash Flows 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.

## 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 1 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 First-time Adoption of Indian Accounting Standards and availed by the Group as detailed below.

### I. Optional exemptions from retrospective application:

#### a) Deemed cost for property, plant and equipment and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## b) 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 1 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; and
- the Group has excluded from its opening Ind AS Balance Sheet (as at 1<sup>st</sup> 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.

## 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) 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.

### c) Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 Financial Instruments retrospectively; however, as permitted by Ind AS 101 First-time Adoption of Indian Accounting Standards, 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.

### d) 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 April 1, 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.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 5.1 FOLLOWING ARE THE CRITICAL JUDGEMENTS THAT HAVE THE MOST SIGNIFICANT EFFECTS ON THE AMOUNTS RECOGNISED IN THESE CFS:

### 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.

## 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 Group has adopted useful lives of PPE as described in Note 3.11 above. The Group reviews the estimated useful lives of PPE at the end of each reporting period.

### b) Fair value measurements and valuation processes

The Group 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 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 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 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 37.

### c) Other assumptions and estimation uncertainties, included in respective notes are as under:

- The Group'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 – refer Note 22
- Measurement of defined benefit obligations and other long-term employee benefits: key actuarial assumptions – refer Note 38
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – refer Note 21 and Note 40
- Impairment of financial assets – refer Note 37

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 6. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Carrying amounts of:</b>			
Freehold land	1,419.08	971.71	828.00
Buildings	17,969.27	15,076.96	6,177.97
Plant and equipment	53,202.23	32,772.92	11,572.38
Furniture and fixtures	336.68	180.75	90.11
Vehicles	339.43	121.14	6.99
Office equipment	189.00	174.28	67.79
<b>Total</b>	<b>73,455.69</b>	<b>49,297.76</b>	<b>18,743.24</b>

Note: Assets mortgaged/pledged as security for borrowings:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Carrying amounts of:</b>			
Freehold land	1,020.08	508.82	476.70
Buildings	17,350.05	14,778.51	6,036.42
Plant and equipment	43,137.57	16,867.78	11,447.04
Furniture and fixtures	310.16	115.21	39.16
Vehicles	339.43	119.70	6.00
Office equipment	189.00	106.86	23.80
Capital Work-in progress	3,163.18	-	-
<b>Total</b>	<b>65,509.47</b>	<b>32,496.88</b>	<b>18,029.12</b>

## 6A. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Description of Assets	Land Freehold	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
<b>Cost or deemed cost:</b>							
<b>Balance as at 1 April 2015</b>	<b>828.00</b>	<b>6,177.97</b>	<b>11,572.38</b>	<b>90.11</b>	<b>6.99</b>	<b>67.79</b>	<b>18,743.24</b>
Additions	143.71	9,185.93	23,178.46	105.11	125.81	154.68	32,893.70
Disposal	-	-	-	-	-	(0.72)	(0.72)
Acquisition through Business combination - refer note 51	-	-	8.37	-	-	-	8.37
Borrowing cost capitalised	-	267.11	493.12	-	-	-	760.23
<b>Balance as at 31 March 2016</b>	<b>971.71</b>	<b>15,631.01</b>	<b>35,252.33</b>	<b>195.22</b>	<b>132.80</b>	<b>221.75</b>	<b>52,404.82</b>
Additions	447.37	3,576.37	23,331.43	183.19	252.19	116.37	27,906.92
Disposal	-	-	(26.09)	(0.91)	-	(49.82)	(76.82)
Borrowing cost capitalised	-	-	146.16	-	-	-	146.16
<b>Balance as at 31 March 2017</b>	<b>1,419.08</b>	<b>19,207.38</b>	<b>58,703.83</b>	<b>377.50</b>	<b>384.99</b>	<b>288.30</b>	<b>80,381.08</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

<b>Accumulated Depreciation:</b>							
Balance as at 1 April 2015	-	-	-	-	-	-	-
Depreciation expense for the year	-	554.05	2,479.18	14.47	11.66	48.19	3,107.55
Eliminated on disposal of asset	-	-	-	-	-	(0.72)	(0.72)
Acquisition through Business combination - refer note 51	-	-	0.23	-	-	-	0.23
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>554.05</b>	<b>2,479.41</b>	<b>14.47</b>	<b>11.66</b>	<b>47.47</b>	<b>3,107.06</b>
Depreciation expense for the year	-	684.06	3,031.90	26.84	33.90	80.29	3,856.99
Eliminated on disposal of asset	-	-	(9.71)	(0.49)	-	(28.46)	(38.66)
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>1,238.11</b>	<b>5,501.60</b>	<b>40.82</b>	<b>45.56</b>	<b>99.30</b>	<b>6,925.39</b>

(₹ in Lakhs)

Net carrying amount	Land - Freehold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
<b>As at 1 April 2015</b>	828.00	6,177.97	11,572.38	90.11	6.99	67.79	18,743.24
<b>As at 31 March 2016</b>	971.71	15,076.96	32,772.92	180.75	121.14	174.28	49,297.76
<b>As at 31 March 2017</b>	1,419.08	17,969.27	53,202.23	336.68	339.43	189.00	73,455.69

## 7. INTANGIBLE ASSETS

(₹ in Lakhs)

Carrying amounts of:	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carrying amounts of:			
Technical know-how	2,943.44	3,256.94	2,270.38
Software	92.69	122.33	76.24
<b>Total</b>	<b>3,036.13</b>	<b>3,379.27</b>	<b>2,346.62</b>

### Details of Intangible Assets

(₹ in Lakhs)

Particulars	Technical know-how	Software	Total
<b>Cost or Deemed Cost</b>			
<b>Balance as at 1 April 2015</b>	2,270.38	76.24	2,346.62
Additions	1,335.98	92.11	1,428.09
<b>Balance as at 31 March 2016</b>	<b>3,606.36</b>	<b>168.35</b>	<b>3,774.71</b>
Additions	156.57	17.82	174.39
<b>Balance as at 31 March 2017</b>	<b>3,762.93</b>	<b>186.17</b>	<b>3,949.10</b>
<b>Accumulated amortisation</b>			
<b>Balance as at 1 April 2015</b>	-	-	-
Amortisation expense for the year	349.42	46.02	395.44
<b>Balance as at 31 March 2016</b>	<b>349.42</b>	<b>46.02</b>	<b>395.44</b>
Amortisation expense for the year	470.07	47.46	517.53
<b>Balance as at 31 March 2017</b>	<b>819.49</b>	<b>93.48</b>	<b>912.97</b>



# Notes to the consolidated financial statement

For the year ended 31 March 2017

Net carrying amount	Technical know-how	Software	Total
As at 1 April 2015	2,270.38	76.24	2,346.62
As at 31 March 2016	3,256.94	122.33	3,379.27
As at 31 March 2017	2,943.44	92.69	3,036.13

## 8. INVESTMENTS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
<b>a) Financial assets carried at amortised cost</b>			
<b>Investment in Government securities (unquoted, fully paid up)</b>			
National Saving Certificates	0.28	0.26	0.24
<b>b) Financial assets carried at FVTPL</b>			
<b>Investments in debentures (unquoted, fully paid up)</b>			
5,000 debentures of ₹ 1,00,000 each of Citicorp Finance (India) Limited (CFIL-581ALT4)	5,324.50	-	-
<b>Total</b>	<b>5,324.78</b>	<b>0.26</b>	<b>0.24</b>

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
<b>Financial assets carried at FVTPL</b>			
<b>Investments in mutual funds (unquoted, fully paid up)</b>			
(Face value ₹ 10 each)			
3453221 units (31 March 2016: Nil, 1 April 2015: Nil) of Birla Sun Life - Regular Growth Option	1,002.63	-	-
1830785 units (31 March 2016: Nil, 1 April 2015: Nil) of Franklin Templeton Mutual fund - Growth Option	775.30	-	-
1135790 units (31 March 2016: Nil, 1 April 2015: Nil) of SBI Blue chip fund - Growth Regular Option	381.31	-	-
1762916 units (31 March 2016: Nil, 1 April 2015: Nil) of HDFC High Interest Fund Dynamic - Growth Regular Option	998.35	-	-
5302508 units (31 March 2016: Nil, 1 April 2015: Nil) of UTI Dynamic Bond Fund High - Growth Option	1,017.47	-	-
317402 units (31 March 2016: Nil, 1 April 2015: Nil) of Indiabulls Ultra Short Term Fund - Growth Option	5,113.42	-	-
324090 units (31 March 2016: Nil, 1 April 2015: Nil) of IDFC Cash-fund - Growth Option	6,403.12	-	-
55699 units (31 March 2016: Nil, 1 April 2015: Nil) of SBI Mangnum Insta Cash Fund - Direct Option	2,003.67	-	-

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current year Nil (31 March 2016: 6416097 units, 1 April 2015: Nil) of Reliance - Direct Growth Option	-	2,036.12	-
Current year units Nil (31 March 2016: 24946339 units, 1 April 2015: Nil) of IDFC Arbitrage Fund Dividend -(Direct Plan)	-	3,229.08	-
8399458 units (31 March 2016: 4103271 units, 1 April 2015: Nil) of DSP Blackrock Income Opportunities - Direct Plan - Growth	2,312.50	1,022.19	-
<b>Total</b>	<b>20,007.77</b>	<b>6,287.39</b>	<b>-</b>
<b>Total Investments</b>	<b>25,332.55</b>	<b>6,287.65</b>	<b>0.24</b>
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate carrying value of unquoted investments	25,332.55	6,287.65	0.24
Aggregate amount of impairment in value of investments	-	-	-
<b>Category-wise other investments – as per Ind AS 109 classification</b>			
Fair value through profit and loss	25,332.27	6,287.39	-
Amortised cost	0.28	0.26	0.24
	<b>25,332.55</b>	<b>6,287.65</b>	<b>0.24</b>

Investment in National Savings Certificates (NSC) carry interest @ 8.60% p.a. Interest is compounded on yearly basis and receivable on maturity. These NSCs' are pledged with Government authorities and held in the name of a director of a subsidiary company.

## 9. LOANS (Unsecured considered good)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non -current</b>			
Security deposits	1,590.46	1,178.06	1,192.60
<b>Total</b>	<b>1,590.46</b>	<b>1,178.06</b>	<b>1,192.60</b>
<b>Current</b>			
Security deposits - Unsecured, considered good	-	269.50	269.50
<b>Loans to related parties (Refer Note 49)</b>			
Inter-corporate deposits to related parties	8,679.32	29,465.11	16,379.79
Other dues	-	8.14	133.25
	<b>8,679.33</b>	<b>29,473.25</b>	<b>16,513.04</b>
Inter-corporate deposits to other party	-	928.74	-
<b>Total</b>	<b>8,679.33</b>	<b>30,671.49</b>	<b>16,782.54</b>

The above financial assets are carried at amortised cost

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 10. OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Non-current bank balances (from note 16)	843.09	1,361.89	464.51
Unbilled revenue	16,689.71	9,253.86	4,874.20
<b>Total</b>	<b>17,532.80</b>	<b>10,615.75</b>	<b>5,338.71</b>
<b>Current</b>			
Derivative financial assets	-	395.22	-
Other interest accrued	5.77	17.94	6.53
IPO expenses recoverable from holding company	-	-	1,450.31
Unbilled revenue	622.00	269.93	995.44
Insurance claims	330.07	997.00	718.20
Others	314.75	-	-
<b>Total</b>	<b>1,272.59</b>	<b>1,680.09</b>	<b>3,170.48</b>

## 11. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Income tax paid (net of provisions)	508.34	1,430.28	431.19
<b>Total</b>	<b>508.34</b>	<b>1,430.28</b>	<b>431.19</b>

## 12. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Capital advances	4,916.77	9,795.60	3,330.17
Security deposits with government authorities	4.87	4.87	4.87
Balances with government authorities			
- Balances in service tax & VAT accounts	561.15	487.96	18.25
Prepayments-Leasehold land	3,408.28	3,525.70	334.60
Prepayments - others	87.86	111.94	1.63
<b>Total</b>	<b>8,978.93</b>	<b>13,926.07</b>	<b>3,689.52</b>
<b>Current</b>			
Advance to suppliers	10,620.70	6,352.65	4,521.76
Advance for expenses	66.81	125.15	70.22
Balances with government authorities			
- Balances in service tax & VAT accounts	1,339.04	416.19	309.09

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Prepayments-Leasehold land	117.39	117.39	3.85
Prepayments - others	658.00	988.61	1,139.68
<b>Total</b>	<b>12,801.94</b>	<b>7,999.99</b>	<b>6,044.60</b>

## 13. INVENTORIES (at lower of cost and net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials	24,750.66	16,735.39	8,857.35
Construction materials	11,525.08	10,140.53	3,781.96
Work-in-progress	28,243.53	26,792.94	29,003.31
Finished goods	4,438.29	2,153.59	850.77
Stores and spares	79.84	144.17	39.68
<b>Total</b>	<b>69,037.40</b>	<b>55,966.62</b>	<b>42,533.07</b>

### Notes

Inventories of ₹ 33,926.77 lakhs (as at 31 March 2016: ₹ 21,463.10 and as at 1 April 2015: ₹ 12,645.61) are hypothecated against working capital facilities from banks, refer note 24 for security details.

## 14. TRADE RECEIVABLES (Unsecured)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
Considered good	239,197.38	241,432.20	143,217.92
Less: Allowance for expected credit losses	953.92	535.68	249.88
<b>Total</b>	<b>238,243.46</b>	<b>240,896.52</b>	<b>142,968.04</b>

## 15. CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
in Current accounts	1,997.83	964.60	400.42
in Cash credit accounts	1,430.45	6,491.94	205.01
in Public issue accounts (refer note below)	-	-	70,000.00
Cheques in hand and money in transit	16,987.96	-	-
Deposit account with original maturity for less than 3 months	-	112.24	-
Cash on hand	7.00	23.79	3.14
<b>Total</b>	<b>20,423.24</b>	<b>7,592.57</b>	<b>70,608.57</b>

### Note:

The bank balance in Public issue accounts represents the Company's share in the money received pursuant to Company's IPO (Refer Note 39) which was held in escrow as at 31 March 2015. The money was released on 8 April 2015 on receiving listing approval from the stock exchanges.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 16. OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Bank deposits with original maturity period of more than 3 months but less than 12 months*#	21,476.41	41,523.90	69.64
Deposit accounts with original maturity for more than 12 months*	2,686.16	1,622.57	751.16
	24,162.57	43,146.47	820.80
Less: Amount disclosed under Note 9 - 'Other financial assets-Non current'	843.09	1,361.89	464.51
<b>Total</b>	<b>23,319.48</b>	<b>41,784.58</b>	<b>356.29</b>

Notes:

\*Other bank balances include margin money deposits kept as security against bank guarantee as under:

a) Deposit account with original maturity for more than 3 months but less than 12 months	1,139.63	897.38	69.64
b) Deposit account with original maturity for more than 12 months	1,496.10	1,622.57	751.16

# 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 (31 March 2016 : ₹ 20411.00 Lakhs and 1 April 2015 : Nil)

## 17. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Authorised capital</b>			
50,00,00,000 equity shares of ₹ 10 each	50,000.00	50,000.00	50,000.00
<b>Issued, subscribed and paid up</b>			
22,19,18,226 equity shares of ₹ 10 each fully paid up	22,191.82	22,191.82	22,191.82
	<b>22,191.82</b>	<b>22,191.82</b>	<b>22,191.82</b>

### (a) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Shares outstanding at the beginning of the year	221,918,226	22,191.82	221,918,226	22,191.82	200,000,000	20,000.00
Add: Shares issued in Initial Public Offer (IPO)	-	-	-	-	21,918,226	2,191.82
Shares outstanding at the end of the year	<b>221,918,226</b>	<b>22,191.82</b>	<b>221,918,226</b>	<b>22,191.82</b>	<b>221,918,226</b>	<b>22,191.82</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## (b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 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.

Pursuant to the Initial Public Offer, 44,383,646 shares held by the holding company, are locked in for a period of three years from the date of allotment of fresh shares in the IPO viz. from 30 March 2015.

## (c) Shares held by holding company

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Gujarat Fluorochemicals Limited	140,000,000	14,000.00	140,000,000	14,000.00	140,000,000	14,000.00

## (d) Details of shares held by each shareholder holding more than 5% shares:

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	140,000,000	63.09%	140,000,000	63.09%	140,000,000	63.09%
Siddho Mal Trading LLP (Formerly known as Siddho Mal Investments Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Siddhapawan Trading LLP (Formerly known as Siddhapawan Trading & Finance Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Devansh Trademart LLP (Formerly known as Devansh Trading & Finance Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%
Inox Chemicals LLP (Formerly known as Inox Chemicals Private Limited)	12,500,000	5.63%	12,500,000	5.63%	12,500,000	5.63%

## (e) During the year ended 31 March 2014, the Company had allotted 160,000,000 fully paid equity shares as bonus shares in the ratio of 4:1 by utilisation of surplus in retained earnings.

## 18. OTHER EQUITY

Particulars	(₹ in Lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Securities premium reserve	64,586.03	64,586.03	64,586.03
Debenture redemption reserve	1,800.00	-	-
Cash flow hedge reserve	(56.03)	-	-
Retained earnings	130,436.80	101,904.61	55,793.39
<b>Total</b>	<b>196,766.80</b>	<b>166,490.64</b>	<b>120,379.42</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 18(i) Securities premium reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	64,586.03	64,586.03
Add: Movement during the year	-	-
<b>Balance at the end of the year</b>	<b>64,586.03</b>	<b>64,586.03</b>

Securities Premium Reserve represents premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## 18(ii) Debenture redemption reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	-	-
Transfer from retained earnings	1,800.00	-
<b>Balance at the end of the year</b>	<b>1,800.00</b>	<b>-</b>

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.

## 18(iii) Cash flow hedge reserve

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	-	-
Other comprehensive income for the year, net of income tax	(56.03)	-
<b>Balance at the end of the year</b>	<b>(56.03)</b>	<b>-</b>

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.

## 18(iv) Retained earnings:

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of year	101,904.61	55,793.39
Profit for the year	30,329.19	46,117.10
Other comprehensive income for the year, net of income tax	3.00	(5.88)
Transfer to Debenture redemption reserve	(1,800.00)	-
<b>Balance at the end of the year</b>	<b>130,436.80</b>	<b>101,904.61</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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, if any. Thus, the amounts reported above are not distributable in entirety.

## 19. NON CURRENT BORROWINGS (at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured loans</b>			
<b>a) Debentures</b>			
Redeemable non convertible debentures	19,500.00	-	-
<b>b) Foreign currency term loans</b>			
From Banks	10,008.23	5,736.14	3,040.85
<b>c) Rupee term loans</b>			
From Banks	3,125.00	1,500.00	7,625.00
From Other parties	188.35	197.37	100.00
<b>Total</b>	<b>32,821.58</b>	<b>7,433.51</b>	<b>10,765.85</b>
Less: Current maturities (Disclosed under Note 20: Other current financial liabilities)	14,198.18	1,839.33	2,933.33
<b>Total</b>	<b>18,623.40</b>	<b>5,594.18</b>	<b>7,832.52</b>

For terms of repayment and securities etc. refer note 50

## 20. OTHER FINANCIAL LIABILITIES (measured at amortised cost)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-Current</b>			
Security deposits	240.00	240.00	240.00
<b>Total</b>	<b>240.00</b>	<b>240.00</b>	<b>240.00</b>
<b>Current</b>			
Current maturities of non-current borrowings (Refer Note 19)	14,198.18	1,839.33	2,933.33
Interest accrued			
Interest accrued but not due on borrowings	88.17	155.86	77.22
Interest accrued and due on borrowings	343.06	22.12	103.44
Creditors for capital expenditure	6,345.22	5,137.64	1,330.06
Consideration payable for business combinations	1,223.00	1,365.65	-



# Notes to the consolidated financial statement

For the year ended 31 March 2017

Derivative financial liabilities (fair value through profit or loss)	1,677.90	722.74	549.21
Other payables	1,280.30	1,082.85	661.85
<b>Total</b>	<b>25,155.83</b>	<b>10,326.19</b>	<b>5,655.11</b>

## 21. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
<b>Provision for employee benefits (Refer Note 38)</b>			
Gratuity	489.90	287.20	165.20
Compensated absences	288.25	208.11	82.48
<b>Total</b>	<b>778.15</b>	<b>495.31</b>	<b>247.68</b>
<b>Current</b>			
<b>Provision for employee benefits (Refer Note 38)</b>			
Gratuity	21.22	8.25	2.93
Compensated absences	209.82	137.90	80.60
<b>Other Provisions</b>			
Disputed service tax liabilities - Refer Note 40	32.19	-	-
Disputed sales tax liabilities (net of payments) - Refer Note 410	30.43	30.43	30.43
Initial Public Offer (IPO) expenses - Refer Note 39	-	-	3,178.54
<b>Total</b>	<b>293.66</b>	<b>176.58</b>	<b>3,292.50</b>

(₹ in Lakhs)

Particulars	Service tax	Sales tax	IPO expenses
Balance at April 1 2015	-	30.43	3,178.54
Addition during the year	-	-	-
Paid during the year	-	-	3,178.54
Reversed during the year	-	-	-
Balance at 31 March 2016	-	30.43	-
Addition during the year	32.19	-	-
Paid during the year	-	-	-
Balance at 31 March 2017	-	-	-
	32.19	30.43	-

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 22. DEFERRED TAX BALANCES

Year ended 31 March 2017

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	(4,416.84)	(4,112.95)	-	-	(8,529.79)
Straight lining of O & M revenue	(3,295.99)	(2,682.17)	-	-	(5,978.16)
Allowance for expected credit loss	184.00	142.10	-	-	326.10
Defined benefit obligations	219.00	129.22	(1.59)	-	346.63
Effects of measuring investments at fair value	(22.75)	(222.31)	-	-	(245.06)
Business loss	3,188.38	24.49	-	-	3,212.87
Other deferred tax liabilities	58.15	(30.11)	29.66	-	57.70
	<b>(4,086.05)</b>	<b>(6,751.73)</b>	<b>28.07</b>	<b>-</b>	<b>(10,809.71)</b>
MAT credit entitlement	4,925.02	4,505.05	-	139.67	9,569.74
<b>Total</b>	<b>838.97</b>	<b>(2,246.68)</b>	<b>28.07</b>	<b>139.67</b>	<b>(1,239.97)</b>

Year ended 31 March 2016

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	(2,120.53)	(2,296.31)	-	-	(4,416.84)
Straight lining of O & M revenue	(2,031.37)	(1,264.62)	-	-	(3,295.99)
Allowance for expected credit loss	86.48	97.52	-	-	184.00
Defined benefit obligations	111.28	104.68	3.04	-	219.00
Effects of measuring investments at fair value	-	(22.75)	-	-	(22.75)
Business loss	2,153.72	1,034.66	-	-	3,188.38
Other deferred tax liabilities	134.53	(76.38)	-	-	58.15
	<b>(1,665.89)</b>	<b>(2,423.20)</b>	<b>3.04</b>	<b>-</b>	<b>(4,086.05)</b>
MAT credit entitlement	6,934.02	-	-	(2,009.00)	4,925.02
<b>Total</b>	<b>5,268.13</b>	<b>(2,423.20)</b>	<b>3.04</b>	<b>(2,009.00)</b>	<b>838.97</b>

The Group has following unused tax losses under the Income-tax Act for which no deferred tax asset has been recognised:

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Nature of tax loss	Financial Year	Gross amount as at 31 March 2017 (₹ in Lakhs)	Expiry date
Business Losses	2015-16	367.01	2023-24
	2016-17	463.63	2024-25
Unabsorbed depreciation	2015-16	2.79	NA
	2016-17	1.23	NA

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.

## 23. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Non-current</b>			
Deferred income arising from government grants	1,884.99	106.44	1,047.42
Income received in advance	7,170.20	3,221.20	1504.50
<b>Total</b>	<b>9,055.18</b>	<b>4,237.46</b>	<b>2,551.92</b>
<b>Current</b>			
Advances received from customers	1,597.11	1,237.69	10,891.58
Income received in advance	1,207.58	517.14	-
Statutory dues and taxes payable	4,849.48	5,038.72	1,298.43
Deferred income arising from government grants	686.12	270.42	266.38
Others	74.60	7,063.97	-
<b>Total</b>	<b>8,414.89</b>	<b>7,063.97</b>	<b>12,456.39</b>

## 24. CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Secured borrowings</b>			
<b>From banks</b>			
Foreign currency loans			
- Foreign currency short term loan	1,429.50	1,500.74	-
- Buyers credit	60,607.79	99,911.64	48,142.12
Rupee loans			
- Working capital demand loans	8,100.00	2,000.00	6,000.00
- Cash credit	32,202.77	5,156.37	12,116.78
- Others	1,680.82	-	-
<b>From Financial Institutions (secured)</b>			

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- Working capital demand loans	-	-	5,000.00
<b>Unsecured borrowings</b>			
From banks			
- Working capital demand loans	1,500.00	-	-
<b>From other parties</b>			
- Commercial papers	28,642.11	29,678.34	4,921.35
<b>Total</b>	<b>134,162.99</b>	<b>138,247.09</b>	<b>76,180.25</b>

For terms of repayment and securities etc, Refer Note.50A.

## 25. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current</b>			
<b>Trade payables</b>			
- Dues to micro and small enterprises	373.12	528.19	-
- Dues to others	96,496.70	118,001.05	71,416.52
<b>Total</b>	<b>96,869.82</b>	<b>118,529.24</b>	<b>71,416.52</b>

The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act):

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Principal amount due to suppliers under MSMED Act at the year end	373.12	528.19
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end.	36.60	18.11
Payment made to suppliers (other than interest) beyond the appointed date during the year	1,058.04	255.93
Interest paid to suppliers under section 16 of MSMED Act during the year	-	-
Interest due and payable to suppliers under MSMED Act for payments already made.	69.02	12.47
Interest accrued and not paid to suppliers under MSMED Act up to the year end	117.65	30.58

Note: 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. CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Current tax liability</b>			
Provision for Income tax (net of payments)	1,665.81	4,218.84	1,941.15
<b>Total</b>	<b>1,665.81</b>	<b>4,218.84</b>	<b>1,941.15</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 27. REVENUE FROM OPERATIONS

	(₹ in Lakhs)	
Particulars	2016-2017	2015-2016
Sale of products	270,712.15	380,424.65
Sale of services	69,951.43	63,881.57
Other operating revenue	836.63	761.20
<b>Total</b>	<b>341,500.21</b>	<b>445,067.42</b>

## 28. OTHER INCOME

	(₹ in Lakhs)	
Particulars	2016-2017	2015-2016
<b>a) Interest Income</b>		
<b>Interest income calculated using the effective interest method:</b>		
On fixed deposits with banks	2,240.25	3,122.93
On Inter-corporate deposits	2,473.15	1,929.84
On long term investment	0.02	0.02
<b>Other interest income</b>		
On Income tax refund	0.02	35.03
On others	6.03	8.93
	<b>4,719.47</b>	<b>5,096.75</b>
<b>b) Dividend received on investments carried at FVTPL</b>	150.13	34.67
<b>c) Gain on investments carried at FVTPL</b>	1,072.26	695.79
<b>d) Other gains and (losses)</b>		
Net gain on foreign currency transactions and translation	1,525.50	(2,421.59)
Net gains on derivatives	352.57	286.61
	<b>1,878.07</b>	<b>(2,134.98)</b>
<b>e) Other non operating income</b>		
Government grants - deferred income	326.23	270.43
Insurance claims	263.71	886.81
	<b>589.94</b>	<b>1,157.24</b>
<b>Total</b>	<b>8,409.87</b>	<b>4,849.47</b>

## 29. COST OF MATERIALS CONSUMED

	(₹ in Lakhs)	
Particulars	2016-2017	2015-2016
Raw materials consumed	191,966.55	271,568.86
	<b>191,966.55</b>	<b>271,568.86</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 30. EPC, O&M, COMMON INFRASTRUCTURE FACILITY AND SITE DEVELOPMENT EXPENSES

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Construction material consumed	15,054.52	19,307.48
Equipments & machinery hire charges	9,655.58	10,776.78
Subcontractor cost	14,956.20	12,302.46
Cost of lands	1,574.32	4,277.95
O&M repairs	1,431.52	822.01
Legal & professional fees & expenses	912.02	898.89
Stores and spares consumed	224.51	754.14
Rates & taxes and regulatory fees	458.88	445.63
Rent	307.02	228.53
Labour charges	55.66	56.88
Insurance	717.08	437.24
Security charges	1,286.27	1,137.26
Travelling & conveyance	1,806.49	1,608.36
Miscellaneous expenses	294.62	948.79
<b>Total</b>	<b>48,734.69</b>	<b>54,002.40</b>

## 31. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
<b>Opening stock</b>		
Finished goods	2,153.59	850.77
Work-in-progress	2,429.95	2,897.81
Project development, erection and commissioning work	23,980.60	24,519.50
Common infrastructure facilities	382.40	1,586.01
	<b>28,946.54</b>	<b>29,854.09</b>
On acquisition through business combinations	740.17	1,945.33
<b>Less : Closing stock</b>		
Finished goods	4,438.29	2,153.59
Work-in-progress	4,657.98	2,429.95
Project development, erection and commissioning work	23,203.16	23,980.60
Common infrastructure facilities	382.40	382.40
	<b>32,681.83</b>	<b>28,946.54</b>
<b>(Increase) / decrease in stock</b>	<b>(2,995.12)</b>	<b>2,852.88</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 32. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Salaries and wages	10,412.95	8,165.04
Contribution to provident and other funds	363.97	270.19
Gratuity	233.87	124.22
Staff welfare expenses	725.71	629.11
<b>Total</b>	<b>11,736.50</b>	<b>9,188.56</b>

## 33. FINANCE COSTS

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
<b>a) Interest on financial liabilities carried at amortised cost</b>		
Interest on borrowings	10,552.53	5,079.26
Net foreign exchange loss on borrowings (considered as finance cost)	2,647.90	3,038.08
<b>b) Other interest cost</b>		
Interest on income tax	632.63	517.97
<b>c) Other borrowing costs</b>		
	<b>15,714.75</b>	<b>10,625.37</b>
Less: Interest capitalized	202.94	847.51
<b>Total</b>	<b>15,511.81</b>	<b>9,777.86</b>

The capitalisation rate of funds borrowed is 12% p.a. (previous year in the range of 10.50% to 12% p.a.)

## 34. DEPRECIATION & AMORTISATION EXPENSE

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Depreciation of property, plant and equipment	3,856.99	3,107.55
Amortisation of intangible assets	517.53	395.44
<b>Total</b>	<b>4,374.52</b>	<b>3,502.99</b>

## 35. OTHER EXPENSES

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
Stores and spares consumed	640.31	567.89
Power and fuel	726.98	622.15
Freight outward	9,037.87	12,219.04
Insurance	524.04	560.14
Repairs to:		
- Buildings	48.91	33.31
- Plant and equipment	77.73	88.06

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
- Others	124.21	89.77
Directors' sitting fees	21.60	14.20
Commission to non-executive director	-	12.00
Rent	269.06	248.84
Rates and taxes	25.98	183.72
Sales tax, VAT, Service tax etc.	1,033.61	550.88
Travelling and conveyance	1,212.09	1,067.51
Legal and professional fees and expenses	555.07	1,266.53
Allowance for doubtful debts and expected credit losses	418.24	285.80
Sales commission	520.82	375.54
Royalty	1,558.85	1,084.49
Jobwork charges & labour charges	15,605.28	12,840.72
Testing charges	410.58	154.70
Crane and equipment hire charges	579.66	337.49
Bad debts & remissions	666.02	352.50
Liquidated damages (net of recovery of ₹ 1500.00 Lakhs (previous year Nil))	1,805.34	-
Corporate Social Responsibility (CSR) expenditure	166.25	265.00
Loss on sale / disposal of property, plant and equipment	37.69	-
Miscellaneous expenses	1,834.32	2,221.58
<b>Total</b>	<b>37,900.51</b>	<b>35,441.86</b>

## 36. EARNINGS PER SHARE

(₹ in Lakhs)		
Particulars	2016-2017	2015-2016
Profit for the year (₹ in Lakhs)	30,329.19	46,117.10
Equity shares outstanding at the beginning and at the end of the year- (Nos.)	22,19,18,226	22,19,18,226
Nominal value of each share (in ₹)	10.00	10.00
Basic and Diluted earnings per share (₹)	13.67	20.78

## 37. FINANCIAL INSTRUMENTS:

### (i) Capital management

The Group manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 19 and 24 offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements. However, under the terms of the major borrowings group is required to keep the gearing ratio of debt to EBITDA must not be more than 350%. The Group has complied with these covenants throughout the period. As at 31 March 2017, the ratio of debt to EBITDA is 268% (31 March 2016 was 186%).



# Notes to the consolidated financial statement

For the year ended 31 March 2017

The Company's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Non-current borrowings	18,623.40	5,594.18	7,832.52
Current maturities of non-current borrowings	14,198.18	1,839.33	2,933.33
Current borrowings	134,162.99	138,247.09	76,180.25
Interest accrued but not due on borrowings	88.17	155.86	77.22
Interest accrued and due on borrowings	343.06	22.12	103.44
<b>Total debt</b>	<b>167,415.80</b>	<b>145,858.58</b>	<b>87,126.76</b>
Less: Cash and bank balances	22,346.08	27,808.09	608.57
<b>Net debt</b>	<b>145,069.72</b>	<b>118,050.49</b>	<b>86,518.19</b>
Equity	218,958.61	188,682.46	142,571.24
<b>Net debt to equity ratio</b>	<b>66.25%</b>	<b>62.57%</b>	<b>60.68%</b>

## (ii) Categories of financial instruments

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>(a) Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
<b>Mandatorily measured as at FVTPL</b>			
- Investments in debentures	5,324.50	-	-
- Investments in mutual funds	20,007.77	6,287.39	-
- Other current derivative financial assets	-	395.22	-
<b>Measured at amortised cost</b>			
(a) Cash and bank balances	43,742.72	49,377.15	70,964.86
(b) Trade receivables	238,243.46	240,896.52	142,968.04
(c) Non-current loans	1,590.46	1,178.06	1,192.60
(d) Current loans	8,679.33	30,671.49	16,782.54
(e) Other non-current financial assets	17,532.80	10,615.75	5,338.71
(f) Other current financial assets	1,272.59	1,284.87	3,170.48
(g) Non-current investments	0.28	0.26	0.24
<b>(b) Financial liabilities</b>			

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Measured at fair value through profit or loss (FVTPL)</b>			
Derivative instruments in designated hedge accounting relationship	1,592.21	722.74	549.21
<b>Measured at amortised cost</b>			
(a) Non-current Borrowings	18,623.40	5,594.18	7,832.52
(b) Current Borrowings	134,162.99	138,247.09	76,180.25
(c) Trade payables	96,869.82	118,529.24	71,416.52
(d) Other financial liabilities	23,717.93	9,843.45	5,345.90
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>			
Derivative instruments designated as Cash flow hedge in Hedge Accounting	85.69	-	-

The carrying amount reflected above represents the entity's maximum exposure to credit risk for such financial assets.

### (iii) Financial risk management objectives

The Group'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 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 these 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 by the Company on a continuous basis. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

### (iv) 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 other payables in foreign currency.

### (v) Foreign Currency risk management

The Company is subject to the risk that changes in foreign currency values mainly impact the Company's cost of imports of materials/capital goods, royalty expenses 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 Company with no material residual risk.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

The carrying amount of unhedged Foreign Currency (FC) denominated monetary liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>Liabilities</b>			
Short Term in FC Borrowings	11,888.74	27,758.10	20,715.96
Trade Payable	6,156.44	22,654.21	18,339.14
USD Total	<b>18,045.18</b>	<b>50,412.31</b>	<b>39,055.10</b>
Short Term in FC Borrowings	4,696.66	8,948.42	9,183.16
Trade Payable	1,388.13	4,872.90	8,298.62
EURO Total	<b>6,084.79</b>	<b>13,821.32</b>	<b>17,481.78</b>
Trade Payable	2,512.17	1,036.96	123.29
Others Total	2,512.17	1,036.96	123.29

There are no foreign currency monetary assets during the year.

(v) (a) **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)

USD impact (net of tax)			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Impact on profit or loss for the year	1,180.01	3,271.10	2,561.13
Impact on total equity as at the end of the reporting period	1,180.01	3,271.10	2,561.13

(₹ in Lakhs)

EURO impact (net of tax)			
Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Impact on profit or loss for the year	397.90	920.43	1,116.05
Impact on total equity as at the end of the reporting period	397.90	920.43	1,116.05

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## (vi) 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 (Amount in Lakhs)				Nominal amounts (₹ in Lakhs)				Fair value assets/ (liabilities) ₹ in Lakhs			
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015
Fair value hedges														
Principal only swaps (POS) contracts (Financial Assets)	64.84	66.33	62.59		86.47	-	-	5,736.14	-	-	395.22	-	-	-
Principal only swaps (POS) contracts (Financial Liability)	64.84	66.33	62.59	154.36		48.58	10,008.23	-	3,040.85	(467.65)	-	(1.62)	-	(1.62)
<b>Forward contracts</b>														
USD	64.84	66.33	62.59	433.86	699.04	212.02	28,131.08	46,367.19	13,270.21	(843.32)	(826.91)	(48.21)	(826.91)	(48.21)
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)	104.17	(499.38)
CNY	-	-	-	-	-	-	-	-	-	(12.76)	-	-	-	-

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## (vii) Interest rate risk management

### The Group

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 Group'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 and rupee loans the Company does not have any borrowings at variable rate of interest.

### 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, 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 31 March 2017 would decrease/increase by INR 19.49 Lakhs (net of tax) (for the year ended 31 March 2016 decrease/increase by INR Nil). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

## (viii) 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:

Particulars	Average contracted fixed interest rate			Notional principal amount (₹ in Lakhs)			Fair value assets (liabilities) (₹ in Lakhs)		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash flows hedges									
RBL Bank	10.50%			5,958.00	-	-	(85.69)	-	-
<b>1 to 5 year</b>				5,958.00	-	-	(85.69)	-	-
<b>Balance in the cash flow hedge reserve (net of tax)</b>							(56.03)	-	-

The interest rate swaps settle on quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of India.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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 entity'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 include the above hedging instruments are "Other financial assets" and "Other financial liabilities".

## (ix) 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 does not have investment in equity instruments. Equity investments in subsidiaries are held for strategic rather than trading purposes. The Group does not actively trade these investments. The Group's investment in mutual funds are in debt funds. Hence the Group's exposure to equity price risk is minimal.

## (x) 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, other balances with banks, loans and other receivables.

### a) Trade receivables

Credit risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. The Group supplies wind turbine equipments to customers which are installed and commissioned generally by a group company and it involves various activities such as civil work, electrical & mechanical work and commissioning activities. The payment terms with customers are fixed as per industry norms. The above activities lead to certain amounts becoming due for payment on completion of related activities and commissioning. The Group considers such amounts as due only on completion of related milestones. However, the group has also long term operation and maintenance contract with such customers. Accordingly, risk of recovery of such amounts is mitigated. Customers who represents more than 5% of the total balance of Trade Receivable as at 31 March 2017 is ₹ 77,494.77 lakhs (as at 31 March 2016 of ₹ 122,953.39 lakhs and as at 1 April 2015 of ₹ 96,394.47 lakhs) are due from 6 major customers who are reputed parties. All trade receivables are reviewed and assessed for default on a quarterly basis.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit losses (%)
0-180 days	NIL
181-365 days	0.50%
Above 365 days	1.50%

Age of receivables

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
0-180 days	151,788.36	189,012.69	120,642.85
181-365 days	35,891.55	25,045.10	8,874.54
Above 365 days	51,517.48	27,374.42	13,700.53

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## Movement in the expected credit loss allowance :

(₹ in Lakhs)

Particulars	As at 31 March 2017	As at 31 March 2016
Balance at beginning of the year	535.68	249.88
Movement in expected credit loss allowance	418.24	285.80
Balance at end of the year	953.92	535.68

### 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 entity 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 debt 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.

## (xi) 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.

### Liquidity risk table

The following table 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.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
<b>As at 31 March 2017</b>				
Borrowings	148,792.40	18,623.40	-	167,415.80
Trade payables	96,869.82	-	-	96,869.82
Other financial liabilities	8,848.52	-	240.00	9,088.52
Derivative financial liabilities	1,677.90			1,677.90
	256,188.64	18,623.40	240.00	275,052.04
<b>As at 31 March 2016</b>				
Borrowings	140,264.40	5,594.18	-	145,858.58
Trade payables	118,529.24	-	-	118,529.24
Other financial liabilities	7,586.14	-	240.00	7,826.14
Derivative financial liabilities	722.74			722.74
	267,102.52	5,594.18	240.00	272,936.70
<b>As at 1 April 2015</b>				
Borrowings	79,294.24	7,832.52	-	87,126.76
Trade payables	71,416.52	-	-	71,416.52
Other financial liabilities	1,991.91	-	240.00	2,231.91
Derivative financial liabilities	549.21			549.21
	152,702.67	7,832.52	240.00	161,324.40

'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

**b) Derivative Financial Instruments :**

The following table 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.

Particulars	Less than 1 year	1 to 5 year	5 years and above	Total
<b>As at 31 March 2017</b>				
Gross settled:				
– currency swaps	3,501.33	6,456.67	-	9,958.00
– interest rate swaps	158.80	112.54	-	271.34
– Foreign exchange forward contract	(1,210.25)	-	-	(1,210.25)
	2,449.88	6,569.21	-	9,019.09



# Notes to the consolidated financial statement

For the year ended 31 March 2017

<b>As at 31 March 2016</b>				
Gross settled:				
– currency swaps	1,333.33	4,000.00	-	5,333.33
– interest rate swaps	-	-	-	-
– Foreign exchange forward contract	(722.74)			(722.74)
	610.59	4,000.00	-	4,610.59
<b>As at 1 April 2015</b>				
Gross settled:				
– currency swaps	666.67	5,333.33	-	6,000.00
– interest rate swaps	-	-	-	-
– Foreign exchange forward contract	(547.59)	-	-	(547.59)
	119.08	5,333.33	-	5,452.41

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.

(₹ in Lakhs)							
Financial assets/ (Financial liabilities)	Fair Value as at			Fair Value Hierarchy	Valuation Technique(s) & key inputs used	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	31 March 2017	31 March 2016	1 April 2015				
(a) Investment in Mutual funds	Debt based mutual funds managed by various fund houses - aggregate fair value of ₹ 20007.77 Lakhs	Debt based mutual funds managed by various fund houses - aggregate fair value of ₹ 6287.39 Lakhs	-	Level 1	Quoted prices in an active market	NA	NA
(b) Forward foreign currency contracts (Refer note 20)	Liability - ₹ 1210.25 Lakhs	Assets - ₹ 104.17 Lakhs and Liabilities - ₹ 826.91 Lakhs	Liability - ₹ 547.59 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

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(c) Principal only swaps designated in hedge accounting relationships (Refer note 10 and 20)	Liability - ₹ 467.65 Lakhs	Asset - ₹ 395.22 Lakhs	Liability - ₹ 1.62 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
(d) Interest rate swaps designated in hedge accounting relationships (Refer note 18 and 20)"	Liability - ₹ 85.69 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

## (xiii) 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.

## 38. EMPLOYEE BENEFITS

### (a) Defined Contribution Plans

The Group contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident fund of ₹ 362.01 Lakhs (31 March 2016: ₹ 224.55 Lakhs) is recognized as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss .

### (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 service 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 31 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."

Movement in the present value of the defined benefit obligation are as follows :	Gratuity	
	31 March 2017	31 March 2016
Opening defined benefit obligation	295.45	168.13
Interest cost	21.65	12.84
Current service cost	212.02	115.82
Benefits paid	(13.41)	(5.82)
Actuarial (gain) / loss on obligations	(4.59)	4.48
<b>Present value of obligation as at the year end</b>	<b>511.12</b>	<b>295.45</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## Components of amounts recognised in profit or loss and other comprehensive income are as under:

Gratuity	31 March 2017	31 March 2016
Current service cost	210.64	109.29
Past service cost (gain)/loss from settlements	1.58	2.09
Interest cost	21.65	12.84
<b>Amount recognised in profit or loss</b>	<b>233.87</b>	<b>124.22</b>
Actuarial (gain)/loss		
a) arising from changes in financial assumptions	48.69	15.95
b) arising from experience adjustments	(53.28)	(7.03)
<b>Amount recognised in other comprehensive income</b>	<b>(4.59)</b>	<b>8.92</b>
<b>Total</b>	<b>229.28</b>	<b>133.14</b>

The principal assumptions used for the purposes of the actuarial valuations are as follows:

(₹ in Lakhs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Discount rate	6.69%	7.46%	7.77%
Expected rate of salary increase	8.00%	8.00%	8.00%
Employee attrition rate	5.00%	5.00%	5.00%
Mortality	IALM(2006-08)Ultimate Mortality Table		

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Group to actuarial risks such as interest rate risk and salary risk.

- Interest risk: a decrease in the bond interest rate will increase the plan liability.
- 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.

## 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	
	2016-2017	2015-2016
Impact on present value of defined benefit obligation:		
If discount rate is increased by 1%	(61.85)	(33.25)
If discount rate is decreased by 1%	75.60	43.85
If salary escalation rate is increased by 1%	72.21	42.23
If salary escalation rate is decreased by 1%	(60.38)	(32.60)

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

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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 recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Expected outflow in future years (as provided in actuarial report)

(₹ in Lakhs)

Particulars	Gratuity	
	2016-2017	2015-2016
Expected outflow in 1 <sup>st</sup> Year	21.22	8.25
Expected outflow in 2 <sup>nd</sup> Year	21.53	17.94
Expected outflow in 3 <sup>rd</sup> Year	14.70	12.17
Expected outflow in 4 <sup>th</sup> Year	17.11	10.19
Expected outflow in 5 <sup>th</sup> Year	18.28	9.31
Expected outflow in 6 <sup>th</sup> to 10 <sup>th</sup> Year	592.87	381.44

The average duration of the defined benefit plan obligation at the end of the reporting period is in the range of 14.04 to 14.71 years.

## C. Other short term and long term employment benefits:

### Annual leave & Short term leave

The liability towards compensated absences (annual and short term leave) for the year ended 31 March 2017 based on actuarial valuation carried out by using Projected accrued benefit method resulted in increase in liability by ₹152.06 lakhs (31 March 2016: ₹ 182.93 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 of compensated absences are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Discount rate	6.69%	7.46%	7.77%
Expected rate of salary increase	8.00%	8.00%	8.00%
Employee attrition rate	5.00%	5.00%	5.00%
Mortality rate	IALM(2006-08)Ultimate Mortality Table		

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 39: INITIAL PUBLIC OFFER

The Company had made an Initial Public Offer (IPO) during the year ended 31 March 2015, for 31,918,226 equity shares of ₹ 10 each, comprising of 21,918,226 fresh issue of equity shares by the Company and 10,000,000 equity shares offered for sale by Gujrat Fluorochemicals Limited (GFL), the Company's holding company. The equity shares were issued at a price of ₹ 325 per share (including premium of ₹ 315 per share), subject to a discount of ₹ 15 per share for eligible employees of the Company and retail investors. Out of the total proceeds from the IPO of ₹ 102,053 lakhs, the Company's share was ₹ 70,000 lakhs from the fresh issue of 21,918,226 equity shares. The total expenses in connection with the IPO are shared between the Company and GFL in proportion of the amount received from the IPO proceeds. Accordingly amount of ₹ 3,222.15 lakhs, being share of the Company in the IPO expenses, is adjusted against the securities premium account. Fresh equity shares were allotted by the Company on 30 March 2015 and the shares of the Company were listed on the stock exchanges on 9 April 2015.

Details of utilization of IPO Proceeds are as follows:

				(₹ in Lakhs)
Sr. No.	Objects of the issue as per the prospectus	Total amount to be spent	Total spent/ utilisation upto 31 March 2017	Amount pending utilization
1	Expansion and up-gradation of existing manufacturing facilities	14,748.00	4,255.00	10,493.00
2	Long term working capital requirements	29,000.00	29,000.00	-
3	Investment in wholly owned subsidiary, IWISL for the purpose of development of Power evacuation infrastructure and other infrastructure development	13,153.70	7,001.00	6,152.70
4	Issue related expenses	3,732.70	3,223.00	509.70
5	General Corporate Purposes	9,365.60	9,365.60	-
<b>Total</b>		<b>70,000.00</b>	<b>52,844.60</b>	<b>17,155.40</b>

Unspent amount is kept in fixed deposits of ₹ 17,604.00 Lakhs with banks.

## 40: CONTINGENT LIABILITIES

- (a) Claims against the Group not acknowledged as debts: claims made by contractors - ₹ 3,828.16 lakhs (as at 31 March 2016: ₹ 667.88 lakhs, as at 1 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. The Company 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.
- (c) In respect of VAT matters - ₹ 59.09 lakhs (31 March 2016: ₹ 59.09 lakhs, 1 April 2015: ₹ 59.09 lakhs)  
The Company had received orders for the financial years ended 31 March 2013 and 31 March 2014, in respect of Himachal Pradesh VAT, levying penalty of ₹ 112.87 lakhs for delayed payment of VAT. The Company had filed appeals before the first appellate authority. During the year ended 31 March 2015, the company had received appellate order for the year ended 31 March 2014 confirming the levy of penalty and the Company

# Notes to the consolidated financial statement

For the year ended 31 March 2017

has filed further appeal against the said order. However, the Company 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 31 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 21.

- (d) In respect of Service tax matter- ₹ 1401.63 lakhs (31 March 2016: Nil, 1 April 2015: Nil)  
The Company has received orders for the period September 2011 to March 2016, in respect of Service Tax, levying demand of ₹ 1401.63 lakhs on account of disallowance of exemption of Research & Development cess from payment of service tax. The Company has filed appeals before the first appellate authority. The Company 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 and carried forward as "Disputed service tax liabilities" in note 21.
- (e) In respect of Income tax matter - ₹ 95.02 lakhs (31 March 2016: Nil, 1 April 2015: Nil)  
During the year, the Company has received income tax order for financial year 2012-13, levying demand of ₹ 95.02 Lakh on account of mismatch of Tax deducted at source (TDS). The Company has filed appeals before the first appellate authority.

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.

## 41: COMMITMENTS

- a) Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 12,027.44 Lakhs, (31 March 2016: ₹ 17,268.17 Lakhs, 1 April 2015: ₹ 14,965.91 Lakhs).
- b) Amount of customs duty exemption availed by the Company under EPCG Scheme for which export obligations are required to be fulfilled within stipulated period – ₹ 2,983.84 Lakh (31 March 2016 ₹ 1,997.83 Lakhs, 1 April 2015: 1,997.83 Lakhs).

## 42: OPERATING LEASE ARRANGEMENTS

- a) Leasing arrangements in respect of operating lease for office premises / residential premises:  
The Group's significant lease agreements are for a period of 11/60 months and are cancellable. The aggregate lease rentals are charged as "Rent" in the Consolidated Statement of Profit and Loss.
- b) Interest in land taken on lease and classified as operating lease:  
The period of lease in respect of leasehold land generally ranges from 30 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 the consolidated statement of Profit and Loss and the balance remaining amount to be amortised is included in the Consolidated Balance Sheet as Prepayments Leasehold land.

## 43: SEGMENT INFORMATION

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and segment performance focuses on single business segment of manufacturing and sale of Wind Turbine Generators (WTG's) including Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for WTGs, and wind farm development services and hence there is only one reportable business segment in terms of Ind AS 108: Operating Segment.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## Revenue from Major products and services

(₹ in Lakhs)

Particulars	2016-2017	2015-2016
<b>(a) Sale of products</b>		
Wind turbine generators and components	270,712.15	380,424.65
<b>(b) Sale of services</b>		
Erection, procurement & commissioning services	57,693.81	54,889.41
Operation & maintenance services	10,640.75	5,955.75
Common infrastructure facility services	1,082.53	1,439.36
Wind farm development services	534.35	1,597.05
<b>(c) Other operating revenue</b>	836.62	761.20
<b>Total</b>	<b>341,500.21</b>	<b>445,067.42</b>

Of the above total revenue, three customers contributed more than 10% of the total Group's revenue amounting to ₹ 111,371.94 lakhs (31 March 2016: two customers amounting to ₹ 110,195.74 lakhs).

## 44. DETAILS OF TRANSACTIONS IN SPECIFIED BANK NOTES (SBNS)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	10.44	29.09	39.53
(+) Permitted receipts	-	23.86	23.86
(-) Permitted payments	-	40.02	40.02
(-) Amount deposited in banks	10.44	0.67	11.11
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>12.26</b>	<b>12.26</b>

**45:** Amount of expenditure capitalized represents cost of one prototype WTG manufactured and capitalized as fixed assets.

## 46: CORPORATE SOCIAL RESPONSIBILITIES (CSR)

(a) The gross amount required to be spent by the Group during the year towards Corporate Social Responsibility (CSR) is ₹832.02 Lakhs (31 March 2016 ₹ 487.63 Lakhs).

(b) Amount spent during the year ended 31 March 2017:

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 purpose other than (i) above - Donations	166.25	Nil	166.25
	(265.00)	(Nil)	(265.00)

(Figures in brackets pertain to 31 March 2016)

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 47: NOTE ON PRIOR PERIOD

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 1 April 2015 with corresponding effect in the carrying amount of other current assets.

The effect of above on the basic & diluted EPS is ₹ 0.01 per share of ₹ 10 each.

The Group has restated the financial statements for the year 2015-16 to give effect to the following prior period items:"

Nature of prior period items	Amount (₹ in Lakhs)	Line items affected	
		Balance Sheet	Statement of Profit and Loss
Contribution to IWTMA	40.00	Increase in trade payables	Increase in Miscellaneous expenses
EPCG grant written off on non-fulfilment of export obligation	121.82	Decrease in deferred income arising from government grant	Increase in Miscellaneous expenses
Interest on EPCG grant	174.54	Increase in trade payables	Increase in other borrowing cost
Interest on Vehicle loan	7.88	Increase in trade payables	Increase in other borrowing cost
Sales commission	218.40	Decrease in prepayment others	Increase in Sales commission
Settlement of claims of suppliers	372.74	Decrease in advance to suppliers	Increase in Miscellaneous expenses
Legal & professional fees	246.93	Increase in trade payables	EPC & project development
Project development expenses	358.55	Increase in trade payables	EPC & project development
	1,540.86		

The effect of above on the basic & diluted EPS is ₹ 0.69 per share of ₹ 10 each.

## 48. INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

Particulars	(₹ in Lakhs)	
	2016-2017	2015-2016
<b>Current tax</b>		
In respect of the current year	10,104.75	16,400.00
Minimum Alternate Tax (MAT) credit	(4,505.05)	-
	<b>5,599.70</b>	<b>16,400.00</b>
<b>Deferred tax</b>		
In respect of the current year	6,751.73	2,423.20
	<b>6,751.73</b>	<b>2,423.20</b>
<b>Total income tax expense recognised in the current year</b>	<b>12,351.43</b>	<b>18,823.20</b>



# Notes to the consolidated financial statement

For the year ended 31 March 2017

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	42,680.62	64,940.30
Income tax expense calculated at 34.608% (2015-2016: 34.608%)	14,770.91	22,474.54
Tax incentives	(3,134.76)	(4,774.08)
Effect of expenses that are not deductible in determining taxable profits	302.79	869.15
Deferred tax on losses of subsidiaries not recognised	143.64	114.27
Others	268.85	139.32
<b>Income tax expense recognised in Statement of Profit and Loss</b>	<b>12,351.43</b>	<b>18,823.20</b>

The tax rate used for the years ended 31 March 2017 and 31 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 statement

For the year ended 31 March 2017

## 49. RELATED PARTY DISCLOSURES:

### i. Where control exists

Gujarat Fluorochemicals Limited (GFL) - holding company  
Inox Leasing & Finance Limited - ultimate holding company

### ii. Other Related parties with whom there are transactions during the year

#### Key Management Personnel (KMP)

Mr. Devansh Jain – whole-time director	Mr. Manoj Dixit - whole-time director in Inox Wind Infrastructure Services Limited
Mr. Rajeev Gupta – whole-time director	Mr. Vineet Davis - whole-time director in Inox Wind Infrastructure Services Limited
Mr. Kailash Lal Tarachandani-Chief Executive Officer	Mr.V.K Soni- Non executive director in Inox Wind Infrastructure Services Limited - upto 17 May 2015
Dr. S Rama Iyer - Non Executive Director - upto 31 March 2016	Mr. Mukesh Manglik - Non Executive Director in Inox Wind Infrastructure Services Limited
Ms. Bindu Saxena - Non Executive Director	Mr. Bhupesh Juneja - Non Executive Director in Marut Shakti Energy India Limited
Mr.Chandra Prakash Jain - Non Executive Director	Mr. Mukesh Patni - Non Executive Director in Marut Shakti Energy India Limited
Mr.Deepak Asher - Non Executive Director	
Mr.Shanti Prasad Jain - Non Executive Director	
Mr.Siddharth Jain - Non Executive Director	
Mr.V.Sankaranarayanan - Non Executive Director - w.e.f. 2 September 2016	

#### Fellow Subsidiaries

Inox Renewables Limited (IRL) - Subsidiary of GFL  
Inox Renewables (Jaisalmer) Limited - Subsidiary of IRL  
Inox Leisure Limited (ILL) - Subsidiary of GFL

#### Enterprises over which KMP or their relatives have significant influence

Inox FMCG Private Limited

# Notes to the consolidated financial statement

For the year ended 31 March 2017

The following table summarizes related-party transactions and balances included in the Consolidated financial statements:

Particulars	(₹ in Lakhs)									
	Holding Company		Key Management Personnel		Fellow subsidiaries		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
<b>A) Transactions during the year</b>										
<b>Sales (net of sales return/cancellation and discounts)</b>										
Gujarat Fluorochemicals Limited	802.96	592.13							802.96	592.13
Inox Renewables Limited					3,656.07	19,861.21			3,656.07	19,861.21
Inox Renewables (Jaisalmer) Limited					504.00	497.48			504.00	497.48
<b>Total</b>	<b>802.96</b>	<b>592.13</b>	<b>-</b>	<b>-</b>	<b>4,160.07</b>	<b>20,358.69</b>	<b>-</b>	<b>-</b>	<b>4,963.03</b>	<b>20,950.82</b>
<b>Sales return</b>										
Inox Renewables Limited					1,927.00	7,249.00			1,927.00	7,249.00
<b>Purchase of goods and services</b>										
Gujarat Fluorochemicals Limited	-	4.44							-	4.44
Inox Renewables Limited					564.12	191.69			564.12	191.69
<b>Total</b>	<b>-</b>	<b>4.44</b>	<b>-</b>	<b>-</b>	<b>564.12</b>	<b>191.69</b>	<b>-</b>	<b>-</b>	<b>564.12</b>	<b>196.13</b>
<b>Interest received</b>										
Inox Renewables Limited					2,371.15	1,842.35			2,371.15	1,842.35
<b>Acquisition of development rights in wind power project</b>										
Inox Renewables Limited					1,544.45	-			1,544.45	-
<b>Rent Paid</b>										
Gujarat Fluorochemicals Limited	76.41	79.28							76.41	79.28
<b>Reimbursement of expenses paid/payment made on behalf of the Group</b>										
Gujarat Fluorochemicals Limited	45.58	-							45.58	-
Inox Renewables Limited					50.95	173.41			50.95	173.41
Inox Renewables (Jaisalmer) Limited					2.83	18.57			2.83	18.57
<b>Total</b>	<b>45.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>53.78</b>	<b>191.98</b>	<b>-</b>	<b>-</b>	<b>99.36</b>	<b>191.98</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Particulars	Holding Company		Key Management Personnel		Fellow subsidiaries		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
<b>A) Transactions during the year</b>										
<b>Reimbursement of expenses received/ payment made on behalf by the Group</b>										
Inox Renewables Limited					166.19	811.15			166.19	811.15
Inox Renewables (Jaisalmer) Limited					7.56	182.40			7.56	182.40
<b>Total</b>	-	-	-	-	<b>173.75</b>	<b>993.55</b>	-	-	<b>173.75</b>	<b>993.55</b>
<b>Inter corporate deposits given</b>										
Inox Renewables Limited					23,947.17	33,270.21			23,947.17	33,270.21
<b>Inter corporate deposits received back</b>										
Inox Renewables Limited					45,210.00	21,443.00			45,210.00	21,443.00
<b>Advance given</b>										
Inox FMCG Pvt. Ltd.							274.15	-	274.15	-
<b>Advance received back</b>										
Inox FMCG Pvt. Ltd.							274.15	-	274.15	-
<b>Managerial Remuneration, Commission and sitting fees</b>										
Mr. Devansh Jain			120.64	120.64					120.64	120.64
Mr. Rajeev Gupta			126.15	67.98					126.15	67.98
Mr. Manoj Dixit			24.71	21.78					24.71	21.78
Mr. Vineet Davis			40.79	36.27					40.79	36.27
Mr. Kailash Lal Tarachandani			252.39	151.40					252.39	151.40
Others			21.60	26.20					21.60	26.20
<b>Total</b>	-	-	<b>586.28</b>	<b>424.27</b>	-	-	-	-	<b>586.28</b>	<b>424.27</b>

(₹ in Lakhs)

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Particulars	Holding company			Key Management Personnel			Fellow subsidiaries			Total		
	2016-2017	2015-2016	2014-2015	2016-2017	2015-2016	2014-2015	2016-2017	2015-2016	2014-2015	2016-2017	2015-2016	2014-2015
<b>A) Balance as at the end of the year</b>												
<b>a) Amounts payable</b>												
<b>Trade and other payables</b>												
Gujarat Fluorochemicals Limited	-	-	88.27				676.89	191.59	430.06	676.89	191.59	430.06
Inox Renewables Limited							-	-	43.02	-	-	43.02
Inox Leisure Limited												
Mr. Devansh Jain				71.72	71.72	72.03				71.72	71.72	72.03
Mr. Rajeev Gupta				6.22	5.56	5.27				6.22	5.56	5.27
Mr. Vineet Davis				3.40	3.40	2.58				3.40	3.40	2.58
Mr. Manoj Dixit				2.11	2.11	1.27				2.11	2.11	1.27
Mr. Kailash Lal Tarachandani				10.19	9.08	8.15				10.19	9.08	8.15
<b>Total</b>	<b>-</b>	<b>-</b>	<b>88.27</b>	<b>93.64</b>	<b>91.87</b>	<b>89.30</b>	<b>676.89</b>	<b>191.59</b>	<b>473.08</b>	<b>770.53</b>	<b>283.46</b>	<b>650.65</b>
<b>b) Amount receivable</b>												
<b>Trade receivable</b>												
Gujarat Fluorochemicals Limited	21.48	35.57	244.80							21.48	35.57	244.80
Inox Renewables Limited							1,878.74	727.39	2,888.17	1,878.74	727.39	2,888.17
Inox Renewables (Jaisalmer) Limited							-	152.52	-	-	152.52	-
<b>Total</b>	<b>21.48</b>	<b>35.57</b>	<b>244.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,878.74</b>	<b>879.91</b>	<b>2,888.17</b>	<b>1,900.22</b>	<b>915.48</b>	<b>3,132.97</b>
<b>Other dues receivables</b>												
Gujarat Fluorochemicals Limited	-	-	8.58							-	-	8.58
Inox Renewables Limited								-	118.61	-	-	118.61
Inox Renewables (Jaisalmer) Limited								8.14	6.04	-	8.14	6.04
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.14</b>	<b>124.65</b>	<b>-</b>	<b>8.14</b>	<b>133.23</b>
<b>Initial Public Offer (IPO) expenses recoverable from holding company</b>												
Gujarat Fluorochemicals Limited	-	-	1,450.31							-	-	1,450.31

(₹ in Lakhs)

# Notes to the consolidated financial statement

For the year ended 31 March 2017

Particulars	Holding company		Key Management Personnel		Fellow subsidiaries		Total	
	2016-2017	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016
<b>A) Balance as at the end of the year-cont.</b>								
<b>Inter-corporate deposit given</b>								
Inox Renewables Limited				6,544.30	27,807.13	15,979.92	6,544.30	27,807.13
<b>Interest accrued on inter-corporate deposits given</b>								
Inox Renewables Limited				2,135.02	1,657.99	399.87	2,135.02	1,657.99
								399.87

## Notes:

- Sales, purchases and service transactions with related parties are made at arm's length price.
- Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- No expense has been recognised for the year ended 31 March 2017, 31 March 2016 and 1 April 2015 for bad or doubtful trade receivables in respect of amounts owed by related parties.
- There have been no guarantees received or provided for any related party receivables or payables.
- 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.
- Out of the remuneration of ₹ 126.15 Lakhs paid to the Mr. Rajeev Gupta (whole time director), an amount of ₹ 46.15 Lakhs is subject to approval by the shareholders in the ensuing Annual General Meeting.

## (b) Disclosure required under section 186(4) of the Companies Act, 2013

### Loans to related parties:

Name of the Party	31 March 2017		31 March 2016		1 April 2015	
Inox Renewables Limited		6,544.30		27,807.13		15,979.92

The above loan is unsecured. The inter-corporate deposit is repayable on demand and carries interest @ 12% p.a. This loan is given for general business purposes.

### Inter-corporate deposit to other parties:

Name of the Party	31 March 2017		31 March 2016		1 April 2015	
Global Powernet Private Limited		-		850.00		-

The above deposit was unsecured, repayable on demand and carried interest @12% p.a. The deposit was given for general business purpose.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 50: TERMS OF REPAYMENT AND SECURITIES FOR NON-CURRENT BORROWINGS

### Debentures:

1950 redeemable non convertible 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
	<b>19,500.00</b>

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.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 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 30 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 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 10 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 30 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 1 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 company at Bavla, Gujarat and First pari passu charges on movable fixed assets of the company 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 30 June 2017.	2,000.00	-	-

# Notes to the consolidated financial statement

For the year ended 31 March 2017

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 3 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 23 September 2015.	85.50	103.37	-
Foreign currency term loan is secured by first pari -passu charge on current and movable fixed assets of the Company 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 the Company 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 the Company 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 the Company and carries interest rate in the range on 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 the Company and carries interest rate in the range 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 the company 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 (31 March 2016: ₹ 321.66 Lakhs, 1 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 31 March 2016 and ₹ 4,921.35 Lakhs as on 1 April 2015)	28,642.11	29,678.34	4,921.35

There are no defaults on repayment of principal or payment of interest on borrowings.



# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 51: DETAILS OF SUBSIDIARIES

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Place of incorporation and operations	Proportion of ownership interest and voting power held by the Group		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Inox Wind Infrastructure Services Limited (IWISL)	India	100.00%	100.00%	100.00%
Subsidiaries of IWISL:				
Marut Shakti Energy India Limited	India	100.00%	100.00%	100.00%
Satviki Energy Private Limited	India	100.00%	100.00%	N.A
Sarayu Wind Power (Tallimadugula) Private Limited	India	100.00%	100.00%	N.A
Vinirrrmaa Energy Generation Private Limited	India	100.00%	100.00%	N.A
Sarayu Wind Power (Kondapuram) Private Limited	India	100.00%	100.00%	N.A
RBRK Investments Limited	India	100.00%	N.A	N.A

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.

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.

The financial year of the above companies is 1 April to 31 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.

### Acquisitions during the year:

- During the year ended 31 March 2017, RBRK has become a subsidiary w.e.f. 28 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 29 August 2016 on the basis of the financial statements prepared and certified by RBRK's management for the period ended on 28 August 2016.
- During the year ended 31 March 2016, SEPL has become a subsidiary of IWISL w.e.f. 19 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 19 November 2015 on the basis of the financial statements prepared and certified by SEPL's management for the period ended on 18 November 2015.
- During the year ended 31 March 2016, SWPTPL has become a subsidiary w.e.f. 9 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 9 December 2015 on the basis of the financial statements prepared and certified by SWPTPL's management for the period ended on 8 December 2015.
- During the year ended 31 March 2016, VEGPL has become a subsidiary w.e.f. 23 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 23 January 2016 on the basis of the financial statements prepared and certified by VEGPL's management for the period ended on 22 January 2016.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

- v) During the year ended 31 March 2016, SWPKL has become a subsidiary w.e.f. 25 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 25 March 2016 on the basis of the financial statements prepared and certified by SWPKPL's management for the period ended on 24 March 2016.

## 52: DISCLOSURE OF ADDITIONAL INFORMATION AS REQUIRED BY THE SCHEDULE III:

- (a) As at and for the year ended 31 March 2017

(₹ in Lakhs)

	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 other comprehensive income	Amount
<b>Parent</b>								
Inox Wind Limited	98.88%	216,488.71	84.50%	25,631.33	102.04%	(54.11)	84.48%	25,577.22
<b>Subsidiaries (Group's share)</b>								
<b>Indian</b>								
Inox Wind Infrastructure Services Limited	3.15%	6,905.84	13.56%	4,112.51	-2.04%	1.08	13.59%	4,113.59
Marut Shakti Energy India Limited	-0.48%	(1,059.82)	-1.34%	(407.64)	0.00%	-	-1.35%	(407.64)
Satviki Energy Private Limited	0.04%	78.82	0.00%	(1.45)	0.00%	-	0.00%	(1.45)
Sarayu Wind Power (Tallimadugula) Private Limited	-0.03%	(61.24)	-0.02%	(5.20)	0.00%	-	-0.02%	(5.20)
Vinirraa Energy Generation Private Limited	-0.03%	(55.63)	-0.15%	(46.63)	0.00%	-	-0.15%	(46.63)
Sarayu Wind Power (Kondapuram) Private Limited	-0.01%	(12.44)	-0.01%	(2.89)	0.00%	-	-0.01%	(2.89)
RBRK Investments Limited	0.02%	47.56	0.19%	58.29	0.00%	-	0.19%	58.29
Non-controlling Interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidation eliminations / adjustments	-1.54%	(3,373.19)	3.27%	990.87	0.00%	-	3.27%	990.87
<b>Total</b>	100.00%	218,958.61	100.00%	30,329.19	100.00%	(53.03)	100.00%	30,276.16

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(b) As at and for the year ended 31 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 other comprehensive income	Amount
<b>Parent</b>								
Inox Wind Limited	101.19%	190,911.49	103.31%	47,646.28	75.17%	(4.42)	103.31%	47,641.86
<b>Subsidiaries (Group's share)</b>								
Indian								
Inox Wind Infrastructure Services Limited	1.48%	2,790.01	-3.60%	(1,660.53)	24.83%	(1.46)	-3.60%	(1,661.99)
Marut Shakti Energy India Limited	-0.35%	(652.19)	-1.53%	(707.72)	0.00%	-	-1.53%	(707.72)
Satviki Energy Private Limited	0.04%	80.27	-0.01%	(3.23)	0.00%	-	-0.01%	(3.23)
Sarayu Wind Power (Tallimadugula) Private Limited	-0.03%	(56.05)	-0.13%	(58.64)	0.00%	-	-0.13%	(58.64)
Vinirmaa Energy Generation Private Limited	0.00%	(9.00)	-0.02%	(10.35)	0.00%	-	-0.02%	(10.35)
Sarayu Wind Power (Kondapuram) Private Limited	-0.01%	(9.55)	-0.02%	(9.57)	0.00%	-	-0.02%	(9.57)
Non-controlling Interest in subsidiaries	-	-	-	-	-	-	-	-
Consolidation eliminations / adjustments	-2.32%	(4,372.52)	2.00%	920.86	0.00%	-	2.00%	920.86
<b>Total</b>	<b>100.00%</b>	<b>188,682.46</b>	<b>100.00%</b>	<b>46,117.10</b>	<b>100.00%</b>	<b>(5.88)</b>	<b>100.00%</b>	<b>46,111.22</b>

## First-time Ind AS adoption reconciliations

Effect of Ind AS adoption on the Consolidated balance sheet as at 31 March 2016 and 1 April 2015:

(₹in Lakhs)

Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Non-current assets</b>							
(a) Property, plant and equipment	(a), (h)	51,775.83	(2,478.07)	49,297.76	17,767.90	975.34	18,743.24
(b) Capital work-in-progress		4,265.65	-	4,265.65	4,911.44	-	4,911.44
(c) Other intangible assets		3,379.27	-	3,379.27	2,346.62	-	2,346.62
(d) Goodwill	(b)	1,740.17	(1,740.17)	-	164.62	(164.62)	

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
(e) Financial assets						-	
(i) Investments		0.26	-	0.26	0.24	-	0.24
(ii) Loans		1,178.06	-	1,178.06	1,192.60	-	1,192.60
(iii) Other financial assets	(e)	1,361.89	9,253.86	10,615.75	464.51	4,874.20	5,338.71
(f) Deferred tax assets (Net)	(l)	3,915.58	(3,076.61)	838.97	7,078.49	(1,810.36)	5,268.13
(g) Tax assets (Net)		1,430.28	-	1,430.28	431.19	-	431.19
(h) Other non-current assets	(a)	10,400.36	3,525.71	13,926.07	3,354.92	334.60	3,689.52
<b>Total non-current assets</b>		<b>79,447.35</b>	<b>5,484.72</b>	<b>84,932.07</b>	<b>37,712.53</b>	<b>4,209.16</b>	<b>41,921.69</b>
<b>Current assets</b>							
(a) Inventories	(b)	54,163.66	1,802.96	55,966.62	42,382.03	151.04	42,533.07
(b) Financial Assets							
(i) Investments	(d)	6,221.67	65.72	6,287.39	-	-	-
(ii) Trade receivables	(f)	241,432.20	(535.68)	240,896.52	143,217.92	(249.88)	142,968.04
(iii) Cash and cash equivalents		7,592.57	-	7,592.57	70,608.57	-	70,608.57
(iv) Bank balances other than (iii) above		41,784.58	-	41,784.58	356.29	-	356.29
(v) Loans		30,671.49	-	30,671.49	16,782.54	-	16,782.54
(vi) Other financial assets	(e),(g)	2,154.34	(474.25)	1,680.09	2,499.59	670.89	3,170.48
(c) Other current assets	(a), (i)	8,473.75	(473.76)	7,999.99	6,067.75	(23.15)	6,044.60
<b>Total current assets</b>		<b>392,494.26</b>	<b>384.99</b>	<b>392,879.25</b>	<b>281,914.69</b>	<b>548.90</b>	<b>282,463.59</b>
<b>Total assets</b>		<b>471,941.61</b>	<b>5,869.71</b>	<b>477,811.32</b>	<b>319,627.22</b>	<b>4,758.06</b>	<b>324,385.28</b>
<b>Equity</b>							
(a) Equity share capital		22,191.82	-	22,191.82	22,191.82	-	22,191.82
(b) Other equity		162,186.80	4,303.84	166,490.64	116,999.54	3,379.88	120,379.42
<b>Total equity</b>		<b>184,378.62</b>	<b>4,303.84</b>	<b>188,682.46</b>	<b>139,191.36</b>	<b>3,379.88</b>	<b>142,571.24</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

(₹in Lakhs)

Particulars	Notes	As at 31 March 2016			As at 1 April 2015		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	(g)	5,088.00	506.18	5,594.18	7,791.67	40.85	7,832.52
(ii) Trade payables			-	-		-	-
(ii) Other financial liabilities		240.00	-	240.00	240.00	-	240.00
(b) Provisions		495.31	-	495.31	247.68	-	247.68
(c) Deferred tax liabilities			-	-	-	-	-
(d) Other non-current liabilities	(h)	3,221.02	1,016.44	4,237.46	1,504.50	1,047.42	2,551.92
Total non-current liabilities		9,044.33	1,522.62	10,566.95	9,783.85	1,088.27	10,872.12
Current liabilities							
(a) Financial liabilities							
(i) Borrowings	(g)	139,883.86	(1,636.77)	138,247.09	76,705.93	(525.68)	76,180.25
(ii) Trade payables	(i)	117,777.49	751.75	118,529.24	71,416.52		71,416.52
(iii) Other financial liabilities	(g)	9,668.34	657.85	10,326.19	5,105.91	549.20	5,655.11
(b) Other current liabilities	(h)	6,793.55	270.42	7,063.97	12,190.00	266.39	12,456.39
(c) Provisions		176.58	-	176.58	3,292.50	-	3,292.50
(d) Current Tax liabilities (Net)		4,218.84	-	4,218.84	1,941.15	-	1,941.15
Total current liabilities		278,518.66	43.25	278,561.91	170,652.01	289.91	170,941.92
Total equity and liabilities		471,941.61	5,869.71	477,811.32	319,627.22	4,758.06	324,385.28

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## Effect of Ind AS Adoption on the Consolidated statement of Profit and loss for the year ended 31<sup>st</sup> March 2016:

(₹ in Lakhs)

Particulars	Notes	2015-2016		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Revenue</b>				
Revenue from operations	(e)	441,413.28	3,654.14	445,067.42
Other income	(d),(g),(h)	6,648.30	(1,798.83)	4,849.47
<b>Total Revenue</b>		<b>448,061.58</b>	<b>1,855.31</b>	<b>449,916.89</b>
<b>Expenses</b>				
Cost of materials consumed	(b)	271,480.61	88.25	271,568.86
EPC, O&M, Common Infrastructure Facility and Site Development expenses	(i)	53,458.36	544.04	54,002.40
Changes in inventories of finished goods and work in progress		2,852.88	-	2,852.88
Employee benefits expense	(j)	9,197.48	(8.92)	9,188.56
Finance costs	(g)	9,595.43	182.43	9,777.86
Depreciation and amortisation expense	(a),(h)	3,336.16	166.83	3,502.99
Other expenses	(a),(f),(g),(h),(i)	36,593.68	(1,151.82)	35,441.86
Goodwill written off	(b)	164.62	(164.62)	-
Less: Expenditure capitalised		1,358.82	-	1,358.82
<b>Total Expenses</b>		<b>385,320.40</b>	<b>(343.81)</b>	<b>384,976.59</b>
<b>Profit before tax</b>		<b>62,741.18</b>	<b>2,199.12</b>	<b>64,940.30</b>
<b>Tax expense:</b>				
Current tax		16,400.00	-	16,400.00
MAT credit entitlement		-	-	-
Deferred tax	(l)	1,153.92	1,269.28	2,423.20
<b>Total tax</b>		<b>17,553.92</b>	<b>1,269.28</b>	<b>18,823.20</b>
Profit for the year		45,187.26	929.84	46,117.10
<b>Other comprehensive income</b>				
(i) Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	(j)	-	(8.92)	(8.92)
Tax on above	(l)	-	3.04	3.04
(ii) Items that will be reclassified to profit or loss				
Effective portion of gains and (loss) on hedging instruments in cash flow hedge		-	-	-
Tax on above		-	-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>(5.88)</b>	<b>(5.88)</b>
<b>Total comprehensive income for the year</b>		<b>45,187.26</b>	<b>923.96</b>	<b>46,111.22</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

First time Ind AS adoption reconciliation:

Effect of Ind AS adoption on the Consolidated statement of cash flows for the year ended 31<sup>st</sup> March 2016

(₹ in Lakhs)

Particulars	2015-2016		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(16,318.09)	-	(16,318.09)
Net cash flows from investing activities	(96,925.43)	-	(96,925.43)
Net cash flows from financing activities	50,143.64	-	50,143.64
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(63,099.88)</b>	<b>-</b>	<b>(63,099.88)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>70,608.57</b>	<b>-</b>	<b>70,608.57</b>
<b>On acquisition through business combinations</b>	<b>83.88</b>	<b>-</b>	<b>83.88</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>7,592.57</b>	<b>-</b>	<b>7,592.57</b>

Analysis of cash and cash equivalents as at 31 March 2016 and as at 1 April 2015 for the purpose of statement of cash flows under Ind AS:

(₹ in Lakhs)

Particulars	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	7,592.57	70,608.57
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	7,592.57	70,608.57

## Equity reconciliation:

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2016	As at 1 April 2015
Total equity / shareholders' funds under previous GAAP		184,378.62	139,191.36
<b>Add/Less</b>			
Provision for expected credit losses	(f)	(535.68)	(249.88)
Change in fair value of investments	(d)	65.72	-
Translation of foreign currency borrowings at closing rate and recognition of corresponding derivative instrument	(g)	(7.58)	(42.47)
Effect of measuring other derivative instruments at fair value	(g)	(160.45)	(346.26)
On account of straight lining of O&M revenue	(e)	9,523.78	5,869.64
Goodwill restatement and inventory written off	(b)	62.75	(13.59)
Prior period items	(i)	(1,568.10)	(27.20)
Tax impact on above adjustments	(l)	(3,076.60)	(1,810.36)
<b>Total adjustment to equity</b>		<b>4,303.84</b>	<b>3,379.88</b>

# Notes to the consolidated financial statement

For the year ended 31 March 2017

<b>Total equity under Ind AS</b>	<b>188,682.46</b>	<b>142,571.24</b>
Profit reconciliation:		
		(₹in Lakhs)
<b>Particulars</b>	<b>Notes</b>	<b>2015-2016</b>
<b>Net profit under previous GAAP</b>		45,187.26
<b>Add/Less</b>		
Actuarial loss on employee defined benefit plan recognized in other comprehensive income	(j)	8.92
Provision for expected credit losses	(f)	(285.80)
Change in fair value of investments	(d)	65.72
Translation of foreign currency borrowings at closing rate and recognition of corresponding derivative instrument	(g)	34.89
Effect of measuring other derivative instruments at fair value	(g)	185.81
On account of straight lining of O&M revenue	(e)	3,654.14
Goodwill restatement and inventory written off	(b)	76.34
Prior period items	(i)	(1,540.90)
Tax impact on above adjustments	(l)	(1,269.28)
<b>Net profit reported under Ind AS</b>		46,117.10
Other comprehensive income (net of tax)	(j), (k)	(8.92)
Tax on Remeasurements of the defined benefit plans	(l)	3.04
<b>Net profit under Ind AS</b>		<b>46,111.22</b>

## Footnotes for IGAAP to Ind AS reconciliation

### a) 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 operating leases prepayments under non-financial assets.

Consequent to this change, amount of ₹ 3525.46 lakhs is transferred from property, plant and equipment to "pre-payments – leasehold lands" as at 31<sup>st</sup> March 2016 (₹ 338.46 lakhs as at 1<sup>st</sup> April 2015)

The above changes do not affect total equity as at date of transition to Ind AS and as at 31<sup>st</sup> March 2016 and the profit for the year ended 31<sup>st</sup> March 2016.

### b) 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



## Notes to the consolidated financial statement

For the year ended 31 March 2017

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 is reclassified as inventories (as at 31<sup>st</sup> March 2016 – ₹ 1740.17 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 31 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.

### c) Non-Current Investments:

In the financial statements prepared under previous GAAP, non-current investments in Government securities (viz. National Savings Certificates) were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments at amortised cost.

On the date of transition, there is no change in the carrying value of investments.

The above changes do not affect profit for the year ended 31 March 2016 and total equity as at date of transition to Ind AS and as at 31 March 2016.

### d) Current Investments:

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, these investments have been classified as FVTPL. The fair value changes are recognised in the Statement of Profit and Loss.

The Company did not have any current investments on the date of transition to Ind AS. As at 31<sup>st</sup> 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 an increase in the carrying amount of these investments by ₹ 65.72 lakhs.

During the year ended 31<sup>st</sup> March 2016, net gain amounting to ₹ 65.72 lakhs on such fair valuation is recognised in the Statement of Profit and Loss as other income.

### e) 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 basis (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 ₹ 5869.64 lakhs is recognized with corresponding increase in the retained earnings. The amount of such unbilled revenue recognised as at 31<sup>st</sup> March 2016 is ₹ 9523.78 lakhs.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

The profit before tax for the year ended 31<sup>st</sup> March 2016 is increased by ₹ 3654.14 lakhs on account of recognition of O & M revenue on SLM basis.

## f) Expected credit loss:

Under previous GAAP, the Company used to create provision for impairment of receivables only in respect of specific amount for doubtful receivables. 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 ₹ 249.88 lakhs is recognized with corresponding reduction in the retained earnings. The amount of allowance for ECL recognised as at 31<sup>st</sup> March 2016 is ₹ 535.68 lakhs.

The profit before tax for the year ended 31<sup>st</sup> March 2016 is decreased by ₹ 285.80 lakhs on account of allowance for ECL.

## g) Derivative Financial Instruments

Under the previous GAAP, forward contracts were accounted as per AS 11. 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 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.

The Company'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.

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.

Consequent to above changes:

- the amount of foreign currency borrowings on the transition date is reduced by ₹ 484.83 lakhs (as at 31 March 2016 – ₹ 1130.60 lakhs)
- as on the date of transition, the unamortised premium on forward contract as per previous GAAP of ₹ 324.35 lakhs is reversed (as at 31 March 2016 – ₹ 1139.40 lakhs)
- derivative liability of ₹ 549.21 lakhs is recognised on the date of transition. Further, as at 31 March 2016, derivative liability of ₹ 656.22 lakhs and derivative asset of ₹ 395.22 lakhs is recognised.

Net impact on the date of transition of ₹ 388.73 lakhs is adjusted in the opening retained earnings and profit before tax for the year ended 31<sup>st</sup> March 2016 is higher by ₹ 220.68 lakhs.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## h) Government Grants

Under Ind AS, the Group has recognised following Government grants:

- Exemption from payment of customs duty on import of capital goods
- Purchase of rights in leasehold lands at a concessional rate

Accordingly, 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 ₹ 1313.80 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 31 March 2016, the additional amount of deferred income recognised in respect of rights in leasehold land is ₹ 117.61 lakhs.

This change does not affect total equity as at date of transition to Ind AS and as at 31<sup>st</sup> March 2016.

## i) Prior period items

Prior period expenditure of ₹ 27.20 Lakhs is adjusted in the opening retained earnings as at 1 April 2015 with corresponding effect in 'other current assets'. Profit for the year ended 31<sup>st</sup> March 2016 is lower by ₹ 1540.86 lakhs on account of prior period expenditure with corresponding effect in the carrying amount of trade payables, other current assets and other non-current liabilities (refer Note 47).

## j) 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 benefits 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 31<sup>st</sup> March 2016, remeasurement of gratuity liability resulted in net benefit of ₹ 8.92 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 31<sup>st</sup> March 2016.

# Notes to the consolidated financial statement

For the year ended 31 March 2017

## 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 31<sup>st</sup> March 2016.

## l) 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 transitional adjustments as described in the preceding paragraphs have led to temporary differences and creation of deferred tax thereon.

This has resulted in creation of net deferred tax liability of ₹ 1,810.35 lakhs as at date of transition to Ind AS with a corresponding decrease in retained earnings and reduction in the amount of deferred tax asset in the Balance Sheet.

For the year ended 31<sup>st</sup> March 2016, it has resulted in increase in deferred tax expense by ₹1269.28 lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit of ₹ 3.05 lakhs in OCI.

As per our report of even date attached

**For Patankar & Associates**  
Chartered Accountants

**S S Agrawal**  
Partner

**Place :** Pune  
**Date :** 12 May 2017

**For and on behalf of the Board of Directors**

**Devansh Jain**  
Whole-time Director

**Jitendra Mohananey**  
Chief Financial Officer

**Place :** Noida  
**Date :** 12 May 2017

**Rajeev Gupta**  
Whole-time Director

**Kailash Tarachandani**  
Chief Executive Officer

**Deepak Banga**  
Company Secretary

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Hall)

## INOX WIND LIMITED

(CIN: L31901HP2009PLC031083)

**Registered Office:** Plot No. 1, Khasra Nos. 264 to 267, Industrial Area,  
Village Basal- 174303, District Una, Himachal Pradesh, India

**Telephone/ Fax:** +91 1975 - 272001

**Website:** www.inoxwind.com **Email:** investors.iwl@inoxwind.com

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my/our presence at the **8<sup>th</sup> Annual General Meeting of the Company at Hotel Pandit Moolraj Residency, SH-25, Una-Nangal Road, Rakkar Colony, District Una - 174303, Himachal Pradesh, India on Tuesday, the 26<sup>th</sup> September, 2017 at 11:00 A.M.**

<b>Member's Name and Address details</b>	
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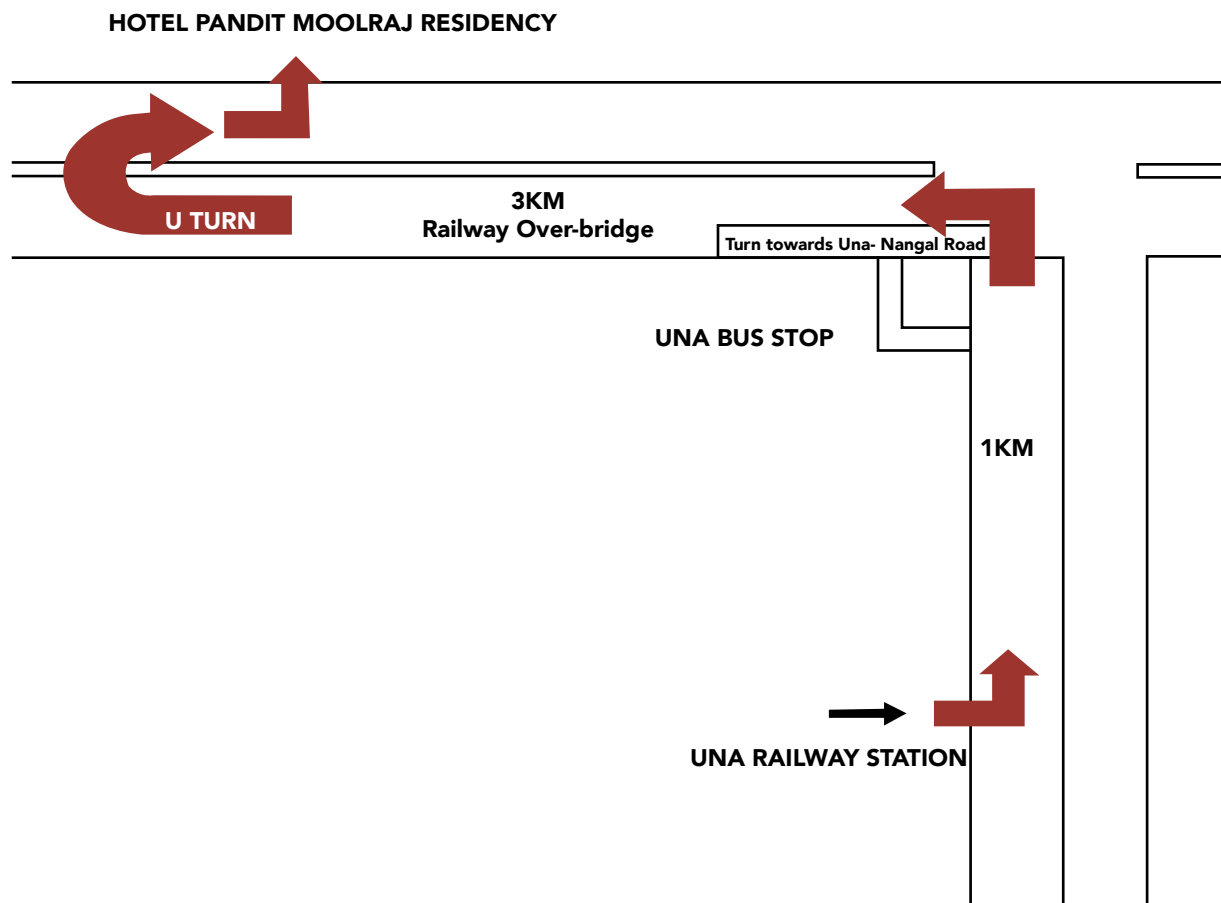
DP ID*	
Client ID*	
Folio No.	
No. of Shares held	

\* Applicable only for Investors holding shares in Electronic Form.

**Note:** Please fill in this attendance slip and hand it over at the ENTRANCE OF THE HALL.  
Share holders attending the meeting are requested to bring their copies of the Annual Report with them.

-----  
Member's/Proxy's Signature

## ROUTE MAP



# PROXY FORM

[FORM NO. MGT-11]

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

## INOX WIND LIMITED

(CIN: L31901HP2009PLC031083)

**Registered Office:** Plot No. 1, Khasra Nos. 264 to 267, Industrial Area, Village Basal- 174303, District Una, Himachal Pradesh, India

**Telephone/ Fax:** +91 1975 - 272001

**Website:** www.inoxwind.com **Email:** investors.iwl@inoxwind.com

### Eighth Annual General Meeting – 26<sup>th</sup> 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 8<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 26<sup>th</sup> September, 2017 at 11:00 A.M. at Hotel Pandit Moolraj Residency, SH-25, Una-Nangal Road, Rakkar Colony, District Una - 174303, Himachal Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution Number	Resolution	Vote (Please mention no. of shares) (See Note 2)		
		For	Against	Abstain
Ordinary Business				
1.	Adoption of the <ul style="list-style-type: none"><li>Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017, the reports of the Board of Directors and Auditors thereon and</li><li>the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017 and the report of the Auditors thereon.</li></ul>			
2.	Appointment of Director in place of Shri Siddharth Jain, who retires by rotation and, being eligible, seeks re-appointment.			
3.	Ratification of appointment of Independent Statutory Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.			
Special Business				
4.	Re-appointment of Shri Devansh Jain as Whole-time Director of the Company and approve payment of remuneration to him			
5.	Re-appointment of Shri Rajeev Gupta as Whole-time Director of the Company and ratification of remuneration paid for the Financial Year 2016-17.			
6.	Appointment of Shri Venkatanarayanan Sankaranarayanan as an Independent Director of the Company.			
7.	Ratification of remuneration of M/s Jain Sharma & Associates, Cost Auditors of the Company for the Financial Year 2017-18.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of Members\_\_\_\_\_  
Signature of Proxy Holder(s)

Affix a  
Revenue  
Stamp not  
less than ₹ 1

**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.





**Corporate Office**

Inox Towers, Plot No. 17, Sector – 16A,  
Noida – 201 301, Uttar Pradesh, India.  
Ph: +91 120 6149600

**Registered Office**

Plot No.1, Khasra Nos. 264 – 267,  
Industrial Area, Village: Basal,  
District: Una – 174 303, Himachal Pradesh  
Ph/ Fax: +91 1975 272 001