

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of Inox Renewables Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Inox Renewables Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. 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 thereunder.
5. 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 financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31 March 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 purpose 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 financial statements dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 06 May 2016 as per annexure II expresses unmodified opinion; and



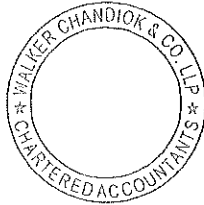
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- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. as detailed in Note 31 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company, as detailed in Note 37 to the standalone financial statements, has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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.

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar

Per Lalit Kumar
Partner
Membership No.: 095256



Place: Noida

Date: 06 May 2016

Annexure I to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the financial statements for the year ended 31 March 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of all the immovable properties are held in the name of the Company except for freehold land parcel located at Lahori, Nipaniya and Ayanaroothu having a carrying value of Rs. 209.41 lacs.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion the, company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security. Also refer to Note 8 in the financial statements.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) 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 other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.



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Annexure I to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the financial statements for the year ended 31 March 2016

(b) The dues outstanding in respect of income-tax are as follows:

Name of the statute	Nature of dues	Amount (₹) in lakhs	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	6.05	NIL	Assessment Year 2013-14	CIT (Appeals)

The company did not have any dispute in respect of sales tax, service tax, duty of customs, duty of excise and value added tax.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standard.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them.



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Annexure I to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the financial statements for the year ended 31 March 2016

- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker ChandioK & Co LLP
For Walker ChandioK & Co LLP
(Formerly Walker, ChandioK & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar

per Lalit Kumar
Partner

Membership No.: 095256

Place : Noida

Date : 06 May 2016



Annexure II to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the standalone financial statements for the year ended 31 March 2016

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Inox Renewables Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 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 the company's 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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



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Annexure II to the Independent Auditor's Report of even date to the members of Inox Renewables Limited on the standalone financial statements for the year ended 31 March 2016

generally accepted accounting principles. A company's IFCoFR 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

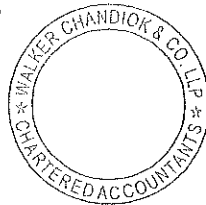
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 the Institute of Chartered Accountants of India.

Walker Chandiook & Co LLP
For Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Lalit Kumar
per Lalit Kumar
Partner
Membership No.: 095256



Place: Noida
Date: 06 May 2016

INOX RENEWABLES LIMITED
BALANCE SHEET AS AT 31 MARCH 2016
(All amounts in ₹ lakh, unless otherwise stated)

Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	337.50	337.50
Reserves and surplus	49,291.11	51,951.35
	<u>49,628.61</u>	<u>52,288.85</u>
Non-current liabilities		
Long-term borrowings	48,902.99	54,959.21
Deferred tax liabilities	-	213.51
Other long-term liabilities	3,160.75	2,722.24
Long-term provisions	16.95	15.84
	<u>52,080.69</u>	<u>57,910.80</u>
Current liabilities		
Short-term borrowings	38,785.13	15,979.92
Trade payables	324.73	825.36
Other current liabilities	13,741.19	14,533.27
Short-term provisions	16.46	5.34
	<u>52,867.51</u>	<u>31,343.89</u>
TOTAL	<u>154,576.81</u>	<u>141,543.54</u>
ASSETS		
Non current assets		
Fixed assets		
(i) Tangible assets	124,094.02	98,766.41
(ii) Intangible assets	0.12	0.25
(iii) Capital work-in-progress	7,003.76	21,519.90
	<u>131,097.90</u>	<u>120,286.56</u>
Deferred tax assets	236.83	-
Non-current investment	10,605.00	10,605.00
Long-term loans and advances	1,973.35	2,209.88
Other non-current assets	0.10	0.10
	<u>143,913.18</u>	<u>133,101.54</u>
Current assets		
Trade receivables	7,846.99	5,785.80
Cash and bank balances	2,111.97	1,869.56
Short-term loans and advances	255.46	725.26
Other current assets	449.21	61.38
	<u>10,663.63</u>	<u>8,442.00</u>
TOTAL	<u>154,576.81</u>	<u>141,543.54</u>

Notes 1 to 41 form integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

Walker Chandniok & Co
For Walker Chandniok & Co LLP
(formerly Walker, Chandniok & Co)
Chartered Accountants

Lalit Kumar
per Lalit Kumar
Partner



Place: Noida
Date: 06 May 2016

For and on behalf of Board of Directors
of Inox Renewables Limited

[Signature]
Director

[Signature]
Director

INOX RENEWABLES LIMITED
 STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016
 (All amounts in ₹ lakh, unless otherwise stated)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue			
Revenue from operations	21	11,595.26	13,359.81
Other income	22	558.49	334.10
Total revenue		12,153.75	13,693.91
Expenses			
Operation and maintenance expenses	23	1,622.14	1,384.65
Employee benefits expense	24	205.44	173.73
Depreciation and amortisation	12	5,293.27	4,980.79
Finance cost	25	7,316.14	6,570.32
Other expenses	26	814.45	264.21
Prior period expense	27	-	5.73
Total expenses		15,251.44	13,379.43
Profit before tax		(3,097.68)	314.48
Tax expense:			
Current tax		-	458.06
Tax for earlier years		-	153.09
MAT credit entitlement		-	(611.15)
Deferred tax	13	(450.33)	869.89
Profit after tax		(2,647.35)	(555.41)
Earning per equity share			
Basic and diluted (Nominal value of share ₹ 10)	28	(78.44)	(16.99)

Notes 1 to 41 form integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 (formerly Walker, Chandiook & Co)
 Chartered Accountants

For and on behalf of Board of Directors
 of Inox Renewables Limited

Lalit Kumar
 per Lalit Kumar
 Partner



[Signature]
 Director

[Signature]
 Director

Place: Noida
 Date: 06 May 2016

INOX RENEWABLES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
(All amounts in ₹ lakh, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Net profit before tax	(3,097.69)	314.48
Adjustments for :		
Depreciation and amortisation	5,293.27	4,980.79
Gain on settlement of derivative & counter adjustment	(186.35)	(47.68)
Mark to market gain on derivative contracts	(218.34)	(72.56)
Interest income	(150.76)	(213.86)
Interest expense	7,316.15	6,570.33
Operating profit before working capital changes	8,956.27	11,531.50
Adjustment for changes in working capital:		
Decrease in trade receivables	(2,476.26)	(2,475.29)
Decrease/(Increase) in long term loans and advances	580.29	(319.44)
Increase in short term loans and advances	483.89	852.52
Decrease in trade payables	(500.63)	(3,096.92)
Increase in long term liabilities	438.51	275.98
Increase/(Decrease) in other current liabilities	17.05	(154.30)
Increase/(Decrease) in employee benefits	12.23	(0.66)
Cash generated from operations	7,511.35	6,613.39
Taxes paid	(230.69)	(363.95)
Net cash generated from operating activities	7,280.66	6,249.44
B Cash flow from investing activities		
Sale/(Purchase) of fixed assets	2,779.20	(2.31)
Increase in capital work in progress	(16,096.24)	(3,186.23)
Increase in corporate deposit to subsidiary	-	490.00
Investment in bank deposits (having original maturity of more than three months)	(232.57)	(1,670.80)
Redemption of bank deposits (having original maturity of more than three months)	-	1,750.00
Interest received	163.90	294.85
Net cash used in investing activities	(13,385.71)	(2,324.49)
C Cash flow from financing activities		
Proceeds from issue of equity share capital	-	12,577.50
Proceeds from short-term borrowings	51,207.25	17,544.00
Repayment of short-term borrowings	(28,402.00)	(7,460.04)
Repayment of long-term borrowings	(7,988.55)	(18,189.95)
Finance cost paid	(8,701.81)	(8,321.37)
Net cash generated from/(used in) financing activities	6,114.89	(3,849.86)
Net increase in cash and cash equivalents (A+B+C)	9.84	75.09
Cash and cash equivalents as at the beginning of the year	198.76	123.67
Cash and cash equivalents as at the end of the year (refer note 18)	208.60	198.76



INOX RENEWABLES LIMITED
 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016
 (All amounts in ₹ lakh, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Components of cash and cash equivalents		
Cash in hand	0.08	0.08
Bank balances in current accounts	208.52	198.68
	208.60	198.76

Notes 1 to 41 form integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.
 The cashflow has been prepared using indirect method as specified in AS-3.

Walker Chandiook & Co LLP
 For Walker Chandiook & Co LLP
 (formerly Walker, Chandiook & Co)
 Chartered Accountants

For and on behalf of Board of Directors
 of Inox Renewables Limited

Lalit Kumar
 per Lalit Kumar
 Partner



Rajneesh
 Director

Place: Noida
 Date: 06 May 2016

INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

1. Nature of operations-

Inox Renewables Limited (the "Company") was incorporated on 11 November, 2010 and is engaged in the business of generation and sale of wind energy and providing services for erection and commissioning of wind farms. The Company is a subsidiary of Gujarat Fluorochemicals Limited. All the activities of the Company are in India. The registered office of the Company is situated at Vadodara, Gujarat.

2. Significant accounting policies

a) Basis of accounting

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies (Accounts) Rules 2014 (as amended) and the guiding principles of the Accounting Standard 30, Financial Instruments- Recognition and Measurement issued by the Institute of Chartered Accountants of India in respect of certain derivative instruments. The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis as modified by the fair value accounting for certain derivatives. The accounting policies have been consistently applied by the Company unless specifically stated otherwise.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

c) Fixed assets and depreciation

Fixed assets and intangible assets (gross block) are stated at historical cost less accumulated depreciation, amortisation and impairment if any. Cost comprises the purchase price, borrowing cost and any attributable cost of bringing the asset to its working condition for its intended use.

Pursuant to the notification of Schedule II of the Companies Act, 2013, by the Ministry of Corporate Affairs effective 1 April 2014, the management has reassessed and changed, the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013. Depreciation on fixed assets for the year ended 31 March 2015 and 31 March 2016 are provided on straight line method as per the rates prescribed under Schedule II of the Companies Act, 2013.

The useful lives adopted are as follows:

Block of asset	Useful life as per Companies Act, 2013 (in years)
Plant and Machinery	15-22
Furniture and fixtures	10
Vehicles	10
Office equipments	3-5
Computer software	6

The leasehold land is amortized on time proportion basis over the period of lease i.e. 19 years.



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

d) Capital work in progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

e) Investments

Investments are classified as long term or current, based on management's intention at the time of purchase. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Trade investments are the investments made for or to enhance the Company's business interests.

Current investments are stated at lower of cost and fair value determined on an individual investment basis. Long-term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the financial statements.

f) Revenue recognition:

i) Sale of electricity

Revenue from generation and sale of electricity is recognized on the basis of actual power sold (net of reactive energy consumed) in accordance with the terms of the power purchase agreements entered with the respective customers and when no significant uncertainty exists regarding the amount of consideration that will be derived.

ii) Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable rate of interest.

g) Employee benefits :

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 - Employee Benefits (Revised 2005).

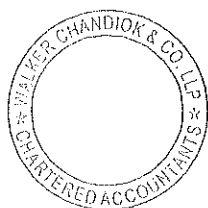
(i) Provident fund

The Company makes contribution to statutory provident fund, in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which the employee renders services

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognized actuarial gains or losses and past service costs. The present value of defined benefit/obligation is calculated at the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

(iii) Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.

(iv) Other short term benefits

Short term benefits comprises employee costs such as salaries, bonuses, and paid annual leaves and sick leaves are accrued in the year in which the services are rendered by employees of the Company.

h) Foreign currency transactions

Transactions in foreign currency and non-monetary assets are accounted for at the exchange rate prevailing on the date of the transaction. All monetary items denominated in foreign currency are converted at the year-end exchange rate.

The exchange differences arising on such conversion and on settlement of the transactions are recognized in the statement of profit and loss.

In terms of the clarification provided by Ministry of Corporate Affairs ("MCA") vide a notification no. G.S.R.913(E) on Accounting Standard – 11 "Changes in Foreign Exchange Rates", the exchange gain/loss on long term foreign currency monetary items is adjusted in the cost of depreciable capital and depreciated over the balance life of the assets. The other exchange gains/losses are recognized in the statement of profit and loss.

i) Accounting for hedges and derivatives

The Company uses various forms of derivative instruments such as options and interest rate swaps to hedge its exposure on account of movements in foreign exchange and interest rates. The use of derivatives is governed by Company's risk management strategy and Company's risk management policies for use of such financial derivatives. The company does not use derivative financial instruments for speculative purposes. The derivatives are entered only where the counterparty is a bank.

In terms of the notification by the Institute of Chartered Accountants of India on status of Accounting Standard 30, "Financial Instruments: Recognitions and Measurement", the Company during the previous year has adopted the rules for hedge accounting contained in Accounting Standard 30. Accordingly, derivatives such as option contracts and interest rate swaps to hedge highly probable forecasted transactions which are outside the scope of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates" may be designated as a hedging instrument in a permitted hedging relationship if the conditions for hedge accounting are met including high hedge effectiveness at the inception and throughout the period of the hedge.

Derivatives covered by Accounting Standard 11, or those that do not qualify for hedge accounting, or those not designated as an effective hedge in a permitted hedging relationship continue to be accounted for using the principle of prudence under Accounting Standard 1, and the mark to market losses if any are recognized fully in the profit and loss account at each reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

hedges is recognized in 'Hedging Reserve Account'. The gain or loss relating to the ineffective portion is recognized immediately in statement of profit and loss. Amounts previously recognized in 'Hedging Reserve Account' and are reclassified to statement of profit and loss in the same periods when the hedged item affects profit and loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that had been deferred in equity will be recognized immediately in the statement of profit and loss.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit and loss. The hedged item is recorded at fair value and any gain or loss is recorded in the statement of profit and loss and is offset by the gain or loss from the change in the fair value of the derivative.

Hedge accounting is discontinued on a prospective basis when the hedge no longer meets the hedge accounting criteria, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting, or when the Company revokes the hedging relationship.

j) Borrowing costs

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with notified Accounting Standard 16 "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss account as incurred.

k) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, the timing differences originating and reversing during the tax holiday period have not been considered while computing deferred tax.

Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

l) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the statement of profit and loss.

m) Contingent liabilities and provisions:

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

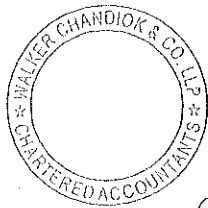
A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016
(All amounts in ₹ lakh, unless otherwise stated)

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	4,000,000	400.00	4,000,000	400.00
Issued, subscribed and fully paid up capital				
Equity shares of ₹ 10 each	3,375,000	337.50	3,375,000	337.50
	<u>3,375,000</u>	<u>337.50</u>	<u>3,375,000</u>	<u>337.50</u>

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

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
Shares outstanding at the beginning of the year	3,375,000	33.75	3,050,000	30.50
Shares issued during the year	-	-	325,000	3.25
Shares outstanding at the end of the year	<u>3,375,000</u>	<u>33.75</u>	<u>3,375,000</u>	<u>33.75</u>

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.

The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, in proportion of their shareholding, after distribution of all preferential amounts, if any. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Gujarat Fluorochemicals Limited	3,374,400	99.98%	3,374,400	99.98%
	<u>3,374,400</u>	<u>99.98%</u>	<u>3,374,400</u>	<u>99.98%</u>

d) Details of shares held by Holding Company

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	% of holding	Number of shares	% of holding
Gujarat Fluorochemicals Limited	3,374,400	99.98%	3,374,400	99.98%
	<u>3,374,400</u>	<u>99.98%</u>	<u>3,374,400</u>	<u>99.98%</u>

e) During the period of five years immediately preceding 31 March 2016 the Company has not issued bonus shares, equity shares issued for considerations other than cash. During the said period no shares have been bought back.

f) There are no shares reserved for issue under options and contracts/commitments for the sale of shares as disinvestment.



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
4 Reserves and surplus		
Securities Premium Account		
Balance at the beginning of the year	12,545.00	-
Addition during the year	-	12,545.00
	<u>12,545.00</u>	<u>12,545.00</u>
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	2,968.87	3,524.28
Add: Transferred from statement of profit and loss)	(2,647.35)	(555.41)
Balance at the end of the year	<u>321.52</u>	<u>2,968.87</u>
Revaluation reserve		
Balance at the beginning of the year	37,469.64	37,469.64
Less: Loss on scrap of asset during the year	(24.88)	-
Less: Depreciation during the year	-	-
	<u>37,444.76</u>	<u>37,469.64</u>
Hedging reserve account		
Balance at the beginning of the year	(1,032.16)	(275.57)
Addition during the year (Refer note 37)	11.98	(756.59)
	<u>(1,020.18)</u>	<u>(1,032.16)</u>
	<u>49,291.11</u>	<u>51,951.35</u>
5 Long-term borrowings		
Secured loans		
Foreign currency term loans from banks	40,579.71	45,211.87
Term loans from bank	12,482.25	13,200.00
Term loans from other parties	4,186.50	4,549.50
	<u>57,248.46</u>	<u>62,961.37</u>
Less: Amount disclosed under the head "other current liabilities" (note 10)	(8,345.48)	(8,002.17)
Net amount	<u>48,902.99</u>	<u>54,959.21</u>

Repayment terms and security disclosure for the outstanding long-term borrowings (including current maturities):

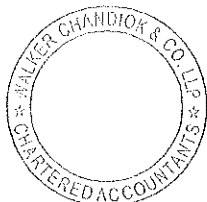
Foreign currency term loans from banks

1. Foreign currency term loan from ICICI bank (DIFC-Dubai) in 2 tranches:

a. ₹ 2,785,981,800 (previous year ₹ 3,004,358,400) from ICICI Bank Limited carrying an interest rate of 6 months Libor+4.14% per annum, repayable in 20 equal half yearly installments starting from 3 August 2013 and last installment falling due on 3 Feb 2023 for 50 megawatt Dangri.

b. ₹ 1,092,541,882 (previous year ₹ 1,178,179,765) from ICICI Bank Limited carrying an interest rate of 6 months Libor+4.14% per annum, repayable in 20 half yearly installments starting from 20 September 2013 and last installment falling due on 20 March 2023 for 20 megawatt Dangri.

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Both the tranches are secured by way of:

- a) Exclusive charge over all the borrowers immovable assets, all present and future movable fixed assets identified under the project assets of Ossiya-I i.e 19.5 megawatt.
- b) Exclusive charge over the escrow account to be opened with ICICI Bank Limited, India (Escrow Bank) for project Dangri and Ossiya-I
- c) Exclusive charge on all project documents, rights, titles, permits, approvals in respect of all the assets of the project including power purchase agreement and wheeling agreements and all project documents including all insurance policies relating to project, project book debts, operating cash flows, revenue of whatsoever nature including "Certified Emission Reduction" (CER) receivables.
- d) First pari passu with ICICI Bank, Bahrain over immovable assets and all present and future movable fixed assets identified at project of Gude Panchgani 23.1 megawatt.
- e) First pari-passu charge over the escrow account with respect to Gude Panchgani 23.1 megawatt.

2. Foreign currency term loan from ICICI bank (Bahrain):

Foreign currency term loan of ₹ 179,447,949 (previous year ₹ 338,649,170) from ICICI Bank Limited carrying an interest rate of 5.86 % per annum, repayable in 38 equal quarterly installments starting from 20 December, 2007 and last installment falling due in March 2017.

This loans are secured by way of:

- a) First mortgage/charge/security interest on all of the company's present and future assets pertaining to the Gude Panchgani 23.1 megawatt project including all movable properties.
- b) ICICI bank have a charge/lien over the escrow account, where the cash flows out of the project (sale proceeds from the power sold to Maharashtra State Electricity Board) are to be deposited by the company.

Term loans from bank

3. Rupee term loan from Yes Bank Limited (Mumbai)

Rupee term loan of ₹ 1,248,225,000 (previous year ₹ 1,320,000,000) from Yes Bank Limited carrying an interest rate of 12.35 % p.a, repayable in quarterly installments starting from 31 December, 2014 and last installment falling due in 30 June 2028.

This loans are secured by way of:

- a) First charge on all the present and future tangible/intangible movables assets, current assets including receivables, others reserves and bank accounts pertaining to project.
- b) First charge on all the present and future immovables assets both freehold and leasehold pertaining to the project.
- c) First charge on all the rights, title, interest, benefits, claims and demands whatsoever of the Company in project agreements, clearances etc. pertaining to the project.

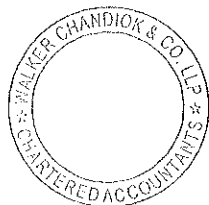
Term loan from others

4. Rupee term loan from Aditya Birla Finance Limited

Rupee term loan of ₹ 418,650,000 (previous year ₹ 454,950,000) from Aditya Birla Finance Limited carrying an interest rate of 12.40 % p.a, repayable in quarterly installments starting from 31 December, 2013 and last installment falling due in 30 June 2023.

This loans are secured by way of:

- a) First charge on all the present and future tangible/intangible movables assets, current assets including receivables (pertaining to 22.5 MW Rajasthan project (Sadiya & Ossiya II)).
- b) First charge on all the present and future immovables assets both freehold and leasehold pertaining to the 22.5 MW Rajasthan project (Sadiya and Ossiya II).
- c) First charge on all the projects bank accounts including but not limited to escrow account and any other reserves and other bank accountsof the borrower pertaining to the 22.5 MW Rajasthan project (Sadiya and Ossiya II)



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016
(All amounts in ₹ lakh, unless otherwise stated)

6 Other long-term liabilities

Income received in advance	3,160.75	2,722.24
	<u>3,160.75</u>	<u>2,722.24</u>

7 Long-term provisions

Provision for employee benefits		
- for compensated absences	3.50	6.79
- for gratuity	13.44	9.05
	<u>16.95</u>	<u>15.84</u>

8 Short-term borrowings**Unsecured loans**

Term loan from bank	10,000.00	-
---------------------	-----------	---

Loans from related party

Inox Wind Limited	27,807.13	15,979.92
Inox Renewables (Jaisalmer) Limited	978.00	-
	<u>38,785.13</u>	<u>15,979.92</u>

Repayment terms for the outstanding short-term borrowings**Term loan from bank****Rupee term loan from Indusind Bank Limited (Ahmedabad)**

Rupee term loan of ₹ 100,000,000 (previous year ₹ NIL) from Indusind bank Limited carrying an interest rate of 12.60 % per annum, repayable by a way of bullet repayment at the end of six months from the date of disbursement i.e 31 March 2016.

Loans from related party

The inter-corporate deposit from related parties is repayable on demand. The rate of interest on the deposit is 12% per annum.

During the year, the Company has borrowed funds from related parties. The management, basis the legal opinions obtained, is of the view that the requirements of section 185 have been complied with in respect of such borrowings.

9 Trade payables**Due to:**

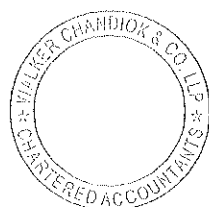
Micro enterprises and small enterprises (refer note 32)	-	-
Other than micro enterprises and small enterprises	324.73	825.36
	<u>324.73</u>	<u>825.36</u>

10 Other current liabilities

Current maturities of long term borrowings (refer note 5)	8,345.48	8,002.17
Interest accrued and due on borrowings	1,675.13	399.87
Interest accrued but not due on borrowings	568.62	636.96
Advance from customers	147.40	147.40
Income received in advance	203.91	174.33
Creditors for capital expenditure	980.36	3,109.39
Unscheduled Interchanges charges payable	466.27	422.56
Derivative financial liabilities	1,075.77	1,306.09
Statutory dues	141.36	81.26
Other liabilities	136.89	253.24
	<u>13,741.19</u>	<u>14,533.27</u>

11 Short-term provisions

- for compensated absence	15.86	5.24
- for gratuity	0.60	0.10
	<u>16.46</u>	<u>5.34</u>



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the period ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

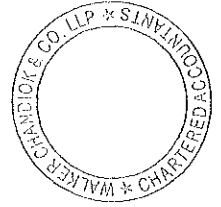
12. Fixed assets

A. Tangible fixed assets	Freehold land***	Leasehold land	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total tangible assets
Gross carrying amount							
Balance as at 31 March 2014	160.05	200.40	108,915.68	36.49	2.34	22.05	109,337.00
Additions	-	164.14	977.67	-	-	2.31	1,144.12
Adjustments	-	-	-	-	-	-	-
- on account of exchange rate fluctuations	-	-	1,867.84	-	-	-	1,867.84
- on account of borrowing costs*	-	-	280.63	-	-	-	280.63
Balance as at 31 March 2015	160.05	364.54	112,041.83	36.49	2.34	24.34	112,629.59
Additions	518.00	-	25,073.31	-	-	1.50	25,592.81
Adjustments	-	-	-	-	-	-	-
- on account of exchange rate fluctuations	-	-	2,275.64	-	-	-	2,275.64
- on account of borrowing costs	-	-	2,778.94	-	-	-	2,778.94
- on account of disposal/adjustments	-	-	(30.36)	-	-	-	(30.36)
Balance as at 31 March 2016	678.05	364.54	142,139.37	36.49	2.34	25.84	143,246.62

Accumulated depreciation							
Balance as at 31 March 2014	-	19.16	8,851.65	5.18	0.41	6.11	8,882.52
Revaluation charge	-	4.56	1,861.25	0.50	0.19	4.40	1,870.89
Depreciation charge	-	10.21	3,088.96	3.31	0.05	7.24	3,109.77
Balance as at 31 March 2015	-	33.93	13,801.86	8.99	0.65	17.75	13,863.18
Revaluation charge	-	4.56	1,860.09	0.50	0.19	0.81	1,866.14
Depreciation charge	-	14.64	3,406.31	3.31	0.05	2.69	3,427.00
Disposal/adjustments	-	-	(3.72)	-	-	-	(3.72)
Balance as at 31 March 2016	-	53.12	19,064.55	12.80	0.88	21.25	19,152.60

Net block							
Balance as at 31 March 2015	160.05	330.61	98,239.97	27.50	1.69	6.59	98,766.41
Balance as at 31 March 2016	678.05	311.42	123,074.82	23.70	1.46	4.59	124,094.02

B. Intangible fixed assets	Computer software	Total
Gross carrying amount		
Balance as at 31 March 2014	0.76	0.76
Additions	-	-
Balance as at 31 March 2015	0.76	0.76
Additions	-	-
Balance as at 31 March 2016	0.76	0.76



Accumulated amortisation	
Balance as at 31 March 2014	0.38
Amortisation charge	0.13
Balance as at 31 March 2015	0.51
Amortisation charge	0.13
Balance as at 31 March 2016	0.64

Net block

Balance as at 31 March 2015	0.25
Balance as at 31 March 2016	0.12

* This has been transferred from CWIP to fixed assets on account of change in the capitalisation plan of Maharashtra location

** Effective from 1 April 2014, the Company has revised the estimates of computing depreciation based on the revised useful life of the assets as per the requirements of Schedule-II of the Companies Act. Consequently, the depreciation charged for the year ended 31 March 2015 was lower by ₹ 496.54 lacs and profit for that year was higher by the corresponding amount.

*** Includes land carrying value of ₹ 209.41 lacs situated at Lahori, Nipaniya and Ayanarothu and the Company is in process of getting registered in its name.



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016
(All amounts in ₹ lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
13 Deferred tax assets (net)		
Deferred tax asset arising on account of:		
Gratuity	4.86	3.11
Compensated absences	6.70	4.09
Provision for doubtful advances	14.13	-
Difference between written down value of fixed assets as per books of accounts and tax records	211.13	(220.71)
	<u>236.83</u>	<u>(213.51)</u>
The Company has unabsorbed depreciation and carried forward losses under tax laws. Long-term power purchase agreements with power distribution entities supports the recognition of deferred tax assets in accordance with Accounting Standard-22, Accounting for Taxes on Income.		
14 Non-current investment		
(Long term, trade, at cost and unquoted)		
In equity shares:		
Trade investment (unquoted) at cost		
- In subsidiary - Inox Renewables (Jaisalmer) Limited	10,605.00	10,605.00
(1060.50 lakh equity shares (previous year 1060.50 lakh) of ₹ 10 each)	<u>10,605.00</u>	<u>10,605.00</u>
a) Aggregate amount of unquoted investment at cost ₹ 10,605.00 (previous year ₹ 10,605.00).		
15 Long-term loans and advances		
(Unsecured, considered good, unless otherwise stated)		
Capital advances	355.67	242.61
Security deposits	2.56	582.85
Advance tax (net of provision for tax ₹ 1,223.20 lakh(previous year ₹ 440.99 lakh))	562.97	332.27
Minimum Alternate Tax credit recoverable	1,052.15	1,052.15
	<u>1,973.35</u>	<u>2,209.88</u>
16 Other non-current assets		
Fixed deposit	0.10	0.10
	<u>0.10</u>	<u>0.10</u>
17 Trade receivables		
(unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,497.00	600.98
Unsecured, considered doubtful	472.62	1.06
	<u>4,969.62</u>	<u>602.04</u>
Less: Provision for doubtful debts	(472.62)	(1.06)
	<u>4,497.00</u>	<u>600.98</u>
Others		
Unsecured, considered good	3,350.00	5,184.82
	<u>7,846.99</u>	<u>5,785.80</u>

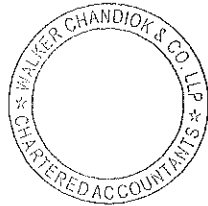


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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016
(All amounts in ₹ lakh, unless otherwise stated)

	As at 31 March 2016	As at 31 March 2015
18 Cash and bank balances		
a) Cash and cash equivalents		
Cash in hand	0.08	0.08
Balance with banks		
- In current accounts	208.52	198.68
	<u>208.60</u>	<u>198.76</u>
b) Other bank balances		
- Fixed deposit with remaining maturity of upto 12 months	1,903.37	1,670.80
	<u>2,111.97</u>	<u>1,869.56</u>
19 Short-term loans and advances		
a) Advances recoverable in cash or in kind or for value to be received	93.46	38.57
b) Other loan and advances		
Security deposits	162.00	686.69
	<u>255.46</u>	<u>725.26</u>
20 Other current assets		
Unbilled revenue	415.07	-
Work contract tax receivable	-	14.10
Interest accrued but due on investments	-	10.07
Interest accrued but not due		
- on fixed deposits	34.14	37.21
	<u>449.21</u>	<u>61.38</u>



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the period ended .
(All amounts in ₹ lakh, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
21 Revenue from operations		
Revenue from power generation	11,375.10	12,643.41
Other operating revenue	220.16	716.40
	<u>11,595.26</u>	<u>13,359.81</u>
Details of sale of product		
Sale of wind energy	10,582.08	11,844.88
Income from green benefit incentive	585.18	705.37
Income from sale of renewable energy certificate	207.84	93.16
	<u>11,375.10</u>	<u>12,643.41</u>
Other operating revenue		
Details of Sale of services		
Sharing of common infrastructure charges	220.16	716.40
	<u>220.16</u>	<u>716.40</u>
22 Other income		
Interest on fixed deposits	150.51	156.28
Profit on scrap of mast	0.07	-
Profit on redemption of mutual fund units	-	1.36
Interest on income tax refund	2.97	-
Other interest income	0.25	56.22
Mark to market gain on derivative contracts	218.34	72.56
Gain on settlement of derivative	186.35	47.68
	<u>558.49</u>	<u>334.10</u>
23 Operation and maintenance expenses		
Operations and maintenance expenses	1,622.14	854.75
Shared service procurement cost	-	529.90
	<u>1,622.14</u>	<u>1,384.65</u>
24 Employee benefits expense		
Salary and wages	181.60	160.51
Contribution to employee benefits	14.19	4.04
Contribution to provident and other funds	9.65	9.18
	<u>205.44</u>	<u>173.73</u>
25 Finance costs		
Interest on:		
Term loan from banks	6,239.75	6,733.19
Other loans	1,988.99	1,289.43
Other finance cost	43.71	59.08
	<u>8,272.45</u>	<u>8,081.69</u>
Less: Transferred to capital work in progress	(956.31)	(1,511.37)
	<u>7,316.14</u>	<u>6,570.32</u>



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the period end
(All amounts in ₹ lakh, unless otherwise stated)

26 Other expenses

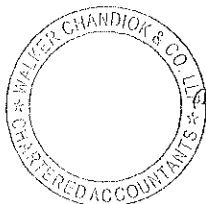
Legal and professional	150.46	105.35
Rates and taxes	21.96	8.08
Repairs and maintenance on plant and machinery	0.49	5.45
Payment to auditors (refer note 29)	9.73	6.74
Rent	42.76	38.90
Travelling and conveyance expenses	20.96	36.41
Communication expenses	4.18	4.51
Insurance expenses	15.74	23.07
Security expenses	14.45	16.07
Provision for bad debts	471.56	-
Advance written off	40.84	-
Miscellaneous expenses	21.32	19.63
	<u>814.45</u>	<u>264.21</u>

27 Prior period items

Legal and professional charges	-	5.73
	<u>-</u>	<u>5.73</u>

28 Basic and diluted earning per share

Net profit attributable to equity shareholders	(2,647.36)	(555.41)
Number of fully paid equity shares at the end of the year	33.75	33.75
Weighted average number of equity shares outstanding during the year	33.75	32.69
Nominal value of equity share (₹)	10.00	10.00
Basic and diluted earnings per equity share (₹)	(78.44)	(16.99)



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

29. Particulars of payment to auditors:-

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Statutory audit	5.50	3.00
Other services	3.00	3.00
Reimbursement of expenses	3.88	-
Service tax	1.23	0.74
Total	13.61	6.74

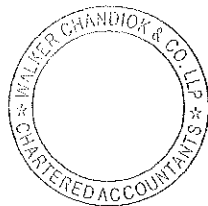
30. Commitments

Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances as at 31 March 2016 amounts to ₹1,136.31 (previous year ₹3,416.96).

31. Contingent liabilities

Particulars	31 March 2016	31 March 2015
(a) Claims against the company not acknowledged as debt	64.74	64.74
(b) Other money for which the company is contingently liable.	22,261.50	23,518.62
- Corporate guarantee for loan taken by Inox Renewables (Jaisalmer) Limited (a subsidiary of the Company)		
- Litigation with one of the state electricity distribution board	870.00	870.00
- Income Tax demand in respect of assessment year 2012-13 & 2013-14. The company is contesting the demand and has filed appeal under the applicable laws. The management believes that its position is tenable and would not materially affect the financial statements.	1441.46	246.73

32. Based on the information available with the Company, there are no dues outstanding in respect of micro, small and medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA) at the balance sheet date. No amounts were payable to such enterprises which were outstanding for more than 45 days. Further, no interest during the year has been paid or payable in respect thereof. The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

33. Employee benefits:

- a) **Defined benefit plans:** The amounts recognized in respect of gratuity and compensated absence, as per actuarial valuation, are as under:-

A. Gratuity

Amount recognised in the statement of profit and loss is as under:

S.No.	Description	31 March 2016	31 March 2015
a)	Current service cost	2.90	3.78
b)	Interest cost	0.69	0.57
c)	Actuarial loss/(gain) recognised during the year	1.89	(1.45)
d)	Expense recognised in the statement of profit and loss	5.48	2.91

Movement in the liability recognised in the balance sheet is as under:

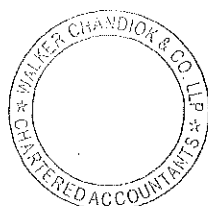
S.No	Description	31 March 2016	31 March 2015
a)	Present value of defined benefit obligation as the beginning of the year	9.15	6.25
b)	Current service cost	2.90	3.78
c)	Interest cost	0.69	0.57
d)	Actuarial loss/(gain) recognised during the year	1.89	(1.45)
e)	Contributions paid	(0.59)	-
f)	Present value of defined benefit obligation as at the end of the year	14.04	9.15

For determination of the gratuity liability of the Company, the following actuarial assumptions were used:

S.No.	Description	31 March 2016	31 March 2015
a)	Discount rate	7.46%	7.77%
b)	Rate of increase in compensation level	8.00%	8.00%
c)	Attrition rate (Up to 42 years)	5.00%	5.00%
d)	Retirement age	60 Years	60 years
e)	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult

Experience adjustments

Description	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Present value of defined benefit obligations	14.05	9.15	6.25	11.57	2.75
Experience loss/(gain) on obligation	1.49	(2.67)	(9.07)	(9.70)	-



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

B. Compensated absences

Amount recognised in the statement of profit and loss is as under:

S.No.	Description	31 March 2016	31 March 2015
a)	Current service cost	4.23	3.63
b)	Interest cost	0.53	0.62
c)	Actuarial loss/(gain) recognised during the year	1.13	(1.21)
d)	Expense recognised in the statement of profit and loss	5.89	3.05

Movement in the liability recognised in the balance sheet is as under:

S.No.	Description	31 March 2016	31 March 2015
a)	Present value of defined benefit obligation as at the beginning of the year	12.03	15.60
b)	Current service cost	7.05	1.80
c)	Interest cost	0.53	0.62
d)	Actuarial loss/(gain) recognized during the year	1.13	(1.21)
e)	Contributions paid	(1.37)	(4.79)
f)	Present value of defined benefit obligation as at the end of the year	19.37	12.03

For determination of the compensation absence liability of the Company, the following actuarial assumptions were used:

S.No.	Description	31 March 2016	31 March 2015
a)	Discount rate	7.46%	7.77%
b)	Rate of increase in compensation level	8.00%	8.00%
c)	Attrition rate (Up to 42 years)	5.00%	5.00%
d)	Retirement age	60 Years	60 years
e)	Mortality	IALM (2006-08) Ult	IALM (2006-08) Ult

Experience adjustments

Description	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Present value of defined benefit obligations	11.96	7.45	9.19	6.74	2.73
Experience loss/(gain) on obligation	0.82	(2.06)	(0.99)	(1.65)	(1.03)



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended
31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

C. Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provision Act, 1952. This is post-employment benefit and is in the nature of defined benefit plan. Contribution made by the Company during the year is ₹9.65 (previous year ₹8.44).

34. Related party disclosure:

Information required to be disclosed under the Accounting Standard 18 on 'Related Party Disclosures' are given below:

a) Relationships

(i) Holding/ultimate holding company:

Gujarat Fluorochemicals Limited - Holding Company

Inox Leasing and Finance Limited- Ultimate Holding Company

(ii) Subsidiary/fellow subsidiary entities at any time during the year with whom there are transactions during the year

Inox Renewables (Jaisalmer) Limited- Subsidiary

Inox Wind Limited – Fellow Subsidiary

Inox Wind Infrastructure Services Limited– Fellow Subsidiary

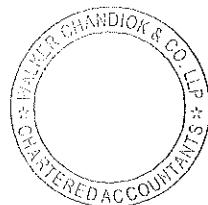
(iii) Key managerial personnel

Devansh Jain

Vivek Kumar Jain

Pavan Kumar Jain

Bhupesh Kumar Juneja



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 Mar 2016
(All amounts in ₹ lakh, unless otherwise stated)

(b) The following transactions were carried out with related parties in the ordinary course of business

Particulars	Holding company Gujarat Fluorochemicals Limited		Subsidiary Inox Renewables (Jaisalmer) Limited		Fellow subsidiary Inox Wind Infrastructure Limited			Key Managerial personnel Bhupesh Kumar Juneja	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016
A) Transactions during the year									
Issue of share	-	32.50	-	-	-	-	-	-	-
Unsecured loan received	-	-	9,759.00	611.00	33,270.21	16,933.00	-	-	-
Unsecured loan given	-	-	312.00	2,798.00	-	-	-	-	-
Repayment of Unsecured loan received	-	10,600.00	8,781.00	611.00	21,443.00	6,849.04	-	-	-
Unsecured loan given/adjusted	-	-	312.00	3,288.00	-	-	-	-	-
Interest expenses on unsecured loan	-	351.40	144.90	5.09	1,842.35	925.32	-	-	-
Interest income on unsecured loan	-	-	0.21	56.18	-	-	-	-	-
Operation and maintenance charges	-	-	-	-	-	-	630.61	-	-
Income from shared services	-	-	-	-	0.75	-	23.79	-	5.98
Expense for shares services	-	-	-	-	-	-	-	529.88	-
Expenses incurred on our behalf	-	3.31	-	-	333.79	118.65	313.41	100.50	-
Expenses to be reimbursed	-	-	0.44	4.94	-	-	477.36	31.10	-
Purchase of assets	-	-	-	-	14,857.00	-	5,538.25	-	-
Return of assets	-	-	-	-	7,249.00	7,872.00	-	-	-
Managerial Remuneration	-	-	-	-	-	-	-	-	73.86
									63.71

v) The Company has taken office space and electricity consumed at such office free of cost from Gujarat Fluorochemicals Limited, the holding company.

Particulars	Holding company Gujarat Fluorochemicals Limited		Subsidiary Inox Renewables(Jaisalmer) Limited		Fellow subsidiary Inox Wind Infrastructure Limited		
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016
B) Balances at the year end							
Unsecured loan payable	-	-	978.00	-	27,807.13	15,979.92	-
Unsecured loan receivable	-	-	-	-	-	-	-
Interest payable	-	-	17.15	-	1,657.99	399.87	-
Interest receivable	-	-	-	10.07	-	-	-
Advance recoverable	13.90	-	5.11	0.19	-	-	-
Other current liabilities	-	147.66	-	-	298.41	2,403.97	237.39
							172.76



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INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

35. The Company is engaged in the business of generation of wind energy which as per notified Accounting Standard 17 on "Segment Reporting" of the Companies (Accounting Standards) Rules 2006, is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.
36. The Company's significant leasing arrangements are in respect of operating leases for premises (offices and residential accommodations). These lease arrangements are cancelable, range between 11 to 36 months and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals amounting to ₹42.76 (previous year ₹38.90) are charged as 'Rent' in the statement of profit and loss.
37. Derivative outstanding and foreign currency exposure as at Balance Sheet date:

a) Following are the outstanding derivative contracts entered into by the Company as at 31 March 2016 and 31 March 2015:

S. No.	Nature of contract	Foreign currency	Buy/sell	Purpose
(i)	Interest rate swap	USD	Buy	Hedging of interest rate of loan
(ii)	Currency option	USD	Buy	Hedging of foreign currency

The company has classified its interest rate swap contract that hedge interest rate risk associated with highly probable forecasted transaction as cash flow hedge and measures it on fair value. The effective portion of such cash flow hedge is recorded as part of reserves and surplus with in the "Hedging Reserve Account" and re-classified in the Statement of Profit and Loss as interest expense in the period corresponding to the occurrence of the highly probable forecasted transactions.

b) Details of foreign currency exposures that are hedged by a derivative instrument or otherwise included in borrowing is as mentioned below:

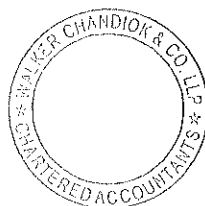
S.No.	Particulars	31 March 2016		31 March 2015	
		USD	INR	USD	INR
(a)	ECB loan	524.83	34,813.52	622.99	38,993.70
(b)	Interest payable	4.46	271.81	5.06	306.89

The loan as on 31 March 2016 has been restated @ ₹66.33 per USD.

c) The details of foreign currency exposures that are not hedged by a derivative instrument or otherwise included in borrowing is as mentioned below:

S.No.	Particulars	31 March 2016		31 March 2015	
		USD	INR	USD	INR
(a)	ECB loan	86.93	5,766.19	99.35	6,218.17
(b)	Interest payable	0.12	8.27	0.15	9.27

The loan as on 31 March 2016 has been restated @ ₹66.33 per USD.



INOX RENEWABLES LIMITED

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹lakh, unless otherwise stated)

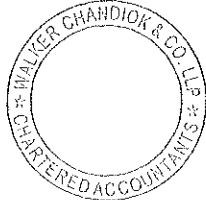
38. Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Interest expense	3,895.80	4,407.63

39. On 30 March 2012, the company revalued its fixed assets of the wind energy business acquired as part of slump sale from Gujarat Fluorochemicals Limited, the holding Company. Consequently ₹ 41,878.13 lakh was credited to the revaluation reserve with corresponding addition to gross block of respective fixed assets. Till 31 March 2014, the depreciation on the revalued assets had been adjusted against the revaluation reserve. However, from previous year onwards, pursuant to Schedule II to the Companies Act 2013 which requires charging depreciation on the cost of an asset or revalued amount, the depreciation on the revalued asset amounting to ₹ 1,866.14 & ₹ 1,870.89 lakh has been charged to Statement of Profit & Loss for the year ended 31 March 2016 and 31 March 2015 respectively.
40. As per the provisions of section 135 of the Companies Act, 2013 every company having net worth of ₹ 500 crore or more or turnover of ₹ 1,000 crore or more or a net profit of ₹5 crore or more during any of the three preceding financial years, shall spend atleast 2 percent of the average net profits of the company made during the three immediately preceding financial years. The Company has not spent such amount during the year as it is under the process to identify the projects for incurring such expenditure.
41. Previous year figures have been regrouped/ rearranged wherever considered necessary to make them comparable with those of the current year.

Walker Chandniok & Co
For Walker Chandniok & Co LLP
(formerly Walker, Chandniok & Co)
Chartered Accountants

Lalit Kumar
Per Lalit Kumar
Partner



For and on behalf of the Board of Directors of
Inox Renewables Limited

[Signature]
Director

[Signature]
Director

Place: Noida

Date: 06 May 2016