

**INOX WIND LIMITED  
CONSOLIDATED FINANCIAL  
STATEMENTS**

**2013-2014**

## **Independent Auditors' report to the Members of Inox Wind Limited**

### **Report on the financial statements**

We have audited the accompanying consolidated financial statements of **Inox Wind Limited** (the 'Company') and its subsidiaries (collectively referred to as the 'Group'), which comprise the consolidated Balance Sheet as at 31<sup>st</sup> March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Auditors' Report to the Members of Inox Wind Limited (Continued)**

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2014;
- ii. in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- iii. in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Patankar & Associates  
Chartered Accountants  
Firm's Registration No: 107628W

Place:  
Date:

S S Agrawal  
Partner  
Membership No: 049051

**INOX WIND LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014**

		(Amounts in Rs.)	
	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	4	2,00,00,00,000	40,00,00,000
(b) Reserves and surplus	5	2,27,79,32,679	2,55,51,79,286
		<b>4,27,79,32,679</b>	<b>2,95,51,79,286</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	6	55,00,00,000	1,31,25,00,000
(b) Deferred tax liabilities (net)	7	21,17,41,000	19,54,68,077
(c) Other long term liabilities	8	2,40,00,000	2,40,00,000
(d) Long-term provisions	9	1,37,86,350	83,64,137
		<b>79,95,27,350</b>	<b>1,54,03,32,214</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	10	4,25,40,10,524	2,05,48,62,796
(b) Trade payables	11	4,21,65,41,347	2,27,84,14,489
(c) Other current liabilities	12	1,27,34,74,495	64,61,87,785
(d) Short-term provisions	13	3,68,32,623	2,66,45,731
		<b>9,78,08,58,989</b>	<b>5,00,61,10,801</b>
<b>TOTAL</b>		<b>14,85,83,19,018</b>	<b>9,50,16,22,301</b>
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Goodwill on consolidation		1,64,61,610	-
(b) Fixed asset	14		
(i) Tangible asset		1,56,14,53,110	1,39,66,40,776
(ii) Intangible asset		16,07,79,807	16,93,46,690
(iii) Capital work-in-progress		25,46,07,777	4,07,07,405
		1,97,68,40,694	1,60,66,94,871
(c) Non current investment	15	20,000	20,000
(d) Deferred tax assets (Net)	16	6,06,29,000	70,888
(e) Long-term loans and advances	17	91,31,41,136	62,51,77,123
(f) Other non-current assets	18	10,50,02,869	-
		<b>3,07,20,95,309</b>	<b>2,23,19,62,882</b>
<b>(2) Current assets</b>			
(a) Current investment	19	45,00,00,000	-
(b) Inventories	20	2,70,67,98,121	79,45,34,943
(c) Trade receivables	21	7,09,58,02,861	5,00,21,66,433
(d) Cash and bank balances	22	4,01,78,367	1,51,63,265
(e) Short-term loans and advances	23	1,11,64,79,203	1,33,88,27,913
(f) Other current assets	24	37,69,65,157	11,89,66,865
		<b>11,78,62,23,709</b>	<b>7,26,96,59,419</b>
<b>TOTAL</b>		<b>14,85,83,19,018</b>	<b>9,50,16,22,301</b>

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Patankar & Associates**  
**Chartered Accountant**

**For Inox Wind Limited**

S S Agrawal  
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place:  
Date:

Place:  
Date:

**INOX WIND LIMITED**
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014**

		(Amounts in Rs.)	
	Note No.	Year ended 31-Mar-2014	Year ended 31-Mar-2013
Revenue from operations	25	15,66,81,07,099	10,58,90,86,675
Other income	26	9,13,72,915	4,76,60,892
<b>Total Revenue</b>		<b>15,75,94,80,014</b>	<b>10,63,67,47,567</b>
<b>Expenses:</b>			
Cost of materials consumed	27	10,52,75,09,753	6,87,64,58,478
Changes in inventories of finished goods & work-in-progress	28	(1,13,06,62,389)	(8,72,73,714)
EPC, O&M, Common Infrastructure Facility and Site Development expenses	29	2,73,43,27,015	94,14,53,816
Employee benefits expense	30	38,43,30,376	24,98,34,040
Finance costs	31	46,00,10,813	38,75,74,264
Depreciation and amortization expense	32	11,60,89,745	8,90,01,410
Other expenses	33	1,40,73,44,017	64,38,67,068
<b>Total expenses</b>		<b>14,49,89,49,330</b>	<b>9,10,09,15,362</b>
Less: Expenditure capitalised		1,74,13,442	-
<b>Net expenses</b>		<b>14,48,15,35,888</b>	<b>9,10,09,15,362</b>
<b>Profit before tax</b>		<b>1,27,79,44,126</b>	<b>1,53,58,32,205</b>
<b>Tax expense:</b>			
Current tax		30,85,75,000	31,33,30,648
Less: MAT credit entitlement		(30,85,75,000)	(30,01,31,604)
Deferred tax charge/(credit)		(4,42,85,189)	1,93,43,881
Taxation for earlier year		(5,24,076)	-
		(4,48,09,265)	3,25,42,925
<b>Profit for the year</b>		<b>1,32,27,53,391</b>	<b>1,50,32,89,280</b>
Earnings per equity share of Rs. 10 each	44		
(1) Basic		6.61	9.90
(2) Diluted		6.61	7.55

The accompanying notes are an integral part of the financial statements

**As per our report of even date attached**  
**For Patankar & Associates**  
**Chartered Accountant**

**For Inox Wind Limited**

S S Agrawal  
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place:  
Date:

Place:  
Date:

**INOX WIND LIMITED**
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

	(Amounts in Rs.)	
	Year ended 31-Mar-2014	Year ended 31-Mar-2013
<b>A Cash flow from operating activities</b>		
Net Profit before tax	1,27,79,44,126	1,53,58,32,205
<b>Adjustments for :</b>		
Depreciation / Amortization	11,60,89,745	8,90,01,410
Interest income	(7,48,68,440)	(4,62,24,209)
Dividend income	-	(14,36,683)
Profit on sale of current investments	(1,54,46,365)	-
Provision for doubtful advances	20,04,972	-
Finance costs	46,00,10,814	38,75,74,264
Unrealised Foreign Exchange (gain)/loss	7,77,82,089	(2,59,88,503)
<b>Operating profit before working capital changes</b>	<b>1,84,35,16,941</b>	<b>1,93,87,58,484</b>
<b>Adjustments for :</b>		
Long term provisions	54,22,213	49,24,958
Trade payables	1,79,51,35,263	1,20,45,34,976
Other current liabilities	19,99,62,945	13,38,67,823
Short term provisions	31,19,819	14,96,632
Long term loans and advances	(85,947)	(45,000)
Other non current assets	(7,24,03,905)	-
Inventories	(1,84,30,02,301)	20,24,34,844
Trade receivables	(2,09,30,74,198)	(4,26,37,76,906)
Short term loans and advances	(15,99,13,308)	(6,78,60,629)
Other current assets	(22,43,03,622)	(7,72,41,483)
<b>Cash (used in) operations</b>	<b>(54,56,26,100)</b>	<b>(92,29,06,301)</b>
Income-tax paid	(33,43,45,023)	(28,72,46,816)
<b>Net cash (used in) operating activities</b>	<b>(87,99,71,123)</b>	<b>(1,21,01,53,117)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets (including changes in capital advances and capital work-in-progress)	(44,01,51,330)	(35,12,58,808)
Inter corporate deposits given (net)	41,15,08,000	(1,01,36,00,000)
Interest received	8,58,51,676	57,25,448
Dividend received	-	14,36,683
Purchase of current investments	(3,90,00,00,000)	(1,25,00,00,000)
Redemption of current investments	3,46,54,46,365	1,25,00,00,000
Purchase of shares of subsidiary company	(1,91,00,980)	-
Purchase of other non current investment	-	(20,000)
Movement in margin money deposits	(2,30,55,000)	-
<b>Net cash (used in) investment activities</b>	<b>(41,95,01,269)</b>	<b>(1,35,77,16,677)</b>
<b>C Cash flow from financing activities</b>		
Inter-corporate deposit received (net)	-	30,00,000
(Repayment)/Proceeds from Long Term Loans (net)	(38,75,00,000)	1,70,00,00,000
Proceeds from Short Term Loans (net)	2,17,65,55,748	86,24,38,115
Finance costs	(46,47,17,464)	(37,51,12,395)
<b>Net cash generated from financing activities</b>	<b>1,32,43,38,284</b>	<b>2,19,03,25,720</b>

**INOX WIND LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014**

	<u>Year ended</u> <u>31-Mar-2014</u>	<u>(Amounts in Rs.)</u> <u>Year ended</u> <u>31-Mar-2013</u>
<b>D Capital receipt</b> (Please refer to Note No. 34 of Notes to Accounts)	-	30,00,000
Net increase/(decrease) in cash and cash equivalent	2,48,65,892	(37,45,44,074)
Cash and cash equivalents at the beginning of the year	1,51,63,265	38,97,07,339
Cash and cash equivalents on subsidiary acquired during the year	1,49,210	-
<b>Cash and cash equivalents at the end of the year</b>	<u><b>4,01,78,367</b></u>	<u><b>1,51,63,265</b></u>

The accompanying notes are an integral part of the financial statements

**As per our report of even date attached**  
**For Patankar & Associates**  
**Chartered Accountant**

**For Inox Wind Limited**

S S Agrawal  
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place:

Place:

Date:

Date:

## **INOX WIND LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

#### **1. Corporate Information**

Inox Wind Limited ("IWL" or "Parent Company") is engaged in the business of manufacture of Wind Turbine Generators and also provides erection & commissioning services. The Company is a subsidiary of Gujarat Fluorochemicals Limited. The area of operations of the Company is within India.

The Consolidated Financial Statements ("CFS") relate to IWL and its subsidiaries, collectively referred to as the "Group".

The subsidiaries considered in the financial statement are:

a) Subsidiary of the Parent Company: Inox Wind Infrastructure Services Limited (IWISL) - wholly owned subsidiary, incorporated in India on 11<sup>th</sup> May 2012. IWISL is engaged in the business of providing Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for Wind Turbine Generators.

b) Subsidiary of IWISL: Marut Shakti Energy India Limited (MSEIL) - wholly owned subsidiary of IWISL, incorporated in India. MSEIL is engaged in the business of development of Wind Farm sites. During the current year, on 13<sup>th</sup> September 2013, IWISL has acquired the entire share capital of MSEIL and MSEIL has become a subsidiary of IWISL w.e.f. 13<sup>th</sup> September 2013. Consequently, the financial results of MSEIL are included in the CFS from 13<sup>th</sup> September 2013 on the basis of the financial statements prepared and certified by the MSEIL's management for the period ended on 12<sup>th</sup> September 2013.

#### **2. Basis of Preparation and principles of consolidation:**

The CFS are prepared in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" notified under the Companies Act, 1956 ('the Act') read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

The CFS are prepared on the following basis.

a) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. Inter-company balances, inter-company transactions and unrealized profits are fully eliminated. Unrealized losses resulting from Inter-company transactions are eliminated unless cost cannot be recovered.

## **INOX WIND LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

#### **2. Basis of Preparation and principles of consolidation - continued**

- b) The CFS are prepared using uniform accounting policies for the like transactions and other events in similar circumstances. The CFS are presented, to the extent possible, in the same manner as the Parent Company's separate financial statements.
- c) Goodwill on consolidation represents excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, and is recognized as an asset in the consolidated financial statements. The Goodwill on consolidation is evaluated for impairment whenever there is any indication that its carrying amount may have been impaired.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

##### **a) Revenue Recognition:**

Revenue from sale of products is recognized when the significant risks and rewards of ownership of goods have passed on to the customers in terms of the respective contracts for supply. Sales are exclusive of sales-tax and net of sales return/cancellation and discounts. Revenue from EPC, Common Infrastructure Facilities and Site Development Services is recognized on completion of services, in terms of the contract, and is net of taxes. Revenue from Operations & Maintenance contracts is recognized pro-rata over the period of the contract, as per the terms of the contract, and is net of taxes. Income on sale of electricity generated is recognized on the basis of actual units generated and transmitted to the purchaser. Interest income is recognized on time proportion basis. Dividend income is recognized when the unconditional right to receive the dividend is established.

##### **b) Fixed Assets and Intangible Assets:**

Fixed assets are carried at cost as reduced by accumulated depreciation/amortization, except freehold land, which is carried at cost. Cost comprises of cost of acquisition/construction, including any expenses attributable to bring the asset to its working condition for its intended use, and is net of credit for taxes, as applicable. Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. Borrowing costs directly attributable to acquisition or construction of qualifying fixed assets are capitalized.

## **INOX WIND LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

#### **3. Significant Accounting Policies - continued**

##### **c) Depreciation and Amortization:**

- (i) On tangible assets – Cost of leasehold land is amortized over the period of lease. Depreciation on other fixed assets, excluding freehold land, is provided on straight line method as under:
- On roads – over the estimated useful life of 19 years
  - On other fixed assets - at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

Fixed assets costing upto Rs. 5,000 each are fully depreciated in the year of acquisition.

- (ii) On intangible assets – Cost of technical know-how is amortized equally over a period of ten years. Cost of Software is amortized @ 16.21% p.a. on straight line method.

##### **d) Impairment of assets:**

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets and impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

##### **e) Investments:**

Investments are classified into long term and current investments. Long term investments are carried at cost. Provision for diminution is made to recognize the decline, other than temporary, in the values of investments. Current Investments are carried at lower of the cost and fair value.

##### **f) Inventories:**

Inventories are valued at lower of cost and net realizable value. Cost is determined on weighted average basis and includes appropriate overheads. Borrowing costs directly attributable to inventories which are qualifying assets are capitalized.

##### **g) Government Grants:**

Government Grants are accounted for when it is reasonably certain that the ultimate collection will be made. The grants in the nature of promoters' contribution are credited to Capital Reserve.

## **INOX WIND LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

#### **3. Significant Accounting Policies - continued**

##### **h) Employee Benefits:**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the year in which related services are rendered. Company's contribution towards provident and pension fund viz. Defined Contribution Plan, paid / payable during the year are charged to the Statement of Profit and Loss. Retirement benefits in the form of Gratuity and Leave Encashment are recognized as expenses in the Statement of Profit and Loss at the present value of the amounts payable, determined on the basis of actuarial valuation techniques, using the projected unit credit method. Actuarial gains and losses are recognized in the Statement of Profit and Loss.

##### **i) Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expenses in the statement of Profit & Loss.

##### **j) Taxes on income:**

Income tax expense comprises of current tax and deferred tax charge. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax in respect of business loss and unabsorbed depreciation is recognized as an asset if there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. Minimum Alternate Tax (MAT) paid on the book profits, which gives rise to future economic benefits in the form of tax credit against future income-tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax within the period prescribed for utilization of such credit.

##### **k) Foreign Currency Transactions and forward contracts:**

Transactions in foreign currency are recorded in rupees by applying the exchange rate at the date of the transaction. At the Balance Sheet date, monetary assets and liabilities in foreign currency are restated by applying the closing rate. Gains or Losses on settlement of the transactions and restatement of monetary assets and liabilities are recognised in the Statement of Profit and Loss. In respect of forward exchange contract entered, the difference between the forward rate and the exchange rate at the date of the transaction is recognised as income or expense over the life of such contract.

## **INOX WIND LIMITED**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

#### **3. Significant Accounting Policies - continued**

##### **l) Provisions & Contingent Liabilities:**

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. 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. When there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

##### **m) Use of estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported balances of assets and liabilities and disclosure of contingent liabilities, at the end of the accounting year and reported amounts of revenue and expenses during the year. Although these estimates are based on the management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

(Amount in Rs.)

**Note 4 : Share capital****Authorized capital**

50,00,00,000 (previous year 5,00,00,000) Equity shares of Rs. 10/- each

	As at 31-Mar-2014	As at 31-Mar-2013
	5,00,00,00,000	50,00,00,000

**Issued, subscribed and paid Up Capital**

20,00,00,000 (previous year 4,00,00,000) Equity shares of Rs. 10/- each

	2,00,00,00,000	40,00,00,000
	<b>2,00,00,00,000</b>	<b>40,00,00,000</b>

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

	As at 31-Mar-2014		As at 31-Mar-2013	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	4,00,00,000	40,00,00,000	3,00,00,000	30,00,00,000
Add: Shares issued on conversion of debentures	-	-	1,00,00,000	10,00,00,000
Add: Shares allotted as bonus shares - refer note no. 4(e)	16,00,00,000	1,60,00,00,000	-	-
<b>Shares outstanding at the end of the year</b>	<b>20,00,00,000</b>	<b>2,00,00,00,000</b>	<b>4,00,00,000</b>	<b>40,00,00,000</b>

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual 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.

**c) Shares held by holding company**

	As at 31-Mar-2014		As at 31-Mar-2013	
	No. of shares	Amount	No. of shares	Amount
Gujarat Fluorochemicals Limited	15,00,00,000	1,50,00,00,000	2,99,99,400	29,99,94,000

**d) Number of shares held by each shareholder holding more than 5 % shares in Company:**

	As at 31-Mar-2014		As at 31-Mar-2013	
	No. of shares	% of holding	No. of shares	% of holding
Gujarat Fluorochemicals Limited	15,00,00,000	75.00%	2,99,99,400	74.999%
Siddhomal Investment Pvt. Limited	1,25,00,000	6.25%	25,00,000	6.250%
Siddhapawan Trading & Finance Pvt. Ltd.	1,25,00,000	6.25%	25,00,000	6.250%
Devansh Trading & Finance Pvt. Ltd.	1,25,00,000	6.25%	25,00,000	6.250%
Inox Chemicals Pvt. Ltd.	1,25,00,000	6.25%	25,00,000	6.250%

e) During the year the Company has allotted 16,00,00,000 equity shares as fully paid up by way of bonus shares in the ratio of 4:1 by utilisation of surplus in the statement of profit & loss.

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	As at 31-Mar-2014	As at 31-Mar-2013
<b>Note 5: Reserves and surplus</b>		
<b>Capital reserve</b>		
Balance as per last balance sheet	30,00,000	-
Addition during the year (see note no. 34)	-	30,00,000
Balance as at the end of the year	<b>30,00,000</b>	<b>30,00,000</b>
<b>Surplus in the statement of profit and loss</b>		
As per last balance sheet	2,55,21,79,288	1,04,88,90,006
Less: Utilised for bonus shares (see note 4(e))	(1,60,00,00,000)	-
Add: Profit for the year	1,32,27,53,391	1,50,32,89,280
Balance as at the end of the year	<b>2,27,49,32,679</b>	<b>2,55,21,79,286</b>
<b>Total</b>	<b>2,27,79,32,679</b>	<b>2,55,51,79,286</b>
<b>Note 6: Long-term borrowings</b>		
<b>Rupee Term Loans (secured)</b>		
<b>From Banks</b>	75,00,00,000	1,00,00,00,000
(Secured by first exclusive charge on existing & future movable & immovable fixed assets of Una and Rohika Plant of the Parent Company & carries interest rate @ 11.85% p.a. The loans is repayable in 20 quartely installments starting from 1.2.2013)		
<b>From Other Parties</b>	56,25,00,000	70,00,00,000
(Secured by first pari passu charge on entire current assets of the Parent Company, both present and future & carries interest rate @ 12.25% p.a. The loan is repayable in 4 quartely installments starting from 2.3.2014 )		
	1,31,25,00,000	1,70,00,00,000
Less: Current maturities disclosed under Note 12: Other current liabilities	76,25,00,000	38,75,00,000
<b>Total</b>	<b>55,00,00,000</b>	<b>1,31,25,00,000</b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	As at 31-Mar-2014	As at 31-Mar-2013
<b>Note 7: Deferred tax liabilities (Net)</b>		
<b>(a) Deferred Tax Liabilities</b>		
On account of Timing difference for Depreciation	21,70,70,000	19,84,63,584
	<b>21,70,70,000</b>	<b>19,84,63,584</b>
<b>(b) Deferred Tax Assets</b>		
On account of retirement benefits	53,29,000	29,95,507
	<b>53,29,000</b>	<b>29,95,507</b>
<b>Deferred Tax Liability (Net)</b>	<b>21,17,41,000</b>	<b>19,54,68,077</b>
<b>Note 8: Other Long term liabilities</b>		
Security Deposit	2,40,00,000	2,40,00,000
<b>Total</b>	<b>2,40,00,000</b>	<b>2,40,00,000</b>
<b>Note 9: Long-term provisions</b>		
<b>Provision for Employee Benefits</b>		
for Gratuity	82,63,445	51,36,430
for Leave benefits	55,22,905	32,27,707
<b>Total</b>	<b>1,37,86,350</b>	<b>83,64,137</b>
<b>Note 10: Short-term borrowings</b>		
<b><u>From Banks (secured)</u></b>		
Short Term Working Capital Demand Loans (WC DL)	67,00,00,000	-
(WC DL of Rs. 40,00,00,000 (previous year Rs. Nil) is secured by hypothecation of investment of Rs. 45,00,00,000 in Fixed maturity plan (FMP) of the Parent Company & carries interest rate @ 12% p.a.)		
(WC DL of Rs. 27,00,00,000 (previous year Rs. Nil) is secured by first pari-passu charge on the current assets of the Parent Company and carries interest rate in the range of 11.75%- 12% p.a)		
Cash credit facilities (secured by first pari-passu charge on the current assets of the Parent Company and carries interest rate in the range on 12% - 14% p.a.)	47,34,74,023	33,56,41,249
Foreign Currency Loans - Buyer's Credit facilities (secured by first pari-passu charge on the current assets of the Parent Company and carry interest rate of applicable LIBOR plus bank's spread which is generally in the range of 0.5% to 2%)	3,11,05,36,501	1,71,92,21,547
<b>Total</b>	<b>4,25,40,10,524</b>	<b>2,05,48,62,796</b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	<u>As at</u> <u>31-Mar-2014</u>	<u>As at</u> <u>31-Mar-2013</u>
<b>Note 11: Trade payable</b>		
Dues to Micro, Small and Medium Enterprises (See note no. 36)	-	-
Others	4,21,65,41,347	2,27,84,14,489
<b>Total</b>	<b><u>4,21,65,41,347</u></b>	<b><u>2,27,84,14,489</u></b>
<b>Note 12: Other current liabilities</b>		
Current maturities of long term debt - see note no. 6	76,25,00,000	38,75,00,000
Interest accrued and due on borrowings	1,12,89,072	95,61,205
Interest accrued but not due on borrowings	37,62,111	45,00,000
Payable to related parties (see note no. 42)	78,242	-
Creditors for capital goods	11,88,89,606	7,59,43,144
Income received in advance	3,70,98,152	-
Advances from customers	14,31,27,785	2,75,73,306
Statutory dues & taxes payable	19,67,29,527	14,11,10,130
<b>Total</b>	<b><u>1,27,34,74,495</u></b>	<b><u>64,61,87,785</u></b>
<b>Note 13: Short-term provisions</b>		
<b>(a) Provision for Employee Benefits</b>		
- for Gratuity	86,315	30,692
- for Leave benefits	56,98,732	26,34,536
<b>(b) Others</b>		
- Provision for Income Tax (net of payments)	3,10,47,576	2,39,80,503
<b>Total</b>	<b><u>3,68,32,623</u></b>	<b><u>2,66,45,731</u></b>

**INOX WIND LIMITED**
**Notes to the consolidated financial statements for the year ended 31st March 2014**
**Note 14 : Fixed Assets**

Particulars	Gross block					Depreciation/Amortization				Net block	
	As at 1-Apr-2013	On Acquisition (*)	Additions	Deductions (*)	As at 31-Mar-2014	As at 1-Apr-2013	For the year	Deductions	As at 31-Mar-2014	As at 31-Mar-2014	As at 31-Mar-2013
<b>A) Tangible Assets</b>											
Freehold land	5,56,25,853	30,71,010	1,66,20,650	-	7,53,17,513	-	-	-	-	7,53,17,513	5,56,25,853
Leasehold land	3,59,68,817		-	-	3,59,68,817	13,66,600	3,78,644	-	17,45,244	3,42,23,573	3,46,02,217
Building (*)	66,58,98,157		1,00,97,931	-	67,59,96,088	3,24,39,863	2,29,71,701	-	5,54,11,564	62,05,84,524	63,34,58,294
Plant & equipments	75,73,81,590		25,31,27,010	3,98,47,353	97,06,61,247	10,24,83,906	6,35,43,508	49,67,959	16,10,59,455	80,96,01,792	65,48,97,684
Furniture & fixtures	49,72,990		17,84,932	1,11,805	66,46,117	12,15,923	4,44,971	51,778	16,09,116	50,37,001	37,57,067
Vehicles	13,82,094		-	-	13,82,094	3,43,029	1,31,299	-	4,74,328	9,07,766	10,39,065
Office equipments	1,72,70,101		51,41,423	-	2,24,11,524	40,09,504	26,21,079	-	66,30,583	1,57,80,941	1,32,60,597
<b>Total (a)</b>	<b>1,53,84,99,602</b>	<b>30,71,010</b>	<b>28,67,71,946</b>	<b>3,99,59,158</b>	<b>1,78,83,83,400</b>	<b>14,18,58,825</b>	<b>9,00,91,202</b>	<b>50,19,737</b>	<b>22,69,30,290</b>	<b>1,56,14,53,110</b>	<b>1,39,66,40,777</b>
<b>B) Intangible Assets</b>											
Technical know-how	21,96,80,610		1,47,59,520	-	23,44,40,130	5,98,70,959	2,34,44,013	-	8,33,14,972	15,11,25,158	15,98,09,651
Software	1,42,15,286		26,72,140	-	1,68,87,426	46,78,247	25,54,530	-	72,32,777	96,54,649	95,37,039
<b>Total (b)</b>	<b>23,38,95,896</b>	<b>-</b>	<b>1,74,31,660</b>	<b>-</b>	<b>25,13,27,556</b>	<b>6,45,49,206</b>	<b>2,59,98,543</b>	<b>-</b>	<b>9,05,47,749</b>	<b>16,07,79,807</b>	<b>16,93,46,690</b>
<b>Total (a+b)</b>	<b>1,77,23,95,498</b>	<b>30,71,010</b>	<b>30,42,03,606</b>	<b>3,99,59,158</b>	<b>2,03,97,10,956</b>	<b>20,64,08,031</b>	<b>11,60,89,745</b>	<b>50,19,737</b>	<b>31,74,78,039</b>	<b>1,72,22,32,917</b>	<b>1,56,59,87,467</b>
<b>Previous year</b>	1,34,30,40,198	-	42,93,55,300	-	1,77,23,95,498	11,74,06,621	8,90,01,410	-	20,64,08,031		

Notes: (1) Addition on account of acquisition is in respect of subsidiary acquired during the year - refer note no. 1 in Notes to consolidated financial statements

(2) Gross block of Building includes roads constructed on land owned by a group company - Rs. 2,84,20,061 (previous year Rs. 2,84,20,061)

(3) Deductions during the year are in respect of items of fixed assets lost by fire - see note no. 39

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	As at 31-Mar-2014	As at 31-Mar-2013
<b>Note 15: Non-current investment</b>		
<b>(Long term, non-trade, at cost, unquoted - unless otherwise stated)</b>		
<b>Investment in Government Securities</b>		
National Saving Certificates (Held in the name of a director & pledged with Government authorities)	20,000	20,000
	20,000	20,000
<b>Investments in mutual funds</b>		
HDFC FMP 371D July 2013(1) - Series 26 - Regular - Growth (1,00,00,000 units (previous year Nil) of Rs. 10 each)	10,00,00,000	-
ICICI Prudential FMP Series 68 - 368 Days Plan G Regular Plan (50,00,000 units (previous year Nil) of Rs. 10 each)	5,00,00,000	-
Birla Sun Life Interval Income Annual Plan VIII - Growth Regular (1,00,00,000 units (previous year Nil) of Rs. 10 each)	10,00,00,000	-
UTI Fixed Term Income Fund - Series XV - IX - (366 days) - Growth Plan (1,00,00,000 units (previous year Nil) of Rs. 10 each)	10,00,00,000	-
ICICI Prudential Interval Fund Series VI Annual Interval Plan F- Regular (1,00,00,000 units (previous year Nil) of Rs. 10 each)	10,00,00,000	-
	45,00,00,000	-
Less: Current portion disclosed under Note 19: current investments	45,00,00,000	-
	-	-
<b>Total</b>	<b>20,000</b>	<b>20,000</b>
The investments in mutual funds are pledged as security towards secured loan - refer Note No. 10		
<b>Note 16: Deferred tax Asset (Net)</b>		
<b>(a) Deferred Tax Liabilities</b>		
On account of Timing difference for Depreciation	-	5,26,961
	-	5,26,961
<b>(b) Deferred Tax Assets</b>		
On account of business loss	5,89,30,000	-
Unabsorbed depreciation	4,34,000	-
On account of retirement benefits	12,63,000	5,82,971
Others	2,000	14,878
	6,06,29,000	5,97,849
<b>Deferred Tax Asset (Net)</b>	<b>6,06,29,000</b>	<b>70,888</b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	As at 31-Mar-2014	As at 31-Mar-2013
<b>Note 17: Long-term loans and advances</b> (Unsecured, considered good)		
Capital advances	1,02,14,643	6,10,19,144
Security deposits	1,03,67,628	1,02,07,628
Income-tax paid (net of provision)	3,68,28,632	59,43,698
Prepaid expenses	1,13,077	-
MAT credit entitlement	85,56,17,156	54,80,06,653
<b>Total</b>	<b>91,31,41,136</b>	<b>62,51,77,123</b>
<b>Note 18: Other Non- Current assets</b>		
Initial public offer (IPO) expenses	7,24,03,905	-
Bank deposit having original maturity period of more than 12 months (from Note no. 22)	3,15,45,000	-
Interest accrued on above bank deposits	10,53,964	-
<b>Total</b>	<b>10,50,02,869</b>	<b>-</b>
<b>Note 19: Current Investment</b>		
<b>Current portion of long term investments</b>		
Investments in mutual funds - from Note no. 15	45,00,00,000	-
<b>Total</b>	<b>45,00,00,000</b>	<b>-</b>
The above investments are pledged as security towards secured loan - refer Note No. 10		
<b>Note 20: Inventories</b> (For basis of valuation, please refer to Note No. 3(f))		
Raw materials	86,90,58,602	43,47,51,924
Construction materials	30,15,64,691	2,33,69,750
Work-in-progress	1,50,08,45,367	32,90,55,933
Finished goods	2,81,33,833	-
Stores and spares	71,95,628	73,57,336
<b>Total</b>	<b>2,70,67,98,121</b>	<b>79,45,34,943</b>
<b>Note 21: Trade receivables</b> (unsecured, considered good)		
Exceeding 6 months	40,51,20,903	66,09,582
Others	6,69,06,81,958	4,99,55,56,851
<b>Total</b>	<b>7,09,58,02,861</b>	<b>5,00,21,66,433</b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	As at 31-Mar-2014	As at 31-Mar-2013
<b>Note 22: Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Bank balances		
in Current accounts	1,77,97,508	1,36,51,487
Cash on Hand	8,77,200	15,11,778
Other bank balances		
Fixed deposit with more than three months but less than twelve months maturity period	2,15,03,659	-
	<u>4,01,78,367</u>	<u>1,51,63,265</u>
Other Bank Balances		
Deposit account with original maturity for more than 12 months	3,15,45,000	-
Less: Amount disclosed under Note 18 - 'Other Non Current Assets'	3,15,45,000	-
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>4,01,78,367</u></b>	<b><u>1,51,63,265</u></b>
Other bank balances include margin money deposits kept as security against bank guarantee as under: Deposit account with original maturity for more than 12 months	3,15,45,000	-
<b>Note 23: Short-term loans and advances</b> (unsecured, considered good)		
<b>(a) Loans and advances to related parties - see note no. 42</b>		
- Inter Corporate Deposits	58,95,92,000	1,01,06,00,000
- Other dues	29,23,480	59,51,867
	<u>59,25,15,480</u>	<u>1,01,65,51,867</u>
<b>(b) Others</b>		
Advance to suppliers		
- considered good	37,54,66,495	24,20,59,760
- considered doubtful	20,04,972	-
	<u>37,74,71,467</u>	<u>24,20,59,760</u>
Less: Provision for doubtful advances	20,04,972	-
	<u>37,54,66,495</u>	<u>24,20,59,760</u>
Advance for expenses	48,64,053	24,26,099
Security deposits	9,92,38,000	-
Prepaid expenses	75,72,316	44,72,308
Balances in Service tax & VAT Accounts	3,68,22,859	7,33,17,879
	<u>52,39,63,723</u>	<u>32,22,76,046</u>
<b>Total</b>	<b><u>1,11,64,79,203</u></b>	<b><u>1,33,88,27,913</u></b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	<u>As at</u> <u>31-Mar-2014</u>	<u>As at</u> <u>31-Mar-2013</u>
<b>Note 24: Other Current assets</b>		
Interest accrued		
on inter-corporate deposits	3,85,12,740	4,04,98,761
on fixed deposit	7,41,270	-
others	6,40,712	
Insurance claims lodged	32,35,66,184	7,84,68,104
Un-amortised premium on forward contract	1,35,04,251	-
<b>Total</b>	<b><u>37,69,65,157</u></b>	<b><u>11,89,66,865</u></b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	<u>2013-2014</u>	<u>(Amounts in Rs.)</u> <u>2012-2013</u>
<b>Note 25: Revenue from operations</b>		
Sale of products	13,73,01,20,958	9,48,48,17,167
Sale of services	1,75,58,84,736	1,00,98,35,261
Other operating Income	18,21,01,405	9,44,34,247
<b>Total</b>	<b><u>15,66,81,07,099</u></b>	<b><u>10,58,90,86,675</u></b>
<b>Details of sale of product</b>		
Sale of Products		
- Wind turbines and components	13,73,01,20,958	9,48,48,17,167
<b>Details of sale of services</b>		
Erection, Procurement & Commissioning services	1,42,94,77,042	97,66,14,337
Common infrastructure facility services	28,69,45,530	
Operation & Maintenance Services	3,94,62,164	3,32,20,924
	<u>1,75,58,84,736</u>	<u>1,00,98,35,261</u>
Other operating income includes:		
Insurance claims in respect of finished & semi finished goods	14,78,02,372	7,00,43,540
Sale of power	59,61,695	-
<b>Note 26: Other income</b>		
Interest income		
- On bank fixed deposits	23,86,939	5,56,123
- On inter-corporate deposits	7,10,70,317	4,50,48,657
- Others	14,11,184	6,19,429
Dividend on current investments	-	14,36,683
Profit on sale of current investments	1,54,46,365	-
Liabilities written back	10,58,110	-
<b>Total</b>	<b><u>9,13,72,915</u></b>	<b><u>4,76,60,892</u></b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	(Amounts in Rs.)	
	<u>2013-2014</u>	<u>2012-2013</u>
<b>Note 27: Cost of materials consumed</b>		
Raw Materials consumed	10,52,75,09,753	6,87,64,58,478
<b>Total</b>	<b><u>10,52,75,09,753</u></b>	<b><u>6,87,64,58,478</u></b>
<b>Details of Material Consumed</b>		
Gear Boxes	2,66,25,98,361	1,63,77,65,838
Electrical component system	1,84,43,46,344	96,56,47,567
Generators	58,25,17,358	32,01,75,810
Steel plates	78,79,12,631	65,78,37,658
Transformers	9,39,80,314	13,22,88,596
Other	4,55,61,54,744	3,16,27,43,009
	<u>10,52,75,09,753</u>	<u>6,87,64,58,478</u>
<b>Note 28: Changes in inventories</b>		
<b>Opening Stock</b>		
Finished Goods - Wind turbines and components	-	9,53,05,999
Semi-Finished Goods - Wind turbines and components	27,13,87,016	14,64,76,220
Work-in-progress - Erection and commissioning	5,76,68,918	-
	<u>32,90,55,934</u>	<u>24,17,82,219</u>
Add: On acquisition of subsidiary during the year	6,92,60,876	-
	<u>39,83,16,810</u>	<u>24,17,82,219</u>
<b>Less : Closing Stock</b>		
Finished Goods - Wind turbines and components	2,81,33,833	-
Semi-Finished Goods - Wind turbines and components	32,57,38,212	27,13,87,015
Work-in-progress		
- Erection & Commissioning	93,75,41,433	5,76,68,918
- Common infrastructure facilities	16,58,14,824	-
- Site development	7,17,50,897	-
	<u>1,52,89,79,199</u>	<u>32,90,55,933</u>
<b>( Increase) / Decrease In Stock</b>	<b><u>(1,13,06,62,389)</u></b>	<b><u>(8,72,73,714)</u></b>

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	<u>2013-2014</u>	<u>(Amounts in Rs.)</u> <u>2012-2013</u>
<b>Note 29: EPC, O&amp;M, Common Infrastructure Facility and Site Development expenses</b>		
Construction Material Consumed	84,94,84,830	45,03,08,578
Equipments & Machinery Hire Charges	25,12,02,039	13,64,52,599
Subcontractor Cost	54,88,40,826	29,75,01,865
Cost of lands	39,52,28,075	-
Cost of common infrastructure facility services purchased	42,97,54,511	-
Legal & Professional Fees & Expenses	6,76,05,189	78,58,397
Stores and Spares Consumed	90,78,273	28,87,982
Rates & Taxes and Regulatory fees	12,02,45,695	59,905
Labour Charges	31,20,106	42,87,761
Insurance	99,66,827	44,20,240
Security Charges	1,86,16,924	52,97,817
Miscellaneous Expenses	3,11,83,720	3,23,78,672
<b>Total</b>	<b><u>2,73,43,27,015</u></b>	<b><u>94,14,53,816</u></b>
<b>Note 30: Employee benefits expense</b>		
Salaries and wages	35,07,40,823	22,70,85,057
Contribution to Provident and other funds	1,37,73,639	1,14,08,890
Gratuity	31,82,638	31,37,406
Staff Welfare Expenses	1,66,33,276	82,02,687
<b>Total</b>	<b><u>38,43,30,376</u></b>	<b><u>24,98,34,040</u></b>
<b>Note 31: Finance costs</b>		
Interest expenses	29,41,30,925	29,93,71,358
Interest on income tax	52,00,000	47,00,663
Other borrowing cost	4,96,16,386	6,34,22,327
Net loss on foreign currency transactions and translation	11,45,80,115	2,08,87,527
	<u>46,35,27,426</u>	<u>38,83,81,875</u>
Less: Capitalized	35,16,613	8,07,611
<b>Total</b>	<b><u>46,00,10,813</u></b>	<b><u>38,75,74,264</u></b>

Note: Out of total finance cost, interest amounting to Rs. 24,90,021 (previous year Rs. Nil) is transferred to work in progress.

**INOX WIND LIMITED****Notes to the consolidated financial statements for the year ended 31st March 2014**

	<u>2013-2014</u>	<u>(Amounts in Rs.)</u> <u>2012-2013</u>
<b>Note 32: Depreciation expense</b>		
Depreciation on Tangible assets	9,00,91,201	6,52,46,403
Amortization of Intangible assets	2,59,98,543	2,37,55,007
<b>Total</b>	<b><u>11,60,89,744</u></b>	<b><u>8,90,01,410</u></b>
<b>Note 33 : Other expenses</b>		
Stores and Spares Consumed	1,24,98,482	1,42,34,436
Power & Fuel	2,82,44,194	2,33,87,986
Rates & Taxes	2,22,12,491	2,22,92,019
Jobwork Charges	20,14,55,053	15,21,72,051
Testing Charges	2,67,45,151	2,19,78,662
Crane and Equipment Hire Charges	2,32,56,609	1,71,69,771
Royalty	28,17,09,494	13,89,07,160
Insurance	1,17,35,622	1,02,64,911
Repairs and Maintenance - Plant & Equipments	77,14,719	69,00,204
Repairs and Maintenance - Building	17,15,901	5,38,590
Repairs & Maintenance - Others	37,17,060	28,34,125
Rent	1,29,45,078	29,60,151
Travelling & Conveyance	9,73,87,969	4,95,57,870
Net loss on foreign currency transactions and translation (other than considered as finance cost)	18,41,45,216	1,37,84,628
Provision for doubtful advances	20,04,972	-
Legal & Professional Fees & Expenses	4,39,15,291	1,81,58,322
Freight Outward	33,37,72,300	10,72,87,162
Preliminary Expenses written off	-	57,320
Loss by fire (see note no. 39)	83,68,095	-
Director Sitting Fees	2,15,000	-
Amortisation of premium on forward contracts	1,30,28,974	-
Miscellaneous Expenses	9,05,56,346	4,13,81,700
<b>Total</b>	<b><u>1,40,73,44,017</u></b>	<b><u>64,38,67,068</u></b>

## INOX WIND LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

34. During the previous year, IWL had received subsidy of Rs. 30,00,000 under the Central Capital Investment Subsidy Scheme, 2003. The same being in the nature of promoters' contribution was credited to Capital Reserve.
35. Estimated amounts of contracts remaining to be executed on capital account and not provided for, net of advances – Rs. 46,63,18,539 (previous year Rs. 48,85,84,680).
36. There is no amount due to "Micro or Small Enterprises" under Micro, Small and Medium Enterprises Development Act, 2006. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Further no interest is paid/payable to in terms of section 16 of the said Act.
37. The Company's significant leasing arrangements are in respect of operating lease for office premises / residential premises. The lease agreements are for a period of 11/60 months. The aggregate lease rentals are charged as "Rent" in the Statement of Profit and Loss.
38. **Employee Benefits:**
- a) Defined Contribution Plans: Contribution to Provident Fund of Rs. 1,37,73,639 (Previous year Rs. 1,14,08,890) is recognized as an expense and included in 'Contribution to Provident & Other Funds' in the Profit and Loss Account.
- b) Defined Benefit Plans: The amounts recognized in respect of Gratuity and Leave Encashment – as per Actuarial valuation

Particulars	As at 31 <sup>st</sup> March 2014		As at 31 <sup>st</sup> March 2013	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>1. Change in Benefit Obligation</b>				
Liability at the beginning of the Year	51,67,122	34,90,834	20,52,773	15,02,781
Interest Cost	4,13,370	2,39,491	1,64,932	94,668
Current Service Cost	46,90,151	57,57,814	35,37,679	42,25,430
Recognized Past Service Cost	-	-	8,880	-
Benefits Paid	-	(9,94,405)	(23,057)	(7,37,185)
Actuarial (Gain)/Loss	(19,20,883)	(24,57,196)	(5,74,085)	(15,94,860)
Liability at the end of Year	83,49,760	60,36,538	51,67,122	34,90,834
Add: Short term leave liability		46,44,878		23,71,409
Liability at the end of Year		1,06,81,416		58,62,243

**INOX WIND LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

<b>2. Expenses Recognized in the P&amp;L Account</b>				
Current Service Cost	46,90,151	57,57,814	35,37,679	42,25,430
Interest Cost	4,13,370	2,39,491	1,64,932	94,668
Recognized Past Service Cost	-	-	8,880	-
Actuarial (Gain) /Loss	(19,20,883)	(24,57,196)	(5,74,085)	(15,94,860)
Expenses Recognized in the P&L Account/as Pre-operative Expense	31,82,638	35,40,109	31,37,406	27,25,328
<b>3. Actuarial Assumptions</b>				
Discount Rate	9.19%		8.00%	
Salary Escalation Rate	8%			
Retirement Age	60 years			
Withdrawal Rates	5%			
Mortality	IALM (2006-08) Ultimate Mortality Table		LIC (1994-96) Ult. Mortality Table	
<b>4. Other Disclosures Experience adjustment</b>				
	<b>2013-14</b>		<b>2012-13</b>	
Gratuity				
Present value of defined benefit obligations	83,49,760		51,67,122	
Experience (Gain)/Loss on obligation	(5,57,837)		(5,74,085)	
Leave Benefits				
Present value of defined benefit obligations	60,36,538		34,90,834	
Experience (Gain)/Loss on obligation	(16,26,848)		(15,94,860)	

The above defined benefit plans are unfunded. The estimate of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

39. During the year, a fire broke out in the Parent Company's factory at Rohika, Gujarat. The Company has lodged a claim with the insurance company towards the loss on account of fire. The claim lodged with the insurance company includes, inter-alia, claim towards loss of materials and fixed assets, expenditure on carrying out repairs and loss of profit. The cost of materials and w.d.v. of fixed assets destroyed in fire is estimated at Rs. 20,23,01,310 by the management. Pending the settlement of claim, amount of Rs. 83,68,094, being estimated amount of reduction in the claim, is charged to the statement of profit and loss as "loss by fire" and the balance amount of Rs. 19,39,33,216 is carried as 'Insurance claims lodged' in Note no. 23: Other current assets. Final accounting effect for the same will be given on settlement of the insurance claim.

## INOX WIND LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

40. During the year, the Income-tax authorities have carried out survey proceedings u/s 133A of the Income-tax Act, 1961 at the Parent Company's corporate office and factory premises. The Parent Company has made detailed submissions on various issues raised during the course of survey proceedings and does not expect any material demand in this connection.
41. The Group is engaged in the business of manufacture of Wind Turbine Generators ("WTG") and also provides related Erection, Procurement & Commissioning ("EPC"), Operations & Maintenance ("O&M") and Common Infrastructure Facilities services for Wind Turbine Generators and development of sites for wind farms, which is considered as a single business segment. The Parent Company has installed one WTG, primarily to generate power for captive consumption. However, during the year, the power is sold by the Parent Company and the revenue from sale of power is less than 1% of Sales & income from operations. Hence, there is only one reportable business segment as envisaged in Accounting Standard (AS-17) – Segment reporting. Further, all the activities of the Group are in India and hence there is a single geographical segment.
42. Related Party Disclosure:

**(i) Where Control Exists :**

Gujarat Fluorochemicals Limited (GFL) - Holding Company  
Inox Leasing & Finance Limited - Ultimate Holding Company

**(ii) Other Related party with whom there are transaction during the year**

**Key Management Personnel (KMP)**

Mr. Devansh Jain – Whole-time Director w.e.f. 1<sup>st</sup> November 2012

Mr. Rajeev Gupta – Whole-time Director

Mr. Vineet Davis – Whole-time Director in IWISL w.e.f. 8<sup>th</sup> October 2013

Mr. Manoj Dixit – Whole-time Director in IWISL w.e.f. 8<sup>th</sup> October 2013

**Fellow Subsidiaries**

Inox Renewables Limited (IRL) – Subsidiary of GFL

Inox Leisure Limited - Subsidiary of GFL

Inox Renewables (Jaisalmer) Limited – Subsidiary of IRL

**Companies in which KMP or their relatives have significant influence**

Siddhomal Investments Private Limited

Devansh Trading and Finance Private Limited

**INOX WIND LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**
**(iii) Particulars of transactions-**

<b>A) Transactions during the year</b>	<b>2013-2014</b>	<b>2012-2013</b>
a) Allotment of shares (on conversion of debentures)		
Siddhomal Investments Private Limited	-	2,50,00,000
Devansh Trading and Finance Private Limited	-	2,50,00,000
<b>Total</b>	<b>-</b>	<b>5,00,00,000</b>
(b) Inter-corporate deposits taken		
Gujarat Fluorochemicals Limited	-	79,75,00,000
Inox Renewables Limited	-	3,32,00,000
Inox Renewables (Jaisalmer) Limited	-	6,23,05,000
<b>Total</b>	<b>-</b>	<b>89,30,05,000</b>
(c) Inter-corporate deposits refunded		
Gujarat Fluorochemicals Limited	-	79,75,00,000
Inox Renewables Limited	-	3,32,00,000
Inox Renewables (Jaisalmer) Limited	-	6,23,05,000
<b>Total</b>	<b>-</b>	<b>89,30,05,000</b>
(d) Inter-corporate deposit given		
Inox Renewables Limited	1,51,10,92,000	1,10,50,00,000
Inox Renewables (Jaisalmer) Limited	1,70,00,000	-
<b>Total</b>	<b>1,52,80,92,000</b>	<b>1,10,50,00,000</b>
(e) Inter-corporate deposit received back		
Inox Renewables Limited	1,93,21,00,000	9,44,00,000
Inox Renewables (Jaisalmer) Limited	1,70,00,000	-
<b>Total</b>	<b>1,94,91,00,000</b>	<b>9,44,00,000</b>
(f) Interest paid		
Gujarat Fluorochemicals Limited	-	3,46,10,959
Inox Renewables Limited	-	13,01,945
Inox Renewables (Jaisalmer) Limited	-	1,49,738
Siddhomal Investments Private Limited	-	16,87,671
Devansh Trading and Finance Private Limited	-	16,87,671
<b>Total</b>	<b>-</b>	<b>3,94,37,984</b>

## INOX WIND LIMITED

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014

#### 42. Related Party Disclosures continued:

(g) Interest received		
Inox Renewables Limited	6,97,53,742	4,63,00,356
Inox Renewables (Jaisalmer) Limited	10,60,822	-
<b>Total</b>	<b>7,08,14,564</b>	<b>4,63,00,356</b>
(h) Purchase of goods and services		
Inox Renewables Limited	-	17,68,63,588
Gujarat Fluorochemicals Limited	7,95,425	-
<b>Total</b>	<b>7,95,425</b>	<b>17,68,63,588</b>
(i) Reimbursement of expenses paid / payments made on behalf of the Group		
Gujarat Fluorochemicals Limited	13,82,007	19,23,084
Inox Renewables Limited	37,35,194	3,79,84,227
<b>Total</b>	<b>51,17,201</b>	<b>3,99,07,311</b>
(j) Reimbursement of expenses received / payments made on behalf by the Group		
Gujarat Fluorochemicals Limited	61,210	45,63,791
Inox Renewables Limited	76,77,596	5,30,82,286
Inox Renewables (Jaisalmer) Limited	1,03,73,482	53,93,984
<b>Total</b>	<b>1,81,12,288</b>	<b>6,30,40,061</b>
(k) Sale of goods and services (net of sales return/cancellation and discounts)		
Gujarat Fluorochemicals Limited	4,25,00,736	3,81,82,893
Inox Renewables Limited	2,22,76,81,029	1,12,40,56,623
Inox Renewables (Jaisalmer) Limited	6,00,000	3,11,70,52,810
<b>Total</b>	<b>2,27,07,81,765</b>	<b>4,27,92,92,326</b>
(l) Rent Paid		
Gujarat Fluorochemicals Limited	27,00,000	-

**INOX WIND LIMITED**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

## 42. Related Party Disclosures continued:

(m) Return of sales made in earlier years		
Inox Renewables Limited	-	72,04,45,933
(n) Managerial Remuneration		
Devansh Jain	1,20,64,000	47,87,702
Rajeev Gupta	50,98,790	43,26,641
Manoj Dixit	5,74,315	-
Vineet Davis	25,16,277	-
Total	<b>2,02,53,382</b>	<b>91,14,343</b>
(o) Advertisement services		
Inox Leisure Limited	28,72,712	-
<b>B) Outstanding balance as at the end of the year</b>		
<b>(a) Amount payable</b>		
Trade payable		
- Gujarat Fluorochemicals Limited	48,09,545	-
- Inox Renewables Limited	2,50,27,707	2,85,14,570
- Inox Leisure Limited	28,15,257	-
Total	<b>3,26,52,509</b>	<b>2,85,14,570</b>
Other dues		
- Inox Renewables Limited	78,242	-
Managerial Remuneration payable		
Devansh Jain	71,72,000	37,50,000
Rajeev Gupta	4,25,142	-
Manoj Dixit	1,05,948	-
Vineet Davis	4,08,053	-
Total	<b>81,11,143</b>	<b>37,50,000</b>
<b>(b) Amounts receivable</b>		
Trade receivable		
- Gujarat Fluorochemicals Limited	96,62,536	1,15,18,713
- Inox Renewables Limited	1,57,33,28,916	48,59,59,492
Total	<b>1,58,29,91,452</b>	<b>49,74,78,205</b>

**INOX WIND LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**

## 42. Related Party Disclosures continued:

Inter-Corporate deposit		
- Inox Renewables Limited	58,95,92,000	1,01,06,00,000
Other dues		
- Inox Renewables (Jaisalmer) Limited	29,24,902	56,46,795
Interest accrued on inter-corporate deposit		
- Inox Renewables Limited	3,85,12,740	4,49,98,411

## 43. Details of exposure in foreign currency as at the balance sheet date:

## a) Outstanding derivatives and hedged foreign currency exposures:

Particulars	Currency	Buy/sell	Purpose	2013-2014 (Amt. in Rs.)	2012-2013 (Amt. in Rs.)
Forward contract	US \$	Buy	Hedging of loan taken	1,45,04,911	--
Forward contract	Euro	Buy	Hedging of loan taken	43,09,247	--
Forward contract	US \$	Buy	Hedging of trade payables	3,62,761	--
Forward contract	Euro	Buy	Hedging of trade payables	26,69,289	--

## b) Details of unhedged foreign currency exposures:

Particulars	Currency	31/03/2014	31/03/2013
Buyers Credit	US \$	3,35,10,508	1,60,36,493
	Euro	1,25,44,948	1,22,44,196
Trade payables	US \$	1,27,83,246	85,01,221
	Euro	63,89,400	51,68,725
	GBP	58,830	2,01,781

44. IWISL has recognized deferred tax asset of Rs. 5,93,64,000 in respect of business loss and unabsorbed depreciation for the year ended 31<sup>st</sup> March 2014. In view of the confirmed orders in hand and the revenue from the work to be completed in the next year, in the opinion of the management there is virtual certainty that the Company will have sufficient future taxable income available against which such deferred tax asset can be realized and hence the Company has recognized such deferred tax asset as at 31st March 2014.

**INOX WIND LIMITED****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2014**45. **Calculation of Earnings Per Share (EPS):**

<b>Particulars</b>	<b>2013-2014 (Rs.)</b>	<b>2012-2013 (Rs.)</b>
Profit after tax as per Statement of Profit and Loss– numerator for calculating basic EPS (Rs)	1,32,27,81,389	1,50,32,89,280
Add: Interest on debentures	-	67,50,685
Adjusted /Profit/Loss for diluted EPS - numerator for calculating diluted EPS (Rs)	1,32,27,81,389	1,51,00,39,965
Weighted average number of equity shares used in computing basic earnings per shares (nos.)	20,00,00,000	15,17,80,820
Weighted average number of equity shares used in computing diluted earnings per shares (nos.)	20,00,00,000	20,00,00,000
Basic Earnings per share – nominal value Rs. 10/- per share (Rs.)	6.61	9.90
Diluted Earnings per share - nominal value Rs. 10/- per share (Rs.)	6.61	7.55

Note: During the current year the Parent Company has issued 16,00,00,000 equity shares as bonus shares in the ratio of four bonus shares for each existing equity share. The EPS for previous year has been recomputed as required by AS-20: Earnings Per Share.

As per our report of even date attached  
For Patankar & Associates,  
Chartered Accountants

For Inox Wind Limited

S S Agrawal  
Partner

Director

Director

Chief Financial Officer

Company Secretary

Place:  
Date:

Place:  
Date: