

## Directors' Report

Dear Shareholders,  
**IL&FS Energy Development Company Limited (IEDCL)**

Your Directors have pleasure in presenting the Annual Report along with the Audited Financial Statements for the year ended March 31, 2017

### FINANCIAL RESULTS:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended) read with section 133 of the Companies Act 2013. These are the Company's first IND AS financial statements

(In Rs Million)

For the year ended	Standalone		Consolidated	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Total Income	13,727.97	8620.18	33,996.54	17010.19
Expenses	6975.59	713.33	16,826.92	7453.17
Profit/ (Loss) before Interest, Depreciation and Tax	6752.38	7906.85	17,169.62	9,557.02
Interest & Finance Charges	4305.64	3571.92	14,449.35	9163.52
Profit Before Depreciation and Taxes	6.74	4334.93	2,720.27	393.50
Depreciation and amortization expenses	136.42	103.71	3,714.29	2,359.11
Profit/ (Loss) Before Taxes	2310.32	4231.22	(994.02)	(1,965.61)
Share of Loss/Profit from Associate/Joint Ventures	--	--	589.23	214.57
Provision for taxes	(117.35)	995.86	97.18	870.74
Profit / (Loss) for the year (after tax)	2427.67	3235.36	(501.97)	(2,621.78)
Attributable to				
Owners of the Company	2427.67	3235.36	(738.10)	(2,716.15)
Non Controlling interest	--	--	236.13	94.37
Other comprehensive income	38.92	(1.30)	83.74	(36.05)
Attributable to	38.92	(1.30)		
Owners of the Company	--		73.13	(33.14)
Non Controlling interest	--		10.61	(2.91)
Balance Profit/ (Loss) brought forward from Previous Year	(197.41)	(299.67)	(12,031.91)	(8,855.83)
Add: Profit / (loss) for the year	2427.67	3235.36	(738.10)	(2,716.15)

Add: OCI allocable to retained earnings			(6.18)	(2.52)
Appropriations:				
- Dividend (including dividend tax)	1080.94	3014.52	(1,394.19)	(3014.51)
- Debenture Redemption Reserve	450.85	118.58	(466.35)	(118.58)
- Gain on dilution of stake in Wind SPVs		--	--	3,882.23
- Impact of additional acquisition in ITPCL			--	(1,202.83)
- Security issue expenses			(16.45)	(3.72)
Balance Profit/ (Loss) carried forward to Balance Sheet	698.47	(197.41)	(14,653.18)	(12,031.91)

**Standalone Financials:** During the period under review, your Company has earned a total income of Rs 13,727.97 million. The net profit for FY 2016-17 amounted to Rs 2,388.75 million. During the year the Company received the Dividend of Rs 1503 mn and 45 mn from its investments in IL&FS Tamil Nadu Power Company Limited, wholly owned subsidiary and Cross Border Power Transmission Company Limited, Joint Venture respectively

**Consolidated Financials:** During the period under review, the consolidated income stood at Rs 33,996.54 million. The total comprehensive loss for the year attributable to the owners of the Company was Rs 664.97 million

## **OPERATIONS:**

### **Power Sector Environment:**

The electricity generation in India during FY 2017 was 1,184 BU<sup>1</sup> as compared to 1154 BU generated during FY 2016, representing a growth of around 2.57%. The electricity generation projected for FY 2018 is 1,229 BU from conventional sources, targeting growth of around 6% over FY 2017 conventional generation

The Government has taken many policy initiatives for improving the power sector scenario in the Country. Some of the major initiatives and developments are summarized below:

- (a) Under its Intended Nationally Determined Contribution (INDC) at the 21<sup>st</sup> Meeting of the Conference of Parties (COP 21) on climate change, India had indicated that it will achieve about 40% of its total installed capacity from renewable sources by 2030. Following its INDC, India has set its RE deployment target at 175 GW by 2022. The RE capacity addition during FY 2017 stood at 12.2 GW, an increase of around 67% as compared to 6.9 GW in FY 2016. Of which, wind was 5.4 GW (as compared to 3.3 GW in FY 2016) and solar was 5.5 GW (as compared to 3 GW in FY 2016)

<sup>1</sup>CEA Monthly Reports

- (b) The Solar tariffs in India have achieved grid parity with conventional sources and the last discovered tariff was Rs 2.44 per kwh under the 500 MW Bhadla Park project in Rajasthan. Given economies of scale in solar parks, the Government of India (GoI) has doubled the solar park capacity targets to 40 GW from earlier 20 GW by 2022
- (c) During FY 2017, SECI came out with the first tender for procurement of wind power through competitive bidding for interstate sale of wind power, which resulted in lowest ever wind power tariff of Rs 3.46 per kwh.
- (d) Trade in Renewable Energy Certificates (RECs) saw a decline of 14%, from 6.4 Lakh RECs traded in FY 2016 to 5.5 Lakh traded in FY 2017. Central Electricity Regulatory Commission (CERC) in order to attract the buyers to comply with their Renewable Purchase Obligations (RPOs) decreased the price of Non-Solar RECs from Rs 1500 to Rs 1000 and Solar REC's from Rs 3500 to Rs 1000 April 2017. The matter is subjudice at Supreme Court
- (e) Ministry of Power had notified Ujjwal Discom Assurance Yojana (UDAY) for financial turnaround and revival of State run Discoms. In FY 2017, 25 states and 1 UT has signed MoU under this scheme. State bonds worth Rs 2, 090 bn and discom bonds worth Rs 240 bn have been issued (85% of the total debt to be restructured under the scheme) till March 2017. It is expected that the licensees would start yielding the benefits as per the scheme from FY 2018 onwards
- (f) The Cabinet Committee on Economic Affairs (CCEA) has provided a major relief to IPPs seeking Mega Power Policy benefits by extending the time period for furnishing the final Mega Certificate to the tax authorities from 60 months to 120 months from the date of import. Further the CCEA has also approved policy benefits in proportion to the long term PPA tied-up post commissioning of the project
- (g) Coal India Limited has achieved 93% of its production target of 598 MT for FY 2017 viz. 554 MT till March 2017. The production has increased by 2% as compared to previous year. India imported 144 MT coal during April 2016 – December 2016, which is 0.86% lower from the same period a year ago
- (h) In order to boost Cross Border Trade of Electricity, the Ministry of Power, GoI has issued guidelines to promote import/export of electricity to neighbouring countries either at government decided price or through transparent competitive bidding. As per USAID study, the cross-border trade potential is 11-31 BU over the period 2015-20 which would rise to 330 BU by 2034 if the cross-border transmission infrastructure development is accelerated.

GoI is committed to ensure 24x7 “power for All’ by 2019, and has taken initiatives to sort out constraints in the sub-transmission/ distribution systems and to improve financial health of the Discoms. Amongst Renewable Energy, Wind and Solar Energy continue to be the focus areas and efforts are being made to commercialise wind solar hybrid projects along with storage facility.

## **Operational Performance and Project Initiatives:**

Your Company, currently has an operational portfolio of ~ 2,870 MW of power generation, and 840 km of 400 KV D/C transmission lines. Around 200 MW is expected to be commissioned in FY 2018 and ~ 13,000 MW capacity is under project development stage

The Company continues to remain committed towards catalyzing reliable and environment friendly power at an affordable cost and develop power generation projects with a suitable mix of fossil fuels and renewable sources

Present status of some of the key projects being implemented / developed by your Company is highlighted hereunder:

### (1) Wind Power:

Your Company continues to add capacity to its wind power portfolio across the country. As on March 31, 2017 the erected capacity stood at 863.2 MW. Around 120 MW is targeted to be progressively erected in FY 2018

The wind farms are spread across States of Rajasthan (165.6 MW), Tamil Nadu (24 MW), Gujarat (215.6 MW), Andhra Pradesh (81.6 MW), Maharashtra (87.2 MW), Madhya Pradesh (130 MW) and Karnataka (159.2 MW) and are housed in nine different subsidiaries

During FY 2017, the Wind projects generated around 1,228 MUs of power and the total billing was approximately Rs 6,707 mn

### (2) 1090 MW Tripura Gas Power Project:

Your Company, pursuant to a Shareholders' Agreement with ONGC and Government of Tripura is implementing a 1,090 MW gas based Combined Cycle Power Project (CCPP) in the State of Tripura, through a Special Purpose Company named ONGC Tripura Power Limited (OTPC). Your Company holds 26% stake in OTPC

The entire project capacity of Phase I of 726.6 MW including the associated 663 km, 400 kV transmission line is under commercial operation since March 24, 2015

Your Company was able to secure a favorable regulatory order from CERC for the control period April 1, 2014 to March 31, 2019 and this order will ensure continued profitability of the project

During FY 2017, OTPC generated around 4,170 MUs of power and its total billing was approximately Rs 12,627 mn. OTPC has proposed Dividend of 7.5% (Rs 840 mn) of which IEDCL share is Rs 218 mn. The Dividend is to be approved in the upcoming AGM of OTPC

(3) 3,840 MW Cuddalore Power Project, Tamil Nadu:

Your Company's Subsidiary, IL&FS Tamil Nadu Power Company Limited (ITPCL), is implementing a 3,840 MW imported coal based power plant (Project) at District Cuddalore in the State of Tamil Nadu, along with a captive port and a desalination plant. The Project is being implemented in two phases, Phase-1 of 1200 MW, and Phase-2 of 2640 MW

The Unit 1 of 600 MW of Phase –I had commenced Commercial Operations on September 29, 2015 and commenced supply of power to TANGEDCO under the long term PPA. The Unit 2 of 600 MW of Phase –I was declared to commence Commercial Operations from April 30, 2016. In the absence of a long term PPA for Unit 2, power is being sold under short-term bilateral arrangements and through the power exchange. Efforts are underway to secure a long term PPA for Unit 2

During FY 2017, ITPCL generated around 4,976 MUs of power and its total billing was approximately Rs 22,732 mn. ITPCL declared an interim dividend of Rs 9.35/share aggregating to a dividend payout of Rs 1,980 mn (inclusive of dividend distribution tax)

(4) 400 KV D/C Muzaffarpur-Dhalkebar Indo-Nepal Cross Border Transmission Line Project:

Your Company, in association with Power Grid Corporation of India Limited, SJVN Limited and Nepal Electricity Authority, has implemented the 400 KV Muzaffarpur-Dhalkebar Indo-Nepal Cross Border Transmission Line Project. The Project, comprising of 90 km of India portion and 40 km of Nepal portion is under commercial operation since February 19, 2016

For FY 2017, the total billing was approximately Rs 479 mn and Rs 161 mn respectively. The India SPV has declared an interim Dividend Rs 93 mn. IEDCL received Rs 35 mn corresponding to its 38% share

(5) 3,960 MW Coal based Thermal Power Project at Nana Layja, Gujarat:

The thermal power plant is being developed as units of the Multi product SEZ/FTWZ facility being developed by associate companies of Infrastructure Leasing & Financial Services Limited at Village Mota Layja in District Kutch of Gujarat. The components of the project comprises of the following:

- (a) 3,960 MW Thermal Power Project (TPP) comprising of six 660 MW supercritical units
- (b) An all-weather Captive Port for unloading of 17 Million Tonnes Per Annum (MTPA) capacity of coal
- (c) 60 MLD Desalination Plant (Desalination plant will also meet the requirement of other Industries of SEZ/FTWZ and 2,000 MW gas based combined cycle power plant which is also being developed as a unit of SEZ)

The 3,960 MW TPP has been granted Environment Clearance by MoEF on June 26, 2015. The Gujarat Pollution Control Board granted Consent to Establish to the 3,960 MW TPP on January 31, 2017. Gujarat Coastal Zone Management Authority (GCZMA), vide its letter dated June 29, 2016, recommended the Project (including the captive jetty and the LNG Terminal) for CRZ clearance

- (6) 2,000 MW natural gas based Combined Cycle Power Project (CCPP) at Nana Layja, Gujarat:

Your Company is in the process of developing a 2,000 MW gas based Combined Cycle Power Project (CCPP) together with a captive LNG Terminal of 2.5 MTPA (expandable to 5.0 MTPA) at village Nana Layja in Kutch district of Gujarat State. The site is adjacent to the 3960 MW Thermal Power Project. The MoEF has granted Environmental Clearance to the 2,000 MW Gas based Power Project on September 29, 2016. The Gujarat Pollution Control Board granted Consent to Establish to the 2,000 MW Gas based Power Project on January 31, 2017. GCZMA, vide its letter dated June 29, 2016, recommended the Project (including the captive jetty and the LNG Terminal) for CRZ clearance

- (7) Bagasse & Biomass Power Projects:

The Company through its subsidiary, IL&FS Renewable Energy Limited (IREL), has been engaged in developing bagasse & biomass power projects and currently has an operational biomass portfolio aggregating to 93 MW. The Company had commissioned two bagasse based co-generation projects of total capacity of 80 MW in Maharashtra under the Urjankur Nidhi framework viz. the 36 MW Urjankur Shree Datta Power Project and the 44 MW Urjankur Shree Tatyasaheb Kore Warana Power Project. Discussions are underway to divest the entire 66.67% stake in the Urjankur Projects

IREL also has 100% stake in Shendra Green Energy Limited, a SPV housing the operational 13 MW biomass based power project

(8) Review of Solar Business

- (a) 40 MW Solar Project (Madhya Pradesh): Your Company secured a 25-year PPA from Solar Energy Corporation of India through a competitive bidding process for a 40 MW Grid Connected Solar Power Project under the JNNSM Phase II. The Project was successfully commissioned and synchronized with the grid as per schedule and commenced commercial operations on May 23, 2015. Discussions are underway for 100% divestment of the Project
- (b) 100 MW Solar Project (Embassy Group of Bangalore): The Company has concluded the negotiation on all the terms of Agreement for sale of 100 MW Solar Project to Embassy Group on deferred payment basis. This project is the Company's first marketable model of providing 'Energy Security Solution' to commercial consumer in the private space. The definitive agreements have been executed and the CoD of the Project is targeted by end January 2018
- (c) 5000 MW Rajasthan Solar Park: The Solar Park initiative is housed in a 50:50 Joint Venture Company with the State of Rajasthan to develop Solar Parks aggregating to 5,000 MW in Rajasthan and has initiated development of the first Solar Park of 1,000 MW at Bhadla in Jodhpur district (the Bhadla III Solar Park). The first phase of 500 MW from the Bhadla - III has been fully tied-up with the GoR Discoms through SECI. Bids for this phase closed on April 19, 2017. As against 500 MW capacity, SECI has received bids aggregating to 5,500 MW. The remaining 500 MW will be tied up in FY 2018. Planning for additional parks is underway

(9) Advisory Services:

Apart from the development and implementation of its own power projects, your Company also provides comprehensive advisory services to various public and private entities in the areas of generation, transmission, distribution, energy efficiency as well as demand side management

Subsequent to the IEDCL MoU dated 13<sup>th</sup> August 2013 with Energy Efficiency Services Limited (EESL) to work together in the area of Demand Side Management (DSM), IEDCL is providing advisory services in relation to DSM projects in selected urban local bodies/ regions of Delhi, Andhra Pradesh and Telangana. Your Company has also provided advisory services to the discoms in Rajasthan for distribution sector reforms

## **ENVIRONMENT & SOCIAL POLICY FRAMEWORK (ESPF):**

Your Company believes in inclusive development of the projects taking full cognizance of the interest of all the stakeholders, most importantly the Environment and the society at large

In this regard, your Company had adopted an Environment & Social Policy Framework (ESPF) to address various environment & social issues associated with the activities of the Company. The ESPF framework has been applied to all the on-going projects and suitable measures for addressing the Environment risks have been identified and are being implemented

During FY 2016-17, two reviews of the ESPF system were conducted by IL&FS Corporate Sustainability Cell. An independent audit was conducted by M/s Ernst & Young LLP (E&Y) for FY 2016-17 and no material observation was noted by the E&Y during the audit. E&Y has issued an 'Independent Assurance Statement' conforming that IEDCL has complied with the ESPF policy during the year under review

## **Integrated Management System (IMS)**

IEDCL, IREL wholly owned subsidiary of IEDCL and Saurya Urja Company of Rajasthan Limited (SURAJ), JV of IEDCL have implemented Integrated Management System (IMS) covering ISO-9001 (Quality), ISO 14001(Environment) and OHSAS 18001. The locations certified under these companies are as under

- IEDCL Gurugram office
- IEDCL Mumbai office
- 40 MW Solar project, MP
- IREL Mumbai Office
- 44 MW Urjankur Shree Tatyasaheb Kore Warana Power Project
- 1 MW Amity, Noida
- Saurya Urja, Jaipur
- Saurya Urja Site, Bhadala

The enabling process for IMS certification for above offices and project sites have been completed successfully and final IMS certificates has been received

## **SUSTAINABILITY REPORTING**

Your Company continuously seeks new ways to improve performance of various parameters to protect and increase the value of assets, and win trust of stakeholders. It recognizes sustainability reporting as a continuous path of improvement in a transparent manner and accordingly initiated Sustainability Assessment and Reporting process with the preparation of Sustainability Report for FY 2014-15 and in continuation completed its second Sustainability Report for FY 2015-16

Sustainability Report of IEDCL for FY 2015-16 discloses Economic, Environmental and Social performance, i.e. triple bottom line approach of the Company. The report has been prepared as per the Global Reporting Initiative G4 Sustainability Reporting Guidelines (GRI G4) and Electrical Utility Sector Disclosures (EUSD).

DNV GL Business Assurance India Private Limited ('DNV GL') was engaged to carry out an independent assurance audit of the Company's Sustainability Report for FY 2015 -16. DNV-GL has issued an "Independent Assurance certificate" for FY 15-16 confirming that the Company had made a fair representation of the Material Aspects, Disclosure on Management Approach and performance indicators to meet the general content requirement of GRI-G4. DNV-GL has indicated that there are major qualitative improvements in the report of FY 2015-16 over FY 2014-15 report.

As a part of project capacity building, your company has provided training on sustainability aspects to its Line managers at various project sites, Senior and Top management.

Your company has also started activities for the preparation of Sustainability Report of FY 2016-17. This report will be based on the recently launched Global Reporting Initiative Standards Sustainability Reporting Guidelines (GRI Standards). The time line for the completion of FY 2016-17 report is December 2017

## **RISK MANAGEMENT FRAMEWORK AND POLICY:**

Power projects being developed by your Company are diverse in terms of geographic location, fuel type, fuel source and off-take, and each project is planned to be strategically located near an available fuel supply or load centre

The Company realizes that ongoing reforms in the power sector will provide immense growth opportunity. The Company has planned fairly large roll out plan guided by the developments in the power sector and changing economy. The Company and its actions are exposed to scrutiny by investors and its stakeholders. Accordingly, it has to address and adopt to new business challenges, risks and demands for corporate governance

To successfully address the emerging challenges, IEDCL has established a Risk Management framework and has operationalized Enterprise Risk Management ('ERM'). The Risk

Management Committees (RMC) have been constituted for each SPV/Vertical for ensuring updating of the risk registers and monitoring the risk mitigation initiatives at line manager level. The Central Risk Group at IEDCL Delhi drives this exercise

The Risk Management Policy, Risk Register and the Risk Heat Map of each SPV were presented to the Audit Committee during the course of the year. On way forward IEDCL is implementing internal audits of Risk Management of each SPV and IEDCL as well.

**DIVIDEND:**

During the year under review, the Board of Directors of your Company have approved payment of Interim Dividend at the rate of 8.2% percent, i.e. Rs 0.82 per equity share and Rs 0.82 per CCPS (compulsory convertible preference share), to the holders of equity shares and CCPS as on March 19, 2017. The total payout amounted to Rs 1,080.94 mn including dividend distribution tax

**SHARE CAPITAL:**

During the period under review, there was no change in the Authorised and Paid-up Share Capital of the Company. Presently the Authorised Share Capital of the Company is Rs 20,000 mn and paid up capital of the Company is Rs 13,182.26 mn

**DEBENTURES:**

During the year under review the Company had raised Rs. 2,000 mn of Non –Convertible Debentures in two tranches of Rs 1000 mn each as under:

Tranche	Date of Allotment	No of Debentures	Face Value per Debenture	Name of the Subscribers
Tranche – 1	June 7, 2016	1000	Rs 10,00,000/-	1.Pace Stock Broking Services Pvt. Ltd (500) 2. A.K. Stockmart Pvt. Ltd (30) 3.A K Capital Finance Pvt. Ltd (446) 4.Chokhani Securities Ltd(15) 5.Blossom Estates Pvt. Ltd (5) 6.Chokhani Real Estates Pvt. Ltd (4)

Tranche- 2	June 28, 2017	1000	Rs 10,00,000	1. DSP Blackrock Income Opportunities Fund (500)  A.K. Capital Finance Private Limited (500)
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### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 of the Companies Act 2013, Mr KG Ramachandran, Mr SC Tripathi, Mr CP Jain and Mr KC Lahiry, Independent Directors of the Company had submitted a declaration that each of them meet the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year

### **DIRECTORS & KMPs:**

In terms of provisions of the Act, Mr. M S Srinivasan. (DIN: 00261201) and Mr Siddharth Mehta (DIN 02665407), Directors of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible offer themselves for re-appointment as Director(s) of the Company

Mr Sunil Wadhwa resigned as Managing Director of the Company from closing hours of April 3, 2017 and pursuant to his resignation, he also ceased to be the member the CSR Committee and the IPO Committee and RPT Review Committee of the Board

Mr Hari Sankaran was appointed as Director-in-Charge of the Company for a period of 3 years effective from April 4, 2017

Dr Archana Hingorani resigned from the Company w.e.f April 21, 2017 and Mr Krishan Kumar was appointed as additional Director, nominee of SCI Asia on the Boards of the Company w.e.f May 12, 2017. His appointment is subject to regularization by the Members at the ensuing AGM of the Company

Mr K Ramchand was appointed as an Additional Director w.e.f May 12, 2017. His appointment is subject to regularization by the Members at the ensuing AGM of the Company

Mr Ashwani Kumar, former Chief Executive – Power Development, L&T was appointment as Chief Executive Officer of the Company w.e.f August 2, 2017

Other KMPs of the Company are Mr Anoop Seth - Deputy Managing Director, Mr Hemant Thanvi, Group CFO-Energy Vertical and Mr Rajpal Ahuja, Company Secretary. Mr Anoop Seth resigned on July 25, 2017 and last date of employment is October 31, 2017

### **EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

A policy on Board Performance Evaluation has been adopted by the Board as per recommendations of the Nominations and Remuneration Committee

As per the policy, the evaluation criteria for members of Board of Directors include factors like achievement of business goals, quality of financial controls and reporting, contribution in furthering business for other group companies and behavioural competencies like strategic orientation, effective decision making

Evaluation criteria for independent directors include factors such as contribution / guidance on business strategy, validating management performance reports, upholding of the statutory compliance /corporate governance, exercising independent judgment, ensuring integrity of financial controls / risk management measures, management of committees (of which he / she is member), and effective deployment of expertise in furthering business

Evaluation Criteria for Committees shall take into account number of meetings, attendance, executing Terms of Reference in an efficient manner, new initiatives, processes followed and resolving audit queries

As per the requirement of Schedule IV of the Companies Act 2013, a separate meeting of the Independent Directors of the Board was held on February 6, 2017. The minutes of the meeting of Independent Directors were laid before the Board at its meeting held on March 29, 2017

### **EXTRACT OF ANNUAL RETURN:**

As provided under Section 92(3) of the Act, the extract of annual return in the prescribed Form MGT-9, forms part of this report as **Annexure - I**

### **CORPORATE GOVERNANCE:**

The existing composition of the Board is as under:

Name	Designation	Category
Mr Ravi Parthasarathy	Chairman	Non Executive
Mr Hari Sankaran	Director –in-Charge	Non Executive
Mr RC Bawa	Director	Non Executive
Mr Arun K Saha	Director	Non Executive
Mr K Ramchand	Additional Director	Non Executive
Mr MS Srinivasan	Director	Non Executive
Mr Siddharth Mehta	Director	Non Executive
Mr SC Tripathi	Independent Director	Non Executive
Mr KG Ramachandran	Independent Director	Non Executive
Mr KC Lahiry	Independent Director	Non Executive
Mr CP Jain	Independent Director	Non Executive
Dr Krishan Kumar	Additional Director (Nominee of SCI Asia)	Non Executive
Mr Anoop Seth*	Deputy Managing Director	Executive

\* resigned on July 25, 2017 and last date of employment is October 31, 2017

Five Board Meetings were held during the year under review (FY 2016-17) and the gap between the two meetings did not exceed 120 days. The meetings were held on May 5, 2016; July 22, 2016; November 4, 2016; February 6, 2017 and March 29, 2017. The attendance status at these Board Meetings is as under:

Name of the Director	No of Board Meetings attended
Mr Ravi Parthasarathy	5
Mr Hari Sankaran	3
Mr RC Bawa	3
Mr Arun K Saha	5
Mr MS Srinivasan	5
Mr Siddharth Mehta	1
Mr SC Tripathi	5
Mr KG Ramachandran	5
Mr KC Lahiry	5
Mr CP Jain	5
Dr Archana Hingorani*	5
Mr Sunil Wadhwa**	5
Mr Anoop Seth***	5

\*resigned w.e.f April 21, 2017

\*\*resigned w.e.f closing hours of April 3, 2017

\*\*\*resigned on July 25, 2017 and last date of employment is October 31, 2017

### **Committees of the Board:**

Following Committees have been constituted to ensure focused attention on the affairs of the Company in the respective areas, viz.:

- Audit Committee
- Nomination & Remuneration Committee (NRC)
- CSR Committee
- Committee of Directors (COD)

**Audit Committee:**

The existing composition of Audit Committee is as under:

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
Mr KG Ramachandran– Chairman	Independent Director	Non-Executive
Mr SC Tripathi	Independent Director	Non-Executive
Mr C P Jain	Independent Director	Non-Executive
Mr Hari Sankaran	Director	Non Executive

The terms of reference of Audit Committee are as per requirements of the Companies Act, 2013. The terms include recommendation for appointment, remuneration and terms of appointment of auditors of the Company; review and monitoring the auditors independence and performance and effectiveness of audit process; examination of the financial statement and the auditor’s report thereon; approval or any subsequent modification of transaction of the Company with related parties; scrutiny of inter-corporate loans and investment; valuation of undertakings or assets of the Company, wherever it is necessary; evaluation of internal financial control and risk management system; monitoring the end use of funds raised through public offers and related matters; call for the comments of the auditors about internal control systems, the scope of Audit, including the observations of the auditors and review of financial statements before their submission to the Board; investigate into any matter in relation to above mentioned items and obtain professional advice from external sources and have full access to information contained in the records of the Company and overseeing the functioning of vigil mechanism

Five Audit Committee Meetings were held during the period under review (FY 2016-17). The meetings were held on May 04, 2016; July 21, 2016; November 3, 2016; January 21, 2017 and February 6, 2017. The attendance status at Audit Committee Meetings is as under:

<b>Name of the Director</b>	<b>No of Audit Committee Meetings attended</b>
Mr KG Ramachandran – Chairman	5
Mr SC Tripathi	5
Mr Hari Sankaran	2
Mr CP Jain	5

**Nomination & Remuneration Committee:**

The existing composition of Nomination & Remuneration Committee is as under:

<b>Name of the Director</b>	<b>Category</b>
Mr SC Tripathi – Chairman	Independent Director
Mr KG Ramachandran	Independent Director
Mr Ravi Parthasarathy	Non-Executive Director
Mr Hari Sankaran	Non-Executive Director

The Nomination and Remuneration Committee shall deal with the matters as are prescribed under the Companies Act, 2013 and review and approve Human Resources/personnel related policies/matters of the Company as well as other matters as may be requested by the Board of Directors of the Company from time to time

Two meetings of NRC were held during the year under review (FY 2016-17). The meetings were held on August 26, 2016 and March 29, 2017. The attendance status at Nomination and Remuneration Committee Meetings is as under:

<b>Name of the Director</b>	<b>No of Nomination &amp; Remuneration Committee Meetings attended</b>
Mr SC Tripathi– Chairman	2
Mr Ravi Parthasarathy	2
Mr Hari Sankaran	2
Mr K G Ramachandran	1

**Corporate Social Responsibility (CSR) Committee:**

The existing composition of CSR Committee is as under:

<b>Name of the Director</b>	
Mr Hari Sankaran - Chairman	Non-Executive Director
Mr CP Jain	Independent Director
Mr M S Srinivasan*	Non-Executive Director

\*Appointed w.e.f May 12, 2017 in place of Mr Sunil Wadhwa

The CSR Committee deals with all the matters related to CSR activities of the Company as provided under the Section 135 of the Companies Act, 2013 and rules framed thereunder as well as other matters as may be requested by the Board of Directors of the Company from time to time

One meeting of CSR was held during the period under review (FY 2016-17). The meeting was held on March 29, 2017. All the members of the CSR Committee were present at the Meeting

### **Committee of Directors (COD):**

The Board of Directors had constituted a Committee of Directors (CoD) comprising of Mr Ravi Parthasarathy and Mr Hari Sankaran as its members to supervise the operations of the Company in the ordinary course of business and is authorized to exercise all such powers and to do all such acts and deeds subject to relevant statutory provisions, limits specified and direction provided by the Board of Directors of the Company from time to time. The CoD is also authorized to deal with matters related to credits/investments, exercising borrowing powers, matters related to or connected with allotment, transfer, dematerialization, rematerialization of securities, issue of share certificates and other matter provided in the Companies Act 2013

### **Other Committees:**

In addition to above, the Board, from time to time had constituted various committees to deal with certain specific issues/matters. A brief gist of the same is as under:

- (1) IPO Committee: The IPO Committee of the Board, comprising of Mr Hari Sankaran, Mr RC Bawa, Mr Siddharth Mehta and Mr Sunil Wadhwa (resigned w.e.f April 3, 2017), Directors as its members, was constituted to make preliminary assessment about an IPO by the Company and the effective steps to be undertaken in this regard
- (2) RPT Review Committee was constituted on November 5, 2015 comprising of Mr-Hari Sankaran, Director; and Mr Sunil Wadhwa, Managing Director, as its members authorized to review and approve related party transactions (RPTs) under the Related Party Transactions Policy and Approval Framework. Mr Sunil Wadhwa resigned w.e.f April 3, 2017 and in his place Mr Arun K Saha was appointed as a Member of the RPT Review Committee

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:**

The particulars of loans, guarantees and investments covered under section 186 of the Companies Act 2013 forms part of the notes of the financial statements

### **REMUNERATION TO DIRECTORS:**

During FY 2016-17, the Non-Independent, Non- executive Directors, except Mr Sunil Wadhwa, Managing Director and Mr Anoop Seth, Deputy Managing Director, were paid Sitting Fees @ Rs 40,000/- for attending each Board and Committee Meetings. Independent

Directors were paid Sitting Fees @ Rs 1,00,000/- for attending each Board and Committee Meetings

Mr Sunil Wadhwa, Managing Director was paid revised remuneration and Mr Anoop Seth were paid remuneration in accordance with the approval of shareholders granted at the last AGM held on September 28, 2016

Mr Hari Sankaran, Vice Chairman & Managing Director- IL&FS was appointed as Director-in-Charge of the Company w.e.f April 4, 2017 on NIL remuneration subject to approval of the members at the ensuing AGM of the Company

### **GENERAL MEETINGS:**

#### Annual General Meeting:

<b>FY ended</b>	<b>Day and Date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolutions passed at the AGM</b>
March 31, 2014	Friday, September 26, 2014	12:00 noon	Core 4B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003	(i) Appointment and fixation of terms of appointment and remuneration of Mr. Sunil Wadhwa as the Managing Director of the Company (ii) Authorisation to the Board of Directors to exercise borrowing powers upto Rs 50,000 mn (iii) Taking note of transfer of 50.4 MW Wind Power Projects to Wind Urja India Private Limited, a 100% subsidiary company (iv) Authorization to invite subscription for Non-Convertible Debentures upto Rs 5,000 mn on Private Placement Basis
March 31, 2015	Monday, September 28, 2015	12:30 PM	Core 4B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003	No Special Resolutions were passed at this AGM
March 31, 2016	Wednesday September 28, 2016	12:00 Noon	Core 4B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003	(i) Appointment and fixation of terms of appointment and remuneration of Mr. Anoop Seth as the Deputy Managing Director of the Company (ii) Revision in terms of remuneration of Mr Sunil Wadhwa (DIN 00259638), Managing Director

### **HOLDING COMPANY:**

Your Company is a subsidiary of Infrastructure Leasing & Financial Services Limited as at March 31, 2017

### **DEPOSITS:**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet

### **AUDITORS:**

#### **Statutory Auditor**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, Deloitte Haskins & Sells, Chartered Accountants, Gurgaon, were appointed as statutory auditors of the Company from the conclusion of the seventh annual general meeting (AGM) of the Company held on September 26, 2014 till the conclusion of the eleventh AGM, subject to ratification of their appointment at every AGM. An item related to the ratification of their appointment has been included in the Notice for the forthcoming AGM of the Company

The Auditors Report for both standalone and Consolidated Financial Statements for FY 2016-17 does not contain any qualification, reservation or adverse remark

#### **Secretarial Auditor**

The Board has appointed M/s Santosh Kumar Pradhan, Company Secretaries, (CP No 7647), Ghaziabad, Uttar Pradesh, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith to this Report as **Annexure – II**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark

#### **Cost Auditor**

Post commissioning of the 40 MW Solar Power Projection Madhya Pradesh in May 2015, housed in the Company's balance sheet, and since the Company was also engaged in the business of Power Trading, pursuant to Section 148 the Companies Act, 2013 and rules made thereunder, the Board appointed M/s ABK & Associates, Cost Accountants, Mumbai, to conduct Cost Audit of the cost accounting records for the financial year 2016-17

The remuneration of the Cost Auditor as approved by the Board shall be ratified by the members at the forthcoming AGM of the Company

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Section 134(5) of the Companies Act, 2013 requires the Board of Directors to provide a statement to the members of the Company in connection with maintenance of books, records, preparation of Annual Accounts in conformity with the accepted accounting standards and past practices followed by the Company. Pursuant to the foregoing, and on the basis of representations received from the Operating Management, and after due enquiry, it is confirmed that:

- (1) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures
- (2) The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period
- (3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (4) The Directors had prepared the annual accounts on a going concern basis and
- (5) The Directors had devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate and operating effectively

### **POLICY ON DIRECTORS, KMPs & OTHER EMPLOYEES APPOINTMENT AND REMUNERATION:**

The Policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 of the Companies Act 2013, adopted by the Board, is appended to the Board's report as **Annexure- III**

Information in accordance with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in **Annexure-IV** to the Director's Report

**TRANSACTIONS WITH RELATED PARTIES:**

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as **Annexure-V**

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 (SHWW ACT):**

The Company has in place a policy on prevention of sexual harassment at workplace. The policy aims at prevention of harassment of employees as well as contractors and lays down the guidelines for identification, reporting and prevention of sexual harassment. There is an Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy

As per the requirement of SHWW Act, the status of the complaints received and resolved during the FY 2017 is as follows:

Number of Complaints received during FY 2016	– NIL
Number of Complaints disposed during FY 2016	– NIL
Number of Complaints pending for more than 90 days	– NIL
Number of awareness workshops conducted	– Online training programme was conducted by IL&FS Group HR
Nature of action taken by the District Officer	– NA

**MATERIAL CHANGES & COMMITMENTS:**

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2016–17 and till the date of this report

**CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business of your Company during the year under review

**CORPORATE SOCIAL RESPONSIBILITY:**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, attached as **Annexure- VI**

### **SUBSIDIARIES, JOINT VENTURES & ASSOCIATES:**

- (1) The Companies which have become Direct subsidiaries during the FY 2016-17: Malwa Solar Power Generation Limited (w.e.f February 27, 2017)
- (2) The Companies that had ceased to be a Direct subsidiary and became Indirect Subsidiary(ies) during FY 2016-17: NIL
- (3) The Companies that had ceased to be an Indirect Subsidiary during FY 2016-17: NIL
- (4) Companies which have become or ceased to be Joint Venture during the FY 2016-17 : NIL
- (5) Companies which have become or ceased to become Associates during the FY 2016-17 - NIL

Report on the performance and financial position of each of the subsidiaries, JVs and associate companies has been provided in Form AOC-1 attached as **Annexure - VII**

### **INTERNAL FINANCIAL CONTROLS:**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed

During the year under review, Deloitte Haskins & Sells (DHS) carried out a review of the Internal Financial Controls of IEDCL

### **MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS:**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has used information technology extensively in its operations. Information with respect to conservation of energy and technology absorption as prescribed is as under:

- (a) Conservation of Energy

- (i) The steps taken or impact on conservation of energy:

The Company is focusing on development of environment friendly, cleaner and cheaper ways of generating power. In this regard, the Company is developing various renewable energy projects, which includes, solar and wind energy projects

- (ii) The steps taken by the company for utilising alternate sources of energy:

The Company, out of the total targeted capacity of 1,004 MW of wind projects, as of June 30, 2017, projects aggregating to 775.2 MW are operational. Balance 228.2 MW is expected to be operational progressively in FY 2018. Further the Company is focussed on development of Solar Power Projects. In May 2015, IEDCL commissioned 40 MW solar power projects, which were allotted under National Solar Mission

- (iii) The capital investment on energy conservation equipment- NA

- (b) Technology absorption:

The Company had commissioned 40 MW Solar Power Project in May 2015 using Poly Crystalline Technology

The Company does not undertake any separate R&D activities. Presently, the Company is undertaking a techno-commercial feasibility study of Integrated Wind, Solar and Energy Storage Projects funded through 100% grant from the United State Trade & Development Agency (USTDA) to evaluate energy storage technologies, their cost-performance trajectory and the viability gap funding and/or regulatory support required for commercial viability of energy storage technologies

### Foreign Exchange Earnings and Outgo

The particulars regarding foreign exchange expenditure and earnings appear as Note no 34.4 of the standalone Financial Statements

In regard to consolidated financials, the particulars regarding foreign expenditure, earnings and exposure appear as Note no 38.4 of the Consolidated Financial Statements

**VIGIL MECHANISM:**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour

The Company has formulated a Policy on Whistle Blower and Vigil Mechanism for employees and Directors to report to the Management instances of unethical behaviour, actual or suspected, fraud, in turn to be monitored by the Audit Committee

**ACKNOWLEDGEMENTS:**

Your Directors wish to thank the Government and the Company's Bankers for all the support and encouragement they extended to the Company. The Directors also wish to place on record their deep appreciation for the services rendered by the employees of the company at all levels and for their dedication and loyalty

For and on behalf of the Board of  
Directors

Sd/-  
Ravi Parthasarathy  
Chairman

Date: August 2, 2017  
Place: Mumbai

**Annexure- I**
**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**
**As on Financial Year ended on March 31, 2017**
*[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]*
**I. REGISTRATION & OTHER DETAILS:**

1	CIN	U40300DL2007PLC163679
2	Registration Date	21/05/2007
3	Name of the Company	IL&FS Energy Development Company Limited
4	Category/Sub-category of the Company	Company Limited By shares/ Indian Non-Government Company
5	Address of the Registered office & contact details	4 <sup>th</sup> Floor, Dr. Gopaldas Bhawan, 28, Barakhamba Road, Connaught Place, New Delhi -110001 Tel: +91 124 471 6100 Fax: +91 124 471 6120
6	Whether listed company (Yes/ No)	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound LBS Marg, Bandup (W), Mumbai – 400078 Tel: +91 22 2596 3838 Fax: +91 22 2594 6969

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Wind Energy Converters and Components	Not specified	52.86
2	Sale of Power (including Trading and Generation from Solar Power Plant)	35105	37.41
3.	Consultancy Income	70200	9.73

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**
**HOLDING COMPANY**

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Infrastructure Leasing and Financial Services Limited	U65990MH1987PLC044571	Holding Company	91.42	Section 2(46)

**SUBSIDIARIES - DIRECT**

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	IL&FS Wind Projects	U40109MH2007PLC176368	Subsidiary	100	Section 2(87)

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	Development Limited (formerly IL&FS Hydro Energy Ltd)		Company		
	Nana Layja Power Company Ltd	U40103GJ2010PLC062968	Subsidiary Company	100	Section 2(87)
	IL&FS Renewable Energy Ltd	U32202MH2007PLC176153	Subsidiary Company	100	Section 2(87)
	Mota Layja Gas Power Company Limited	U40106GJ2013PLC077551	Subsidiary Company	100	Section 2(87)
	IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Limited)	U40106GJ2013PLC077520	Subsidiary Company	100	Section 2(87)
	Maritime International Offshore PTE Limited	Foreign Company	Subsidiary Company	100	Section 2(87)
	IL&FS Tamil Nadu Power Company Limited	U72200TN2006PLC060330	Subsidiary Company	91.38	Section 2(87)
	Malwa Solar Power Generation Limited (w.e.f February 27, 2017)	U40106DL2017PLC313507	Subsidiary Company	100	Section 2(87)

#### SUBSIDIARIES - INDIRECT

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	Wind Urja India Private Limited (through IL&FS Wind Energy Limited)	U40104MH2012PTC234709	Subsidiary Company	51	Section 2(87)
	Lalpur Wind Energy Private Limited (through IREL – 26% and IWEL-25%)	U40300MH2011PTC222588	Subsidiary Company	51	Section 2(87)
	Khandke Wind Energy Private Limited (through IREL – 26% and IWEL-25%)	U40300MH2012PTC234746	Subsidiary Company	51	Section 2(87)
	Tadas Wind Energy Private Limited (through IREL – 26% and IWEL-25%)	U40300MH2011PTC220233	Subsidiary Company	51	Section 2(87)
	Ratedi Wind Power Private Limited (through IREL – 26% and IWEL-25%)	U40102MH2007PTC176369	Subsidiary Company	51	Section 2(87)
	IL&FS Solar Power Limited	U40300MH2010PLC207073	Subsidiary Company	100*	Section 2(87)

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited )	U40107MH2011PLC220673	Subsidiary Company	100*	Section 2(87)
	Patiala Bio Power Company Private Limited	U40200MH2011PLC220462	Subsidiary Company	100*	Section 2(87)
	Sipla Wind Energy Limited	U40300MH2011PLC220004	Subsidiary Company	100*	Section 2(87)
	Shendra Green Energy Ltd	U40100MH2005PLC151412	Subsidiary Company	100*	Section 2(87)
	Rohtas Bio Energy Limited	U40300MH2011PLC220218	Subsidiary Company	100*	Section 2(87)
	Ramagiri Renewable Energy Limited (formerly IL&FS Wind Farms Limited)	U40100MH1997PLC105323	Subsidiary Company	100*	Section 2(87)
	IL&FS Wind Power Services Limited	U74120MH2013PLC242327	Subsidiary Company	100*	Section 2(87)
	East Delhi Waste Processing Company Ltd (EDWPCL)	U37100DL2005PLC135148	Subsidiary Company	100*	Section 2(87)
	Kaze Energy Limited (formerly Vaspeth Wind Energy Limited )	U40300MH2013PLC241321	Subsidiary Company	100*	Section 2(87)
	Cuddalore Solar Power Private Limited (through IREL – 74% and ITPCL -26%)	U40300MH2012PTC237302	Subsidiary Company	97.76	Section 2(87)
	Joghali Wind Energy Private Limited	U74900MH2014PTC255989	Subsidiary Company	100*	Section 2(87)
	Mahidad Wind Energy Private Limited	U74999MH2014PTC255870	Subsidiary Company	100*	Section 2(87)
	IL&FS Maritime Offshore Pte Ltd	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
	IL&FS Offshore Natural Resources Pte Ltd	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
	PT Bangun Asia Persada	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
	Se7en Factor Corporation	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
	PT Mantimim Coal Mining	Foreign Company	Subsidiary Company	86.81***	Section 2(87)

\*IEDCL holds 100% equity holding of IL&FS Renewable Energy Ltd (IREL). The effective holding of IEDCL through IREL in these companies is 100%

\*\*The effective shareholding of IEDCL through ITPCL is 91.38%



Category of Shareholders	No. of Shares held at the beginning of the year As on April 1, 2016				No. of Shares held at the end of the year As on March 31, 2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	1173426 458	6	1173426464	91.42	1173426458	6	1173426 464	91.42	No Change
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) (1)</b>	1173426 458	6	1173426464	91.42	1173426458	6	1173426 464	91.42	No Change
<b>(2) Foreign</b>									
a) NRI-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2) :-</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1173426 458	6	1173426464	91.42	1173426458	6	1173426 464	91.42	No Change
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	8954123 4	-	89541234	6.98	89541234	-	8954123 4	6.98	No Change
ii) Overseas	2059696	-	20596966	1.60	20596966	-	2059696	1.60	No

Category of Shareholders	No. of Shares held at the beginning of the year As on April 1, 2016				No. of Shares held at the end of the year As on March 31, 2017				% Change during the year  Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	6						6		
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	110138200	-	110138200	8.58	110138200	-	110138200	8.58	No Change
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	110138200	-	110138200	8.58	110138200	-	110138200	8.58	No Change
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1283564658</b>	<b>6</b>	<b>1283564664</b>	<b>100</b>	<b>1283564658</b>	<b>6</b>	<b>1283564664</b>	<b>100</b>	<b>No Change</b>

**(ii) Shareholding of Promoters-**

Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016)			Shareholding at the end of the year (as on March 31, 2017)			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Infrastructure Leasing And Financial Services Limited	*1173426464	91.42	NIL	*1173426464	91.42	NIL	No Change

\*Includes 6 shares held by IL&FS jointly with individuals

**(iii) Change in Promoters' Shareholding – NO CHANGE**

Name of the Shareholder	Shareholding at the beginning of the year (01/04/2016)		Date	Reason	Increase/ Decrease in Shareholding No of Shares	Cumulative Shareholding during the year		At the End of the Financial Year
	No. of shares	% of total shares of the company				No. of shares	% of total shares of the company	
-	-	-	-	-	-	-	-	-

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year (01/04/2016)		Increase / Decrease (date and reason)	Cumulative Shareholding during the Year		At the End of the Year (31/03/2017)
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	
1.	Mr Vibhav Ramprakash Kapoor, Mr Karunakaran Ramchand and Mr Ramesh ChanderBawa (trustees of IL&FS Employee Welfare Trust)	86,000,000	6.70	Due to Allotment of Equity Shares to IL&FS Ltd on June 5, 2015, percentage holding changed	86,000,000	6.70	86,000,000 (6.70%)
2.	Bay Capital Investment Managers Pvt Ltd	1,073,008	0.09	No effect in shareholding	1,073,008	0.09	1,073,008 (0.09%)
3	IL&FS Trust Company Ltd (Trustees of IL&FS Infrastructure Equity Fund I)	2,468,226	0.19	No effect in shareholding	2,468,226	0.19	2,468,226 (0.19)
4	Bay Capital Investments Limited (Mauritius Based Entity)	14,400,000	1.12	No effect in shareholding	14,400,000	1.12	14,400,000 (1.12%)
5	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company PTE Ltd (Singapore based entity)	6,196,966	0.48	No effect in shareholding	6,196,966	0.48	6,196,966 (0.48%)

(v) **Shareholding of Directors and KMPs:**

Sl. No.	Name of Director/KMP	Shareholding at the beginning of the year (01/04/2016)		Date wise Increase / Decrease in specifying the reasons for increase /decrease	Cumulative Shareholding during the Year		At the End of the Year (31/03/2017)	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	*Mr Sunil Wadhwa (Managing Director)	1 equity Share jointly with IL&FS Ltd	Negligible	No Change	1 equity Share jointly with IL&FS Ltd	Negligible	1 equity Share jointly with IL&FS Ltd	Negligible
2	Mr Rajpal Singh Ahuja	1 equity Share jointly with IL&FS Ltd	Negligible	No Change	1 equity Share jointly with IL&FS Ltd	Negligible	1 equity Share jointly with IL&FS Ltd	Negligible

\*Mr Sunil Wadhwa resigned w.e.f April 3, 2017 and Share was transferred in the name of Mr S Baskaran w.e.f August 2, 2017

(vi) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the Financial Year</b>				
i) Principal Amount	8,684,375,631	17,230,676,594		25,915,052,225
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	106,768,794	441,027,210		547,796,004
<b>Total (i+ii+iii)</b>	8,791,144,425	17,671,703,805	-	26,462,848,229
<b>Change in Indebtedness During the Financial Year</b>				
* Addition	17,840,948,037	11,822,980,401		29,663,928,438
* Reduction	9,137,663,796	8,391,391,016		17,529,054,812
<b>Net Change</b>	8,703,284,241	3,431,589,385	-	12,134,873,626

Indebtedness at the End of the Financial Year				
i) Principal Amount	17,387,659,871	20,662,265,980		38,049,925,851
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	120,244,347	462,629,442		582,873,789
<b>Total (i+ii+iii)</b>	<b>17,507,904,218</b>	<b>21,124,895,422</b>	<b>-</b>	<b>38,632,799,640</b>

(vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs)

Sl. No.	Particulars of Remuneration	Mr. Sunil Kumar Wadhwa, Managing Director	Mr Anoop Seth, Deputy Managing Director	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,089,435	17,616,352	52,705,787
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,313,760	813,115	2,126,875
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-		
	<b>Total</b>	<b>36,403,195</b>	<b>18,429,467</b>	<b>54,832,662</b>
	<b>*Ceiling as per the Act (MD remuneration)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 1:** Mr Sunil Wadhwa is on the rolls of the Infrastructure Leasing & Financial Services Limited (IL&FS), the Holding Company. He is paid salary by his employer company, i.e., IL&FS. The cost of deputation borne by IEDCL, in respect of his appointment as Managing Director of IEDCL for the FY 2016-17 is Rs 27,589,435

**Note 2:** Mr Anoop Seth was appointed as Deputy Managing Director w.e.f February 5, 2016. Remuneration was paid to him from IEDCL w.e.f April 1, 2016. Till March 31, 2016, remuneration was paid by ITPCL

\*Ceilings on Managerial Remuneration as per the Companies Act 2013, are not applicable by virtue of MCA notification dated September 12, 2016,

## B. Remuneration to other directors

(In Rs)

Sl. No.	Name of the Director	Particulars of Remuneration			Total Amount
		Fee for attending Board/ Committee Meetings	Commission	Others	
1	<u>Independent Directors:</u>				
	Mr K G Ramachandran	9,60,000	-	-	9,60,000
	Mr K C Lahiry	5,20,000	-	-	5,20,000
	Mr S C Tripathi	10,60,000	-	-	10,60,000
	Mr C P Jain	9,60,000	-	-	9,60,000
	Sub-total (1)	<b>35,00,000</b>	-	-	<b>35,00,000</b>
2	<u>Other Non-Executive Directors:</u>				
	Mr Ravi Parthasarathy	2,60,000	-	-	2,60,000
	Mr Hari Sankaran	2,80,000	-	-	2,80,000
	Mr RC Bawa	1,20,000	-	-	1,20,000
	Mr Arun K Saha	2,80,000	-	-	2,80,000
	Mr M S Srinivasan	1,80,000	-	-	1,80,000
	Mr Siddharth Mehta	40,000	-	-	40,000
	Dr Archana Hingorani	1,80,000	-	-	1,80,000
	Sub-total (2)	<b>13,40,000</b>	-	-	<b>13,40,000</b>
	Total =(1+2)	<b>48,40,000</b>	-	-	<b>48,40,000</b>
	Total Managerial Remuneration	-	-	-	
	Overall Ceiling as per the Act	As per the Note*			

\*As per section 197 of the Companies Act 2013, sitting fee payable to the Directors the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof:

## C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO (Mr Hemant Thanvi)	CS (Mr Rajpal Singh Ahuja)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,178,686	4,526,682	22,705,368
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	357,292	20,276	377,568
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	--	-	-
4	Commission- as % of profit	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>18,535,978</b>	<b>4,546,958</b>	

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

By Order of and on behalf of the Board  
of Directors

Sd/-  
Ravi Parthasarathy  
Chairman

Date: August 2, 2017  
Place: Mumbai



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2017**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To  
The Members,  
IL & FS Energy Development Company Limited  
CIN: U40300DL2007PLC163679  
4<sup>th</sup> Floor, Dr. Gopal Das Bhawan,  
28, Barakhamba Road,  
Connaught Place, New Delhi-110001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IL&FS Energy Development Company Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017, according to the provisions of:

- (a) The Companies Act, 2013 (the Act) and the Rules made thereunder &
- (b) The Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Listing Agreements:  
**Not applicable to the Company as the Company is not listed.**



**I report that**, during the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, standards, etc. mentioned above.

**I further report that**, based on the information provided by the Company, its' officers and Authorised Representatives during the conduct of the Audit, and also on the review of quarterly compliance report by respective Department Heads taken on record by the Board of Directors of the Company, in my opinion, adequate systems, processes and control mechanism exist in the Company to monitor & ensure compliance with applicable General laws like Labour Laws, Competition law & Environmental laws.

**I further report that**, the compliance by the Company of applicable financial laws; like Direct & Indirect Tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Auditor and other designated professionals.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee meetings were carried out unanimously in the minutes of the meetings of the Board of Directors or Committee of the Board respectively.

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

**I further report that** during the period under review, the company has taken the following decisions which have major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (a) The Company has allotted 1,000 (One Thousand) un-listed Un-secured Non-Convertible Debentures having zero coupon rate of Rs. 10 lakh each to a set of Investors on 7<sup>th</sup> June, 2016.
- (b) The Company has allotted 1,000 (One Thousand) un-listed Un-secured Non-Convertible Debentures having zero coupon rate of Rs. 10 lakh each to a set of Investors on 28<sup>th</sup> June, 2016.



- (c) Mr. Sunil Wadhwa, Managing Director resigned w.e.f. the closing hours of 3<sup>rd</sup> April, 2017 and Mr. Hari Sankaran was appointed as Managing Director (Director-in-charge) w.e.f. 4<sup>th</sup> April, 2017 for a period of 3 years with nil remuneration.
- (d) The Board has approved the scheme of amalgamation of M/s. IL&FS Renewable Energy Limited, a Wholly Owned subsidiary with the Company in their meeting held on 6<sup>th</sup> February, 2017.

**Date: 11<sup>th</sup> July, 2017**  
**Place: Ghaziabad**

**For Santosh Kumar Pradhan**  
**(Company Secretaries)**

  
**Santosh Kumar Pradhan**  
**FCS No.: 6973**  
**C P No.: 7647**

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report



**'ANNEXURE A'**

To  
The Members  
IL & FS Energy Development Company Limited  
CIN: U40300DL2007PLC163679  
4<sup>th</sup> Floor, Dr. Gopal Das Bhawan,  
28, Barakhamba Road,  
Connaught Place, New Delhi-110001

My report of even date is to be read alongwith this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 11<sup>th</sup> July, 2017  
Place: Ghaziabad

For Santosh Kumar Pradhan  
(Company Secretaries)

  
Santosh Kumar Pradhan  
FCS No.: 6973  
C P No.: 7647

**Policy: Selection Criteria for Directors at Energy Group****(I) The following Selection Criteria are proposed for appointing a Member of the Board / Director****(1) Experience / Know how :**

For IEDCL and IEDCL Group Companies (Energy Group) : The candidate must meet at least two of the below mentioned four criteria :

- (a) Must have served as a CEO in a related organisation
- (b) Must have preferably served on other Boards
- (c) Business Head role for last 5 years with an existing network to tap into
- (d) Could be an independent specialist

**(2) Behavioral Competencies (as per the prevailing Group Competency Framework) both for IEDCL and Group Companies :**

- (a) Results and Achievement Orientation
- (b) Strategic Orientation
- (c) Ability to Influence and Inspire
- (d) Effective Decision Making
- (e) Champions Change
- (f) Intra-Group Coordination
- (g) Integrity (“Fit & Proper”)

## Managerial Remuneration Policy

(I) **Preamble** :

- (1) IL&FS Energy Development Company Limited (IEDCL), a subsidiary of Infrastructure Leasing & Financial Services Limited, is engaged in the power sector as a sponsor, developer and advisor. The power projects developed by IEDCL are diverse in geographic location, fuel type, fuel source and off-take, and each project is planned to be strategically located near an available fuel supply or load centre
- (2) IEDCL has its functional expertise in power sector areas with special focus on finance, policy, regulation, risk management, contracting, environment & social management and project management
- (3) The organisation is structured to meet requirements of its business through :
  - (a) Independent Business Entities that optimally utilise synergies
  - (b) Dedicated Project Development and Sectoral companies
  - (c) Establishment of Technical Support & Service groups
- (4) Since our businesses are people centric, Human Resource Development (HRD) assumes great significance in facilitating the organisation to meet this objective. The HRD strategy is to :
  - (a) Attract and retain competent resources
  - (b) Provide competitive performance based compensation and benefits
  - (c) Facilitate and provide growth opportunities within the Group by encouraging movement of personnel across businesses
  - (d) Inculcate a common culture at the IEDCL level (consistent with IL&FS group level) which brings consistency and transparency in our approach
  - (e) Ensure clear communication of vision and business plans

**(II) Compensation Forums :**

**Nomination and Remuneration Committee** : In terms of provisions of Section 178 of the Companies Act, 2013, IEDCL has constituted Nomination and Remuneration Committee (NRC) consisting of four Non-Executive Directors of which two are Independent Directors. This Committee is in place of Compensation Committee constituted earlier. The NRC has been mandated to shall deal with the matters as are prescribed under the Companies Act, 2013 and review and approve Human Resources, personnel related policies/matters of the Company as well as other matters as may be requested by the Board of Directors of the Company from time to time. This, inter-alia, includes following:

- (1) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and/or removal and shall carry out evaluation of every Director's performance
- (2) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- (3) To endorse the methodology and distribution of Performance Related Pay to the employees of the Company
- (4) While formulating the policy, NRC needs to ensure that :
  - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully
  - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks
  - (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals

**(III) Statutory Provisions :**

Pursuant to the notification of the Companies Act 2013 effective April 01, 2013, the following provisions thereof have been considered while formulating the Remuneration Policy at IEDCL:

- (1) Remuneration for Whole-time, Non-Executive Directors, Key Management Personnel and Senior Management
- (2) Role of the Nomination and Remuneration Committee
- (3) Disclosures in the Directors' Report

**(IV) Objective :**

- (1) The key objective of the Managerial Remuneration Policy is to enable a framework that allows competitive and fair rewards for the achievement of key deliverables
- (2) While deciding remuneration for the Whole-time Directors' various factors such as the market scenario, business performance of IEDCL and the remuneration practices in power sector are considered
- (3) Rationale for Remuneration Framework :

- (a) Internal Ratios : The Compensation package for Managerial Personnel at level/s lower than Whole-time Director is revised annually in the form of performance increments, structural improvements and Cost of Living Adjustments. This has led to a compressing of the compensation differential between the lowest and highest levels of executive management
- (b) Compliance & Risk Parameters : In view of Company law regulations, the compliance roles of Whole-time Directors far outweigh that of any other level, and consequently the risk parameters associated with these jobs are of a significantly higher level as compared to the junior levels

**(V) Remuneration Pattern :**

- (1) Structure : A summary of the current structure set for the Whole-time Directors is as mentioned below :

Components	Item	Description	Policy
Base Salary	<ul style="list-style-type: none"> <li>• Reflects the Directors' experience, criticality of the role with the Group and the</li> </ul>	<ul style="list-style-type: none"> <li>• Consolidated Salary fixed for each financial year</li> <li>• This</li> </ul>	Normally positioned as the highest as compared to the Group

Components	Item	Description	Policy
	risk factor involved	component is also used for paying retiral benefits <ul style="list-style-type: none"> <li>• Paid on a monthly basis</li> </ul>	
Short-term incentive	<ul style="list-style-type: none"> <li>• Based totally on the performance of the Director</li> </ul>	<ul style="list-style-type: none"> <li>• Variable component of the remuneration package</li> <li>• Paid on an annually basis</li> </ul>	Determined by the Compensation Committee after year-end based on performance against the pre-determined financial and non-financial metrics
Long-term incentive	<ul style="list-style-type: none"> <li>• Drive and reward delivery of sustained long-term performance</li> </ul>	<ul style="list-style-type: none"> <li>• Variable long-term remuneration component, paid in shares</li> </ul>	Determined by the Compensation Committee and distributed on the basis of time, level and performance
Retiral Benefits	<ul style="list-style-type: none"> <li>• Provide for sustained contribution</li> </ul>	<ul style="list-style-type: none"> <li>• Accrues depending on length on service. It is 33.33% of Consolidated Pay</li> </ul>	Paid post separation from the Company as per the Rules of the Provident Fund and Gratuity Acts and the IL&FS Superannuation Fund

- (2) **Base Salary** : The Shareholders of the Company, while approving the appointment of the Whole-time Directors approve the scale within which the salary of the Whole-time Directors could be fixed
- (3) **Perquisites and benefits** : All other benefits are as per the rules of the Company. In addition to the above remuneration, the Whole-time Directors are also entitled to perquisites as per the Rules of the Company
- (4) **Short-Term Incentive Plan ('STIP')**:
- (a) The Company operates variable pay scheme called as “Performance Related Pay” (PRP). Amendments to the PRP scheme is made to suit the organisation’s business and performance

- (b) In determining the actual PRP payments, the factors which are usually considered are Performance related to the Group's financial KPIs, Operational performance against budget

(5) **Long-Term Incentive Plan ('LTIP'):**

IL&FS EWT (EWT) was set up in August 1990 to provide for the welfare of employees of IL&FS and its Subsidiary/Affiliate Companies. EWT fund is utilized by the Trustees towards employee welfare, viz., promoting quality education, critical medical treatment, etc

(VI) **Key Management Personnel :**

- (1) The Key Management Personnel (KMP) in IEDCL are the Managing Director, Chief Financial Officer - Energy Vertical, Chief Financial Officer - IEDCL and Company Secretary (CS)
- (2) The KMPs have operational responsibilities in addition to the responsibilities specified by the Companies Act, 2013
- (3) The remuneration package of the Key Management and Senior Management comprises of :
  - (a) **Fixed Remuneration** : This includes a Monthly Salary such as Consolidated Pay, Variable House Rent Allowance, Compensatory Allowance, Utility Allowance, Interest Subsidy on Housing Loans
  - (b) **Annual Allowances:** This consists of Leave Travel Allowance, Medical Reimbursement and House Maintenance Allowance
  - (c) **Retirals:** This includes Provident Fund @ 12% of Consolidated Pay, Gratuity @ 8.33% of Consolidated Pay and Superannuation @ 13% of Consolidated Pay

(VII) **Non-Whole Time Directors :**

Non Whole-Time Directors are paid Sitting Fees for attending the Board / Board Committee/s Meetings in accordance with the Companies Act, 2013. The Board is responsible for setting policy in relation to the remuneration of the Non-Whole Time Directors

**(VIII) Remuneration Mix :**

The total remuneration package of Directors and KMPs is designed to provide an appropriate balance between fixed and variable components with focus on Performance Related Pay so that outstanding performance is incentivized but without encouraging excessive risk taking

**(IX) Disclosures:**

Under the provisions of Companies Act, 2013, the Board of Directors would have to disclose the details of the managerial remuneration in the Director's Report to the Shareholders

**(X) Review and Modification :**

Effectiveness of the Managerial Remuneration Policy is ensured through periodical review. The Board of Directors may amend or modify this Policy in whole or in part at any time

By Order of and on behalf of the Board  
of Directors

Sd/-  
Ravi Parthasarathy  
Chairman

Date: August 2, 2017  
Place: Mumbai

**Annexure- V**

**Form No. AOC-2**

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: **Not Applicable**

2. Details of material contracts or arrangement or transactions at arm's length basis

S No	Name(s) of the related party and nature of relationship	Duration of the contracts/arrangements/ transactions	Nature of contracts/arrangement s/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
	Infrastructure Leasing & Financial Services Limited (Holding Company)	Duration as per the funds availability/ongoing	investment of surplus funds/ Interest Income on Short Term Deposits	RoI @ 7.75% p.a. Value of Investment Rs 44 mn Interest Income of approx. Rs 0.6 Mn		
		Two years (Maturity in April 2018)	Borrowing	Borrowings against approved COD of Rs 5000 mn @ 16% pa		
		One year	Office Space on rent & IT support Services	Appx Rs 10.70 mn p.a.		
		On requirement basis	Cost recovery towards time spent by IL&FS personnel on IEDCL related work	Depends upon time spent (Appx Rs 2 mn pa)		
		2 years	Borrowing (RLOC)	RoI @ 16.00%, Value Rs. 2,500 Mn		
		Depending upon loan duration	Letter of Awareness cum Non-disposal undertaking in favour of lenders	Rs 10 mn		
		Up to 2 years	Term Loan of Rs 3250 mn	RoI @ 16.00%, Value Rs. 3,250 Mn		
	Nana Layja Power Company Limited (Subsidiary)	Two years	Lending	RoI 15.50% p.a., Rs 157 mn		
		Two years	Lending	RoI 15.50% p.a., Loan Agreement for Rs. 100 Mn (Rs. 93 Mn Disbursed)		
		Two years	Lending	RoI – 15.50% Value: Rs 1,250 mn		

IL&FS Wind Projects Development Limited (Subsidiary)	One years	Loan/ICD/Non fund based facility from IL&FS group companies	RoI 15.50% p.a., Rs 28 mn		
IL&FS Solar Power Limited	2 years	Revolving line of credit given to WoS	ROI 15.50% p.a, Rs 50 mn		
	2 years	Loan given	ROI 15.50% p.a, Rs 5.9 mn		
	NA	Engineering and development advisory service for solar project implementation	Considering the scope of work, the fee quoted by IEDCL for Rs 173 mn is comparable to fees quoted by other firms. Other firm has quoted Rs 215 mn		
Kaze wind Energy Ltd.; Etesian Urja Ltd.	During the tenure of implementation of wind project	Sale of Wind Turbine material for 108 MW wind project	Rs 6,000 mn Investment in equity upto 2,600 mn Availing LC limits of IL&FS upto 1150 mn		
Etesian Urja Limited.	During the tenure of implementation of wind project	Engineering and development advisory service for wind project implementation	Vale of Rs 69 mn		
	Two Years	Lending	RoI – 15.50 % Value: Rs 30 mn		
Mahidad Wind Energy Private Limited (Subsidiary)	Two years	Lending (ROI)	RoI 15.50% p.a., Rs 870 mn		
	2 years	Loan to Subsidiary	ROI@ 15.50% p.a., Rs 247.90 mn		
	2 years	Revolving line of credit	RoI @ 15.50%, Rs 300 mn		
Joghali Wind Energy Private Limited (Subsidiary)	Two years	Lending	RoI 15.50% p.a., Rs 1130 mn		
IL&FS Wind Energy Limited (Subsidiary)	Two years	Lending	RoI 15.50% p.a., ICD Rs 120 mn		
	Continuous till facilities exist	Corporate Guarantee to lenders	Rs. 2,000 mn		
Sipla Wind Energy Limited	2 year	Loan given	RoI @ 15.50%, Rs 616.20 mn		
	2 year	Revolving line of credit	RoI @ 15.50%, Rs 50 mn		
Malwa Solar Power Generation Limited	2 years	Lending	Interest @ 15.50% Malwa Solar Power Generation Limited (Rs 20 mn)		
Kaze Energy Limited	2 year	Lending	Interest rate @15.50% p.a. Kaze Energy Limited (Rs 250 mn)		
Sealand ports Private Minited and Porto Novo Maritime Limited (Fellow Subsidiaries)	One year (quarterly basis)	Lending	RoI 16% - 16.50% p.a., Rs 549 mn		
	-	Extension of time by three months and reduction in rate of	Rs. 400 Mn to SPPL (Till Mar 17) & Rs.51 Mn to PNML (Till Mar 17)		

			interest			
IL&FS Renewable Energy Limited (Subsidiary)	Two years	Lending (revolving line of credit)	RoI 15.50% p.a., Rs 760 mn			
	Two year	Inter Corporate Deposit (Borrowing)	Rs 284 mn @ 15.50% - 16 % p.a.			
	Two year	Revolving line of credit	RoI 15.50% p.a., Rs 860 mn			
	-	Engineering and development advisory service for solar project implementation	Value of Rs 70 mn			
	Two year	Lending	RoI- 15.50% Value: Rs 500mn, Rs 1,500 mn and Rs 1,800 mn			
	Two year	Lending	RoI- 15.50% Value: Rs 720 mn			
	Ongoing	Corporate Gaurantee	In favour of lenders to IREL amounting to Rs 2,000 mn			
	One time	Purchase of investment	Purchase of Investment in East Delhi Waste Processing Co Pvt Limited (EDWPCPL)@ value of Rs 1095 mn			
	Extension of Bank guarantee in favour of lender	Corporate Guarantee to lenders	Rs 1000 mn			
IL&FS Tamilnadu Power Company Limited (Subsidiary)	3 months extendable upto 1 year	Lending (revolving Line of Credit)	ROI 15.50% p.a., Value for Rs 430 Mn			
	Upto two years	Revolving Line of Credit	ROI@15.50% Value of Rs 250 mn			
	As per lending agreement	Undertaking for Non disposal of shares	IEDCL will not dispose off/ transfer its 51% equity stake shares in ITPCL till the working capital facility of Rs 915 Cr exists			
	Till 31/03/2017	Purchase of Power	Trading of upto 350 MW RTC Power (00:00 to 24:00 hrs) and upto 200 MW Peak Power (18:00 to 23:00 hrs) from Unit 2 of ITPCL  Value: Trading Margin of 7 paise/unit (it includes 1 paise per unit payable to NVVL)			
	As per lending agreement	Corporate Guarantee	Value of Rs 5,000 mn			
	Upto Mar 17	Renewal of IT Support Services Agreement	Value of Rs 5.92 mn			

		2 years	Term loan and revolving line of credit	RoI – 15.50% p.a. Term Loan (Rs 327 mn) Revolving line of credit (Rs 1,650 mn)		
	IL&FS Financial Services Limited IL&FS Maritime International Limited	On requirement basis	Cost recovery towards time spent by personnel on IEDCL related work	Cost is allocated to different companies based on time spent by respective employee approx. rs 7 mn		
	IL&FS Group Companies	Upto 2 years	Loan/ICD/Non fund based facility (Borrowing)	ROI upto 16% p.a. (Effective RoI on ISSL loan 15.38%) Upto Rs 2,000 mn (Rs. 760 Mn availed from ISSL)		
	IL&FS Environment and Infrastructure Services Limited (IEISL)	-	Sale of Investment in East Delhi Waste Processing Co Pvt Limited	Value of Rs 1,380 mn		
	Tadas Wind Energy Private Limited (Subsidiary)	Continuous till facilities exists	Renewal of Bank Guarantee in favour of TWEPL's lenders	Repayment by IEDCL in case of default by subsidiaries Rs. 345 Mn		
	Khandke Wind Energy Private Limited	Continuous till facilities exists	Renewal of Bank Guarantee in favour of KWEPL's lenders	Repayment by IEDCL in case of default by subsidiaries of Rs. 155 mn		
	IL&FS Securities Services Limited (Fellow Subsidiary)	Upto 12 Months	Inter Corporate Deposit (Borrowing)	Rs. 1500 Mn @ 15.50% p.a		
		Till 31/03/2017	Extension of ICDs	14.50% PA Payable Quarterly Plus 0.5% of Outstanding Loan Amount as Processing Fees Payable upfront, value rs Rs. 3,920 Mn		
	Jharkhand Infrastructure Development Corporation Limited (Fellow Subsidiary)	7 months	Consultancy Services	Consultancy charges of Rs 17.80 Mn		
	Noida Toll Bridge Company Limited		Consultancy Services	Consultancy charges for implementation of energy efficient projects value of Rs 1.50 mn		
	Mangalore SEZ Limited		Consultancy Services	Consultancy charges for implementation of solar powered initiative value of Rs 2.35 mn		
	Cross Border Power Transmission Company Limited (Joint Venture)	One year	Consultancy charges	Rs 9.50 mn		
	SauryaUrja Company of Rajasthan Limited (Joint Venture)	1.87 year	Bank Guarantee on behalf of SUCRL to Power Grid	Repayment by IEDCL in case of default by subsidiaries of rs 250 mn		
	IL&FS Financial Services Limited (Fellow Subsidiary)	Ongoing	Interest Income on Short Term Deposits	RoI@ 6.75% - 7.75% p.a, Value of investment 102 Mn, Interest income of Approx. Rs 1.4Mn		
		Ongoing	Syndication Fees	Syndication Fees for debt syndication upto Rs. 20,000 mn		
		Ongoing	Investment of Short Term Surplus Funds	Value of investment 1,191 Mn, Interest income of Approx. Rs 3.75 Mn		

Wind Urja India Limited (Subsidiary)	Continuous till facilities exists	Renewal of Corporate Guarantee to lenders	Rs. 1,337 Mn		
IL&FS Wind Power Services Pvt. Ltd.,	Ongoing	Sharing/reimbursement of expenses on actual	Rs 0.19 mn		
IL&FS Wind Power Services Private Limited, IL&FS Renewable Energy Limited, Mahidad Wind Energy Private Limited, IL&FS Wind Energy Limited; IL&FS Solar Power Limited; Etesian Urja Limited Nana Layja Power Company Limited	On Going basis from wholly owned subsidiaries	Sharing/Recovery of Expenses on actual basis	Rs. 1.4 mn		
Cross Border Power Transmission Company Limited IL&FS Tamil Nadu Power Company Limited Saurya Urja Company of Rajasthan Limited IL&FS Engineering & Construction Co Ltd. Tadas Wind Energy Private Limited Khandke Wind Energy Private Limited	Ongoing	<u>Sharing/recovery of Expenses from/with Joint Venture/Subsidiaries/fellow subsidiaries on actual basis</u>	Rs. 29.63 Mn		
IL&FS Global Financial Services (UK) Limited (Subsidiary of IFIN)	On Going	Syndication Fees for debt syndication external commercial borrowings and treasury services	Syndication Fee is payable 1% of loan amount and treasury fees upto 10 bps		

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By Order of and on behalf  
of the Board of Directors

Date: August 2, 2017  
Place: Mumbai

Sd/-  
Ravi Parthasarathy  
Chairman

## Annexure- VI

### ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR Policy primarily, entail, undertaking a variety of programs for enhancing economic activity and skilling, which will be supplemented with interventions to improve the quality of life of stakeholders in the project catchment areas. Employment and livelihood creation, Millennium Development Goals (MDG) and global concerns such as climate change will be considered as guides in setting up the CSR projects</p> <p>It covers following aspects:</p> <ul style="list-style-type: none"> <li>• Livelihood Development: Skill Training, Entrepreneurship Development Traditional Livelihoods – Fisheries, Agriculture, Animal Husbandry, SHG based livelihood activities</li> <li>• Natural Resource Management: Water conservation, rainwater harvesting and Groundwater recharging</li> <li>• Infrastructure Development: Physical infrastructure – e.g. roads, water and sanitation etc., Social Infrastructure, Community infrastructure</li> <li>• Human Capital Development: Education , Health and Sanitation, Malnutrition, Anganwadis, Financial literacy and inclusion</li> </ul>
2.	The Composition of the CSR Committee. (as on March 31, 2017)	<ul style="list-style-type: none"> <li>- Mr Hari Sankaran (Chairman of the CSR Committee)</li> <li>- Mr C P Jain (Independent Director)</li> <li>- Mr Sunil Wadhwa (Managing Director)*upto April 3, 2017</li> <li>- Mr M S Srinivasan</li> </ul>
3.	Average net profit of the company for last three financial years	Rs (1,532,257,212)
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs (10,215,048)
5.	Details of CSR spent during the financial year (given as under)	
(a)	Total amount spent for the financial year 2016-17	Rs 1,400,579**
(b)	Amount unspent, if any	62,631 **

\*Mr Sunil Wadhwa resigned from the Boards of the Company w.e.f the closing hours of April 3, 2017. Mr M S Srinivasan was appointed as a member of the CSR Committee w.e.f May 12, 2017

\*\*In FY 2016-17, the prescribed CSR spending of 2% of the average profits before tax of the Company made during the three immediately preceding Financial years worked out to be NIL. Hence the Company was not required to make any expenditure on CSR activities in FY 2016-17. However there was a carried forward amount of Rs 1,463,210 of FY 2015-16, out of which Rs 1,400,579 was spent in FY 2016-17. The unspent amount was on account of actual expenditure on the overheads being less than the budgeted amount

Manner in which the amount spent during the financial year is detailed below:

(In Rs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or others (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through Implementing Agency
1.	Setup and operation of Agastya Science centre at Mota Layja	Education	(1)Others (2) Mandvi Taluka, Kutch District, Gujarat	1,700,000 (out of which Rs 966500 was spent in FY 2015-16)	733,500	733,500	Implementing Agency : Agastya Foundation
2.	Infrastructure Development in Agar, Madhya Pradesh  (i) Interventions for School at Kachalia Village (ii) Common Facilities (iii) Intervention for school at Tokra Village	Social Infrastructure	Village Kachalia, District Agar, Madhya Pradesh	940,000 (out of which, 298,330 was spent in FY 2015-16)	646,925	646,925	Direct
3.	Other Overheads & administrative Expenses	-	-	1,50,000 (out of which 32,251 was spent in FY 2015-16)	20,154	20,154	Direct

- The implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company

Sd/-  
Mr Anoop Seth  
Deputy Managing Director

Sd/-  
Mr Hari Sankaran  
Chairman- CSR Committee

Date: August 2, 2017  
Place: Mumbai







## ANNEXURE - VII

FORM AOC-1 (ANNUAL PERFORMANCE OF SUBSIDIARIES)  
**Statement containing salient features of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 (Form AOC-1)**  
 Part- "A" Subsidiaries

Rs. Million

1	Name of the subsidiary	Joghali Wind Energy Pvt Ltd	Mahidad Wind Energy Pvt Ltd	East Delhi Waste Processing Co. Ltd	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period –	01.4.2016 to 31.03.2017	01.4.2016 to 31.03.2017	01.4.2016 to 30.09.2016	
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	
4	Share capital (Issued and Paid up Capital)	0.10	0.10		1000000
5	Reserves & Surplus (i.e. Other Equity)	1,183.10	1,297.62		
6	Total assets	2,282.11	3,523.22		
7	Total Liabilities	1,098.91	2,225.50	-	
8	Investments	-	-	-	
9	Turnover (Including other income)	-	0.49	-	
10	Profit before taxation	(83.91)	(84.09)	(3.69)	
11	Provision for taxation	-	-	-	
12	Profit after taxation	(83.91)	(84.09)	(3.69)	
13	Proposed Dividend	-	-		
14	% of shareholding	100%	100%	100%	
	Subsidiary yet to commence business	Yes	Yes	Yes	
	Subsidiary sold during the year	No	No	Yes	

For and on behalf of the Board

Sd/-  
DirectorSd/-  
Deputy Managing Director

Sd/-

Sd/-

Group Chief Financial officer

Company Secretary

Date: August 2, 2017

Place: Mumbai

## Part B

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Rs Million

	Name of Associates/Joint Ventures	Urjankur Shree datta Power	Urjankur Shree Tatyasaheb Core Warna	ONGC Tripura Power Co Ltd (Consolidated)	Saurya Urja Company of Rajasthan Limited	Assam Power Project Development Company Limited	Bihar Power Infrastructure Company Private Limited	Cross Border Power Transmission Company Limited
1	Latest audited Balance Sheet Date	31/03/2017	31/03/2017	31/03/2017	31/03/2017	31/03/2017	#####	31/03/2017
2	Shares of Associate/Joint Ventures held by the company on the year end							
	Numbers	22,520,000	28,100,000	291,200,000	60,988,091	25,000	25000	18,433,615
	Amount of Eq.Investment in Associates/Joint Venture	225.76	281.66	5,859.40	973.00	2.60	55.60	401.48
	Extend of Holding %	33.34%	33.33%	26.00%	50%	50%	50%	38%
3	Description of how there is significant influence	Based on the % of Shareholding						
4	Reason why the associate/joint venture is not consolidated	All Consolidated						
5	Networth attributable to Shareholding as per latest audited Balance Sheet	444.51	332.72	3,399.45	606.60	2.60	55.92	280.30
6	Profit / Loss for the year							
	Considered in Consolidation	108.93	52.30	360.20	1.60	(0.28)	(0.61)	67.06
	Not Considered in Consolidation	217.78	104.61	1,025.17	1.60	(0.28)	(0.61)	109.42
7	Names of associates or joint ventures which are yet to commence operations	Saurya Urja Company of Rajasthan Limited						
8	Names of associates or joint ventures which have been liquidated or sold during the year	Punjab Biomass Power Limited						

For and on behalf of the Board

Sd/-  
DirectorSd/-  
Deputy Managing DirectorSd/-  
Group Chief Financial  
officerSd/-  
Company Secretary

Date: August 2, 2017

Place: Mumbai

**Notes:**

(a) IEDCL holds 100% equity holding of IL&FS Renewable Energy Ltd (IREL).

The effective holding of IEDCL through IREL in the following Companies is 100%:

IL&FS Solar Power Limited

Etesian Urja Limited(formerly Bhojpur Biomass Power Company Limited)

Patiala Bio Power Company Limited

Sipla Wind Energy Limited (formerly Nakhatrana Biomass Energy Limited)

Shendra Green Energy Ltd

Rohtas Bio Energy Limited

Ramagiri Renewable Energy Limited (IL&FS Wind Farms Limited )

IL&FS Wind Power Services Limited

East Delhi Waste Processing Company Ltd (EDWPCL)

Kaze Energy Limited (formerly Vaspeth Wind Energy Limited )

Jogihali Wind Energy Private Limited

Mahidad Wind Energy Private Limited

(b) The effective holding of IEDCL through IREL (26%) and IL&FS Wind Energy

Limited(25%) in the following Companies is 51%:

Ratedi Wind Power Private Limited

Tadas Wind Energy Private Limited

Lalpur Wind Energy Pvt Ltd

Khandke Wind Energy Pvt Ltd

(c) The effective holding of IEDCL in Wind Urja India Pvt Ltd through IL&FS Wind Energy Limited is 51%

(d) The effective shareholding of IEDCL in following subsidiaries through ITPCL is 91.38%

ILFS Maritime Offshore Pte Ltd

IL&FS Offshore Natural Resources Pte Ltd

Se7en Factor Corporation

PT Bangun Asia Persada

(e) The The effective holding of IEDCL in Cuddalore Solar Power Pvt. Ltd.

through IREL is 74% and through ITPCL is 91.38% of 26% which amounts to

97.76%

(f) The effective holding of IEDCL in Urjankur Shree Datta Power Co Ltd is

33.33%, Urjankur Shree Tatyasaheb Kore Warana Power Co Ltd is 33.33%

(g) ITPCL holds 95% in PT Mantimin Coal Mining through PT Banguan Asia

Persada and the effective shareholding of IEDCL through ITPCL is 86.81%

**For and on behalf of Board**

**Sd/-  
Director**

**Sd/-  
Deputy Managing Director**

**Sd/-  
Group Chief Financial Officer**

**Sd/-  
Company Secretary**

Date : August 2, 2017

Place: Mumbai

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Ind AS Financial Statements**

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

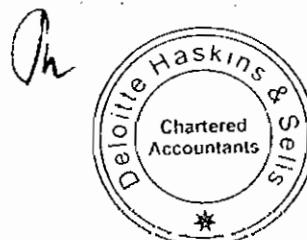
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

**Auditor's Responsibility**

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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



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

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

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (refer to note 33.1 to the standalone Ind AS financial statements).
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (refer to note 33.2 to the standalone Ind AS financial statements).
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company (refer to note 33.3 to the standalone Ind AS financial statements).
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016 (refer to note 41 to the standalone Ind AS financial statements).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 015125N)



*Jitendra Agarwal*

**Jitendra Agarwal**

Partner

(Membership No. 87104)

**Gurugram, 12 May, 2017**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** ("the Company") as at 31 March, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)



*Jitendra Agarwal*

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

Gurugram, 12 May, 2017

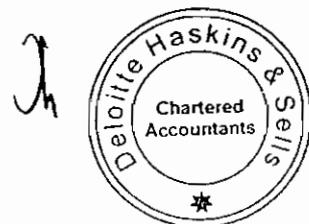
**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i. In respect of the Company's property, plant and equipment:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - b. The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land which are freehold, are held in the name of the Company as at the balance sheet date. The Company does not have any immovable property of building. Immovable property of land whose title deeds have been pledged as security for loans (land have been pledged to avail term loan from bank), is held in the name of the Company based on the confirmation directly received by us from lenders.
- ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits as at 31 March, 2017 and therefore, reporting under clause (v) of CARO 2016 is not applicable to the Company.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- vii. According to the information and explanations given to us, in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.  
  
We are informed that the operations of the Company during the year did not give rise to any liability for Sales Tax, Customs Duty and Excise Duty.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2017 for a period of more than six months from the date they became payable.
  - c. There are no dues of Income-tax, Service Tax and Value Added Tax which have not been deposited as on 31 March, 2017 on account of disputes.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institution, banks and dues to debenture holders. The Company has not taken any loans or borrowings from the government.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS standalone financial statements etc. as required by the applicable accounting standards
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.



- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 015125N)



*Jitendra Agarwal*

**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

**Gurugram, 12 May, 2017**

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2017**

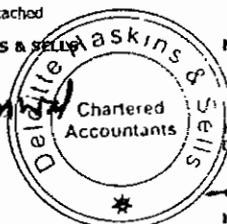
	Note Ref.	As at 31 March, 2017 Rs. Million	As at 31 March, 2016 Rs. Million	As at 1 April, 2015 Rs. Million
<b>ASSETS</b>				
<b>Non-current assets</b>				
a) Property, plant and equipment	5	3,117.58	3,255.93	54.19
b) Capital work-in-progress	5	43.22	-	2,274.23
c) Intangible assets	6	1.66	1.68	1.52
d) Financial assets				
i) Investments	7	66,017.93	67,701.02	48,240.16
ii) Loans	11	13,485.80	5,796.92	5,265.72
iii) Other financial assets	12	1,695.04	1,678.81	292.25
e) Non-current tax assets	13	781.66	598.31	562.69
f) Deferred tax assets (net)	21	527.81	335.94	499.29
g) Other non-current assets	14	75.81	10.98	348.99
<b>Total non-current assets</b>		<b>85,746.51</b>	<b>79,379.59</b>	<b>57,539.04</b>
<b>Current assets</b>				
a) Inventories	10	2.23	-	-
b) Financial assets				
i) Investments	7	1,708.18	-	-
ii) Trade receivables	8	2,178.89	1,074.56	2,072.77
iii) Cash and cash equivalents	9	262.34	180.51	543.02
iv) Bank balances other than (iii) above	9	930.75	975.07	835.02
v) Loans	11	3,380.58	1,783.12	8,438.34
vi) Other financial assets	12	3,461.09	441.73	1,087.39
c) Other current assets	14	97.29	8.85	9.50
<b>Total current assets</b>		<b>12,021.35</b>	<b>4,463.84</b>	<b>12,986.04</b>
<b>Total assets</b>		<b>97,767.86</b>	<b>83,843.43</b>	<b>70,525.08</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
a) Share capital	15	13,182.26	13,182.26	12,684.69
b) Other equity	16	41,198.41	39,851.07	35,276.58
<b>Total equity</b>		<b>54,380.67</b>	<b>53,033.33</b>	<b>47,961.27</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
a) Financial liabilities				
i) Borrowings	17	22,623.96	15,446.15	14,691.14
ii) Other financial liabilities	18	512.15	11.59	-
b) Provisions	19	35.60	29.22	22.90
c) Other non-current liabilities	20	756.93	786.13	-
<b>Total non-current liabilities</b>		<b>23,928.64</b>	<b>16,273.09</b>	<b>14,714.04</b>
<b>Current liabilities</b>				
a) Financial liabilities				
i) Borrowings	22	5,053.63	3,724.40	-
ii) Trade payables	23	2,392.18	289.91	769.77
iii) Other financial liabilities	18	11,152.81	7,459.84	7,029.23
b) Provisions	19	18.10	18.09	22.25
c) Other current liabilities	24	41.63	3,044.77	28.52
<b>Total current liabilities</b>		<b>19,458.55</b>	<b>14,537.01</b>	<b>7,849.77</b>
<b>Total liabilities</b>		<b>97,767.86</b>	<b>83,843.43</b>	<b>70,525.08</b>

See accompanying notes forming part of the Ind AS financial statements 1-45

In terms of our report attached

For DELOITTE HASKINS & SELLY  
Chartered Accountants

JITENDRA AGARWAL  
Partner



For and on behalf of the Board of Directors

HARY SANKARAN  
Director  
HIMANT THANVI  
Group Chief Financial Officer

ANOOPT SETHI  
Deputy Managing Director

RAJPAL ANUJA  
Company Secretary

Place: Gurugram  
Date: 12 May, 2017

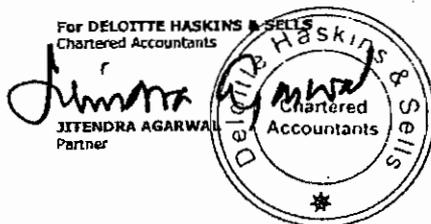
Place: Bengaluru  
Date: 12 May, 2017

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

	Note Ref.	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
<b>I Revenue from operations</b>	25	7,363.59	712.14
<b>II Other Income</b>	26	6,364.38	7,908.04
<b>III Total Income (I + II)</b>		<b>13,727.97</b>	<b>8,620.18</b>
<b>IV Expenses</b>			
I. Cost of power purchased		2,252.72	1.28
II. Purchases of stock-in-trade		3,815.65	
III. Employee benefits expense	27	459.23	333.83
IV. Finance costs	28	4,305.64	3,571.92
V. Depreciation and amortisation expense	30	136.42	103.71
VI. Other expenses	29	447.99	378.22
<b>Total expenses (IV)</b>		<b>11,417.65</b>	<b>4,386.96</b>
<b>V Profit before tax (III - IV)</b>		<b>2,310.32</b>	<b>4,231.22</b>
<b>VI Tax expense</b>			
i. Current tax	31	53.92	831.82
ii. Deferred tax	31	(171.27)	164.04
<b>Total tax expense (VI)</b>		<b>(117.35)</b>	<b>995.86</b>
<b>VII Profit for the year (V - VI)</b>		<b>2,427.67</b>	<b>3,235.36</b>
<b>Other comprehensive Income</b>			
I. Items that will not be reclassified to profit or loss			
a. Remeasurement of defined benefit plans		(4.92)	(1.99)
b. Income tax relating to items that will not be reclassified to profit or loss		1.70	0.69
II. Items that will be reclassified to profit or loss			
a. Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge		(54.60)	-
b. Income tax relating to items that will be reclassified to profit or loss		18.50	-
<b>VIII Total other comprehensive income/(loss)</b>		<b>(38.92)</b>	<b>(1.30)</b>
<b>IX Total comprehensive income for the year (VII+ VIII)</b>		<b>2,388.75</b>	<b>3,234.06</b>
<b>Earnings per equity share</b> (face value of Rs. 10 each)			
I. Basic (Rs.)	32	1.89	2.54
II. Diluted (Rs.)	32	1.79	2.40
See accompanying notes forming part of the Ind AS financial statements	1-45		

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants



JITENDRA AGARWAL  
Partner

Place: Gurgaon  
Date: 12 May, 2017

For and on behalf of the Board of Directors

HARI SANKARAN  
Director

MANI THANVI  
Group Chief Financial Officer

Place: Bangalore  
Date: 12 May, 2017

ANOOP SETHI  
Deputy Managing Director

RAJPAL HUJA  
Company Secretary



**IL&PS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

	Note Ref.	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year		2,427.67	3,235.36
Adjustments for:			
Tax expense recognised in statement of profit and loss		(117.35)	995.86
Depreciation and amortisation expense		136.42	103.71
Finance costs		4,305.64	3,571.92
Provision for doubtful debts		13.70	26.39
Interest income		(3,830.04)	(1,925.25)
Dividend income		(1,538.68)	-
Gain on sale of property, plant and equipment		(0.22)	(0.24)
Gain on sale of financial assets - Investments		(241.82)	(5,676.20)
Amortisation of grant		(29.20)	(25.12)
Net gain arising on financial assets designated at fair value through statement of profit and loss		(724.32)	(294.78)
<b>Operating profit before working capital changes</b>		<b>401.80</b>	<b>11.65</b>
Adjustments for (increase) / decrease in operating assets:			
Inventories		(2.23)	-
Trade receivables		(2,906.68)	971.82
Other financial assets		(870.21)	(117.86)
Other assets		(132.50)	0.58
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		2,102.27	(479.86)
Other financial liabilities		1,199.39	(14.30)
Other liabilities		11.57	1.74
Provisions		3.17	(6.11)
<b>Cash generated from operations</b>		<b>(193.42)</b>	<b>367.66</b>
Taxes paid (including tax deducted at source)		(238.97)	(868.13)
<b>Net cash flow from/(used in) operating activities</b>		<b>(432.39)</b>	<b>(500.47)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant and equipment		(23.38)	(1,792.35)
Proceeds from sale of property, plant and equipment		0.65	0.69
Payments for purchase of intangible assets		(0.99)	(0.95)
Loans given		(22,202.53)	(6,286.63)
Loans received back		11,820.38	12,410.85
Payments to acquire financial assets- Investments		(534.36)	(14,202.02)
Proceeds from sale of financial assets- Investments		3,002.24	9,749.23
Interest received		2,936.06	1,395.11
Dividend received		1,503.45	-
Proceeds from fixed deposit under lien		737.39	107.10
Deposit in fixed deposit under lien		(668.07)	(247.15)
<b>Net cash flow from/(used in) investing activities</b>		<b>(3,429.16)</b>	<b>1,133.68</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of equity share capital including securities premium			4,852.52
Proceeds from non-current borrowings		23,378.92	12,905.37
Repayment of non-current borrowings		(13,304.14)	(19,799.21)
Proceeds from current borrowings		6,365.63	3,758.89
Repayment of current borrowings		(4,236.40)	(34.49)
Dividend paid (including tax thereon)		(4,095.46)	(0.01)
Finance cost paid		(4,261.37)	(3,159.78)
Receipt of grant		96.20	480.99
<b>Net cash flow from/(used in) financing activities</b>		<b>3,943.38</b>	<b>(995.72)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

Note Ref.	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
Net increase/(decrease) in cash and cash equivalents	81.83	(362.51)
Cash and cash equivalents at the beginning of the year	180.51	543.02
Cash and cash equivalents at the end of the year	9	180.51
Net Increase/(decrease) in cash and cash equivalents	<u>81.83</u>	<u>(362.51)</u>

Figures in brackets indicate cash outflow

See accompanying notes forming part of the Ind AS financial statements 1-45

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

*Jitendra Agarwal*  
JITENDRA AGARWAL  
Partner



Place: *Gurgaon*  
Date: *12 May, 2017*

For and on behalf of the Board of Directors

*Mahi Sankaran*  
MAHI SANKARAN  
Director

*Hemant Thanvi*  
HEMANT THANVI  
Group Chief Financial Officer

Place: *Bengaluru*  
Date: *12 May, 2017*

*Aroop Seth*  
AROOP SETH  
Deputy Managing Director

*Rajpal Khuja*  
RAJPAL KHUJA  
Company Secretary

**1. General Information**

IL&FS Energy Development Company Limited ("the Company") is a public limited company, domiciled and incorporated in India having its registered office at 4th Floor, Dr Gopaldas Bhawan, 28, Barakhamba Road, Connaught Place, New Delhi 110001. The Company is engaged in development and operations of power projects and providing advisory services.

**2. Application of new and revised Ind ASs**

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised for issue have been considered in preparing these financial statements.

**Standards / Amendments issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modifications of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Company has not issued any stock option plans, hence this amendment will have no effect on the Ind AS financial statements.

**3. Significant accounting policies**

**3.1 Statement of compliance**

In accordance with the notification dated 16 February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1 April, 2016

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as IND AS) notified under the companies (Indian Accounting Standards) Rules 2015 (as amended) read with Section 133 of the Companies act, 2013. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1<sup>st</sup> April, 2015. The mandatory exceptions and optional exemptions availed by the Company on first time adoption have been detailed in note 40

Previous year figures in the financial statements have been restated in compliance to Ind AS.

Up to the year ended March 31, 2016, the Company had prepared the standalone financial statements under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles ('Previous GAAP') applicable in India and the applicable accounting standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.



In accordance with Ind AS 101-'First time Adoption of Indian Accounting Standards' ('Ind AS 101'), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at March 31, 2016, and April 1, 2015 and of the Profit after tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2016.

In accordance with Ind AS 101-"First time Adoption of Indian Accounting Standards" (Ind AS 101), the Company has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at 31 March, 2016, and 1 April, 2015 and of the net profit as per previous GAAP and total comprehensive income under Ind AS for the year ended 31 March, 2016. Refer Note No. 40 for the details of first-time adoption exemptions availed by the company.

### **3.2 Basis of preparation and presentation**

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

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

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

### **3.3 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

#### **Rendering of services**

Revenue from a contract to provide consultancy services is recognised by reference to specified project progress milestones as defined in the Project Contract Mandates. Foreseeable losses on such contracts are recognised when probable.

#### **Sale of Electricity**

Revenue from sale of power on generation of electricity is accounted when energy is delivered at the metering point in terms of the Power Purchase Agreement.

#### **Sale of Goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.



**Other income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

**3.4 Property, plant and equipment (PPE)**

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1,2015 under the previous GAAP as its deemed cost on the date of transition to Ind AS.

**Capital work-in-progress**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost less any recognised impairment loss, cost comprises direct cost, related incidental expenses and borrowing cost. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Depreciation**

Depreciation is recognised for property, plant and equipment so as to write-off the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

The estimated useful life of depreciable assets are mentioned below

<b>Asset Type</b>	<b>Useful Life</b>
Plant & equipment - Solar plant	25 years
Other equipment	3 years
Computers - Data processing equipment, Server & networking	3-4 years
Furniture & fixtures	10 years
Office equipment	3-5 years
Assets provided to employees	3 Years
Assets costing less than Rs. 5000 and mobile phones, Tablets	Written off in the year of purchase
Expenditure on improvement to leasehold property	Balance period of lease

Freehold land is not depreciated.



#### **Derecognition of PPE**

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

### **3.5 Intangible assets**

#### **Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Computer software licenses are amortised on a straight-line method over the license period or 4 years whichever is less. The estimated useful life and amortization period is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2015 under the previous GAAP as its deemed cost on the date of transition to Ind AS.

#### **Derecognition of Intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in Statement of profit and loss when the asset is derecognised.

### **3.6 Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of profit and loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance sheet and transferred to Statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

### **3.7 Borrowing Costs**

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

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

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.

### **3.8 Employee benefits**

Employee benefits include provident fund, superannuation fund, gratuity and compensated absences.

#### **Defined contribution plan**

Employee benefit under defined contribution plan comprising of provident fund and superannuation fund is recognised based on the amount of obligation of the Company to contribute to the plan. The provident fund contribution is paid to provident fund authorities and superannuation fund contribution is paid to designated fund manager. These amounts are expensed during the year.



#### Defined benefit plan

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

The Company has taken the group policy with HDFC Life to meet its obligation towards gratuity. The Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Company. Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary.

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

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a. In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b. In case of non-accumulating compensated absences, when the absences occur.

#### Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Balance Sheet date.



### 3.9 Taxation

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

#### Current tax

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

#### Deferred tax

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

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

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

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

Deferred tax assets include Minimum Alternate Tax ('MAT') paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with asset will be realised

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

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.10 Inventories

Inventory comprising of equipment and parts thereof are valued at the lower of cost (first in first out basis) and the net realisable value. Cost includes all charges in bringing the goods to the point, including octroi and other levies and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.11 Provisions, contingent liability and contingent asset

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).



Contingent assets are disclosed in the financial statements by way of notes to accounts when an inflow of economic benefits is probable.

Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### **3.12 Financial instruments**

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### **3.13 Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through profit or loss ('FVTPL')**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

#### **Investments in Subsidiaries and Joint Ventures**

Investments in equity instruments of Subsidiaries and Joint ventures are accounted for as per Ind AS 27 i.e "Separate Financial Statement" which allows provides to account for these investments at cost or in accordance with Ind AS 109 for each category of investments.

Accordingly, the Company has accounted investment in Subsidiaries at cost and opted fair value through profit or loss as per Ind AS 109 in case of Joint ventures.

#### **Foreign exchange gain and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

#### **Impairment of financial assets**

The Company assesses at each Balance Sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12



month expected credit losses or at an amount equal to lifetime expected losses, if the credit risk on the financial asset has increased significantly since initial recognition.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit and loss.

### **3.14 Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

An Equity instrument is any contract that evidence a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### **Compound financial instruments**

The components of compound financial instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by issue of fixed number of the Company's own equity instruments in exchange of a fixed amount of cash or another financial asset, is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of profit and loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms.



Financial guarantee contracts issued by the Company are Initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income' in the line-item 'Net foreign exchange gains/(losses)' except where capitalised as part of borrowing cost.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of profit and loss.

### **3.15 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 34.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

### **3.16 Hedge accounting**

The Company designates certain hedging instruments which include derivatives in respect of foreign currency risk, interest rate risk are accounted as cash flow hedge. Hedges of foreign exchange risk on firm commitments are also accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

#### **Cash flow hedges**

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve except where capitalised. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss, and is included in the 'Other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.



### **3.17 Foreign currency**

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates. These financial statements are presented in Indian Rupees.

#### **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the exchange rates prevailing on the date of the transaction. Gains or losses realised upon settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the period in which the transaction is settled.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

Exchange difference arising in respect of long-term foreign currency monetary items is recognised in the statement of profit and loss except for the exchange difference related to long-term foreign currency monetary items those were recognised as at March 31, 2016, in so far as, they relate to the acquisition of depreciable assets, are adjusted against the cost of such assets and depreciate the said adjustment, over the balance life of asset.

### **3.18 Leases**

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

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

### **3.19 Segment reporting**

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems.

### **3.20 Earnings per share**

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### **3.21 Operating cycle**

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### **3.22 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### **3.23 First-time adoption optional exemptions**

#### **Overall principle**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### **Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2015 (the transition date).



#### **Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

#### **Impairment of financial assets**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### **Deemed cost for property, plant and equipment and intangible assets**

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

#### **Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 'Determining whether an Arrangement contains a Lease' to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

#### **Assessment of embedded derivatives**

The Company has assessed whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative on the basis of the conditions that existed at the later of the date it first became a party to the contract and the date when there has been a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract.

#### **Investments in subsidiaries**

The Company has elected to carry its investments in subsidiaries at deemed cost being carrying amount under Previous GAAP on the transition date.

### **4. Critical accounting judgements and key sources of estimation uncertainty**

#### **4.1 Use of estimates**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Contingent liability is recorded when it is probable that a liability may be incurred, and the amount can be reasonably estimated.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and current and / or future periods are affected.

#### **4.2 Key Source of estimation uncertainty**

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, provisions and contingent liabilities.

#### **Impairment of investments**

The Company reviews carrying value of its investments annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in Statement of profit and loss.



**Useful lives and residual values of property, plant and equipment**

Useful life and residual value of property, plant and equipment are based on management's judgement of the expected life and residual value of those assets. These estimates are reviewed at the end of each reporting period. Any reassessment of these may result in change in depreciation expense for future years.

**Valuation of Deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 3.9 above.

**Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Ind AS financial statements.



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**5 Property, plant and equipment**

**i Carrying amount**

	As at		As at	
	31 March, 2017	31 March, 2016	1 April, 2015	1 April, 2015
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Land	36.00	36.00	36.00	36.00
Plant and equipment	3,066.72	3,204.51	-	-
Other equipment	2.39	2.59	2.79	2.79
Computers	3.10	1.47	1.43	1.43
Furniture and fixture	3.19	3.52	4.34	4.34
Vehicles	-	-	-	-
Office equipment	0.50	0.97	1.57	1.57
Leasehold Improvements	5.68	6.87	8.06	8.06
Capital work-in-progress	3,117.58	3,255.93	54.19	54.19
	43.22	-	2,274.23	-
	<b>3,160.80</b>	<b>3,255.93</b>	<b>2,328.42</b>	<b>2,328.42</b>

**ii Cost**

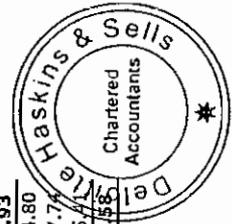
	Land Rs. Million	Plant and equipment Rs. Million	Other equipment Rs. Million	Computers Rs. Million	Furniture and fixtures Rs. Million	Vehicles Rs. Million	Office equipment Rs. Million	Leasehold improvements Rs. Million	Total Rs. Million
As at 1 April, 2015 (at deemed cost)	36.00	-	2.79	1.43	4.34	-	1.57	8.06	54.19
Add: Additions	-	3,302.51	-	1.36	0.07	0.09	1.08	-	3,305.11
Less: Disposals/adjustments	-	-	-	0.04	0.23	0.09	0.19	-	0.55
As at 31 March, 2016	36.00	3,302.51	2.79	2.75	4.18	-	2.46	8.06	3,358.75
Add: Additions	-	-	-	3.09	0.34	-	1.37	-	4.80
Less: Disposals/adjustments	-	7.31	-	0.29	0.07	-	0.79	-	8.46
As at 31 March, 2017	36.00	3,295.20	2.79	5.55	4.45	-	3.04	8.06	3,355.09

**Accumulated depreciation**

As at 1 April, 2015	-	-	-	-	-	-	-	-	-
Add: Charge for the year	-	98.00	0.20	1.29	0.70	0.01	1.53	1.19	102.92
Less: Disposals/adjustments	-	-	-	0.01	0.04	0.01	0.04	-	0.10
As at 31 March, 2016	-	98.00	0.20	1.28	0.66	-	1.49	1.19	102.82
Add: Charge for the year	-	130.48	0.20	1.39	0.61	-	1.54	1.19	135.41
Less: Disposals/adjustments	-	-	-	0.22	0.01	-	0.49	-	0.72
As at 31 March, 2017	-	228.48	0.40	2.45	1.26	-	2.54	2.38	237.51

**Carrying amount**

As at 1 April, 2015	36.00	-	2.79	1.43	4.34	-	1.57	8.06	54.19
Add: Additions	-	3,302.51	-	1.36	0.07	0.09	1.08	-	3,305.11
Less: Disposals/adjustments	-	-	-	0.03	0.19	0.08	0.15	-	0.45
Less: Depreciation expense	-	98.00	0.20	1.29	0.70	0.01	1.53	1.19	102.92
As at 31 March, 2016	36.00	3,204.51	2.59	1.47	3.52	-	0.97	6.87	3,255.93
Add: Additions	-	-	-	3.09	0.34	-	1.37	-	4.80
Less: Disposals/adjustments	-	7.31	-	0.07	0.06	-	0.30	-	7.74
Less: Depreciation expense	-	130.48	0.20	1.39	0.61	-	1.54	1.19	135.41
As at 31 March, 2017	36.00	3,066.72	2.39	3.10	3.19	-	0.50	5.68	3,117.58



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iii The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

	Land		Plant and equipment		Other equipment		Computers		Furniture and fixtures		Vehicles		Office equipment		Leasehold improvements		Total		
	Rs. Million		Rs. Million		Rs. Million		Rs. Million		Rs. Million		Rs. Million		Rs. Million		Rs. Million		Rs. Million		
<b>As at 1 April, 2015</b>																			
Gross block	36.00	-	-	3.06	6.32	6.11	-	6.46	9.99	67.94	-	-	6.46	9.99	67.94	-	-	-	-
Accumulated depreciation	-	-	-	0.27	4.89	1.77	-	4.89	1.93	13.75	-	-	4.89	1.93	13.75	-	-	-	-
<b>Net block as at 1 Apr 2015</b>	<b>36.00</b>	<b>-</b>	<b>-</b>	<b>2.79</b>	<b>1.43</b>	<b>4.34</b>	<b>-</b>	<b>1.57</b>	<b>8.06</b>	<b>54.19</b>	<b>-</b>	<b>-</b>	<b>1.57</b>	<b>8.06</b>	<b>54.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 March, 2016</b>																			
Gross block	36.00	-	3,295.54	3.06	6.48	5.76	-	6.39	9.99	3,363.22	-	-	6.39	9.99	3,363.22	-	-	-	-
Accumulated depreciation	-	-	98.00	0.47	5.01	2.24	-	5.42	3.12	114.26	-	-	5.42	3.12	114.26	-	-	-	-
<b>Net block as at 31 March, 2016</b>	<b>36.00</b>	<b>-</b>	<b>3,197.54</b>	<b>2.59</b>	<b>1.47</b>	<b>3.52</b>	<b>-</b>	<b>0.97</b>	<b>6.87</b>	<b>3,248.96</b>	<b>-</b>	<b>-</b>	<b>0.97</b>	<b>6.87</b>	<b>3,248.96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes:**

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

ii For details of charge created on property, plant and equipment, refer to note 17.



**6 Intangible assets**

**i. Carrying amount**

	<b>As at 31 March, 2017</b>	<b>As at 31 March, 2016</b>	<b>As at 1 April, 2015</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>	<b>Rs. Million</b>
<b>Computer softwares</b>	<b>1.66</b>	<b>1.68</b>	<b>1.52</b>

**ii Cost**

	<b>Computer softwares</b>	<b>Total</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
<b>As at 1 April, 2015 (at deemed cost)</b>	<b>1.52</b>	<b>1.52</b>
Add: Additions	<b>0.95</b>	<b>0.95</b>
<b>As at 31 March, 2016</b>	<b>2.47</b>	<b>2.47</b>
Add: Additions	<b>0.99</b>	<b>0.99</b>
<b>As at 31 March, 2017</b>	<b>3.46</b>	<b>3.46</b>

**Accumulated amortisation and impairment losses**

<b>As at 1 April, 2015</b>	<b>-</b>	<b>-</b>
Less: Amortisation expense	<b>0.79</b>	<b>0.79</b>
<b>As at 31 March, 2016</b>	<b>0.79</b>	<b>0.79</b>
Less: Amortisation expense	<b>1.01</b>	<b>1.01</b>
<b>As at 31 March, 2017</b>	<b>1.80</b>	<b>1.80</b>

**Carrying amount**

<b>As at 1 April, 2015</b>	<b>1.52</b>	<b>1.52</b>
Add: Additions	<b>0.95</b>	<b>0.95</b>
Less: Amortisation expense	<b>0.79</b>	<b>0.79</b>
<b>As at 31 March, 2016</b>	<b>1.68</b>	<b>1.68</b>
Add: Additions	<b>0.99</b>	<b>0.99</b>
Less: Amortisation expense	<b>1.01</b>	<b>1.01</b>
<b>As at 31 March, 2017</b>	<b>1.66</b>	<b>1.66</b>

**iii. The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:**

	<b>Computer softwares</b>	<b>Total</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
<b>As at 1 April, 2015</b>		
Gross block	<b>4.71</b>	<b>4.71</b>
Less: Accumulated amortisation	<b>3.19</b>	<b>3.19</b>
<b>Net block</b>	<b>1.52</b>	<b>1.52</b>
<b>As at 31 March, 2016</b>		
Gross block	<b>5.66</b>	<b>5.66</b>
Less: Accumulated amortisation	<b>3.98</b>	<b>3.98</b>
<b>Net block</b>	<b>1.68</b>	<b>1.68</b>



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	As at		As at		As at	
	31 March, 2017		31 March, 2016		1 April, 2015	
	Units	Amount Rs. Million	Units	Amount Rs. Million	Units	Amount Rs. Million
<b>7 Investments</b>						
<b>I Investments - Non-current (Unquoted)</b>						
<b>A Investments at cost - In subsidiaries</b>						
<b>i Equity instruments</b>						
a. IL&FS Tamilnadu Power Development Company Limited	160,797,509	42,263.32	160,797,509	42,263.32	107,070,550	25,840.75
b. IL&FS Renewable Energy Limited	157,181,000	5,639.00	157,181,000	5,639.00	157,181,000	5,639.00
c. IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Limited)	490,050,000	4,900.50	490,050,000	4,900.50	50,000	0.50
d. Etasian Urja Limited (formerly Bhojpur Biomass Power Company Limited)	110,865,000	1,108.65	-	-	-	-
e. Nana Layja Power Company Limited	20,050,000	200.50	20,050,000	200.50	20,050,000	200.50
f. Maritime International Offshore (Pte) Ltd.	32,483	1.53	32,483	1.53	32,483	1.53
g. IL&FS Wind Projects Development Limited (formerly IL&FS Hydro Energy Limited)	100,000	1.00	100,000	1.00	100,000	1.00
h. Wind Urja India Private Limited	-	-	-	-	99,408,000	994.08
i. Malwa Solar Power Generation Limited	100,000	1.00	-	-	-	-
j. Mota Layja Gas Power Company Limited	50,000	0.50	50,000	0.50	50,000	0.50
k. Lalpur Wind Energy Private Limited	-	-	-	-	228,866,620	2,288.67
l. Khandke Wind Energy Private Limited	-	-	-	-	154,492,349	1,544.92
<b>ii Preference shares</b>						
a. IL&FS Renewable Energy Limited	20,200,000	202.00	20,200,000	202.00	20,200,000	202.00
<b>B Investments at cost - In deemed equity</b>						
<b>i Convertible Debentures</b>						
a. IL&FS Tamilnadu Power Development Company Limited (see note i below)	240,000	2,400.00	240,000	2,400.00	490,000	4,900.00
b. Kaze Energy Limited (see note ii below)	68,000,000	680.00	-	-	-	-
c. Shendra Green Energy Limited (formerly GAPS Power & Infrastructure Limited) (see note iii below)	25,877,090	59.85	25,877,090	59.85	25,877,090	46.29
d. IL&FS Wind Energy Limited (formerly known as Mandvi LNG Terminal Limited) (see note iv below)	-	-	471,042,000	4,710.42	-	-
<b>C Investments at fair value through profit and loss (see note 34)</b>						
<b>i Investment in joint venture companies - Equity instruments</b>						
a. ONGC Tripura Power Company Limited	291,200,000	5,859.40	291,200,000	5,395.80	267,490,002	4,951.07
b. Saurya Urja Company of Rajasthan Limited	60,988,091	973.00	13,000,000	139.00	-	-
c. Cross Border Power Transmission Company Limited	18,433,615	410.48	15,086,000	265.20	7,220,000	111.50
d. Bihar Power Infrastructure Company Private Limited	25,000	55.60	25,000	56.50	25,000	57.40
e. Power Transmission Company Nepal Limited	300,000	51.00	300,000	29.00	60,000	8.65
f. Assam Power Project Development Company Limited	25,000	2.60	25,000	2.90	25,000	1.80



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Units	Amount Rs. Million	Units	Amount Rs. Million	Units	Amount Rs. Million
	<b>ii Investment in other companies</b>					
<b>- Equity instruments</b>						
a. KVK Nilanchal Power Private Limited (see note v below)	5,180,000	758.00	5,180,000	983.00	5,180,000	995.00
b. SV Power Private Limited	17,778,864	450.00	17,778,864	451.00	17,778,864	455.00
		<u>66,017.93</u>		<u>67,701.02</u>		<u>48,240.16</u>
<b>Aggregate carrying value of unquoted investments</b>		<u>66,017.93</u>		<u>67,701.02</u>		<u>48,240.16</u>

**II Investment - current (Unquoted)**

**A Investments at amortised cost**

**i Debentures (Convertible)**

a. IL&FS Wind Energy Limited (formerly known as Mandvi LNG Terminal Limited) (see note iv below)	170,818,000	1,708.18	-	-	-	-
		<u>1,708.18</u>		<u>-</u>		<u>-</u>
<b>Aggregate carrying value of unquoted investments</b>		<u>1,708.18</u>		<u>-</u>		<u>-</u>

**Notes:**

**i Description: Fully compulsorily convertible debentures**

Rate of interest - 16% (31 March, 2016: 0% , 1 April, 2015: 0%)

Maturity details: 30 September, 2024, (31 March, 2016: 31 March, 2018, 1 April, 2015: 31 March, 2016)

These debentures shall be converted into equity shares of the issuer at a fair value arrived by an Independent valuer appointed mutually by the debenture holder and the issuer. Further, the Company has an option to convert the debentures on an earlier date, than the stated maturity date, based on a fair value as at such earlier date.

Interest accrued on these debenture aggregating to Rs. 1,362.94 million as at 31 March, 2017 (Rs. Nil as at 31 March, 2016 and Rs. Nil as at 1 April, 2015) is included as part of 'Other financial assets'. Such accrued interest shall be converted into equity shares at fair value of the equity shares of the issuer arrived by an independent valuer.

**ii Description: Fully compulsorily convertible debentures**

Rate of interest - 0% (31 March, 2016: Not applicable , 1 April, 2015: Not applicable)

Maturity details: 8 February, 2018, (31 March, 2016: Not applicable, 1 April, 2015: Not applicable)

The debentures shall be convertible into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding. Further the debentures can be converted into equity at the stated maturity date as mutually agreed between the issuer and the Company.

**iii Description: Optionally fully convertible debentures**

Rate of interest - 1% (31 March, 2016: 1% , 1 April, 2015: 1%)

Maturity details: 21 March, 2018, (31 March, 2016: Not applicable, 1 April, 2015: Not applicable)

The debentures shall be convertible into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding at the Company's option.

**iv Description: Optionally fully convertible debentures**

Rate of interest - 15.50% (31 Mar 16: 0% , 1 Apr 15: Not applicable)

Maturity details: 31 Mar 2018 (31 March, 2016: 31 Mar 2018, 1 April 2015: Not applicable)

The debentures shall be convertible into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding at the Company's option.

Interest accrued on these debenture aggregating to Rs. 264.81 million as at 31 March, 2017 (Rs. Nil as at 31 March, 2016 and Rs. Nil as at 1 April, 2015) is included as part of 'Other financial assets'. Such accrued interest shall be converted into equity shares at par value of the equity shares of the issuer.

v. The Company is in the process of transferring equity shares in its name 3,533,500 shares as at 31 March, 2017 (31 March, 2016: 3,533,500, 1 April, 2015: 3,533,500). The Company has Issued an undertaking to repledge the shares in favour of the lenders of the KVK Nilanchal Power Private Limited on transfer of shares in its name.

**Additional information**

The information about the place of business for significant investments in subsidiaries and joint ventures are as follows:

Particulars	Registered office	31 March, 2017	31 March, 2016	1 April, 2015
		% of shareholding		
<b>I Subsidiaries</b>				
i IL&FS Tamilnadu Power Development Company Limited	Chennai	91.38%	91.38%	63.87%
ii IL&FS Renewable Energy Limited	Mumbai	100%	100%	100%
iii IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal)	Mumbai	100%	100%	100%
iv Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)	Mumbai	100%	100%	100%
v Nana Layja Power Company Limited	Ahemdabad	100%	100%	100%
<b>II Joint Venture companies</b>				
i ONGC Tripura Power Company Limited	Delhi	26%	26%	49.52%
ii Saurya Urja Company of Rajasthan Limited	Jaipur	50%	50%	



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>8 Trade receivables</b>			
Trade receivables			
a. Unsecured, considered good	2,269.98	1,165.65	2,132.08
b. Doubtful	20.18	6.48	4.89
	<u>2,290.16</u>	<u>1,172.13</u>	<u>2,136.97</u>
Less: Provision for doubtful debts (including expected credit loss allowance)	111.27	97.57	64.20
	<u>2,178.89</u>	<u>1,074.56</u>	<u>2,072.77</u>

**Notes:**

Trade receivable are immediately due except in specific cases where period is contractually allowed. Interest is charged on trade receivables as per contractual terms, if any.

**Provision for doubtful debts (including expected credit loss allowance)**

The Company closely monitors the credit quality of its trade receivables. Accordingly, there is no significant credit risk pertaining to the receivable except in certain cases where the Company has made provision for the expected credit loss considering the estimated recoverability time frame for the receivables.

**Movement in Provision for doubtful debts (including expected credit loss allowance)**

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
Opening balance	97.57	64.20	
Change during the year	13.70	33.37	
Closing balance	<u>111.27</u>	<u>97.57</u>	<u>64.20</u>

The above provision includes the provision for doubtful debts of Rs. 20.18 million at 31 March, 2017 (Rs. 6.48 million as at 31 March, 2016 and Rs. 4.89 million as at 1 April, 2015) created against specific receivables that are doubtful.

**Age of receivables**

1-30 days past due	1,438.64	271.13	1,339.58
31-90 days past due	281.06	83.34	85.43
91-180 days past due	105.74	88.04	367.13
More than 180 days past due	353.45	632.05	280.63

Receivables from customers, each of which individually represents more than 5% of the total balance of trade receivables:

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
Customer 1	219.09	429.69	354.95
Customer 2	-	100.20	-
Customer 3	-	65.98	-
Customer 4	120.61	67.72	-
Customer 5	200.02	-	-
Customer 6	743.43	-	-
Customer 7	159.14	-	-
Customer 8	230.51	-	-
Customer 9	-	171.75	137.28
Customer 10	-	83.93	-
Customer 11	-	59.04	-
Customer 12	-	-	340.42
Customer 13	-	-	613.14
<b>Total</b>	<u>1,672.80</u>	<u>978.31</u>	<u>1,445.79</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>9 Cash and bank balances</b>			
<b>A. Cash and cash equivalents</b>			
a. Balance with banks			
- in current accounts	262.34	180.39	193.02
- in deposit accounts	-	-	350.00
b. Cheques in hand	-	0.12	-
	<u>262.34</u>	<u>180.51</u>	<u>543.02</u>
Cash and cash equivalents as per statement of cash flow	262.34	180.51	543.02
<b>B. Other balances with banks</b>			
a. in deposit accounts held as margin money with banks	930.75	975.07	835.02
	<u>930.75</u>	<u>975.07</u>	<u>835.02</u>
<b>Note:</b>			
Further refer note 42 for information about non cash transactions.			
<b>10 Inventories (lower of cost or net realisable value)</b>			
Traded goods - Wind energy converters and components	2.23	-	-
	<u>2.23</u>	<u>-</u>	<u>-</u>
<b>11 Loans</b>			
<b>I. Non-current (Unsecured)</b>			
a. Loans to related parties			
- Considered good	13,347.65	4,703.48	5,137.37
b. Other loans			
- Considered good	383.77	1,339.06	367.39
Less: Allowance for expected credit loss	(245.62)	(245.62)	(239.04)
	<u>138.15</u>	<u>1,093.44</u>	<u>128.35</u>
	<u>13,485.80</u>	<u>5,796.92</u>	<u>5,265.72</u>
<b>II. Current (Unsecured, considered good)</b>			
a. Loans to related parties	1,569.20	900.00	6,415.00
b. Loans to others	1,215.08	0.62	964.34
c. Inter-corporate deposits to related parties	596.30	882.50	1,059.00
	<u>3,380.58</u>	<u>1,783.12</u>	<u>8,438.34</u>
<b>Note</b>			
Further information about these loans is set out in note 34. These financial assets are carried at amortised cost.			



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>12 Other financial assets</b>			
<b>I Non-current</b>			
a. Interest accrued on:			
- on deposits	0.97	0.70	-
- on loans to related parties	1,362.94	1,021.22	17.23
- on loans to other parties	47.45	313.38	30.11
b. Security deposits	3.57	3.63	3.44
c. Advance towards investments			
- to related parties	20.00	-	237.10
- to others	-	-	4.37
d. Grant receivable (see note 39)	210.11	264.88	-
e. Other balances with banks			
In deposit accounts held as margin money with banks	50.00	75.00	-
	<u>1,695.04</u>	<u>1,678.81</u>	<u>292.25</u>
<b>II Current</b>			
a. Interest accrued on:			
- on deposits	21.15	20.42	22.48
- on loans to related parties	882.36	270.83	927.60
- on loans to other parties	163.97	-	130.08
b. Dividend receivable	35.23	-	-
c. Grant receivable (see note 39)	96.20	96.20	-
d. Receivable for sale of investment	1,337.63	-	-
e. Unbilled revenue	923.21	49.74	-
f. Earnest money deposit	1.34	4.54	7.23
	<u>3,461.09</u>	<u>441.73</u>	<u>1,087.39</u>
<b>13 Non-current tax assets (net)</b>			
Taxes paid (including tax deducted at source)	2,058.76	1,821.49	954.05
Provision for taxation	<u>(1,277.10)</u>	<u>(1,223.18)</u>	<u>(391.36)</u>
	<u>781.66</u>	<u>598.31</u>	<u>562.69</u>
<b>14 Other assets</b>			
<b>I Non-current</b>			
a. Capital advances	20.77	-	338.08
b. Prepaid expenses	55.04	10.98	10.91
	<u>75.81</u>	<u>10.98</u>	<u>348.99</u>
<b>II Current</b>			
a. Prepaid expenses	84.74	6.01	3.04
b. Balances with government authorities - Service tax credit receivable	12.55	2.84	6.46
	<u>97.29</u>	<u>8.85</u>	<u>9.50</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

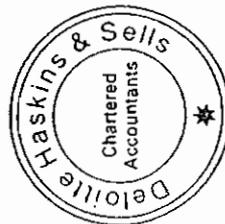
	As at 31 March, 2017 Number of shares	As at 31 March, 2016 Number of shares	As at 01 April, 2015 Number of shares
<b>15 Share capital</b>			
<b>A Equity share capital</b>			
Authorised			
Equity Shares of Rs. 10 each (31 March, 2016 Rs. 10 each) and (1 April, 2015 Rs. 10 each) with voting rights	1,900,000,000	1,900,000,000	1,900,000,000
Issued, subscribed and fully paid up			
a. Opening balance	1,283,564,664	1,233,807,613	1,233,807,613
b. Changes during the year - shares issued	-	49,757,051	-
c. Closing balance	<u>1,283,564,664</u>	<u>1,283,564,664</u>	<u>1,233,807,613</u>

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

**B Compulsorily Convertible Preference Share Capital ('CCPS')**

	As at 31 March, 2017 Number of shares	As at 31 March, 2016 Number of shares	As at 01 April, 2015 Number of shares
<b>Authorised</b>			
0.0001% Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each (31 March, 2016 Rs. 10 each and 1 April, 2015 Rs 10 each)	100,000,000	100,000,000	100,000,000
<b>Issued, subscribed and fully paid up</b>			
(a) Opening balance	34,660,767	34,660,767	346.61
(b) Changes during the year	-	-	-
(c) Closing balance	<u>34,660,767</u>	<u>34,660,767</u>	<u>346.61</u>
<b>Terms and rights attached to preference shares</b>			
Subject to the applicable law, each holder of CCPS shall be entitled to receive notice of, and to attend, any meeting of the Company and shall be entitled to vote together with the holders of equity shares of the Company as if such holder of CCPS held the maximum numbers of equity shares in to which the CCPS can be converted. Each CCPS is convertible into one equity share.			
These CCPS shall be converted to equity shares on the earlier of (i) the last permissible date on which conversion is required under applicable laws, (ii) the date falling on the 10th anniversary being 2 December, 2021, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity shares.			
CCPS holders will be entitled to non cumulative dividend of 0.0001% of face value of shares or dividend given to equity shareholder whichever is higher.			



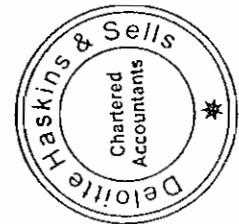
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**C Details of shares held by each shareholder holding more than 5% shares:**

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity share capital</b>						
Infrastructure Leasing & Financial Services Limited, the holding company	1,173,426,464	91.42%	1,173,426,464	91.42%	1,123,669,413	91.07%
Mr. Vibhav Ramprakash Kapoor, Mr. Karunakaran Ramchand and Mr. Ramesh Chander Bawa, trustees of IL&FS Employee Welfare Trust	86,000,000	6.70%	86,000,000	6.70%	86,000,000	6.97%
<b>Compulsorily Convertible Preference Share Capital ('CCPS')</b>						
0.0001% Compulsorily convertible preference shares are held by Standard Chartered IL&FS Asia Infrastructure Growth Fund Company PTE Limited	24,787,863	71.52%	24,787,863	71.52%	24,787,863	71.52%
0.0001% Compulsorily convertible preference shares are held by IL&FS Trust Company Limited, trustees of IL&FS Infrastructure Equity Fund I	9,872,904	28.48%	9,872,904	28.48%	9,872,904	28.48%

**D Details of shares held by the holding company**

Particulars	Aggregate number of shares	
	As at 31 March, 2017	As at 31 March, 2016
Fully paid up equity shares with voting rights	1,173,426,464	1,173,426,464
Infrastructure Leasing & Financial Services Limited, India, the holding company	1,173,426,464	1,123,669,413



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>16 Other equity</b>			
<b>a. Equity component of compound financial instruments</b>	2,405.86	2,366.33	2,366.33
<b>b. Securities premium account</b>			
Opening balance	37,557.27	33,202.32	33,202.32
Add: Premium on shares issued during the year	-	4,360.71	-
Less: Share issue expenses	-	5.76	-
Closing balance	<u>37,557.27</u>	<u>37,557.27</u>	<u>33,202.32</u>
<b>c. General reserve</b>	7.60	7.60	7.60
<b>d. Debenture redemption reserve</b>			
Opening balance	118.58	-	-
Add: Transfer during the year	450.85	118.58	-
Closing balance	<u>569.43</u>	<u>118.58</u>	<u>-</u>
<b>e. Retained earnings</b>			
Opening balance	(197.41)	(299.67)	(299.67)
Add: Profit for the year	2,427.67	3,235.36	-
	<u>2,230.26</u>	<u>2,935.69</u>	<u>(299.67)</u>
Less: Appropriation			
- Interim dividend (see note (e) below)	1,080.94	2,504.63	-
- Dividend distribution tax on interim dividend	-	509.89	-
- Debenture redemption reserve	450.85	118.58	-
	<u>1,531.79</u>	<u>3,133.10</u>	<u>-</u>
Closing balance	<u>698.47</u>	<u>(197.41)</u>	<u>(299.67)</u>
<b>f. Other comprehensive income</b>			
<b>i Remeasurement of defined benefit obligations</b>			
Opening balance	(1.30)	-	-
Add: Transfer during the year	(4.92)	(1.99)	-
	<u>(6.22)</u>	<u>(1.99)</u>	<u>-</u>
Less: Tax on the above	(1.70)	(0.69)	-
Closing balance	<u>(4.52)</u>	<u>(1.30)</u>	<u>-</u>
<b>ii Cash Flow Hedge</b>			
Opening balance	-	-	-
Add: Transfer during the year	(54.60)	-	-
	<u>(54.60)</u>	<u>-</u>	<u>-</u>
Less: Tax on the above	(18.90)	-	-
Closing balance	<u>(35.70)</u>	<u>-</u>	<u>-</u>
	<u>(40.22)</u>	<u>(1.30)</u>	<u>-</u>
	<u>41,198.41</u>	<u>39,851.07</u>	<u>35,276.58</u>

**Notes:**

**a. Equity component of compound financial instrument**

Equity component of compound financial instrument pertains to the deemed equity portion of Fully Compulsorily Convertible Debentures (FCCDs) Issued to Infrastructure Leasing & Financial Services Limited. On initial recognition, net present value of the contractual cashflows had been recognized as debt and the residual as equity. During the current year, the terms of the FCCDs were amended pursuant to which the subscriber has waived its option of early conversion into equity shares. Further, in addition to conversion of principal into equity shares, the subscriber has provided the Company an option to either pay other contractual cash flows on maturity, in cash, or to convert those into equity shares at maturity, on 29 March, 2021. The Company has opted to convert the entire proceeds into a fixed number of equity shares (see note 17).

**b. Securities premium account**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**c. General reserve**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

**d. Debenture redemption reserve**

The Company is required by Companies Act, 2013 to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

**e. Dividend**

During the year, the Company has declared and paid interim dividend of Re. 0.82 (previous year Re. 1.90) for both equity and preference shareholders.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE INO AS FINANCIAL STATEMENTS**

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Long term maturity Rs. Million	Short term maturity Rs. Million	Long term maturity Rs. Million	Short term maturity Rs. Million	Long term maturity Rs. Million	Short term maturity Rs. Million
<b>17 Non-current borrowings</b> <b>(At Amortised cost)</b>						
<b>a. Debentures - unsecured</b>						
i. Related parties - (see note 'i' below)						
- Liability component of compulsorily convertible debentures (Compound financial instrument)	-	-	82.28	-	89.13	-
ii. Others (see note 'ii' below)						
- Zero Coupon Non Convertible debentures (see note 'ii A' below)	985.03	-	-	-	-	-
- Zero Coupon Non Convertible debentures (see note 'ii B' below)	979.57	-	-	-	-	-
- Zero Coupon Non Convertible debentures (see note 'ii C' below)	1,481.25	-	1,464.10	-	-	-
- 12.75% Non Convertible debentures (see note 'ii D' below)	-	994.68	987.22	-	986.79	-
<b>b. Term loans from banks</b>						
- secured						
i. Yes Bank Limited (see note 'iii' below)	2,069.00	1,284.00	3,297.57	1,284.00	4,526.27	642.00
ii. Yes Bank Limited (see note 'iv' below)	-	-	-	49.38	41.57	200.00
iii. Yes Bank Limited (see note 'v' below)	730.36	-	697.17	-	-	-
iv. Yes Bank Limited (see note 'vi' below)	315.28	13.47	-	-	-	-
v. Yes Bank Limited (see note 'vii' below)	-	-	-	-	-	194.02
vi. IndusInd Bank Limited (see note 'viii' below)	-	293.28	291.32	-	291.58	-
vii. State Bank of India (see note 'ix' below)	1,980.84	135.60	2,116.80	126.40	-	-
viii. Karnataka Bank Limited (see note 'x' below)	246.74	-	-	-	-	-
ix. Syndicate Bank Limited (see note 'xi' below)	3,137.86	-	-	-	-	-
- unsecured						
i. Yes Bank Limited (see note 'iv' below)	-	-	-	444.46	374.17	1,800.00
ii. Yes Bank Limited (see note 'vii' below)	-	-	-	-	-	1,746.19
iii. Yes Bank Limited (see note 'v' below)	730.36	-	697.16	-	-	-
iv. Yes Bank Limited (see note 'vi' below)	2,837.50	121.15	-	-	-	-
v. IndusInd Bank Limited (see note 'viii' below)	-	2,639.48	2,621.89	-	2,624.22	-
vi. Karnataka Bank Limited (see note 'x' below)	246.74	-	-	-	-	-
vii. Dhanlakshmi Bank Limited (see note 'xii' below)	-	745.18	739.89	-	-	-
<b>c. Term loans from financial institutions</b>						
- secured						
i. IL&FS Limited (see note 'xiii' below)	252.98	-	810.24	-	-	-
ii. IL&FS Limited (see note 'xiv' below)	4,270.00	-	-	-	-	-
iii. IL&FS Limited (see note 'xv' below)	150.00	-	-	-	-	-
iv. IL&FS Limited (see note 'xvi' below)	720.00	-	-	-	-	-
v. Aditya Birla Finance Limited (see note 'xvii' below)	1,490.45	-	-	-	-	-
vi. L&T Infrastructure Finance Company Limited (see note 'xviii' below)	-	-	-	-	950.90	20.45
- unsecured						
i. Tata Capital Financial Services Limited (see note 'xix' below)	-	495.53	492.69	-	-	-
ii. Aditya Birla Finance Limited (see note 'xx' below)	-	-	-	1,990.28	1,956.51	-
iii. Tata Capital Financial Services Limited (see note 'xxi' below)	-	-	-	-	-	990.98
<b>d. Inter corporate deposit from related parties</b>						
- unsecured						
i. IL&FS Securities Services Limited (see note 'xxii' below)	-	2,850.00	-	2,850.00	2,850.00	-
ii. IL&FS Renewable Energy Limited (see note 'xxiii' below)	-	-	1,147.82	-	-	-
	<b>22,623.96</b>	<b>9,572.37</b>	<b>15,446.15</b>	<b>6,744.52</b>	<b>14,691.14</b>	<b>5,593.64</b>
<b>Less: Reclassified to other financial liabilities</b>	<b>-</b>	<b>9,572.37</b>	<b>-</b>	<b>6,744.52</b>	<b>-</b>	<b>5,593.64</b>
	<b>22,623.96</b>	<b>-</b>	<b>15,446.15</b>	<b>-</b>	<b>14,691.14</b>	<b>-</b>



**Notes:**

**i. Details of debentures issued to related party**

**a. Terms and conditions**

During the year ended 31 March, 2012, the Company had issued 247,000, 1% Fully Compulsorily Convertible Debentures (FCCDs) of Rs. 10,000 each at face value to Infrastructure Leasing & Financial Services Limited. During the current year, the terms of the FCCDs were amended pursuant to which the subscriber has waived its option of early conversion into equity shares. Further, in addition to conversion of principal into equity shares, the subscriber has provided the Company an option to either pay other contractual cash flows on maturity, in cash, or to convert those into equity shares at maturity, on 29 March, 2021. The Company has opted to convert the entire proceeds into a fixed number of equity shares (i.e. 41,215,847 equity shares) at maturity.

**b. Repayment date - 29 March, 2021**

**ii. Details of debentures issued to others**

**A a. Amount - Rs 1,000 million**

**b. Effective rate of interest - 12.13% (31 March, 2016 and 1 April, 2015: Not applicable)**

**c. Terms and conditions**

During the year, the Company has issued Redeemable Unlisted Non Convertible Debentures of Rs. 1,000,000 each redeemable at premium of Rs. 382,470 per debenture.

**d. Repayment date - 27 June, 2019**

**B a. Amount - Rs 1,000 million**

**b. Effective rate of interest - 12.37% (31 March, 2016 and 1 April, 2015: Not applicable)**

**c. Terms and conditions**

During the year, the Company has issued Redeemable Unlisted Non Convertible Debentures of Rs. 1,000,000 each redeemable at premium of Rs. 386,196 per debenture.

**d. Repayment date - 7 June, 2019**

**C a. Amount - Rs 1,500 million**

**b. Effective rate of interest - 12.80% (31 March, 2016: 12.80%, 1 April, 2015: Not applicable)**

**c. Terms and conditions**

During the previous year, Company had issued Redeemable Unlisted Non Convertible Debentures of Rs. 1,000,000 each redeemable at premium of Rs. 272,209 per debenture.

**d. Repayment date - 8 May, 2018**

**D a. Amount - Rs 1000 million**

**b. Effective rate of interest - 13.13% (31 March, 2016: 13.13%, 1 April, 2015: 13%)**

**c. Terms and conditions**

During the year ended 31 March, 2015, the Company had issued redeemable unlisted non convertible debentures of Rs. 1,000,000 each redeemable at par.

**d. Repayment date - 31 December, 2017**



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iii. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - 13.16% (31 March, 2016: 13.16%, 1 April, 2015: 13.57%)

b. Terms and security

i. Sanctioned and withdrawn amount is Rs. 5,350 million

ii. Repayment terms

The loan is repayable in 16 unequal quarterly installments starting after a period of 2 years from the date of first disbursement. (i.e. 25 September, 2013). The maturity pattern is stated below:

	As at 31-Mar-17 Rs. Million	As at 31-Mar-16 Rs. Million	As at 1 Apr 15 Rs. Million
More than 1 year and less than 3 years	2,140.00	3,424.00	2,568.00
3 to 5 years	-	-	2,140.00
5 years and above	-	-	-
	<u>2,140.00</u>	<u>3,424.00</u>	<u>4,708.00</u>

iii. Security

- 10% Fixed deposit margin or collateral in the form of tangible fixed asset (acceptable to the bank) at least having a value of 10% of the outstanding facility.

- A first pari passu charge over the present and future long term loans and advances and receivables accrued out of such long term loan and advances.

iv. Details of repayment terms and security for the term loan from bank

a. Effective rate of Interest - Not applicable (31 March, 2016: 16.44%, 1 April, 2015: 16.76%)

b. Terms and security

i. Sanctioned and withdrawn amount is Rs. 3,500 million

ii. Repayment terms

The loan was repayable in 7 equal quarterly installments commencing from 31 December, 2014 and has been fully repaid during the year.

iii. Security

A first pari passu charge over the outstanding facility on the long term loans and advances and receivables accrued out of such term loan and advances equivalent to 10% of the outstanding loan amount

v. Details of repayment terms and security for the term loan from bank

a. Effective rate of Interest - 15.87% (31 March, 2016: 14.62%, 1 April, 2015: Not applicable)

b. Terms and security

i. Sanctioned and withdrawn amount is Rs 1,500 million

ii. The loan is repayable in 23 equal monthly installments commencing from 31 May, 2018. The maturity pattern is stated below:

	As at 31-Mar-17 Rs. Million	As at 31-Mar-16 Rs. Million
More than 1 year and less than 3 years	1,500.00	717.42
3 to 5 years	-	782.58
5 years and above	-	-
	<u>1,500.00</u>	<u>1,500.00</u>

iii. Security

A first pari passu charge over the present and future long term loans and advances and receivables accrued out of such long term loan and advances equivalent to minimum 50% of the loan outstanding amount.



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vi. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - 13.77% (31 March, 2016 and 1 April, 2015: Not applicable)

b. Terms and security

i Sanctioned and withdrawn amount is Rs 3,500 million

ii. The loan is repayable in 15 structured quarterly installments commencing from 31 January, 2018. The maturity pattern is stated below:

	<u>As at</u> <u>31-Mar-17</u> Rs. Million
More than 1 year and less than 3 years	1,750.01
3 to 5 years	1,615.37
5 years and above	-
	<u>3,365.38</u>

iii Security

A first pari passu charge over the present and future long term loans and advances and receivables accrued out of such long term loan and advances equivalent to minimum 10% of the loan outstanding amount.

vii. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - Not applicable (31 March, 2016: Not applicable, 1 April, 2015: 17.27%)

b. Terms and security

i Sanctioned and withdrawn amount is Rs 3,500 million

ii. The loan is repayable in 7 equal quarterly installments commencing from 15 September, 2014 and terminating on 15 March, 2016. Loan has been repaid during the year ending 31 March, 2016.

iii Security

A first pari passu charge over the present and future long term loans and advances and receivables accrued out of such long term loan and advances equivalent to minimum 10% of the loan outstanding amount.

viii. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - 13.12% (31 March, 2016: 12.38%, 1 April, 2015: 12.23%)

b. Terms and security

i Sanctioned and withdrawn amount is Rs 3,000 million

ii. Repayment terms

Bullet Repayment at the end of 3 years from first disbursement date i.e. 31 March, 2015

iii Security

10% of the outstanding facility to be kept as margin in fixed deposit with the bank throughout the tenure of the loan.



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ix. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - 10.38% (31 March, 2016: 10.38%, 1 April, 2015: Not applicable)

b. Terms and security

i Total Sanction and disbursed amount is Rs. 2,300 million.

ii Repayment terms

66 structured installments commencing from 31 March, 2016. The maturity pattern is stated below:

	As at 31-Mar-17 Rs. Million	As at 31-Mar-16 Rs. Million
More than 1 year and less than 3 years	298.80	282.80
3 to 5 years	262.80	312.40
5 years and above	1,448.40	1,550.40
	<u>2,010.00</u>	<u>2,145.60</u>

iii Security

First charge by way of first charge on movable assets, rights benefits, book debts, private land etc pertaining to the solar project assets.

x. Details of repayment terms and security for the term loan from bank

a. Effective rate of interest - one year MCLR (Marginal cost of funds based lending rate)+ 2.50% i.e. 12.22% (31 March, 2016 and 1 April, 2015: Not applicable)

b. Terms and security

i Total Sanction and disbursed amount is Rs. 500 million.

ii Repayment terms

Bullet repayment at the end of 3 years from the date of disbursement i.e. 1 Dec, 2016.

iii Security

- 10% Fixed deposit margin or collateral in the form of tangible fixed asset (acceptable to the bank) at least having a value of 10% of the outstanding loan amount.

- First pari passu charge on present and future long term and short term loans and advances and receivable accrued out of such loan equivalent to 50% of the loan outstanding amount.

xi. During the year, the Company has availed an External Commercial Borrowings ('ECB') of USD 50 million under the "automatic route". The borrowing has a maturity period of 6 years from the date of disbursement. The Company has taken principal and interest rate swaps against the ECB.

a. Effective rate of interest - 11.34% (31 March, 2016, and 1 April, 2015: Not applicable)

b. Terms and security

i. Total sanction and disbursed amount is USD 50 million.

ii. Repayment terms

Repayment in 3 structured installments commencing from the end of 4 years from the date of first disbursement date i.e. 24 March, 2017.

	As at 31-Mar-17 Rs. Million
More than 1 year and less than 3 years	-
3 to 5 years	1,962.75
5 years and above	1,308.50
	<u>3,271.25</u>

iii Security

- First pari passu charge on present and future loans and advances equivalent to 110% of the outstanding loan amount.

- 10% of the outstanding facility to be kept as margin in fixed deposits with the bank throughout the tenure of the loan.



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- xii. Details of repayment terms and security for the term loan from bank
- a. Effective rate of interest - 12.81% (31 March, 2016: 12.81%, 1 April, 2015: Not applicable)
  - b. Terms and security
    - i. Total sanction and disbursed amount is 750 million.
    - ii. Repayment terms
      - Bullet repayment at the end of 2 years from first disbursement date i.e. 15 February, 2016
- xiii. Details of secured term loan from others
- a. Effective rate of interest - 16% (31 March, 2016: 16%, 1 April, 2015: Not applicable)
  - b. Terms and security
    - i. Total sanction and disbursed amount is Rs. 8,800 million.
    - ii. Repayment terms
      - Bullet repayment at the end of 5 years from the date of disbursement date i.e. 30 September, 2015
    - iii. Security
      - Second pari passu charge on investments, loans and advances, current assets, deposits etc.
- xiv. Details of secured term loan from others
- a. Effective rate of interest - 16% (31 March, 2016 and 1 April, 2015: Not applicable)
  - b. Terms and security
    - i. Total Sanction limit of revolving line of credit is Rs 5,000 million and outstanding amount is Rs. 4,270 million.
    - ii. Repayment terms
      - Repayment after 24 months from the date of first disbursement i.e 21 April, 2016.
    - iii Security
      - Second pari passu charge on investments, loans and advances, current assets, deposits etc.
- xv. Details of Secured term loan from others
- a. Effective rate of interest - 16% (31 March, 2016 and 1 April, 2015: Not applicable)
  - b. Terms and security
    - i. Total Sanction limit of revolving line of credit is Rs. 2,500 million and outstanding amount is Rs. 150 million.
    - ii. Repayment terms
      - Repayment after 24 months from the date of first disbursement i.e 29 March, 2017.
    - iii. Security
      - Second pari passu charge on investments, loans and advances, current assets, deposits etc.



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xvi • Details of Secured term loan from others

- a. Effective rate of interest - 16% (31 March, 2016 and 1 April, 2015: Not applicable)
- b. Terms and security

- i. Total Sanction limit is Rs. 3,250 million and outstanding is Rs. 720 million

- ii. Repayment terms

- Repayment after 24 months from the date of first disbursement i.e 31 March, 2017.

- iii. Security

- Second pari passu charge on investments, loans and advances, current assets, deposits etc.

xvii • Details of Secured term loan from others

- a. Effective rate of interest - 14.39% (31 March, 2016 and 1 April, 2015: Not applicable)
- b. Repayment terms

- Repayment at the end of 24 months from the date of first disbursement i.e. 22 August, 2016

- c. Security

- First pari passu charge on investments, loans and advances, current assets, deposits etc.

xviii • Details of Secured term loan from others

- a. Effective rate of interest - Not applicable (31 March, 2016: Not applicable and 1 April, 2015: 12.79%)
- b. Repayment terms

- 55 structured quarterly installments from the schedule date of commissioning (i.e. 28 April, 2015). Loan was repaid during the year ending 31 Mar. 2016.

- c. Security

- First charge by way of first charge on movable assets, rights benefits, book debts, private land etc pertaining to the solar project assets.

xix • Details of unsecured term loan from others

Tata Capital Financial Services Limited

- a. Effective rate of interest - LTLR-6.50% (Effective rate 13.65%) (31 March, 2016: 13.65%, 1 April, 2015: Not applicable)
- b. Repayment terms

- Bullet repayment after 24 months from the date of disbursement i.e. 29 September, 2015.



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**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

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xx • Details of unsecured term loan from others

Aditya Birla Finance Limited

a. Effective rate of interest - ICICI bank base rate plus 2.88% (31 March, 2016: Effective rate 14.32%) (1 April, 2015 14.81%)

b. Repayment terms

Bullet repayment after 24 months from the date of disbursement (i.e. 27 June, 2014). The loan has been repaid during the year

xxi • Details of unsecured term loan from others

Tata Capital Financial Services Limited

a. Effective rate of interest - LTLR-5.45% (31 March, 2016: Not applicable) (1 April, 2015: 14.72%)

b. Repayment terms

Bullet repayment after 18 months from the date of disbursement i.e. 26 March, 2014.

xxii • Inter-corporate deposit from related parties

IL&FS Securities Services Limited

a. Effective rate of interest - 14.50% (31 March, 2016: 14.50%, 1 April, 2015: Not applicable)

b. Repayment terms

The loan was originally scheduled for repayment on 30 September, 2016 however loan repayment maturity has been extended till 20 June, 2017 by the lender

xxiii • Inter-corporate deposit from related parties

IL&FS Renewable Energy Limited

a. Effective rate of interest - 15.50% (31 March, 2016 and 1 April, 2015: Not applicable)

b. Repayment terms

Repayment after 24 months from the date of disbursement i.e. 17 March, 2016. The deposit has been early repaid during the year.



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	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>18 Other financial liabilities</b>			
<b>I Non-Current</b>			
a. Premium payable on redemption of debentures	368.24	11.59	-
b. Derivative contracts designated in hedge accounting relationship	83.92	-	-
c. Interest accrued but not due on borrowings	59.99	-	-
	<u>512.15</u>	<u>11.59</u>	<u>-</u>
<b>II Current</b>			
a. Current maturity of long term borrowings (see note 17)	9,572.37	6,744.52	5,593.64
b. Interest accrued but not due on borrowings	163.84	536.21	135.66
c. Statutory dues (Withholding taxes, service tax etc.)	67.10	117.24	74.19
d. Payable for purchase of fixed assets	43.30	5.20	1,111.72
e. Advance from customer	22.74	-	-
f. Margin and retention money payable	202.52	56.67	114.02
g. Book overdraft	1,080.94	-	-
	<u>11,152.81</u>	<u>7,459.84</u>	<u>7,029.23</u>
<b>19 Provisions</b>			
<b>I Non-Current</b>			
a. Provision for employee benefits (see note 36)			
(i) Provision for gratuity (net)	4.29	2.67	5.08
(ii) Provision for compensated absences	23.36	19.58	17.82
b. Decommissioning liability (see note below)	7.95	6.97	-
	<u>35.60</u>	<u>29.22</u>	<u>22.90</u>
<b>II Current</b>			
a. Provision for employee benefits (see note 36)			
(i) Provision for gratuity (net)	7.02	6.16	6.35
(ii) Provision for compensated absences	11.08	11.93	15.90
	<u>18.10</u>	<u>18.09</u>	<u>22.25</u>
<b>Note:</b>			
<b>Decommissioning liability</b>			
Opening balance	6.97	-	-
Provision recognised during the year	-	6.97	-
Unwinding of discount	0.98	-	-
Closing balance	<u>7.95</u>	<u>6.97</u>	<u>-</u>

Provision for decommissioning liability are initially measured at the estimated cost that the Company will incur upon the end of the useful life of the related asset, discounted at an appropriate risk adjusted discount rate. The estimates used in measuring the asset retirement obligations are reviewed annually. Any change in the estimate are adjusted to the cost of assets and the unwinding of discount is recognised in the statement of profit and loss as finance costs.

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>20 Other non-current liabilities</b>			
Capital grant (see note 39)	786.13	811.25	-
Less: Amortised during the year	29.20	25.12	-
	<u>756.93</u>	<u>786.13</u>	<u>-</u>



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	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015	
	Rs. Million	Rs. Million	Rs. Million	
<b>21 Deferred tax assets (net)</b>				
A. Deferred tax asset	622.15	394.14	499.95	
B. Deferred tax liability	(94.34)	(58.20)	(0.66)	
	<u>527.01</u>	<u>335.94</u>	<u>499.29</u>	
<b>A. Deferred tax assets / (liabilities)</b>				
	Opening Balance	Recognised in Statement of profit and loss	Recognised in other comprehensive Income	Closing balance
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>I. Financial year 2016-17</b>				
<b>Deferred tax assets</b>				
MAT credit entitlement	-	436.48	-	436.48
Financial assets - investments (designated at fair value through profit and loss)	186.31	(250.69)	-	(64.38)
Provisions for doubtful debts	188.30	6.45	-	194.75
Provision for employee benefits	13.96	0.17	1.70	15.83
Cash flow hedge	-	-	18.90	18.90
Receivable for sale of investments	-	14.66	-	14.66
Borrowings	5.57	-	-	5.57
Others	-	0.34	-	0.34
	<u>394.14</u>	<u>207.41</u>	<u>20.60</u>	<u>622.15</u>
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment and Intangible Assets	(58.20)	(36.14)	-	(94.34)
	<u>(58.20)</u>	<u>(36.14)</u>	<u>-</u>	<u>(94.34)</u>
<b>Net deferred tax assets/(liabilities)</b>	<u>335.94</u>	<u>171.27</u>	<u>20.60</u>	<u>527.81</u>
<b>II Financial year 2015-16</b>				
<b>Deferred tax assets</b>				
Financial assets - Investments (designated at fair value through profit and loss)	283.63	(97.32)	-	186.31
Provisions for doubtful debts	178.45	9.85	-	188.30
Provision for employee benefits	15.35	(2.08)	0.69	13.96
Borrowings	22.52	(16.95)	-	5.57
	<u>499.95</u>	<u>(106.50)</u>	<u>0.69</u>	<u>394.14</u>
<b>Deferred tax liabilities</b>				
Property, Plant and Equipment and Intangible Assets	(0.66)	(57.54)	-	(58.20)
	<u>(0.66)</u>	<u>(57.54)</u>	<u>-</u>	<u>(58.20)</u>
<b>Net deferred tax assets/(liabilities)</b>	<u>499.29</u>	<u>(164.04)</u>	<u>0.69</u>	<u>335.94</u>



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	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>22 Current borrowings</b> (at amortised cost)			
<b>Secured</b>			
<b>Loans from banks:</b>			
A. Repayable on demand			
Yes Bank Limited (see note (i) below)	-	11.49	-
B. Term loans			
i. United Bank of India (see note (ii) below)	99.35	-	-
ii. Syndicate bank (see note (iii) below)	198.49	-	-
<b>Unsecured</b>			
<b>I. Loans from banks:</b>			
A. Buyer's credit	1,099.50	-	-
B. Term loans			
i. United Bank of India (see note (ii) below)	894.17	-	-
ii. Syndicate bank (see note (iii) below)	1,786.37	-	-
<b>II. Inter corporate deposit from related parties</b>			
I. IL&FS Securities Services Limited (see note (iv) below)	1,760.00	3,500.00	-
ii. IL&FS Wind Projects Development Limited (see note (v) below)	15.75	212.91	-
	<u>5,853.63</u>	<u>3,724.40</u>	<u>-</u>

**Notes:**

- i. Cash credit limit of Rs. 500 million is secured by first charge on current assets (excluding current assets pertaining to solar project and current investments). The effective rate of interest is 12.25% p.a. (previous year 12.25% p.a and not applicable as at 1 April, 2015).
- ii. Secured by way of fixed deposit equivalent to 10% of the loan amount. The effective rate of interest on loan is 11.92% p.a. (Not applicable as at 31 March, 2016 and 1 April, 2015).
- iii. Secured by way of fixed deposit equivalent to 10% of the loan amount. The effective rate of interest on loan is 11.64% p.a. (Not applicable as at 31 March, 2016 and 1 April, 2015).
- iv. The effective rate of interest on deposit is 14.50% p.a. as at 31 March, 2017 (14.50% as at 31 March, 2016 and not applicable as at 1 April, 2015)
- v. The effective rate of interest on deposit is 15.50% p.a. as at 31 March, 2017 (15.50% p.a. as at 31 March, 2016 and not applicable as at 1 April, 2015)

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>23 Trade payables</b>			
Trade payables (see notes below)	2,392.18	289.91	769.77
	<u>2,392.18</u>	<u>289.91</u>	<u>769.77</u>

**Notes**

- i. As at 31 March, 2017, 31 March, 2016 and 1 April, 2015 there are no outstanding dues to micro and small enterprises. There are no interest due or outstanding on the same (see note 43).
- ii. The credit period for purchase of goods and services are upto 365 days. Interest is payable on trade payables as per contractual terms, if any.

**24 Other current liabilities**

a. Interim dividend payable	-	2,504.63	-
b. Interim dividend tax payable	-	509.88	-
c. Revenue received in advance	41.83	30.26	28.52
	<u>41.83</u>	<u>3,044.77</u>	<u>28.52</u>



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	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
<b>25 Revenue from operations</b>		
a. Consultancy income	716.81	340.69
b. Sale of wind energy converters and components	3,892.12	-
c. Sale of power		
- Trading	2,286.20	-
- Generation from solar power plant	468.46	371.45
	<u>7,363.59</u>	<u>712.14</u>
<b>26 Other income</b>		
A a. Interest income on financial assets that are not designated as at fair value through profit or loss:		
i. Bank deposits at amortised cost	73.80	76.38
ii. Others financial assets carried at amortised cost	3,697.80	1,749.24
b. Guarantee fees	58.44	99.63
	<u>3,830.04</u>	<u>1,925.25</u>
B Dividend income:		
- Equity Instruments	1,538.68	-
	<u>1,538.68</u>	<u>-</u>
C Other gains and losses		
a. Gain on sale of property, plant and equipment	0.22	0.24
b. Gain on sale of financial assets - Investments	241.82	5,676.20
c. Amortisation of grant (see note 39)	29.20	25.12
d. Net gain arising on financial assets designated at fair value through profit or loss (see note 34)	724.32	281.22
e. Miscellaneous Income	0.10	0.01
	<u>995.66</u>	<u>5,982.79</u>
	<u>6,364.38</u>	<u>7,908.04</u>
<b>27 Employee benefits expense</b>		
a. Salaries, wages and incentives	421.73	301.60
b. Contribution to provident and other funds (see note 36)	27.10	25.77
c. Staff welfare expenses	10.40	10.49
	<u>459.23</u>	<u>337.86</u>
Less: Transferred to capital work-in-progress	-	4.03
	<u>459.23</u>	<u>333.83</u>
<b>28 Finance costs</b>		
a. Interest expenses on borrowings	4,304.66	3,597.72
b. Unwinding cost of decommissioning liability	0.98	-
	<u>4,305.64</u>	<u>3,597.72</u>
Less: Transferred to capital work-in-progress	-	25.80
	<u>4,305.64</u>	<u>3,571.92</u>



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	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
<b>29 Other expenses</b>		
a. Power and fuel	35.74	22.69
b. Rent (see note 35)	47.05	50.01
c. Repairs and maintenance		
i. Plant and machinery	30.07	0.01
ii. Others	23.24	17.08
d. Insurance	7.35	6.38
e. Rates and taxes	35.20	10.26
f. Communication	4.54	4.78
g. Travelling and conveyance	32.53	25.04
h. Printing and stationery	1.49	1.98
i. Advertisement and business promotion	3.56	2.92
j. Legal and professional expenses	97.73	167.07
k. Brand subscription fees	83.13	1.00
l. Office maintenance expenses	2.45	2.91
m. Director sitting fees	4.84	1.64
n. Payments to auditors (see note (i) below)	2.94	5.91
o. Provision for doubtful debts (including expected credit loss allowance)	13.70	26.39
p. Net gain on foreign currency transactions and translation	0.01	0.01
q. Corporate social responsibility expenses ('CSR') (see note (ii) below)	1.40	1.32
r. Bad debts written off	0.06	-
s. Miscellaneous expenses	20.96	11.24
	<u>447.99</u>	<u>378.64</u>
Less: Transferred to capital work in progress	-	0.42
	<u>447.99</u>	<u>378.22</u>

**Notes**

i. Payments to the auditors comprises (net of service tax input credit)		
a. Audit Fees	2.64	3.33
b. Other services	-	-
c. Reimbursement of expenses	0.30	0.41
	<u>2.94</u>	<u>3.74</u>

The remuneration disclosed above excludes fees of Rs. Nil (Previous year Rs. 2.20 million) for professional services rendered by firm of accountants in which the partners of the firm of statutory auditors are partners.

ii. Gross amount of expenditure on CSR activities required to be spent during the year was Rs Nil (previous year Rs. 2.80 million). Further, the Company incurred Rs. 0.73 million on promotion of education through "Agastya International Foundation" and Rs 0.67 million on construction and promotion of sanitation facility in school (Previous year Rs 0.42 million was incurred on construction and promotion of sanitation facility in school and Rs 0.90 million was spent on eradicating hunger, poverty, promoting preventative healthcare livelihood enhancement programme).

	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
<b>30 Depreciation and amortisation expense</b>		
a. Depreciation of property, plant and equipment	135.41	102.92
b. Amortisation of intangible assets	1.01	0.79
	<u>136.42</u>	<u>103.71</u>



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31 Tax expense	Year ended 31 March, 2017	Year ended 31 March, 2016
	Rs. Million	Rs. Million
<b>a. Income tax recognised in profit or loss</b>		
<b>i. Current tax</b>		
In respect of current year	53.92	831.82
<b>ii. Deferred tax</b>		
In respect of current year	265.21	164.04
MAT credit entitlement	(436.48)	-
	(171.27)	164.04
<b>Total income tax expense recognised in the current year</b>	<b>(117.35)</b>	<b>995.86</b>
<b>b. Income tax recognised in other comprehensive Income</b>		
i. Remeasurement of defined benefit plans	(1.70)	(0.69)
ii. Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge	(18.90)	-
	<b>(20.60)</b>	<b>(0.69)</b>
	<b>(137.95)</b>	<b>995.17</b>
<b>c. Income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
i. Profit before tax from continuing operations	2,310.32	4,231.22
ii. Enacted tax rate in India	34.608%	34.608%
iii. Income tax expenses calculated at enacted tax rate	799.56	1,464.34
iv. Adjustment on account of MAT credit entitlement	(436.48)	-
v. Effect of Income that is exempt from taxation - Dividend income on equity instruments	(532.51)	-
vi. Effect of expenses that are not deductible in determining taxable profit	52.08	0.46
vii. Impact on account of exempt income resulting into the applicability of MAT instead of enacted rate	-	(468.94)
<b>Income tax expenses recognised in profit or loss</b>	<b>(117.35)</b>	<b>995.86</b>

**32 Earning per share**

	Unit	Year ended 31 March, 2017	Year ended 31 March, 2016
a. Net Profit after tax from continuing operations	Rs. Million	2,427.67	3,235.36
b. Weighted average of number of equity shares	Number of shares	1,283,564,664	1,274,728,029
c. Basic earnings per share (a/b)	Rupees	1.89	2.54
d. Potential dilutive equity shares on compulsorily convertible debentures and compulsorily convertible preference shares	Number of shares	75,876,614	75,726,705
e. Weighted average of number of equity shares used in computing diluted earnings per share.	Number of shares	1,359,441,278	1,350,454,734
f. Diluted earnings per share (a/e)	Rupees	1.79	2.40



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**33 Additional information to the financial statements**

**33.1 Contingent liabilities**

	As at 31 March, 2017 Rs. Million	As at 31 March, 2016 Rs. Million
<b>a. Contingent liabilities</b>		
i. Guarantees given on behalf of the IEDCL's subsidiaries and its associates to their lenders (see note 'i' below)	12,086.50	12,256.90
ii. Claims against the Company not acknowledged as debt towards demand raised by Income Tax authorities (see note 'ii' below)	163.16	13.80
<b>b. Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	143.71	-

**c. Other commitment**

During the previous year, the Company and its wholly owned subsidiary, IL&FS Renewable Energy Limited (IREL) had entered into share purchase agreement ('the agreement') with Orix Corporation, Japan for sale of shares in its wind power project companies namely Wind Urja India Private Limited ('WUIPL'), Tadas Wind Energy Private Limited ('TWEPL'), Ratedi Wind Energy Private Limited ('RWPPL'), Lalpur Wind Energy Private Limited ('LWEPL'), Khandke Wind Energy Private Limited ('KWEPL'), Sipla Wind Energy Private Limited ('SWEPL'), Mahidad Wind Energy Private Limited ('MWEPL'), Jogihali Wind Energy Private Limited ('JWEPL') wherein wind power projects aggregating to 1004 MW are housed.

As per the agreement, the Company has consummated the sale of 49% shares in five of the wind power project companies (namely WUIPL, TWEPL, RWPPL, LWEPL, KWEPL) for a consideration of Rs. 9,201.22 million wherein 775.00 MW of projects are housed.

Further, as per the terms of the agreement, the Company has guaranteed the generation from these 775 MW wind power projects over the period of next five years commencing from the financial year ended 31 March, 2017. In case the actual generation varies in comparison to the guaranteed generation by more than 5%, then the Company would receive / pay compensation from / to Orix Corporation, Japan. As of 31 March, 2017 the Company does not foresee a liability on account of guaranteed generation at the end of the term of five years.

**Notes:**

- i. Company has provided various corporate guarantees as well as bank guarantees on behalf of its subsidiaries and joint venture companies to meet their contractual obligations. The Company does not expect any liability on account of same.
- ii. The Income Tax Assessing Officer has disallowed certain expenses, primarily on account of Section 14A of the Income tax Act and certain other matters. The Company has filed appeals with Income Tax Appellate Tribunal and the Commissioner of Income Tax (Appeals) against the order for assessment year 2013-14 and assessment year 2014-15 respectively. No provision is considered necessary since the Company expects favorable decisions.

**33.2** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**33.3** There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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**34 Financial Instruments**

**1. Capital management**

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

The capital structure of the Company consists of net debt of Rs. 36,806.87 million (borrowing as detailed in notes 17 and 22 offset by cash and bank balances as detailed in note 9) and total equity of Rs. 54,380.67 million.

**Gearing ratio**

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

		As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
		Rs. Million	Rs. Million	Rs. Million
A	Debt (see note (i) below)	38,049.96	25,915.07	20,284.78
B	Cash and bank balances (see note (ii) below)	1,243.09	1,230.58	1,378.04
C	<b>Net debt (A-B)</b>	<b>36,806.87</b>	<b>24,684.49</b>	<b>18,906.74</b>
D	<b>Total Equity</b>	<b>54,380.67</b>	<b>53,033.33</b>	<b>47,961.27</b>
E	<b>Net debt to equity ratio (C/D)</b>	<b>67.68%</b>	<b>46.55%</b>	<b>39.42%</b>

**Notes:**

- (i) Debt is defined as long term and short term borrowings (excluding derivatives, financial guarantee contracts and contingent consideration) as described in note 17, 18 and 22
- (ii) Cash and bank balance includes cash and cash equivalent and bank balance held as margin money with lenders as described in note 9 and 12.

**2. Categories of Financial Instruments**

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>Financial assets</b>			
<b>Mandatory measured at fair value through profit or loss</b>			
Investments in other entities	1,208.00	1,434.00	1,450.00
<b>Designated measured at fair value through profit or loss</b>			
Investments in joint ventures	7,352.08	5,888.40	5,130.42
<b>Measured at amortised cost</b>			
a) Loans	16,866.38	7,580.04	13,704.06
b) Trade receivables	2,178.89	1,074.56	2,072.77
c) Cash and cash equivalents	262.34	180.51	543.02
d) Other balances with banks	930.75	975.07	835.02
e) Other financial assets	5,156.13	2,120.54	1,379.64

**Note:** Equity investment in subsidiaries is a financial asset, however the same has not been included in above table since it is measured at cost



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Particulars	As at 31 March, 2017 Rs. Million	As at 31 March, 2016 Rs. Million	As at 1 April, 2015 Rs. Million
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
a) Borrowings (including current maturity of long term borrowings)	38,049.96	25,915.07	20,284.78
b) Trade payables	2,392.18	289.91	769.77
c) Other financial liabilities (excluding current maturity of long term borrowings)	2,092.59	726.91	1,435.59

### 3. Financial risk management objectives

The Company's corporate finance department in consultation with parent's financial arm i.e. IL&FS Financial Services Limited provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge the risk exposure. The use of financial derivatives are governed by the Company policy approved by the Committee of Directors, which provide written principles on foreign exchange risk, interest rate risk credit risk, and the use of financial derivatives. Compliance with the policies and exposure limits is reviewed by the management on a continuous basis. The Company does not enter into trade financial instruments including derivative financial instruments, for speculative purposes.

### 4. Market Risk

The Company is exposed to the financial risk of changes in foreign currency exchange rates (refer 4.1 below) and interest rates (refer 4.2 below):

#### 4.1 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising currency derivative contracts.

The carrying amounts of Companies US Dollar denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Currency	Assets			Liabilities		
	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
USD (\$)	0.02	0.02	0.02	50.00	0.06	0.001
Equivalent INR	1.53	1.53	1.53	3,137.86	0.41	0.08

#### Foreign currency sensitivity analysis

The Company is mainly exposed to USD. The following table details the Companies sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currency. The sensitivity analysis include only outstanding foreign currency denominated monetary items and adjust their translation at the year-end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity.



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	Rs. Million			Note
	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	
Impact on profit or loss for the year	-	-	-	(i)
Impact on total equity as at the end of reporting date	162.09/ (162.09)	-	-	(ii)

- i The impact on profit or loss is Rs. nil since the Company has entered into a currency swap of similar maturity and principal amount to cover the foreign exchange exposure on the interest and principal amount.
- ii This is as a result of change in fair value of derivative instrument designated as hedging instruments in cash flow hedge.

**Currency swap contract**

The Company has taken foreign currency loans during the year. It is the policy of the Company to enter into Currency derivative contracts like (a) Principal only swaps; (b) Coupon only swaps; (c) Currency interest rate swaps; (d) Currency options to fully hedge the foreign currency risk to hedge the exposure of currency risk. In the current year the Company has entered into currency swap on a fully hedge basis to hedge the currency risk exposure on the foreign currency loan and has designated the same as a cash flow hedge.

The economic relationship exists between the hedged item (Foreign Currency Loan) and the hedging instrument (Currency Swap) since both are taken on the same underlying i.e, USD / INR exchange rate. Further, since the hedge is taken for as that of same maturity and same principal and interest exposure on the hedged item, the hedge ratio is 100% and there is no source of hedge ineffectiveness.

The following table provides the details of the six year currency swap contract (hedging instrument) outstanding at the end of the reporting period:

S. No.	Hedging Instrument outstanding contract		6 year USD – INR Currency Swap with exchange of notional principal As at 31 March, 2017
i	Foreign currency	USD Mn	63.43
ii	Nominal amount	INR Mn	5,023.95
iii	Average exchange rate	INR / USD	79.21
iv	Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(50.34)
v	Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	(21.02)
vi	Balance in cash flow hedge reserve	INR Mn	(21.02)
vii	Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	Nil
viii	Amount reclassified from the Cash Flow Hedge reserve to statement of profit or loss [loss / (gain)]	INR Mn	(29.32)

There were no hedging instruments and hedged items for foreign currency contracts as at 31 March, 2016 and 1 April, 2015 and accordingly no disclosure is given for those periods.

The line item in the Balance Sheet that include the above hedging instrument as per S.No. 'iv' above is "Other financial liabilities"

The line item in the Statement of profit and loss that includes the reclassification adjustment as per S.No. 'viii' above is "Other expenses"

The Company has used Level 2 hierarchy to measure the fair value of the currency swap by discounting the future cash flows. These cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparty.



**4.2 Interest Rate Risk Management**

The Company is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by the use of Interest Rate Swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost effective hedging strategies are applied.

Interest rate sensitivity analysis:

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the profit for the year ended 31 March, 2017 would decrease / increase by Rs. 190.25 million (for the year ended 31 March, 2016: increase / decrease by Rs. 129.58 million)

Interest rate swap contracts:

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of the interest rate swap at the end of reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

During the year Company has entered into an interest rate swap to convert the floating rate interest liability to a fixed rate interest liability and has designated the same as a Cash flow hedge

The following table details the nominal amounts and remaining terms of the interest rate swap contract outstanding at the end of the reporting period

S. No.	Hedging Instrument outstanding contract		1 year Interest Rate Swap of notional principal As at 31 March, 2017
i	Nominal amount of loan	INR Mn	1,750.00
ii	Average contracted fixed interest rate	%	10.40%
iii	Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(33.58)
iv	Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	(33.58)
v	Balance in cash flow hedge reserve	INR Mn	(33.58)
vi	Ineffective portion of hedge recognised in Statement of profit and loss	INR Mn	Nil
vii	Amount reclassified from the Cash Flow Hedge reserve to Statement of profit and loss [gain / (loss)]	INR Mn	-

There were no hedging instruments and hedged items for interest rate risk as at 31 March, 2016 and 1 April, 2015 and accordingly no disclosure is given for those periods.

The interest rate swap settle on monthly basis. The floating rate on the interest rate swap is the Mumbai interbank offered rate (MIBOR) plus 200 basis points (not compounded). The interest rate swap and the interest payment on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss. Such settlement is done on a net basis.

The above hedging instrument as per point (iii) above are disclosed under "Other financial liabilities" head in the balance sheet.

The reclassification adjustment as per point (iii) above is disclosed under "Other expenses" head in the statement of profit and loss.

The Company has used Level 2 hierarchy to measure the fair value of the interest rate swap by discounting the future cash flows. These cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of counterparty.



#### 4.3 Other price risk

The Company is exposed to equity price risks arising from equity investments. The sensitivity analysis below have been determined based on the exposure to the equity price risk at the end of the reporting period.

If equity prices had been 5% higher / lower the profit for the year ended 31 March, 2017 would increase / decrease by Rs. 428 million (for the year ended 31 March, 2016: increase / decrease by Rs. 366 million) as a result of change in fair value of equity investments which have not been irrevocably designated as at FVTOCI.

#### 5. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Companies exposure and the credit worthiness of its counterparties are continuously monitored.

Apart from certain trade receivables the Company does not have significant credit risk exposure to any single counterparty. The concentration of these trade receivables is about 11 % of the total trade receivables.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating.

#### 6. Liquidity risk management

The responsibility for liquidity risk management rests with the Corporate Finance department which functions under the guidance of board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

##### Liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on undiscounted cash flows of financial liabilities based on earlier date on which the Company can be required to pay.

Particulars	Rs. Million				
	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 31 March, 2017</b>					
Payable to Non-group parties:					
Borrowings (see note 17,18 and 22)	10,903.71	15,135.32	2,651.30	28,690.33	28,031.23
Trade payables	708.60	-	-	708.60	708.60
Other financial liabilities	1,580.44	242.96	-	1,823.40	1,823.40
Payable to Group companies	6,281.33	5,690.17	-	11,971.50	11,971.50
<b>Grand Total</b>	<b>19,474.08</b>	<b>21,068.45</b>	<b>2,651.30</b>	<b>43,193.83</b>	<b>42,534.73</b>
<b>As at 31 March, 2016</b>					
Payable to Non-group parties:					
Borrowings (see note 17,18 and 22)	3,921.89	12,453.54	1,366.12	17,741.55	17,311.82
Trade payables	106.99	-	-	106.99	106.99
Other financial liabilities	264.49	11.59	-	276.08	276.08
Payable to Group companies	7,168.66	1,986.00	82.28	9,236.94	9,237.00
<b>Grand Total</b>	<b>11,462.03</b>	<b>14,451.13</b>	<b>1,448.40</b>	<b>27,361.56</b>	<b>26,931.89</b>



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Particulars	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 1 Apr, 2015</b>					
Payable to Non-group parties:					
Borrowings (see note 17,18 and 22)	5,662.44	11,591.48	618.68	17,872.60	17,345.65
Trade payables	131.22	-	-	131.22	131.22
Other financial liabilities	1,435.59	-	-	1,435.59	1,435.59
Payable to Group companies	3,460.55	28.00	89.13	3,577.68	3,577.68
<b>Grand Total</b>	<b>10,689.80</b>	<b>11,619.48</b>	<b>707.81</b>	<b>23,017.09</b>	<b>22,490.14</b>

Further table below set out the detail of additional undrawn facility that the company has at its disposal to further reduce liquidity risk:

Particulars	As at 31 March, 2017	As at 31 March, 2016	Rs. Million As at 1 April, 2015
Undrawn cash credit limit	500.00	488.51	500.00
Undrawn revolving line of credit	2,360.00	2500.00	500.00

**Assets**

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	within 1 year	1 year to 5 years	More than 5 years	Rs. Million Total (and Carrying amount)
<b>As at 31 March, 2017</b>				
Loans	3,380.58	13,350.80	135.00	16,866.38
Trade receivables	2,178.89	-	-	2,178.89
Cash and cash equivalents	262.34	-	-	262.34
Other balances with banks	930.75	-	-	930.75
Other financial assets	3,461.09	1,695.04	-	5,156.13
<b>Total</b>	<b>9,926.87</b>	<b>22,332.62</b>	<b>135.00</b>	<b>25,394.49</b>
<b>As at 31 March, 2016</b>				
Loans	1,783.12	5,661.92	135.00	7,580.04
Trade receivables	1,074.56	-	-	1,074.56
Cash and cash equivalents	180.51	-	-	180.51
Other balances with banks	975.07	-	-	975.07
Other financial assets	441.73	1,678.81	-	2,120.54
<b>Total</b>	<b>4,221.08</b>	<b>7,574.64</b>	<b>135.00</b>	<b>11,930.72</b>
<b>As at 1 April, 2015</b>				
Loans	8,438.34	5,130.72	135.00	13,704.06
Trade receivables	2,072.77	-	-	2,072.77
Cash and cash equivalents	543.02	-	-	543.02
Other balances with banks	835.02	-	-	835.02
Other financial assets	1,087.39	292.25	1.34	1,379.64
<b>Total</b>	<b>12,778.57</b>	<b>5,620.94</b>	<b>135.00</b>	<b>18,534.51</b>

The Company expects steady cash inflows in form of Dividends from the operating project companies in the coming years. The operating project companies are also in process of refinancing their project loan for lower interest rate, loan top-up and elongated repayment tenures, thereby improving its profitability and eventual up-streaming to the Company.

The Company is in the process of monetizing its entire investments in operating assets resulting into substantial cash inflows to the Company.



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Further, the Company proposes to manage its liquidity by refinancing the short / medium terms loans through capital markets both domestically and internationally.

Particulars	Rs. Million				
	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years
<b>As at 31 March, 2017</b>					
Net settled					
Interest rate swap	(8.44)	(8.82)	(17.45)	-	-
Gross settled					
Currency swap					
Pay (INR Million)	-	173.15	170.33	2,012.76	2,667.71
Receive (USD Million)	-	1.1580	1.1183	22.9877	38.1609

There were no derivative financial instruments as at 31 March, 2016 and 1 April, 2015.

**7. Fair value measurement**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or un-observable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Investments of the Company in equity instruments of Joint Venture Companies and Other companies (unquoted) are measured at fair value through profit or loss at the end of each reporting period.

The following table gives information about how the Company determines fair values of these investments.

S. No.	Investments in Joint venture companies and other companies	Rs. Million		
		31 March 2017	Fair value as at 31 March 2016	1 April, 2015
1	ONGC Tripura Power Company Limited	5,859.40	5,395.80	4,951.07
2	Saurya Urja Company of Rajasthan Limited	973.00	139.00	NA
3	Cross Border Power Transmission Company Limited	410.48	265.20	111.50
4	Power Transmission Company Nepal Limited	51.00	29.00	8.65
5	Bihar Power Infrastructure Company Private Limited	55.60	56.50	57.40
6	Assam Power Project Development Company Limited	2.60	2.90	1.80
7	KVK Nilanchal Power Private Limited	758.00	983.00	995.00
8	SV Power Private Limited	450.00	451.00	455.00



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The Company have used Level 3 hierarchy to measure the fair value of above investments by the use of discounted cash flow method which is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

**Significant unobservable inputs**

- a. Plant capacity utilisation factor, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 70% to 98% (as at 31 March, 2016: 65% to 95%; as at 1 April, 2015: 62% to 95%)

A slight increase / decrease in the plant utilisation factor (1%) in isolation would result in increase / decrease in the fair value of investment by Rs. 159 million as at 31 March, 2017 (31 March, 2016: Rs. 291 million, 1 April, 2015: Rs. 287 million)

- b. Weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model, ranging from 9.20% to 22.4% ( as at 31 March, 2016: 9.6% to 25.50%; as at 1 April, 2015: 9.80% to 14.30%)

A slight increase / decrease in the WACC (by 0.50%) in isolation would result in decrease / increase in the fair value of investment by Rs. 670 million as at 31 March, 2017 (31 March, 2016: Rs. 706 million, , 1 April, 2015: Rs. 724 million)

The reconciliation of Level 3 fair value investments is as follows:

Particulars	As at	As at
	31 March, 2017	31 March, 2016
	Rs. Million	Rs. Million
Opening balance	7,322.40	6,580.42
Purchases	513.36	460.76
Gain/(loss) recognised in statement of profit and loss account	724.32	281.22
	<u>8,560.08</u>	<u>7,322.40</u>

8. The Company considers that the carrying amounts of all other financial assets and financial liabilities recognised in the financial statements approximates their fair values.

**35 Operating lease arrangements**

**a. Lease premises**

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

The Company has taken premises on non-cancellable operating lease and has recognised rent of Rs. 15.03 million during the current year (Previous year Rs. 15.03 million). The non-cancellable operating lease commitments are as follows:

	As at 31 March, 2017 Rs. Million	As at 31 March, 2016 Rs. Million
i. Not later than one year	4.48	23.38
ii. Later than one year but not later than five years	-	4.55
iii. Later than five years	-	-



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**b. Vehicles**

The Company has entered into operating lease arrangements for vehicles. The minimum future lease payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following periods is as follows:

	As at 31 March, 2017 Rs. Million	As at 31 March, 2016 Rs. Million
i. Not later than one year	9.05	5.51
ii. Later than one year but not later than five years	12.51	6.25
iii. Later than five years	Nil	Nil

Lease expenses incurred during the year Rs. 10.66 million (Previous year Rs. 8.31 million)

**36 Employee benefits**

In accordance with Ind AS 19, the requisite disclosures are as follows:

**a. Defined contribution plan**

The Company makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is administered by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trustees of IL&FS Energy Development Company Limited superannuation fund. Under the schemes, the Company is required to contribute a specified percentage of salary cost to the retirement benefit scheme to fund the benefits.

On account of defined contribution plans, a sum of Rs. 20.35 million (Previous year Rs. 17.89 million) has been charged to Statement of Profit and Loss.

**b. Defined benefit plan**

**(i) Gratuity plan**

The Company has created a Trust namely IL&FS Energy Development Company Limited- Group Gratuity Trust. The gratuity liability arises on retirement, withdrawal, resignation and death of an employee.

**(ii) Compensated absences plan**

As per stipulation of Ind AS 19, the leave balance is classified into short term and long term based on best estimates after considering the past trends and has been valued on an actuarial basis by an independent actuary using Projected Unit Credit Method.

**c. Disclosures as required under IND AS 19 on "Employee Benefits" for Gratuity are as under:**

The Company has taken the group policy with the HDFC life to meet its obligation towards gratuity.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of defined plan liability is calculated using a discount rate which is determined with reference benchmark rate available on to Government Securities for tenure of 10 years. If the return on plan assets is below this rate, it will increase plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to future salaries of participants. As such an increase in the salary of the plan participants will increase plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in life expectancy of the plan participants will increase the plan's liabilities.



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In respect of gratuity, the actuarial valuation was carried out as at March 31, 2017 by member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Particular	Year ended 31 March, 2017	Year ended 31 March, 2016
	Rs. Million	Rs. Million
<b>i Movement in the present value of defined benefit obligations:</b>		
Benefit obligations at the beginning	36.69	32.24
Service Cost	5.70	5.93
Interest Cost	2.86	2.57
Actuarial (gains)/losses -		
- Due to change in demographic assumption	0.16	0.67
- Due to change in financial assumption	3.79	3.14
- Due to experience	0.89	(1.52)
Benefits paid	(2.66)	(6.34)
Benefit obligations at the end	<b>47.43</b>	<b>36.69</b>
<b>ii Movement in the fair value of plan assets:</b>		
Fair value of plan assets at the beginning	27.86	20.81
Interest Income	2.17	1.66
Transfer of assets		
Remeasurement - Return on plan assets excluding amounts included in interest income	(0.08)	0.30
Contributions	8.83	11.43
Benefits paid	(2.66)	(6.34)
Fair value of plan assets at the end	<b>36.12</b>	<b>27.86</b>
<b>iii Amount recognised in Statement of profit and loss account under employee benefit expenses</b>		
Service Cost	5.70	5.93
Net interest on net defined benefit liabilities	0.69	0.91
	<b>6.39</b>	<b>6.84</b>
<b>iv Amount recognised in other comprehensive income</b>		
Remeasurement of the net defined benefit liability/(asset)		
Actuarial (gains)/losses	4.84	2.29
- Due to change in demographic assumption	0.16	0.67
- Due to change in financial assumption	3.79	3.14
- Due to experience	0.89	(1.52)
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(0.08)	0.30
	<b>4.92</b>	<b>1.99</b>



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Particular	As at	As at	As at
	31 March, 2016	31 March, 2016	1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>v The amount included in the balance sheet arising from entity's</b>			
<b>Obligations in respect of defined benefit plan is as follows:</b>			
Present value of funded defined benefit obligation	47.43	36.69	32.24
Fair value of plan assets	(36.12)	(27.86)	(20.81)
Unfunded status	<b>11.31</b>	<b>8.83</b>	<b>11.43</b>
Net liability arising from defined benefit obligation	<b>11.31</b>	<b>8.83</b>	<b>11.43</b>
<b>vi The fair value of the plan assets at the end of the reporting period for each category, are as follows:</b>			
Fair value of plan assets of gratuity			
Stable Managed Fund – Managed by HDFC Life	36.12	27.86	20.81
	<b>36.12</b>	<b>27.86</b>	<b>27.86</b>
<b>vii Assumptions</b>			
Discount Rate	7.12%	7.81%	7.99%
Rate of return on plan assets	7.12%	7.81%	7.99%
Salary escalation	7.00%	6.50%	6.50%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particular	Rs. Million		
	As at 31 March, 2016	As at 31 March, 2016	As at 1 April, 2015
Effect of +1% change in rate of discounting	(3.21)	(2.57)	(2.67)
Effect of -1% change in rate of discounting	3.64	2.93	3.11
Effect of +1% change in rate of salary increase	3.61	2.94	3.13
Effect of -1% change in rate of salary increase	(3.23)	(2.62)	(2.73)
Effect of +1% change in rate of employee turnover	(0.12)	0.12	0.21
Effect of -1% change in rate of employee turnover	0.12	(0.15)	(0.25)

**Notes:**

- i. The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of obligations.
- ii. The expected return is based on the expectation of the average long term rate of return expected on the investments of the fund during the estimated term of the obligations.
- iii. Estimate of amount of contribution in the immediate next year is Rs. 7.02 million (Previous Year Rs. 6.35 million)
- iv. The estimate of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.



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**Actuarial assumptions for long-term compensated absences**

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016	As at 1 April, 2015
Discount rate	7.12%	7.81%	7.96%
Salary escalation	7.00%	6.50%	6.50%
Attrition	7.00%	6.00%	2.00%

**37 Segment reporting**

Segment Information for primary Segment reporting (by business segment)

The Company is operating under following segments

- i) Consultancy services
- ii) Trading
- iii) Generation and sale of power

Particulars	Rs. Million			
	Segment revenue		Segment profits	
	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2017	Year ended 31 March, 2016
Consultancy services	716.81	340.69	103.82	(220.97)
Generation and sale of power	468.46	371.45	291.26	241.54
Trading	6,178.32	-	85.95	0.02
<b>Total</b>			<b>481.03</b>	<b>20.59</b>
Unallocable income (net of unallocable expenses)			(2,304.89)	(5,857.30)
Finance costs			4,305.64	3,571.92
Interest income			(3,830.04)	(1,925.25)
Tax expense			(117.35)	995.86
<b>Profit for the year</b>			<b>2,427.67</b>	<b>3,235.36</b>
Other comprehensive income			(38.92)	(1.30)
<b>Total comprehensive income</b>			<b>2,388.75</b>	<b>3,234.06</b>

**Segment assets and liabilities**

Particulars	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
<b>Segment assets</b>			
Consultancy services	980.34	1,005.71	1,483.48
Generation and sale of power	3,747.68	3,961.59	2,648.31
Trading	2,022.40	1.30	613.14
<b>Total segment assets</b>	<b>6,750.42</b>	<b>4,968.60</b>	<b>4,744.93</b>
Unallocated	91,017.44	78,874.83	65,780.15
<b>Total assets</b>	<b>97,767.86</b>	<b>83,843.43</b>	<b>70,525.08</b>
<b>Segment liabilities</b>			
Advisory services	200.70	328.97	221.79
Generation and sale of power	835.01	896.60	1,225.74
Trading	3,266.60	1.28	593.13
<b>Total segment liabilities</b>	<b>4,302.31</b>	<b>1,226.85</b>	<b>2,040.66</b>
Unallocated	39,084.88	29,583.25	20,523.15
<b>Total liabilities</b>	<b>43,387.19</b>	<b>30,810.10</b>	<b>22,563.81</b>



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Other segment information	Depreciation and amortization	
	Year ended 31 March, 2017	Year ended 31 March, 2016
	Rs. Million	Rs. Million
Consultancy services	4.20	3.98
Generation and sale of power	132.22	99.73
Trading	-	-
	<b>136.42</b>	<b>103.71</b>

For the purpose of monitoring segment performance and allocating resources between segments:

- i All assets are allocated to reportable segments other than investments, loans, other financial assets and current and deferred tax assets
- ii All liabilities are allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities
- iii Unallocable income and expenses includes income/expenses which are not directly related to business segments shown as unallocated income/expenses
- iv Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in current year (previous year Nil)

**Information about major customers**

Customer contributed 10% or more to the company's revenue during the year ended 31 March, 2017 and 31 March, 2016

Particulars	Year ended 31 March, Rs. Million	Year ended 31 March, 2016 Rs. Million
Customer 1	1,799.82	-
Customer 2	2,286.20	-
Customer 3	2,081.65	-
Customer 4	-	371.45
Customer 5	-	150.50
Customer 6	-	82.13
<b>Total</b>	<b>6,167.67</b>	<b>604.08</b>

**Geographical information**

	Revenue		Non current assets	
	Year ended 31 March, 2017	Year ended 31 March, 2016	Year ended 31 March, 2017	Year ended 31 March, 2016
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Outside India	-	5.33	-	-
India	13,727.97	8,614.85	3,238.27	3,268.59
	<b>13,727.97</b>	<b>8,620.18</b>	<b>3,238.27</b>	<b>3,268.59</b>



**38 Related party disclosure**

a) List of related parties

**A HOLDING COMPANY**

Infrastructure Leasing & Financial Services Limited (IL&FS)

**B SUBSIDIARIES – DIRECT/INDIRECT**

- i. IL&FS Wind Projects Development Limited (IWPDL) (formerly IL&FS Hydro Energy limited)
- ii. Lalpur Wind Energy Private Limited (LWEPL)
- iii. Nana Layja Power Company Limited (NLPCL)
- iv. IL&FS Renewable Energy Limited (IREL)
- v. Khandke Wind Energy Private Limited (KWEPL)
- vi. Ratedi Wind Power Private Limited (RWPPPL)
- vii. Shendra Green Energy Limited (SGEL)
- viii. Tadas Wind Energy Private Limited (TWEPL)
- ix. IL&FS Wind Farms Limited (IWFL)
- x. Wind Urja India Private Limited (WUIPL)
- xi. IL&FS Solar Power Limited (ISPL)
- xii. Jogihali Wind Energy Private Limited (JWEPL)
- xiii. Mahidad Wind Energy Private Limited (MWEPL)
- xiv. IL&FS Wind Energy Limited (IWEL)
- xv. IL&FS Wind Power Services Limited (IWPSL)
- xvi. East Delhi Waste Processing Company Limited (EDWPCL)
- xvii. Kaze Energy Limited (formerly Vaspeth Wind Energy Limited)
- xviii. Cuddalore Solar Power Private Limited
- xix. Mota Layja Gas Power Company Limited
- xx. Maritime Infrastructure Offshore PTY Limited
- xxi. Sipla Wind Energy Limited (SWEL)
- xxii. IL&FS Tamil Nadu Power Company Limited (ITPCL) (from 27 March, 2015)
- xxiii. Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)
- xxiv. Malwa Solar Power Generation Limited

**C FELLOW SUBSIDIARIES**

- i. IL&FS Education & Technology Services Limited
- ii. IL&FS Environmental Infrastructure & Service Limited
- iii. IL&FS Financial Services Limited
- iv. IL&FS Infrastructure Development Corporation Limited
- v. IL&FS Investment Advisors LLC
- vi. IL&FS Investment Managers Limited
- vii. IL&FS Nepal Infrastructure Development Company Private Limited
- viii. IL&FS Securities Services Limited
- ix. IL&FS Transportation Networks Limited
- x. IL&FS Trust Company Limited
- xi. Tamil Nadu Water Investment Company Limited
- xii. Porto Novo Maritime Limited
- xiii. IL&FS Infrastructure Equity Fund - 1
- xiv. Sealand Ports Private Limited
- xv. Infrastructure Infra Asset Management Limited
- xvi. IL&FS Maritime Infrastructure Company Limited
- xvii. IL&FS Academy for Applied Development Company Limited
- xviii. IL&FS Technologies Limited



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xix. Livia India Limited

**D ASSOCIATES**

- i. Punjab Biomass Power Limited
- ii. Urjankur Shree Datta Power Company Limited
- iii. Urjankur Shree Tatyasaheb Kore Warna Power Company Limited
- iv. Jharkhand Infrastructure Development Corporation Limited
- v. Indraprastha Energy and Waste Management Company Limited

**E JOINT VENTURE COMPANIES**

- i. Bihar Power Infrastructure Company Private Limited
- ii. Assam Power Project Development Company Limited
- iii. Cross Border Power Transmission Company Limited
- iv. ONGC Tripura Power Company Limited
- v. PDCORE Limited

**F OTHER ENTERPRISES OVER WHICH IL&FS HAS CONTROL OR SIGNIFICANT INFLUENCE**

IL&FS IIDC Fund

**G KEY MANAGEMENT PERSONNEL**

Mr. Sunil Wadhwa  
Mr. Anoop Seth



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Particulars	Year ended 31 March, 2017	Rs. Million Year ended 31 March, 2016
<b>b) Transactinn during the year</b>		
<b>i Holding Company</b>		
<b>Infrastructure Leasing &amp; Financial Services Limited</b>		
Interest income	0.60	4.18
Finance costs	736.04	842.63
Rent	39.23	36.79
Advertisement and business promotion	83.13	1.00
Office maintenance expenses	20.15	4.44
Salaries, wages and incentives	27.59	-
Other borrowing costs	12.00	-
Purchase of investments	-	13,922.57
Dividend paid	962.21	2,229.51
Advances paid during the year	0.10	-
Advances received back during the year	0.10	-
Loan/Inter corporate deposit given during the year (assets)	44.18	170.00
Loans/Inter corporate deposit received back during the year (assets)	91.18	123.00
Loans/Inter corporate deposit/margin money received (liability)	12,260.00	10,350.00
Loans/Inter corporate deposit/margin money repaid (liability)	7,677.26	9,539.76
Guarantees received during the year		
<b>ii Subsidiary Companies</b>		
<b>Infrastructure leasing &amp; financial services limited</b>		
Nana Layja Power Company Limited	0.50	150.50
IL&FS Tamilnadu Power Company Limited	174.86	82.13
Ratedi Wind Power Limited	4.96	1.92
Tadas Wind Energy Private Limited	-	6.55
Lalpur Wind Energy Private Limited	1.92	5.96
IL&FS Solar Power Limited	173.91	-
Etesian Urja Limited	68.75	-
IL&FS Renewable Energy Limited	69.57	-
<b>Total</b>	<b>494.47</b>	<b>247.06</b>
<b>Guarantee fees</b>		
Khandke Wind Energy Private Limited	2.79	2.79
Lalpur Wind Energy Private Limited	-	1.20
Jogihali Wind Energy Private Limited	-	5.29
Mahidad Wind Energy Private Limited	-	24.18
Tadas Wind Energy Private Limited	6.21	6.21
IL&FS Tamilnadu Power Company Limited	25.00	-
IL&FS Renewable Energy Limited	10.83	54.17
IL&FS Wind Energy Limited	10.00	-
Wind Urja India Private Limited	6.73	7.54
<b>Total</b>	<b>61.56</b>	<b>101.38</b>
<b>Interest income</b>		
Shendra Green Energy Limited	2.59	2.59
Lalpur Wind Energy Private Limited	-	5.45
Jogihali Wind Energy Private Limited	35.70	55.66
Mahidad Wind Energy Private Limited	107.87	183.41
IL&FS Wind Projects Development Limited	-	89.09
IL&FS Solar Power Limited	2.30	-
IL&FS Renewable Energy Limited	172.69	253.34
IL&FS Tamilnadu Power Company Limited	2,094.10	600.12
IL&FS Wind Energy Limited	599.08	0.24
Kaze Energy Limited	16.38	-
Etesian Urja Limited	40.14	-
Malwa Solar Power Generation Limited	0.02	-
Sipla Wind Energy Limited	30.48	-
Nana Layja Power Company Limited	251.52	207.42
<b>Total</b>	<b>3,352.87</b>	<b>1,397.32</b>
<b>Finance cost</b>		
IL&FS Wind Projects Development Limited	25.51	0.09
IL&FS Renewable Energy Limited	57.91	23.94
Tadas Wind Energy Private Limited	-	2.08
<b>Total</b>	<b>83.42</b>	<b>26.11</b>
<b>Sale of material</b>		
Kaze Energy Limited	2,081.64	-
Etesian Urja Limited	1,799.82	-
<b>Total</b>	<b>3,881.47</b>	<b>-</b>



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Particulars	Year ended 31 March, 2017	Rs. Million Year ended 31 March, 2016
<b>Miscellaneous expenses</b>		
IL&FS Renewable Energy Limited	0.01	0.01
<b>Purchase of power</b>		
IL&FS Tamilnadu Power Company Limited	2,252.71	1.28
<b>Reimbursement of expenses :</b>		
IL&FS Tamilnadu Power Company Limited	9.19	11.25
IL&FS Renewable Energy Limited	0.16	0.65
Khandke Wind Energy Private Limited	0.02	-
Mahidad Wind Energy Private Limited	0.01	-
Tadas Wind Energy Private Limited	0.01	-
Nana Layja Power Company Limited	0.15	0.64
IL&FS Wind Power Services Private Limited	0.92	1.47
IL&FS Wind Energy Limited	0.01	-
Malwa Solar Power Generation Limited	0.08	-
Etesian Urja Limited	0.02	-
IL&FS Solar Power Limited	0.02	3.65
<b>Total</b>	<b>10.58</b>	<b>17.66</b>
<b>Investments - debentures</b>		
IL&FS Wind Energy Limited	-	4,710.42
Kaze Energy Limited	680.00	-
Etesian Urja Limited	1,096.50	-
<b>Total</b>	<b>1,776.50</b>	<b>4,710.42</b>
<b>Redemption - Optionally fully convertible debentures</b>		
IL&FS Wind Energy Limited	3,002.24	-
<b>Purchase of investments</b>		
IL&FS Renewable Energy Limited	1,095.81	8,822.14
<b>Fully convertible debentures converted into equity</b>		
IL&FS Tamilnadu Power Company Limited	-	2,500.00
Etesian Urja Limited	1,108.65	-
<b>Total</b>	<b>1,108.65</b>	<b>2,500.00</b>
<b>Loans converted into equity</b>		
IL&FS Wind Energy Limited	-	25.48
<b>Loans converted into 0% fully compulsorily convertible debentures</b>		
Jogihali Wind Energy Private Limited	-	940.54
Mahidad Wind Energy Private Limited	-	1,389.00
<b>Total</b>	<b>-</b>	<b>2,329.54</b>
<b>Investments made/purchased during the year - equity instruments</b>		
IL&FS Wind Energy Limited	-	4,874.52
IL&FS Wind Energy Limited	1.00	-
<b>Total</b>	<b>1.00</b>	<b>4,874.52</b>
<b>Advance towards Equity</b>		
Nana Layja Power Company Limited	20.00	-
<b>Advances paid during the year</b>		
IL&FS Renewable Energy Limited	-	0.40
Wind Urja India Private Limited	-	0.20
IL&FS Wind Energy Limited	0.20	-
IL&FS Tamilnadu Power Company Limited	0.20	0.10
<b>Total</b>	<b>0.40</b>	<b>0.70</b>
<b>Advances received back during the year</b>		
IL&FS Renewable Energy Limited	-	0.70
IL&FS Wind Energy Limited	0.20	-
Wind Urja India Private Limited	-	0.20
IL&FS Tamilnadu Power Company Limited	0.20	0.10
<b>Total</b>	<b>0.40</b>	<b>1.00</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended 31 March, 2017	Rs. Million Year ended 31 March, 2016
<b>Loan/Inter corporate deposit given during the year (assets)</b>		
IL&FS Renewable Energy Limited	8,065.38	264.93
Etesian Urja Limited	17.70	
Malwa Solar Power Generation Limited	10.00	
Kaze Energy Limited	247.20	
IL&FS Wind Energy Limited	120.00	25.48
IL&FS Solar Power Limited	29.10	
Mahidad Wind Energy Private Limited	1,417.90	141.00
IL&FS Tamilnadu Power Company Limited	6,547.47	1,540.00
Nana Layja Power Company Limited	1,480.10	645.62
Sipla Wind Energy Limited	666.20	
IL&FS Wind Projects Development Limited		345.00
Jogihali Wind Energy Private Limited	1,130.00	590.00
<b>Total</b>	<b>19,731.05</b>	<b>3,552.03</b>
<b>Loans/Inter corporate deposit received back during the year (assets)</b>		
IL&FS Renewable Energy Limited	2,221.41	3,115.62
IL&FS Tamilnadu Power Company Limited	5,551.02	1,250.00
IL&FS Wind Projects Development Limited	-	831.00
Jogihali Wind Energy Private Limited	984.56	763.27
Lalpur Wind Energy private Limited	-	40.00
Mahidad Wind Energy Private Limited	239.02	844.84
IL&FS Wind Energy Limited	8.50	-
Kaze Energy Limited	211.46	-
Nana Layja Power Company Limited	1,090.30	300.00
<b>Total</b>	<b>10,306.26</b>	<b>7,144.73</b>
<b>Loans/Inter corporate deposit/margin money received (liability)</b>		
IL&FS Wind Projects Development Limited	27.75	212.91
IL&FS Renewable Energy Limited	568.66	3,327.59
Tadas Wind Energy Private Limited	-	34.49
<b>Total</b>	<b>596.41</b>	<b>3,574.99</b>
<b>Loans/Inter corporate deposit/margin money repaid (liability)</b>		
IL&FS Renewable Energy Limited	1,716.48	2,179.77
Tadas Wind Energy Private Limited	-	34.49
IL&FS Wind Projects Development Limited	224.91	-
<b>Total</b>	<b>1,941.39</b>	<b>2,214.26</b>
<b>Dividend income</b>		
IL&FS Tamilnadu Power Company Limited	1,503.46	-
<b>Guarantees given/renewed during the year</b>		
Tadas Wind Energy Private Limited	344.90	344.90
Khandke	155.00	155.00
IL&FS Wind Energy Limited	2,000.00	-
IL&FS Renewable Energy Limited	3,000.00	10,250.00
IL&FS Tamilnadu Power Company Limited	5,000.00	-
Wind Urja India Private Limited	1,336.60	1,507.00
<b>Total</b>	<b>11,836.50</b>	<b>12,256.90</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended 31 March, 2017	Rs. Million Year ended 31 March, 2016
<b>iii Fellow Subsidiary Companies</b>		
<b>Consultancy fee income:</b>		
IL&FS Maritime Infrastructure Company Limited		4.60
<b>Interest income</b>		
IL&FS Financial Services Limited	11.87	30.46
Porto Novo Maritime Limited	22.50	33.55
Sealand Ports Private Limited	96.43	84.78
<b>Total</b>	<b>130.80</b>	<b>148.79</b>
<b>Finance costs</b>		
IL&FS Securities Services Limited	758.90	418.84
<b>Rent</b>		
IL&FS Transportation Network Limited	1.40	1.40
<b>Salaries, wages and incentives</b>		
IL&FS Financial Services Limited	0.27	-
<b>Repair &amp; maintenance</b>		
IL&FS Technologies Limited	0.14	1.24
Livia India Limited	5.92	4.84
<b>Total</b>	<b>6.06</b>	<b>6.08</b>
<b>Other borrowing costs</b>		
IL&FS Financial Services Limited	101.45	110.60
IL&FS Global Financial Services (UK) Limited	32.45	-
IL&FS Securities Services Limited	30.01	6.00
<b>Total</b>	<b>163.91</b>	<b>116.60</b>
<b>Bank demat charges</b>		
IL&FS Securities Services Limited	1.27	-
<b>Miscellaneous expenses</b>		
IL&FS Trust Company Limited	-	0.36
IL&FS Financial Services Limited	0.09	-
IL&FS Investment Advisors LLC	-	0.39
IL&FS Education & Technology Services Limited	0.04	-
IL&FS Technologies Limited	-	0.19
<b>Total</b>	<b>0.13</b>	<b>0.94</b>
<b>Legal and professional expenses</b>		
IL&FS Maritime Infrastructure Company Limited	1.03	-
<b>Travelling and conveyance</b>		
IL&FS Investment Managers Limited	0.08	0.04
<b>Reimbursement of expenses :</b>		
IL&FS Engineering & Construction Company Limited	0.02	-
<b>Sale of investment</b>		
IL&FS Environmental Infrastructure & Services Limited	1,380.00	-
<b>Loan/Inter corporate deposit given during the year (assets)</b>		
IL&FS Financial Services Limited	2,168.03	2,564.60
<b>Loans/Inter corporate deposit received back during the year (assets)</b>		
Porto Novo Maritime Limited	98.20	-
IL&FS Financial Services Limited	2,420.53	2,788.10
	<b>2,518.73</b>	<b>2,788.10</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particulars	Year ended 31 March, 2017	Rs. Million Year ended 31 March, 2016
<b>Loans/Inter corporate deposit/margin money received (liability)</b>		
IL&FS Securities Services Limited	2,260.00	3,500.00
<b>Loans/Inter corporate deposit/margin money repaid (liability)</b>		
IL&FS Securities Services Limited	4,000.00	-
<b>iv Joint venture companies/ Affiliates</b>		
<b>Consultancy fee income:</b>		
Bihar Power Infrastructure Company Private Limited	-	5.51
Assam Power Projects Development Company Limited	-	7.83
Saurya Urja Company of Rajasthan Limited	80.95	-
Cross Border Power Transmission Company Limited	26.57	6.56
Jharkhand Infrastructure Development Corporation Limited	4.00	-
Power Transmission Company Nepal Limited	5.33	-
PDCOR Limited	12.53	3.14
<b>Total</b>	<b>129.38</b>	<b>23.04</b>
<b>Guarantee fees</b>		
Saurya Urja Company of Rajasthan Limited	8.43	-
<b>Finance cost</b>		
Saurya Urja Company of Rajasthan Limited	10.22	-
<b>Office maintenance expenses</b>		
ONGC Tripura Power Company Limited	-	3.40
<b>Reimbursement of expenses :</b>		
Cross Border Power Transmission Company Limited	4.87	6.09
Saurya Urja Company of Rajasthan Limited	15.45	3.12
<b>Total</b>	<b>20.32</b>	<b>9.21</b>
<b>Investments made/purchased during the year - equity (including premium)</b>		
Cross Border Power Transmission Company Limited	33.48	78.66
Saurya Urja Company of Rajasthan Limited	479.88	130.00
<b>Total</b>	<b>513.36</b>	<b>208.66</b>
<b>Advances paid during the year</b>		
ONGC Tripura Power Company Limited	-	0.10
Saurya Urja Company of Rajasthan Limited	0.10	-
<b>Total</b>	<b>0.10</b>	<b>0.10</b>
<b>Advances received back during the year</b>		
Saurya Urja Company of Rajasthan Limited	0.10	-
ONGC Tripura Power Company Limited	-	0.10
<b>Total</b>	<b>0.10</b>	<b>0.10</b>
<b>Loans/Inter corporate deposit/margin money received (liability)</b>		
Saurya Urja Company of Rajasthan Limited	200.00	-
<b>Dividend Income</b>		
Cross Border Power Transmission Company Limited	35.22	-
<b>Guarantees given during the year</b>		
Saurya Urja Company of Rajasthan Limited	250.00	-
<b>v. Managerial remuneration</b>		
Short term benefits	17.72	-
Post-employment benefits	2.02	-
	<b>19.74</b>	<b>-</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particular	31 March, 2017	31 March, 2016	Rs. Million 1 April, 2015
c) Balances at the end of year			
<b>i Holding company</b>			
<b>Infrastructure Leasing &amp; Financial Services Limited</b>			
Share capital	11,734.26	11,734.26	11,236.69
Non-current borrowings	5,392.98	810.24	-
Trade payables	17.43	1.09	7.24
Long term loans & advances	-	-	1.47
1% fully compulsorily convertible debentures	2,405.89	2,448.61	2,455.46
Dividend payable	-	2,229.51	-
Current - loan & advances (assets)	-	47.00	-
Other financial assets (current) - Interest accrued on loans and	-	2.02	-
Other financial liabilities (current) - Interest accrued on borrowings	59.99	59.90	-
Guarantee taken	1,100.64	-	-
<b>ii Subsidiary companies</b>			
<b>Non-current borrowings</b>			
IL&FS Renewable Energy Limited	-	1,147.62	-
<b>Current borrowings</b>			
IL&FS Wind Projects Development Limited	15.75	212.91	-
<b>Trade payables</b>			
Jogihali Wind Energy Private Limited	-	-	593.13
Urjankur Shree Datta Power Company Limited	-	-	0.01
IL&FS Tamilnadu Power Company Limited	1,604.11	1.28	-
IL&FS Renewable Energy Limited	-	0.29	0.28
<b>Total</b>	<b>1,604.11</b>	<b>1.57</b>	<b>593.42</b>
<b>Non-current loan &amp; advances (assets)</b>			
IL&FS Renewable Energy Limited	5,008.49	156.81	842.50
Mahidad Wind Energy Private Limited	1,243.14	64.26	1,557.10
Malwa Solar Power Generation Limited	10.00	-	-
IL&FS Tamilnadu Power Company Limited	4,636.45	3,640.00	-
Nana Layja Power Company Limited	1,358.50	645.62	900.00
Lalpur Wind Energy Private Limited	-	-	40.00
Kaze Energy Limited	35.74	-	-
Etesian Urja Limited	17.70	-	-
Sipla Wind Energy Limited	666.20	-	-
IL&FS Solar Power Limited	29.10	-	-
IL&FS Wind Projects Development Limited	-	-	486.00
Jogihali Wind Energy Private Limited	206.94	61.49	1,175.30
<b>Total</b>	<b>13,212.26</b>	<b>4,568.18</b>	<b>5,000.90</b>
<b>Current - loan &amp; advances (assets)</b>			
IL&FS Renewable Energy Limited	992.28	-	2,165.00
IL&FS Tamilnadu Power Company Limited	-	-	3,350.00
Mahidad Wind Energy Private Limited	-	-	600.00
IL&FS Wind Energy Limited	111.50	-	-
Nana Layja Power Company Limited	576.92	900.00	300.00
<b>Total</b>	<b>1,680.70</b>	<b>900.00</b>	<b>6,415.00</b>
<b>Sundry advances (assets)</b>			
IL&FS Renewable Energy Limited	-	-	0.30
<b>Trade receivables</b>			
Rated Wind Power Limited	5.21	3.56	1.56
Wind Urja India Private Limited	7.07	-	8.82
IL&FS Tamilnadu Power Company Limited	219.09	429.69	354.95
Mahidad Wind Energy Private Limited	0.01	-	31.30
IL&FS Renewable Energy Limited	92.08	59.04	39.35
Khandke Wind Energy Private Limited	0.02	-	-
Nana Layja Power Company Limited	-	171.75	137.28
Lalpur Wind Energy Private Limited	2.02	8.53	1.06
Tadas Wind Energy Private Limited	-	7.17	0.33
Jogihali Wind Energy Private Limited	-	8.85	32.46
IL&FS Wind Energy Limited	10.51	-	-
Kaze Energy Limited	159.14	-	-
Etesian Urja Limited	230.51	-	-
Malwa Solar Power Generation Limited	0.08	-	-
IL&FS Solar Power Limited	200.02	3.82	88.03
East Delhi Waste Processing Company Limited	-	-	5.33
IL&FS Wind Projects Development Limited	-	-	340.42
IL&FS Wind Farms Limited	-	-	95.19
Urjankur Shree Tatya Saheb Kore Warana Power Company Limited	-	-	0.03
IL&FS Wind Power Services Limited	-	0.11	0.06
<b>Total</b>	<b>925.74</b>	<b>692.52</b>	<b>1,136.17</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particular	Rs. Million		
	31 March, 2017	31 March, 2016	1 April, 2015
<b>Other financial assets (current) - Interest accrued on loans and</b>			
IL&FS Tamilnadu Power Company Limited	12.21	0.11	504.93
Mahidad Wind Energy Private Limited	79.60	3.00	97.77
Nana Layja Power Company Limited	42.42	29.71	0.37
IL&FS Wind Energy Limited	275.06	-	-
Ingihali Wind Energy Private Limited	8.62	1.01	74.37
IL&FS Renewable Energy Limited	131.54	2.23	122.59
Malwa Solar Power Generation Limited	0.02	-	-
Etesian Urja Limited	23.97	-	-
Kaze Energy Limited	16.04	-	-
Sipla Wind Energy Limited	27.43	-	-
Shendra Green Energy Limited	11.40	-	-
IL&FS Wind Projects Development Limited	-	-	0.91
Lalpur Wind Energy Private Limited	-	-	1.30
IL&FS Solar Power Limited	2.07	-	-
<b>Total</b>	<b>630.38</b>	<b>36.06</b>	<b>802.24</b>
<b>Other financial assets (Non-current) - Interest accrued on loans</b>			
Shendra Green Energy Limited	-	8.81	6.22
IL&FS Renewable Energy Limited	-	-	11.01
IL&FS Tamilnadu Power Company Limited	1,362.94	1,012.41	-
<b>Total</b>	<b>1,362.94</b>	<b>1,021.22</b>	<b>17.23</b>
<b>Other financial assets (Non-current) - Advance towards equity</b>			
Nana Layja Power Company Limited	20.00	-	-
<b>Total</b>	<b>20.00</b>	<b>-</b>	<b>-</b>
<b>Other financial liabilities (current) - Interest accrued on</b>			
IL&FS Wind Projects Development Limited	0.01	0.08	-
IL&FS Renewable Energy Limited	-	6.58	-
<b>Total</b>	<b>0.01</b>	<b>6.66</b>	<b>-</b>
<b>Investment in equity instruments</b>			
Nana Layja Power Company Limited	200.50	200.50	200.50
IL&FS Tamilnadu Power Company Limited	42,263.32	42,263.32	25,840.75
IL&FS Renewable Energy Limited	5,639.00	5,639.00	5,639.00
IL&FS Wind Projects Development Limited	1.00	1.00	1.00
Mota Layja Gas Power Company Limited	0.50	0.50	0.50
IL&FS Wind Energy Limited	4,900.50	4,900.50	0.50
Etesian Urja Limited	1,108.65	-	-
Maritime International Offshore Pte Limited	1.53	1.53	1.53
Malwa Solar Power Generation Limited	1.00	-	-
Wind Urja India Private Limited	-	-	994.08
Lalpur Wind Energy Private Limited	-	-	2,288.67
Khandke Wind Energy Private Limited	-	-	1,544.92
<b>Total</b>	<b>54,116.00</b>	<b>53,006.35</b>	<b>36,511.45</b>
<b>Investment in preference shares</b>			
IL&FS Renewable Energy Limited	202.00	202.00	202.00
<b>Investment in debentures</b>			
IL&FS Tamilnadu Power Company Limited	2,400.00	2,400.00	4,900.00
Kaze Energy Limited	680.00	-	-
Shendra Green Energy Limited	59.85	59.85	46.29
IL&FS Wind Energy Limited	1,708.18	4,710.42	-
<b>Total</b>	<b>4,848.03</b>	<b>7,170.27</b>	<b>4,946.29</b>
<b>Guarantees given</b>			
Tadas Wind Energy Private Limited	344.90	344.90	-
Khandke Wind Energy Private Limited	155.00	155.00	-
IL&FS Wind Energy Limited	2,000.00	-	-
IL&FS Renewable Energy Limited	3,000.00	10,250.00	11,625.00
IL&FS Tamilnadu Power Company Limited	5,000.00	-	-
Wind Urja India Private Limited	1,336.60	1,507.00	1,507.00
<b>Total</b>	<b>11,836.50</b>	<b>12,256.90</b>	<b>13,132.00</b>
<b>iii Fellow subsidiaries</b>			
<b>Non-current borrowings</b>			
IL&FS Securities Services Limited	2,850.00	2,850.00	2,850.00
<b>Current borrowings</b>			
IL&FS Securities Services Limited	1,760.00	3,500.00	-
<b>Trade payables</b>			
IL&FS Financial Services Limited	33.11	141.60	9.91
IL&FS Investment Advisors LLC	-	0.41	-
IL&FS Technologies Limited	-	0.05	-
Livia India Limited	-	0.23	-
IL&FS Securities Services Limited	-	5.43	-
IL&FS Trust Company Limited	-	3.66	-
IL&FS Maritime Infrastructure Company Limited	0.93	-	-
IL&FS Transportation Network Limited	-	0.10	-
<b>Total</b>	<b>34.04</b>	<b>151.48</b>	<b>9.91</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Particular	31 March, 2017	31 March, 2016	Rs. Million 1 April, 2015
<b>Current - loan &amp; advances (assets)</b>			
IL&FS Financial Services Limited	34.00	286.50	510.00
Porto Novo Maritime Limited	50.80	149.00	149.00
Sealand Ports Private Limited	400.00	400.00	400.00
<b>Total</b>	<b>484.80</b>	<b>835.50</b>	<b>1,059.00</b>
<b>Trade receivables</b>			
IL&FS Maritime Infrastructure Company Limited	5.27	36.38	34.16
IIDC Limited	1.21	1.21	1.21
IL&FS Environmental Infrastructure & Services Limited	1,380.00	-	-
<b>Total</b>	<b>1,386.47</b>	<b>37.59</b>	<b>35.37</b>
<b>Other financial assets (current) - Interest accrued on loans and</b>			
Porto Novo Maritime Limited	3.49	72.50	42.30
IL&FS Financial Services Limited	0.17	1.92	1.04
Sealand Ports Private Limited	248.31	158.33	82.02
<b>Total</b>	<b>251.98</b>	<b>232.75</b>	<b>125.36</b>
<b>Other financial liabilities (current) - Interest accrued on</b>			
IL&FS Securities Services Limited	-	384.36	-
<b>iv Affiliates / Joint ventures</b>			
<b>Trade Payables</b>			
Saurya Urja Company of Rajasthan Limited	-	-	0.48
<b>Non-current loan &amp; advances (assets)</b>			
Assam Power Project Development Company Limited	10.00	10.00	10.00
Bihar Power Infrastructure Company Private Limited	125.00	125.00	125.00
<b>Total</b>	<b>135.00</b>	<b>135.00</b>	<b>135.00</b>
<b>Sundry advances (assets)</b>			
Bihar Power Infrastructure Company Private Limited	1.34	1.34	1.34
<b>Trade receivables</b>			
Bihar Power Infrastructure Company Private Limited	7.30	7.30	9.92
Cross Border Power Transmission Company Limited	3.60	5.45	0.49
Power Transmission Company Nepal Limited	5.00	-	-
Saurya Urja Company of Rajasthan Limited	99.64	1.71	-
PDCOR Limited	7.80	2.26	4.71
Assam Power Project Development Company Limited	-	2.42	-
Jharkhand Infrastructure Development Corporation Limited	4.19	-	-
IL&FS Technologies Limited	-	-	0.32
ONGC Tripura Power Company Limited	-	-	33.71
<b>Total</b>	<b>127.52</b>	<b>19.14</b>	<b>49.15</b>
<b>Other financial assets (Non-current) - Advance towards equity</b>			
ONGC Tripura Power Company Limited	-	-	237.10
Saurya Urja Company of Rajasthan Limited	-	70.00	-
<b>Total</b>	<b>-</b>	<b>70.00</b>	<b>237.10</b>
<b>Other financial liabilities (current) - Interest accrued on</b>			
Saurya Urja Company of Rajasthan Limited	9.20	-	-
<b>Investment in equity instruments</b>			
Cross Border Power Transmission Company Limited	410.48	265.20	111.50
ONGC Tripura Power Company Limited	5,859.40	5,395.80	4,951.07
Power Transmission Company Nepal Limited	51.00	29.00	8.65
Bihar Power Infrastructure Company Private Limited	55.60	56.50	57.40
Assam Power Project Development Company Limited	2.60	2.90	1.80
Saurya Urja Company of Rajasthan Limited	973.00	139.00	-
<b>Total</b>	<b>7,352.08</b>	<b>5,888.40</b>	<b>5,130.42</b>
<b>Guarantees given</b>			
Saurya Urja Company of Rajasthan Limited	250.00	-	-

**39 Capital grant**

- a. The Company is eligible for Viability Gap Funding ('VGF' or 'grant' or 'Capital grant') from Solar Energy Corporation of India ('SECI') amounting to Rs. 811.25 million under the "Jawaharlal Nehru National Solar Mission (JNNSM) scheme" of SECI for implementation of Solar Power Projects.

The Company has received 50% of grant amounting to Rs. 480.99 million during the previous year and Rs 96.20 million in current year, the balance of the grant will be received progressively over the next four year as per the schedule given below:

End of 2nd Year from commercial operation date	10%
End of 3rd Year from commercial operation date	10%
End of 4th Year from commercial operation date	10%
End of 5th Year from commercial operation date	10%

The balance amount of grant will be released subject to fulfillment of the requirements of the project performance and no event of default as per terms and conditions of the Power Purchase Agreement with SECI

- b. As per the Viability Gap Funding agreement, the grant is given on the condition that the Company will operate the plant for a period of 25 years failing which the Company will be liable to refund the grant based on the period of operation of the plant.
- c. The grants are secured in favor of the SECI by first ranking pari passu charge on the land, current assets and movable properties attributable to solar project situated at village Kachalia, MP, rights under Project agreements entered by the Company, accounts and receivables related to project and rights under Insurance Policies of Company related to Project.
- d. The details of Capital grant recognised and amortisation of the same is as under:

Particulars	Year ended 31 March, 2017 Rs. Million	Year ended 31 March, 2016 Rs. Million
Opening Balance	786.12	-
Grant recognised by the company during the year	-	811.25
Less: Amount recognised in Statement of Profit and Loss	29.20	25.12
Capital grant carried to balance sheet	756.93	786.13

The grant receivable is disclosed in the financial statements under other financial assets (Non-current) amounting to Rs. 210.11 million (31 March, 2016:Rs. 264.88 million, 1 April, 2015: Not applicable) and other financial assets (current) amounting to Rs. 96.20 million (31 March, 2016: 96.20 million, 1 April, 2015: Not applicable).



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**40 First-time Ind AS adoption reconciliations**

**a) Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015**

Particulars	Note ref	Rs. Million	
		31 Mar 2016	1 Apr 2015
<b>Equity as per Previous GAAP (Indian GAAP)</b>		<b>51,296.66</b>	<b>46,494.05</b>
<b>Increase in Equity on account of Ind AS adjustments</b>			
Net impact of recognition of grant and security deposit at amortised cost	iii, vi	26.42	-
Impact of EIR on expenses previously adjusted in securities premium reserve	iv	65.35	13.41
Equity component of compound financial instruments	v	2,366.33	2,366.33
Tax impact	vii	368.62	482.94
<b>Total</b>		<b>2,826.72</b>	<b>2,862.68</b>
<b>Decrease in Equity on account of Ind AS adjustments</b>			
Impact of effective rate of interest	iv	16.09	65.07
Expected credit loss allowance for receivables/loans	ii	535.62	510.83
Fair value of investments	i	538.34	819.56
<b>Total</b>		<b>1,090.05</b>	<b>1,395.46</b>
<b>Adjusted Equity as per Ind AS</b>		<b>53,033.33</b>	<b>47,961.27</b>

**b) Reconciliation of total comprehensive income for the year ended 31 March, 2016**

Particulars	Note ref	31 March, 2016
<b>Profit as per previous GAAP</b>		<b>3,016.55</b>
<b>Increase in profit on account of Ind AS adjustments</b>		
Net impact of recognition of grant and security deposit at amortised cost	iii, vi	26.42
Fair value of investments	i	281.22
Impact of effective rate of interest	iv	48.98
Remeasurement of defined benefit obligations reclassified in other comprehensive income		1.99
<b>Total</b>		<b>358.61</b>
<b>Decrease in profit on account of Ind AS adjustments</b>		
Expected credit loss allowance for receivables/loans	ii	24.79
Tax impact	vii	115.01
<b>Total</b>		<b>139.80</b>
<b>Adjusted profit as per Ind AS</b>		<b>3,235.36</b>
Other comprehensive income		
Remeasurement of defined benefit obligation reclassified in other comprehensive income		(1.30)
<b>Total comprehensive income as per Ind AS</b>		<b>3,234.06</b>

**c) Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2016**

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	(912.22)	(411.75)	(500.47)
Net cash flows from investing activities	1,737.07	603.39	1,133.68
Net cash flows from financing activities	(1,187.36)	(191.64)	(995.72)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(362.51)</b>	<b>-</b>	<b>(362.51)</b>
Cash and cash equivalent at the beginning of the year	543.02	-	543.02
Cash and cash equivalent at the end of year	180.51	-	180.51



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**Notes to the reconciliations**

- i. Under the previous GAAP, long term investments in equity instruments were required to be valued at cost and were subject to impairment assessment. Under Ind AS, long term investments in equity instruments of other entities are mandatorily required to be stated at fair value through profit and loss unless they are classified at amortised cost or fair value through other comprehensive income. Further the Company has chosen to value its investments in joint ventures at fair value through profit and loss. Further, at the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been adjusted in opening reserves.
- ii. Under previous GAAP, there was no requirement for discounting receivables based on the intrinsic time value of cash flows, however under Ind AS, provision for credit loss allowance needs to be accounted considering the same. Accordingly, provision for credit loss allowance for receivables, non interest bearing loans etc. has been created.
- iii. Under the previous GAAP, grant allowed by the Solar Energy Corporation of India was recognised based on the aggregated undiscounted value of cashflows. Under Ind AS, accounting for the same is required to be at amortised cost.
- iv. Under previous GAAP, borrowing were recognised at cost and any cost incurred in relation to borrowing were charged to the statement of profit and loss over the tenure of such borrowings. Any unamortised costs were carried as other current and non-current asset. Under Ind AS, borrowings are recorded at the fair value of consideration received and finance costs are charged to the statement of profit and loss using the effective interest rate method.
- v. Under the previous GAAP, Fully Compulsorily Convertible Debentures (FCCDs) issued to Infrastructure Leasing & Financial Services Limited were considered only a borrowing. However under Ind AS, these FCCD's were assessed as compound financial instrument and on initial recognition, net present value of the contractual cashflows had been recognized as debt and the residual as equity. Accordingly the equity portion of FCCDs have been reclassified to other equity under Ind AS.
- vi. Under previous GAAP, security deposit were accounted for at their undiscounted nominal values. Under Ind AS these have been accounted for at amortised cost method by discounting the cash flows using effective interest rates.
- vii. Deferred tax has been recognized on adjustments made on transition to Ind AS.
- viii. Retained earnings as at 1 April, 2015 has been adjusted consequent to above Ind AS transition adjustments.

**41 Specified Bank Notes disclosure (SBN's)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R 308(E) dated 30 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016, the denomination wise SBN's and other notes as per the notification is given below:

Particulars	SBNs	Amount in Rupees	
		Other denomination notes	Total
Closing cash in hand as on November 8, 2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	120,000	120,000
(-) Permitted payments	Nil	120,000	120,000
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on December 30, 2016	Nil	Nil	Nil

**42 Non cash transaction**

During the year company has entered into following non cash transaction:

- Against the receivables of Rs 1,788.65 million, Company has been allotted the equity shares of Rs. 1,108.65 million and debentures of Rs. 680 million.
- Payable of Rs 1,095.81 million towards purchase of investments has been adjusted against the loan receivable from the entity.
- Amount payable to Engineering, Procurement and Construction contractor ('EPC') of Rs.7.31 million has been adjusted against the fixed assets.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**43 Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Particulars	31 March, 2017	31 March, 2016	1 April, 2015
	Rs. Million	Rs. Million	Rs. Million
1 The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	Nil	Nil	Nil
2 The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	Nil	Nil	Nil
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
4 The amount of interest accrued and remaining unpaid at the end of each accounting period; and	Nil	Nil	Nil
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

**44 Subsequent Events**

The Board in its meeting held on 7 February, 2017 had approved amalgamation of IL&FS Renewable Energy Limited (IREL), a 100% subsidiary, with the Company under section 233 and other applicable provisions of Companies Act, 2013. Subsequently, in accordance with the requirements of section 233, the proposed scheme of amalgamation has been filed on 21 April, 2017 with the concerned Registrar of Companies and the Official Liquidator inviting their objections and suggestions, if any.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

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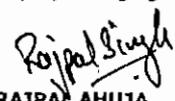
45 The standalone Ind AS financial statements were approved by Board of Directors at its meeting held on 12 May, 2017.

For and on behalf of the Board of Directors

  
**HARI SANKARAN**  
Director

  
**ANOOP SETHI**  
Deputy Managing Director

  
**HEMANT THANVI**  
Group Chief Financial Officer

  
**RAJPAL AHUJA**  
Company Secretary

Place: *Bengaluru*  
Date: 12 May, 2017

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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

#### **Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Ind AS financial statements of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at 31 March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### **Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements / financial information of the subsidiaries and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### **Other Matters**

- (a) We did not audit the financial statements / financial information of eleven subsidiaries, whose financial statements / financial information reflect total assets of Rs. 14,415.37 million as at 31 March, 2017, total revenues of Rs. 531.04 million and net cash inflows amounting to Rs. 110.79 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 426.37 million for the year ended 31 March, 2017, as considered in the consolidated Ind AS financial statements, in respect of four joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.



- (b) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements reflect total assets of Rs. 5,836.41 million as at 31 March, 2017, total revenues of Rs. Nil and net cash inflows amounting to Rs. 8.62 millions for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group
- (c) The comparative financial information for the year ended 31 March, 2016 and the transition date opening balance sheet as at 1 April, 2015 in respect of eleven subsidiaries and four joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Parent's, subsidiary companies', associate companies' and its joint venture companies' incorporated in India, internal financial controls over financial reporting.
- (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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures (Refer to note 33(v) to the consolidated Ind AS financial statements)
  - ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India (Refer to note 33(v) to the consolidated Ind AS financial statements)
  - iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable (Refer to note 37 to the consolidated Ind AS financial statements). Based on audit procedures performed and the representations provided to us by the Management we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)

  
  
**SITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

**Mumbai, 2 August, 2017**

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2017, we have audited the internal financial controls over financial reporting of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2017, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".



**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to eight subsidiary companies and four joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 015125N)



*Jitendra Agarwal*

**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

**Mumbai, 2 August, 2017**

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017**

	Note Ref.	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>ASSETS</b>				
<b>I. NON-CURRENT ASSETS</b>				
(a) Property, plant and equipment	5	150,889.46	99,776.56	39,056.29
(b) Capital work-in-progress	5	20,079.24	61,657.40	91,347.26
(c) Goodwill	6	6,810.52	6,815.76	6,565.48
(d) Other intangible assets	7	4,009.35	3,918.30	3,921.84
(e) Financial assets				
i) Investments	8	10,205.97	9,320.14	8,729.77
ii) Trade receivables	10	894.41	-	-
iii) Loans	12	911.59	1,664.67	623.63
iv) Other financial assets	13	2,617.22	6,890.87	8,406.81
(f) Deferred tax assets (net)	25	872.08	343.81	369.40
(g) Non-current tax assets (net)	14	1,234.40	881.24	789.59
(h) Other non current assets	15	8,051.36	8,980.73	14,282.58
<b>Total non-current assets (A)</b>		<b>206,575.60</b>	<b>200,249.48</b>	<b>174,092.65</b>
<b>II. CURRENT ASSETS</b>				
(a) Inventories	9	2,312.17	2,112.92	36.98
(b) Financial assets				
i) Trade receivables	10	11,757.62	6,397.75	1,177.56
ii) Cash and cash equivalents	11a	1,798.05	1,145.66	1,526.83
iii) Bank balances other than (ii) above	11b	5,983.95	2,976.96	2,931.62
iv) Loans	12	3,447.95	3,359.45	2,545.90
v) Other financial assets	13	7,887.47	4,366.75	3,695.68
(c) Current tax assets (net)	14	-	-	202.08
(d) Other current assets	15	1,498.19	482.45	547.94
<b>Total current assets (B)</b>		<b>34,685.40</b>	<b>20,841.94</b>	<b>12,664.59</b>
<b>TOTAL ASSETS (A) + (B)</b>		<b>241,261.00</b>	<b>221,091.42</b>	<b>186,757.24</b>
<b>EQUITY AND LIABILITIES</b>				
<b>III. EQUITY</b>				
(a) Share capital	16	13,182.26	13,182.26	12,684.69
(b) Other equity	17	20,752.44	22,875.61	26,740.85
<b>Equity attributable to owners of the Company</b>		<b>33,934.70</b>	<b>36,057.87</b>	<b>39,425.54</b>
Non-controlling interests	18	12,966.09	7,507.35	10,257.55
<b>Total equity (C)</b>		<b>46,900.79</b>	<b>43,565.22</b>	<b>49,683.09</b>
<b>LIABILITIES</b>				
<b>IV. NON-CURRENT LIABILITIES</b>				
(a) Financial liabilities				
i) Borrowings	19	118,491.64	118,159.73	96,289.69
ii) Other financial liabilities	20	656.22	2,969.42	4,321.07
(b) Provisions	21	255.36	177.33	146.36
(c) Deferred tax liabilities (net)	25	77.69	58.28	47.44
(d) Other non-current liabilities	22	11,033.85	9,982.58	6,222.93
<b>Total non-current liabilities (D)</b>		<b>130,514.76</b>	<b>131,347.34</b>	<b>107,027.49</b>
<b>V. CURRENT LIABILITIES</b>				
(a) Financial liabilities				
i) Borrowings	23	16,941.24	15,517.95	12,404.76
ii) Trade payables	24	8,389.65	4,857.81	1,510.02
iii) Other financial liabilities	20	36,804.25	21,687.15	15,322.20
(b) Provisions	21	27.18	25.44	29.33
(c) Current tax liabilities (net)	14	236.90	214.33	50.06
(d) Other current liabilities	22	1,446.23	3,876.18	730.29
<b>Total current liabilities (E)</b>		<b>63,845.45</b>	<b>46,178.86</b>	<b>30,046.66</b>
<b>TOTAL LIABILITIES (F) = (D) + (E)</b>		<b>194,360.21</b>	<b>177,526.20</b>	<b>137,074.15</b>
<b>TOTAL EQUITY AND LIABILITIES (C) + (F)</b>		<b>241,261.00</b>	<b>221,091.42</b>	<b>186,757.24</b>

See accompanying notes forming part of the consolidated financial statements

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In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
*Hemant Agarwal*  
HETENDRA AGARWAL  
Partner



For and on behalf of the Board of Directors

*Hari Sankaran*  
HARI SANKARAN  
Director

*R.C. Bawa*  
R.C. BAWA  
Director

*Hemant Thanvi*  
HEMANT THANVI  
Group Chief Financial Officer

*Rajpal Ahuja*  
RAJPAL AHUJA  
Company Secretary

Place: Mumbai  
Date: 2 August, 2017

Place: Mumbai  
Date: 2 August, 2017

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017**

	Note Ref.	Year ended 31.03.2017 Rs. Million	Year ended 31.03.2016 Rs. Million
<b>I. Income</b>			
Revenue from operations	26	30,923.89	14,816.56
Other Income	27	3,072.65	2,193.63
<b>Total Income (A)</b>		<b>33,996.54</b>	<b>17,010.19</b>
<b>II. Expenses</b>			
Cost of fuel consumed	28	12,615.34	4,235.46
Employee benefits expense	29	753.28	530.05
Finance costs	30	14,449.35	9,163.52
Depreciation and amortisation expense	5, 7	3,714.29	2,359.11
Other expenses	31	3,458.30	2,687.66
<b>Total expenses (B)</b>		<b>34,990.56</b>	<b>18,975.80</b>
<b>Loss before tax and share from associates and Joint ventures (A) - (B)</b>		<b>(994.02)</b>	<b>(1,965.61)</b>
<b>III. Share of profit of joint venture and associates (C)</b>			
Share of profit of associates		161.20	102.85
Share of profit of joint ventures		428.03	111.72
<b>IV. Loss before tax (D) = (A) - (B) + (C)</b>		<b>(404.79)</b>	<b>(1,751.04)</b>
<b>V. Tax expense: (E)</b>			
(a) Current tax	32	585.20	833.38
(b) Deferred tax	32	(488.02)	37.36
		<b>97.18</b>	<b>870.74</b>
<b>VI. Loss for the year (F) = (D) - (E)</b>		<b>(501.97)</b>	<b>(2,621.78)</b>
<b>VII. Other comprehensive income (OCI)</b>			
<b>a. Items that will not be reclassified to profit or loss</b>			
i) Remeasurement of defined benefit plans	35	(8.30)	(3.18)
ii) Share of OCI in joint ventures and associates		(0.03)	(0.28)
iii) Income tax related to item that will not be reclassified to profit and loss	25	1.94	0.93
		(6.39)	(2.53)
<b>b. Items that will be reclassified to profit or loss</b>			
i) Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge	17 j	(54.60)	-
ii) Exchange differences in translating financial statements of foreign operations	17 i, 18	125.85	(33.50)
iii) Share of OCI in joint ventures		(0.02)	(0.02)
iv) Income tax relating to items that will be reclassified to profit or loss	25	18.90	-
		90.13	(33.52)
<b>Total other comprehensive income / (loss) (G)</b>		<b>83.74</b>	<b>(36.05)</b>
<b>VIII. Total comprehensive loss for the year (F) + (G)</b>		<b>(418.23)</b>	<b>(2,657.83)</b>
Profit / (loss) for the year attributable to:			
- Owners of the Company		(738.10)	(2,716.15)
- Non-controlling interests		236.13	94.37
		(501.97)	(2,621.78)
Other comprehensive income / (loss) for the year			
- Owners of the Company		73.13	(33.14)
- Non-controlling interests		10.61	(2.91)
		83.74	(36.05)
Total comprehensive income / (loss) for the year			
- Owners of the Company		(664.97)	(2,749.29)
- Non-controlling interests		246.74	91.46
		(418.23)	(2,657.83)
<b>Earning per equity share</b>			
(Face value of Rs. 10 per share)	41		
- Basic (in Rs.)		(0.58)	(2.13)
- Diluted (in Rs.)		(0.58)	(2.13)

See accompanying notes forming part of the consolidated financial statements

1-48

In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

**JITENDRA AGARWAL**  
Partner



For and on behalf of the Board of Directors

**HARI SANKARAN**  
Director

**R C BAWA**  
Director

**HEMANT THANVI**  
Group Chief Financial Officer

**RAJPAL AHUJA**  
Company Secretary

Place: Mumbai  
Date: 2 August, 2017

Place: Mumbai  
Date: 2 August, 2017

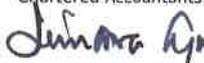
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2017**

	Note Ref.	Year ended 31.03.2017 Rs. Million	Year ended 31.03.2016 Rs. Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year		(501.97)	(2,621.78)
Adjustment for:			
Tax expense charged to statement of profit or loss		97.18	870.74
Share of profits in associates		(161.20)	(102.85)
Share of profits in joint ventures		(428.03)	(111.72)
Depreciation and amortisation expense		3,714.29	2,359.11
Grant income		(29.20)	(25.12)
Provision for employee benefits		44.35	(5.93)
Finance costs		14,449.35	9,163.52
Profit on sale of long term investment		(281.85)	(551.80)
Profit on sale of property, plant and equipment		(64.31)	(5.73)
Impairment / write off for doubtful trade receivables		26.35	172.98
Impairment of capital work in progress		323.75	-
Net Gain arising on Financial Assets designated at amortised cost		(56.17)	(11.83)
Net loss arising on financial assets designated at FVTPL		209.29	15.65
Interest income		(2,046.75)	(1,277.34)
<b>Operating profit before working capital changes</b>		<b>15,295.08</b>	<b>7,867.90</b>
Adjustments for (increase) / decrease in operating assets:			
Trade receivables		(6,279.87)	(5,393.20)
Other financial assets - current		(1,880.68)	(2,112.14)
Other financial assets - non current		-	2.40
Other current assets		(1,015.74)	65.49
Other non current assets		119.43	(228.21)
Inventories		(199.25)	(2,075.93)
Long term loans		69.92	(38.80)
Adjustments for increase / (decrease) in operating liabilities:			
Other financial liability - non current		9.20	0.23
Other financial liability - current		69.65	(9.01)
Other non current liabilities		(86.10)	247.48
Trade payables		3,531.84	3,347.79
Other current liabilities		61.15	17.26
Cash generated from operations		9,694.63	1,691.26
Taxes paid (including tax deducted at source) net of refund		(915.79)	(558.68)
<b>Net Cash from operating activities</b>		<b>8,778.84</b>	<b>1,132.58</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received		2,688.05	557.42
Payment towards purchase of Investments		(513.44)	(9,542.40)
Proceeds from sale of investments in joint venture and associate		-	551.13
Purchase of property, plant and equipment		(8,446.74)	(27,920.15)
Proceeds from sale of property, plant and equipment		63.42	9.19
Purchase of intangible assets		(118.87)	(7.61)
(Increase)/decrease in loans - non current		706.38	(1,019.07)
(Increase)/decrease in loans - current		(88.50)	(813.54)
(Increase)/decrease in other non current assets		831.38	5,529.96
(Increase)/decrease in fixed deposits not considered as cash and cash equivalents		3,885.42	1,210.85
(Increase)/decrease in escrow account with security agent		(3,597.38)	172.93
<b>Net Cash used in investing activities</b>		<b>(4,590.28)</b>	<b>(31,271.29)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings (net)		5,160.45	19,112.95
Proceeds from issue of debentures		4,841.20	4,461.37
Proceeds from non controlling shareholders		5,390.92	6,677.94
Proceeds from partial sale of Investment in subsidiary (net of taxes)		-	1,981.80
Proceeds from short term borrowings (net)		2,504.24	3,113.19
Finance costs paid		(17,259.82)	(5,996.62)
Securities issue expenses		(16.45)	(3.72)
Dividend (including dividend distribution tax)		(4,241.97)	-
Capital grant received		54.77	450.17
<b>Net Cash from / (used in) financing activities</b>		<b>(3,566.66)</b>	<b>29,797.08</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>621.90</b>	<b>(341.63)</b>
Exchange fluctuation translation difference		30.49	(39.54)
<b>Total</b>		<b>652.39</b>	<b>(381.17)</b>
Cash and cash equivalents at the beginning of the year	11a	1,145.66	1,526.83
Cash and cash equivalents at the end of the year	11a	1,798.05	1,145.66
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>652.39</b>	<b>(381.17)</b>

See accompanying notes forming part of the consolidated financial statements 1-48

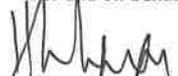
In terms of our report attached

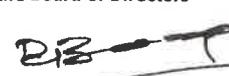
For DELOITTE HASKINS & SELLS  
Chartered Accountants

  
JITENDRA AGARWAL  
Partner

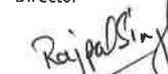


For and on behalf of the Board of Directors

  
HARI SANKARAN  
Director

  
R C BAWA  
Director

  
HEMANT THANVI  
Group Chief Financial Officer

  
RAJPAL AHUJA  
Company Secretary

Place: Mumbai  
Date: 2 August, 2017

Place: Mumbai  
Date: 2 August, 2017

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017**

	Number of shares		Rs. Million										
		Amount	Reserves and surplus		Other Comprehensive Income			Attributable to owners of the Company		Non controlling interests (NCI)	Total		
	Equity component of compound financial instruments	Securities premium account	General reserve	Debt redemption reserve	Foreign currency monetary item translation difference account	Capital reserve created on consolidation	Self insurance reserves	Retained earnings	Foreign currency translation reserve	Effective portion of Cash flow hedge	Attributable to owners of the Company	Non controlling interests (NCI)	Total
<b>(a) Equity Share Capital</b>													
Balance as at 1 April, 2015													
Equity share capital issued during the year													
<b>Balance as at 31 March, 2016</b>													
Changes in equity share capital during the year													
<b>Balance as at 31 March, 2017</b>													
<b>(b) Compulsorily Convertible Preference Share Capital ('CCPS')</b>													
Balance as at April 1, 2015													
Changes in CCPS during the year													
<b>Balance as at 31 March, 2016</b>													
Changes in CCPS during the year													
<b>Balance as at 31 March, 2017</b>													
<b>(c) Other Equity</b>													
Balance as at 1 April, 2015	2,366.33	33,197.81	7.60	-	12.26	9.95	2.73	(8,855.83)	-	-	26,740.85	10,257.55	36,998.40
(Loss) / profit for the year	-	-	-	-	-	-	-	(2,716.15)	-	-	(2,716.15)	94.37	(2,621.78)
Remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	-	-	-	(2.50)	-	-	(2.50)	(0.03)	(2.53)
Other comprehensive income (net of income tax)	-	-	-	-	-	-	(0.02)	(0.02)	(30.62)	-	(30.64)	(2.88)	(33.52)
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	(2,718.67)	(30.62)	-	(2,749.29)	91.46	(2,657.83)
Dividend distribution tax	-	-	-	-	-	-	-	(2,504.63)	-	-	(2,504.63)	-	(2,504.63)
Transfer to debenture redemption reserve	-	-	-	118.58	-	-	-	(509.88)	-	-	(509.88)	-	(509.88)
Impact of partial stake sale in subsidiary with no loss of control	-	-	-	-	-	-	-	(118.58)	-	-	-	-	-
Effect of foreign exchange rate variations during the year	-	-	-	-	(3.73)	-	-	3,882.23	-	-	3,882.23	4,781.18	8,663.41
Impact of additional acquisition in subsidiary under common control	-	-	-	-	13.10	(5,222.53)	-	(1,202.83)	106.37	-	(6,305.89)	(7,622.84)	(13,928.73)
Amortisation for the year	-	-	-	-	(22.55)	-	-	-	-	-	(22.55)	-	(22.55)
Reversal during the year	-	-	-	-	-	-	(2.73)	-	-	-	(2.73)	-	(2.73)
Issue of equity shares	-	4,361.51	-	-	-	-	-	-	-	-	4,361.51	-	4,361.51
Securities issue expenses	-	(6.56)	-	-	-	-	-	(3.72)	-	-	(10.28)	-	(10.28)
<b>Balance as at 31 March, 2016</b>	<b>2,366.33</b>	<b>37,552.76</b>	<b>7.60</b>	<b>118.58</b>	<b>(0.92)</b>	<b>(5,212.58)</b>	<b>-</b>	<b>(12,031.91)</b>	<b>75.75</b>	<b>-</b>	<b>22,875.61</b>	<b>7,507.35</b>	<b>30,382.96</b>



IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

Continued

Other Equity	Reserves and surplus						Other Comprehensive Income			Attributable to owners of the Company	Non controlling interests (NCI)	Total	
	Equity component of financial Instruments	Securities premium account	General reserve	Debt redemption reserve	Foreign currency monetary item translation difference account	Capital reserve created on consolidation	Self insurance reserves	Retained Earnings	Foreign currency translation reserve				Effective portion of Cashflow hedge
Balance as at 1 April, 2016	2,366.33	37,552.76	7.60	118.58	(0.92)	(5,212.58)	-	(12,031.91)	75.75	-	22,875.61	7,507.35	30,382.96
(Loss) / profit for the year	-	-	-	-	-	-	-	(738.10)	-	-	(738.10)	236.13	(501.97)
Re measurement of defined benefit obligation (net of income tax)	-	-	-	-	-	-	-	(6.16)	-	-	(6.16)	(0.23)	(6.39)
Other comprehensive income (Net of income tax)	-	-	-	-	-	-	(0.02)	-	115.01	(35.70)	79.29	10.84	90.13
<b>Total comprehensive income</b>	-	-	-	-	-	-	(744.28)	(744.28)	115.01	(35.70)	(664.97)	246.74	(418.23)
Dividend	-	-	-	-	-	-	(1,080.94)	(1,080.94)	-	-	(1,080.94)	-	(1,080.94)
Dividend distribution tax	-	-	-	-	-	-	(313.25)	(313.25)	-	-	(313.25)	-	(313.25)
Debt redemption reserve	-	-	-	466.35	-	-	(466.35)	(466.35)	-	-	-	-	-
Addition during the year	-	-	-	-	(87.12)	-	-	-	-	-	(87.12)	(177.28)	(264.40)
Compulsorily convertible debentures	39.56	-	-	-	-	-	-	-	-	-	39.56	5,389.28	5,428.84
Securities issue expenses	-	-	-	-	-	-	(16.45)	(16.45)	-	-	(16.45)	-	(16.45)
Balance as at 31 March, 2017	2,405.89	37,552.76	7.60	584.93	(88.04)	(5,212.58)	-	(14,653.18)	190.76	(35.70)	20,752.44	12,966.09	33,718.53

See accompanying notes forming part of the consolidated financial statements

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In terms of our report attached



For and on behalf of the Board of Directors

*Hari Sankaran*  
HARI SANKARAN  
Director

*R C Bawa*  
R C BAWA  
Director

*Hemant Thanvi*  
HEMANT THANVI  
Group Chief Financial Officer  
Place: Mumbai  
Date: 2 August, 2017

*Rajpal Ahuja*  
RAJPAL AHUJA  
Company Secretary

Place: Mumbai  
Date: 2 August, 2017

## **1. General Information**

IL&FS Energy Development Company Limited ("the Company / Parent") is a public limited company, domiciled and incorporated in India having its registered office at 4th Floor, Dr Gopaldas Bhawan, 28, Barakhamba Road, Connaught Place, New Delhi 110001. The Company is subsidiary of Infrastructure Leasing and Financial Services Limited (IL&FS). The Company and its subsidiaries (hereinafter referred to as the "Group") including its associates and joint ventures are mainly engaged in the business of development and operations of power projects and providing advisory services.

## **2. Application of new and revised Ind AS**

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised for issue have been considered in preparing these financial statements.

### **Standards / Amendments issued but not yet effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April, 2017.

#### **Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

#### **Amendment to Ind AS 102:**

The amendment to Ind AS 102 provides specific guidance to measurement of cash settled awards, modifications of cash settled awards and awards that include a net settlement feature in respect of withholding taxes.

As the Group has not issued any stock option plans, hence this amendment will have no effect on the Ind AS financial statements.

## **3. Significant accounting policies**

### **3.1 Statement of compliance**

The Consolidated Financial Statements (CFS) have been prepared in accordance with the Indian Accounting Standards (referred to as IND AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). These Ind AS has been adopted w.e.f. 1 April, 2016 as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015.



Up to the year ended 31 March, 2016, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are Group's first Ind AS consolidated financial statements. The date of transition to Ind AS is 1 April, 2015. See note 3.26 for the details of first-time adoption exemptions availed by the Group.

Further in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Group has presented a reconciliation of Shareholders' equity under Previous GAAP and Ind AS as at 31 March, 2016, and 1 April 2015 as presented under note 43.

### **3.2 Basis of preparation and presentation**

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

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

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

### **3.3 Basis of consolidation**

The Company consolidates all entities which are controlled by it. The consolidated financial statements comprise the financial statements of the Company, its controlled entities and its subsidiaries. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct the relevant activities, those which significantly affect the entity's returns. The entities are consolidated from the date control commences until the date control ceases.

The Consolidated financial statements of the group companies are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/loss from such transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Non-Controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Group, are excluded.

Changes in the Company's interests in subsidiaries that do not result in loss of control are accounted for as equity transactions. The carrying amount of the Company's interest and the



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

**3.4** Details of the Group's subsidiaries / step down subsidiaries at the end of the reporting period considered in the preparation of the Consolidated Financial Statements are as follows:

		<b>Country of incorporation</b>	<b>Interest as at 31.03.2017</b>	<b>Interest as at 31.03.2016</b>	<b>Interest as at 01.04.2015</b>
<b>A. Subsidiary Companies</b>					
a.	IL&FS Wind Projects Development Limited (formerly IL&FS Hydro Energy Limited)	India	100%	100%	100%
b.	IL&FS Renewable Energy Limited (IREL)	India	100%	100%	100%
c.	Nana Layja Power Company Limited (NLPCL)	India	100%	100%	100%
d.	Lalpur Wind Energy Private Limited (LWEPL) (see note ii below)	India	-	-	100%
e.	Khandke Wind Energy Private Limited (KWEPL) (see note ii below)	India	-	-	100%
f.	Wind Urja India Private Limited (WUIPL) (see note ii below)	India	-	-	100%
g.	Mota Layja Gas Power Company Limited (MLGPCL)	India	100%	100%	100%
h.	IL&FS Wind Energy Limited (formerly Mandavi LNG Terminal Limited)	India	100%	100%	100%
i.	IL&FS Tamilnadu Power Company Limited (ITPCL) (see note i below)	India	91.38%	91.38%	63.87%
j.	Malwa Solar Power Generation Limited (MSPGL)	India	100%	-	-
k.	Maritime International Offshore PTE Limited (MIOPL)	Singapore	100%	100%	100%
l.	Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)	India	100%	-	-
<b>B. Step down subsidiaries</b>					
<b>I. Subsidiary Companies of IREL</b>					
a.	IL&FS Solar Power Limited (ISPL)	India	100%	100%	100%



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	<b>Country of incorporation</b>	<b>Interest as at 31.03.2017</b>	<b>Interest as at 31.03.2016</b>	<b>Interest as at 01.04.2015</b>
b. Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)	India	-	100%	100%
c. Patiala Bio Power Company Limited (PBPCL)	India	100%	100%	100%
d. Sipla Wind Energy Limited (SWEL) (Formerly Nakhatrana Biomass Energy Limited)	India	100%	100%	100%
e. Ratedi Wind Power Private Limited (RWPL)(Formerly IL&FS Wind Power Limited) (see note ii below)	India	-	-	100%
f. Shendra Green Energy Limited (SGEL) (Formerly GAPS Power & Infrastructure Private Limited)	India	100%	100%	100%
g. Tadas Wind Energy Private Limited (TWEPL) (see note ii below)	India	-	-	100%
h. Rohtas Bio Energy Limited (RBEL)	India	100%	100%	100%
i. IL&FS Wind Farms Limited (IWFL)	India	100%	100%	100%
j. IL&FS Wind Power Services Private Limited (IWPSPL)	India	100%	100%	100%
k. East Delhi Waste Processing Company Private Limited (EDWPCPL) (see note iii below)	India	-	100%	100%
l. Kaze Energy Limited (KWEL) (formerly Vaspeth Wind Energy Limited)	India	100%	100%	100%
m. Cuddalore Solar Power Private Limited (CSPL)	India	100%	100%	100%
n. Jogihali Wind Energy Private Limited (JWEPL)	India	100%	100%	-
o. Mahidad Wind Energy Private Limited (MWEPL)	India	100%	100%	-
<b>II Subsidiaries of ITPCL (effective shareholding)</b>				
a. IL&FS Maritime Offshore Pte Limited (IMOPL)	Singapore	91.38%	91.38%	63.87%
b. IL&FS Offshore Natural Resources Pte. Limited (IONRPL)	Singapore	91.38%	91.38%	63.87%
c. Goodearth Shipbuilding Private Limited (GSPL)	India	-	91.38%	63.87%



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

		<b>Country of incorporation</b>	<b>Interest as at 31.03.2017</b>	<b>Interest as at 31.03.2016</b>	<b>Interest as at 01.04.2015</b>
d.	PT Bangun Asia Persada (PBAP)	Indonesia	91.38%	91.38%	63.87%
e.	PT Mantimin Coal Mining (PMCM)	Indonesia	86.81%	86.81%	60.68%
f.	Se7factor Corporation (SFC)	Seychelles	91.38%	91.38%	63.87%

**III Subsidiary entities of IWEL**

a.	Lalpur Wind Energy Private Limited (LWEPL)	India	51%	51%	-
b.	Khandke Wind Energy Private Limited (KWEPL)	India	51%	51%	-
c.	Ratedi Wind Power Private Limited (RWPL)(Formerly IL&FS Wind Power Limited)	India	51%	51%	-
d.	Tadas Wind Energy Private Limited (TWEPL)	India	51%	51%	-
e.	Wind Urja India Private Limited (WUIPL)	India	51%	51%	-

**Notes:**

- i. During the year ended 31 March, 2016 the Group has further acquired 5,37,26,959 equity shares of ITPCL taking its shareholding to 91.38% from 63.87%.
- ii. During the year ended 31 March, 2016 the Group has divested its stake of 49% in 5 Wind SPVs (LWEPL, KWEPL, WUIPL, TWEPL, RWEPL).
- iii. During the year ended 31 March, 2017 the Group has divested 100% of its holding in East Delhi Waste Processing Company Limited.

**3.5 Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred and the equity interests issued by the Group in exchange of control of the acquired entity. Acquisition-related costs are generally recognised in profit or loss as incurred.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.



Business combinations arising from transfers of interest in entities that are under the common control are accounted at historical costs. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

### **3.6 Goodwill**

Goodwill arising on acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group's of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described in Note 3.7

### **3.7 Investment in joint ventures and associates**

Joint Ventures are entities over which the Group has joint control but not full control. Associates are entities over which the Group has significant influence but not control. Investments in joint venture and associates are accounted for using the equity method of accounting. The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss of the investee after the acquisition date. The Group's investment in joint venture and associates includes goodwill identified on acquisition.

### **3.8 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable.

#### **Rendering of services**

Revenue from a contract to provide consultancy services is recognised by reference to specified project progress milestones as defined in the Project Contract Mandates. Foreseeable losses on such contracts are recognised when probable.

#### **Sale of Electricity**

- Revenue from sale of power on generation of electricity is accounted when energy is delivered at the metering point in terms of the Power Purchase Agreements / Tariff rates approved by Central / State Electricity Regulatory Commissions as modified by the orders of Appellate Tribunal of Electricity to the extant applicable. In case of power stations where that tariff rates are yet to be approved, provisional rates are adopted.
- Income from sale of Certified Emission Reductions (CER) is recognised upon execution of a firm sale contract for the eligible credits.



- In certain cases the Group has entered into Power Purchase agreements (PPAs) with power distribution companies, whereby it has agreed to charge Feed-in Tariff (FIT) or Average Power Purchase Cost Tariff (APPC Tariff). The Group is entitled for one Renewable Energy Certificate (REC) for one Mega Watt Hour (MWH) of power generated by wind turbines and fed into the grid where it has agreed to charge APPC tariff.
- Renewable Energy Certificates and carbon credits are carried as inventories at cost or net realisable value (NRV), whichever is less and revenue from RECs and carbon credits is recognised at the time of sale of REC and carbon credit.
- Income from Generation Based Incentive (GBI) is recognised when energy is delivered at the metering point in terms of Power Purchase Agreements and there is reasonable assurance that the Company will comply with the conditions stated in GBI guidelines issued by India Renewable Energy Development Agency Limited.

#### **Sale of Goods**

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Other income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### **3.9 Property, Plant and Equipment (PPE)**

Property, plant and equipment (PPE) are carried at cost less accumulated depreciation and impairment losses, if any.

The cost of Property, plant and equipment (PPE) comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.



Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.

The Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April, 2015 measured as per the previous GAAP as its deemed cost on the date of transition to Ind AS.

### **Capital work-in-progress**

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost less any recognised impairment loss, cost comprises direct cost, related incidental expenses and borrowing cost. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

### **Depreciation**

Depreciation is recognised for Property, Plant and Equipment (PPE) so as to write-off the cost less residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis taking into account commercial and technological obsolescence as well as normal wear and tear.

Depreciation on PPE has been provided on the straight- line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 as under:

<b>Asset Type</b>	<b>Useful Life</b>
Building and Civil Structures	30 - 60 years
Roads (non – carpeted) and drains	3 years
Plant & Machinery	
-Thermal Power Generation Plant	40 years
-Transmission Lines	40 years
-Hydraulic Works, Pipelines & Sluices	15 years
Furniture and Fixtures	10 years
Railway Siding and Track Hopper	30 years
Office equipment	5 years
Computers	3 - 4 years

Useful life of PPE which is estimated based on internal assessment taking into account the nature of assets estimated usage of assets the operating condition of the assets, anticipated technological changes, etc. are as under:

Vehicles – Car used by employees	4 – 5 years
Assets provided to employees	3 Years
Temporary Structure at Project Site	From the date of completion till the estimated date of commencement of commercial operations
Assets costing less than Rs. 5000 and mobile phones, I pads, Tablets	Written off in the year of purchase
Expenditure on improvement to leasehold property	Over lease period

Freehold land is not depreciated.



Depreciation on fixed asset comprising renewable energy assets (Wind and Solar) is provided on a Straight Line Method (SLM) based on useful life and residual value as notified in Central Electricity Regulatory Commission (Terms and Conditions for Tariff determinations from Renewable Energy Sources) Regulations, 2012.

#### **Derecognition of PPE**

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

### **3.10 Intangible assets**

#### **Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Computer software licenses are amortised on a straight-line method over the license period or 4 years whichever is less. The estimated useful life and amortization period is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis.

The Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April, 2015 measured as per the previous GAAP as its deemed cost on the date of transition to Ind AS.

#### **Derecognition of Intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in Statement of profit and loss when the asset is derecognised.

### **3.11 Government grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of profit and loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance sheet and transferred to Statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

### **3.12 Foreign currencies**

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary that are measured in terms of historical cost in a foreign currency are not retranslated.



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

- i. exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- ii. exchange differences on transactions entered into in order to hedge certain foreign currency risks (see note 3.22 below for hedging accounting policies); and
- iii. exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group the Company's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

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

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

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

### **3.13 Borrowing Costs**

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

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

All other borrowing costs are recognised in Statement of profit and loss in the period in which they are incurred.



### **3.14 Employee benefits**

Employee benefits include provident fund, superannuation fund, and gratuity and compensated absences.

#### **Defined contribution plan**

Employee benefit under defined contribution plan comprising of provident fund and superannuation fund is recognised based on the amount of obligation of the Company to contribute to the plan. The provident fund contribution is paid to provident fund authorities and superannuation fund contribution is paid to designated fund manager. These amounts are expensed during the year.

#### **Defined benefit plan**

The Group's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in Statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

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

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

The Group provides for gratuity, a defined benefit retirement plan ("The Gratuity plan") covering eligible employees of the Group to meet its obligation towards gratuity. The Group contributes all ascertained liabilities to a gratuity fund Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary.

The gratuity benefit obligation recognised in the consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.



### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a. In case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b. In case of non-accumulating compensated absences, when the absences occur.

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the obligation as at the Balance Sheet date.

## **3.15 Taxation**

### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax is determined on the basis of taxable income and tax credits computed for each entities in the Group, in accordance with the applicable tax rates and the provisions of applicable tax laws applicable to each subsidiary in the respective jurisdiction in which it operates.

Advance taxes and provisions for current income taxes are presented in the Balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

### **Deferred tax**

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

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

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



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

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

#### **Current and deferred tax for the year**

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

#### **3.16 Inventories**

Inventory other than by products comprising of raw material, Renewable Energy Certificates (RECs) are valued at the lower of cost on weighted average basis and the net realisable value as certified by the Management after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point, including octroi and other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The stores and spares parts, consumables supplies are valued at first in first out (FIFO) basis. Inventories of by products are valued at net realisable value.

#### **3.17 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

#### **Onerous contracts**

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

#### **3.18 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss



(FVTPL) are recognised immediately in the statement of profit and loss.

### **3.19 Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost using the effective interest method if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income (OCI) if these financial assets are held within a business whose objective is achieved by both selling financial assets and collecting contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Group makes an irrevocable election on an instrument-by-instrument basis to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments, other than equity investment which are held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "Reserve for equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. So far the Group has not elected to present subsequent changes in fair value of any investment in OCI.

#### **Financial assets at fair value through profit or loss ('FVTPL')**

Investment in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investment in equity instruments which are not held for trading.

Other financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

#### **Impairment of financial assets (other than at fair value)**

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Group measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realised upto one year from the date of the invoice, loss for the time value of money is not recognised, since the same is not considered to be material.



### **Derecognition of financial assets**

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in profit or loss if such gain or loss.

### **Foreign Exchange Gain and Losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

Changes in the carrying amount of investments in equity instruments at FVOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

## **3.20 Financial liabilities and equity instruments**

### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instruments**

An equity instrument is any contract that evidence a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **Compound financial instruments**

The components of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by issue of fixed number of the Group's own equity instruments in exchange of a fixed amount of cash or another financial asset, is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.



### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **3.21 Derivative financial instruments**

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price risk and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps, cross currency swaps, commodity forward contracts, commodity put options, commodity call options, etc. Further details of derivative financial instruments are disclosed in note 38.4.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### **Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

## **3.22 Hedge accounting**

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non- derivatives in respect of foreign currency risk, interest rate risk, commodity price risk as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Details of the fair values of the derivative instruments used for hedging purposes are provided in notes.



### **Cash flow hedges**

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve except where capitalised. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'Other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

### **3.23 Leases**

Assets leased by the Group in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

### **3.24 Segment reporting**

An operating segment is a component of an entity whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resource allocation and assess its performance. The Company has identified the chief operating decision maker as its Director in Charge.

### **3.25 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the parent company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the parent as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



### 3.26 First-time adoption optional exemptions

#### Overall principle

The Group has prepared the opening balance sheet as per Ind AS as of 1 April, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

#### Derecognition of financial assets and financial liabilities

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2015 (the transition date).

#### Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

#### Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVOCI criteria based on the facts and circumstances that existed as of the transition date.

#### Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### Past business combinations

The Group has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April, 2015.

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

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

#### Determining whether an arrangement contains a lease

The Group has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

#### Cumulative translation differences on foreign operations

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.



#### 4 Critical accounting judgements and key sources of estimation uncertainty

##### 4.1 Critical accounting judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below) that the Management have made in the process of applying the Group's accounting policies and that have most significant effect on the amounts recognised in the consolidated financial statements.

##### **Control over five step down subsidiaries i.e (LWEPL, KWEPL, WUIPL, RWPL, TWEPL):**

As stated at note 3.4 the Group has a stake of 51% in these subsidiaries and remaining 49% stake is held by Orix Corporation, Japan.

The Management of the Company assessed whether the Group has control or joint control over these step down subsidiaries based on whether the Group has practical ability to direct their relevant activities unilaterally. In making their judgement, the management considered whether the rights of other shareholders are substantive or protective rights.

After assessment, the management concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of Wind SPVs and rights of other shareholder are protective rights, therefore the Group has control over these subsidiaries.

##### 4.2 Use of estimates

The preparation of the CFS in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and current and / or future periods are affected.

##### 4.3 Key Source of estimation uncertainty

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, provisions and contingent liabilities.

The areas involving critical estimates are:

##### **Impairment of investments**

The Group reviews carrying value of its investments annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in statement of profit or loss (see note 8).

##### **Impairment of Goodwill**

Goodwill is tested for impairment annually. For this purpose the Goodwill is allocated to the specific cash generating unit and is measured against the recoverable amount of the cash generating unit. In determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. Any adverse impact in recoverable amount may have an impact on the value of Goodwill. The value in use calculation requires the management to estimate the future cash flow expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value (see Note 6).



### **Useful lives and residual values of property, plant and equipment**

Useful life and residual value of property, plant and equipment are based on management's estimate of the expected life and residual value of those assets. These estimates are reviewed at the end of each reporting period. Any reassessment of these may result in change in depreciation expense for future years (see note 3.9).

### **Impairment of Property Plant and Equipment**

The recoverable amount of the assets has been determined on the basis of their value in use. For estimating the value in use it is necessary to project the future cash flow of assets over its estimated useful life. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in statement of profit or loss.

### **Valuation of Deferred tax assets**

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Any change in the estimates of future taxable income may impact the recoverability of deferred tax assets (see note 3.15 and 25).

### **Decommissioning provisions**

Decommissioning provisions are uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. Therefore significant estimates and assumptions are made in determining the provision for decommissioning (see note 21).

### **Provisions and contingencies**

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised but disclosed in the consolidated financial statements wherever applicable.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 5**

**Property, plant and equipment**

i Carrying amount	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Freehold land	3,692.30	3,601.75	3,146.07			
Buildings	6,647.78	3,896.23	161.90			
Roads and Drainage	196.17	224.59	-			
Plant and equipment	85,114.65	43,857.68	35,304.55			
- Thermal power generation plant	44,728.52	38,331.65				
- Wind energy converters (WECs)	2,423.88	2,480.59	407.58			
- Transmission Lines	3,405.70	3,587.34	7.99			
- Other plant and equipment	36.62	42.48	12.59			
Furniture and fixtures	6.60	10.13				
Vehicles	1,885.19	1,948.87	8.21			
Railway Siding and Track Hopper	8.97	10.88				
Office equipment	13.15	10.86	7.40			
Computers	2,729.93	1,773.51				
Hydraulics works, pipelines and sluices	150,889.46	99,776.56	39,056.29			
Capital work-in-progress	20,079.24	61,657.40	91,347.26			
	<b>170,968.70</b>	<b>161,433.96</b>	<b>130,403.55</b>			

Freehold land (see note 'ii' below)	Buildings		Roads and Drainage		Plant and equipment		Furniture and fixtures		Vehicles		Railway Siding and Track Hopper		Office equipment		Computers		Hydraulics works, pipelines and sluices		Total
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	

**ii Cost**

As at 1 April, 2015 (at deemed cost)	3,146.07	161.90																		
Add: Additions	455.68	3,779.97	247.92																	
Add: Effect of foreign currency exchange difference	-	(2.79)																		
Less: Disposals / Adjustments	-	2.79																		
As at 31 March, 2016	3,601.75	3,936.29	247.92																	
Add: Additions	90.55	2,840.61	23.60																	
Add: Effect of foreign currency exchange difference	-	(1.89)																		
Less: Disposals	-	-																		
As at 31 March, 2017	3,692.30	6,775.01	271.52																	

**iii Accumulated depreciation**

As at 1 April, 2015																				
Add: Depreciation for the year		38.66	23.33																	
Add: Effect of foreign currency exchange difference		1.40																		
Less: Deductions / Adjustments																				
As at 31 March, 2016		40.06	23.33																	
Add: Depreciation for the year		87.39	52.02																	
Add: Effect of foreign currency exchange difference		(0.22)																		
Add: Impairment		-	-																	
Less: Deductions / Adjustments																				
As at 31 March, 2017		127.23	75.35																	

**Notes:**

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



The above assets have been hypothecated on a project-by-project basis to secure borrowings of the Group.

The Group has entered into agreement (purchase order) with engineering, procurement and construction contract (EPC contractor) to carry out all the activities up to installation of WECs which includes providing the land on which the WEC will be installed. As per the agreement (purchase order) no-separate consideration for land is paid / payable by the group. Pursuant to these agreements (purchase order), the Group has received ownership of freehold land aggregating to 230.41 acres (as at 31 March, 2016: 226.64 acres; as at April, 2015: 108.62 acres) at 204 locations (as at 31 March, 2016: 186 locations; as at 1 April, 2015: 86 locations). As no separate sale consideration is paid / payable by the Group to the landowners / EPC contractors for the land the same has been capitalised at Re. 1 per location.

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017**

**NOTE 6**

**Goodwill**

	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rs. Million	Rs. Million	Rs. Million
<b>Deemed Cost</b>			
Balance at the beginning of the Year	6,815.76	6,565.48	6,565.48
Additional amounts recognised from business combination occurring during the year (Refer Note ii below)	-	250.28	-
Reversal during the year on disposal of subsidiary	(5.24)	-	-
	<b>6,810.52</b>	<b>6,815.76</b>	<b>6,565.48</b>

- i) The Group tests goodwill annually for impairment. Goodwill relates to subsidiaries which are identified as individual Cash Generating Units. The entire goodwill pertains to power business, which is a reportable segment. Goodwill of the group includes Rs. 6,410 million as at 31 March, 2017 (as at 31 March, 2016: Rs. 6,410 million, as at 1 April, 2015: Rs. 6,410 million) on account of Investment in IL&FS Tamilnadu Power Company Limited (ITPCL). The Group estimated the value in use in ITPCL which uses cash flow projections based on financial budgets for 25 years and discount rate in the range of 11.3% to 12.4% per annum for the respective phases of the project as at 31 March, 2017 assuming successive refinancing with low cost debt.

The key assumptions used in the value in use calculations for the power cash - generating units are as follows:

**Power Tariff**

ITPCL has a secured power purchase agreement (PPA) for 15 years for 540 MW (net capacity). The PPA Guarantee steady cash flow to the company through fixed tariff. PPA for balance capacity is assumed to be based on current market scenario wherein the company has to bid for fixed tariff and variable tariff is based on fuel cost as a pass through item under the imported coal procurement policy.

**O&M Cost inflation**

O&M Cost for the project period has been extrapolated by using a steady 4% per annum growth rate which is as per contracted obligations.

**Refinancing of Term Loan**

Discount rate has been calculated based on revised cost of the debt assuming successive refinancing old debt with low cost debt.

- ii) The Board of Directors of the IL&FS Tamilnadu Power Company Limited (ITPCL), a subsidiary of the group at their meeting held on 22 April, 2013, approved a scheme of merger of its wholly owned subsidiary M/s Goodearth Shipbuilding Private Limited, (the "Transferor Company") with ITPCL (the "Transferee Company"), pursuant to sections 391 to 394 of the Companies Act, 1956 ("Scheme") with the "Appointed Date" as 1 April, 2013. This scheme was sanctioned by the Honorable High Court of Judicature at Madras vide their order dated 10 June, 2015 which was received on 30 June, 2015 and filed with the Registrar of Companies, Tamilnadu, Chennai on 29 July, 2015 (the Effective Date). Consequent to the sanction of the above scheme by the Court, ITPCL has accounted for the amalgamation, with effect from the Appointed Date viz., 1 April, 2013, in accordance with provisions of the previous GAAP and has availed the exemption under Ind AS 101 for not applying Ind AS 103 to past business combinations that occurred before the date of transition to Ind AS.

**In accordance with the Scheme:**

- a. The amalgamation has been accounted under the purchase method and the assets and liabilities transferred have been recorded at their fair value as on the appointed date appearing in the books of the Transferor Company.
- b. The difference between the value of the investments in the books of the Company and the value of the assets and liabilities of the Transferor company, amounting to Rs. 250.28 million has been recognised as Goodwill under the "Purchase Method" in accordance with the Scheme of Amalgamation.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 7**

**Other intangible assets**

**i Carrying amount**

	<b>As at 31-Mar-17 Rs. Million</b>	<b>As at 31-Mar-16 Rs. Million</b>	<b>As at 1-Apr-15 Rs. Million</b>
Software	102.95	7.93	10.03
Technical knowhow	2.65	6.62	8.06
Coal Mining Rights	<u>3,903.75</u>	<u>3,903.75</u>	<u>3,903.75</u>
	<b><u>4,009.35</u></b>	<b><u>3,918.30</u></b>	<b><u>3,921.84</u></b>

**ii Cost**

	<b>Software Rs. Million</b>	<b>Technical knowhow Rs. Million</b>	<b>Coal Mining Rights Rs. Million</b>	<b>Total Rs. Million</b>
<b>As at 1 April, 2015 (at deemed cost)</b>	<b>10.03</b>	<b>8.06</b>	<b>3,903.75</b>	<b>3,921.84</b>
Add: Additions	7.61	-	-	7.61
Less: Disposals	-	-	-	-
<b>As at 31 March, 2016</b>	<b><u>17.64</u></b>	<b><u>8.06</u></b>	<b><u>3,903.75</u></b>	<b><u>3,929.45</u></b>
Add: Additions	118.86	-	-	118.86
Less: Disposals	-	-	-	-
<b>As at 31 March, 2017</b>	<b><u>136.50</u></b>	<b><u>8.06</u></b>	<b><u>3,903.75</u></b>	<b><u>4,048.31</u></b>
<b>Accumulated amortisation</b>				
<b>As at 1 April, 2015</b>	-	-	-	-
Add: Additions	9.71	1.44	-	11.15
Less: Deductions / Adjustments	-	-	-	-
<b>As at 31 March, 2016</b>	<b><u>9.71</u></b>	<b><u>1.44</u></b>	<b><u>-</u></b>	<b><u>11.15</u></b>
Add: Additions	23.84	3.97	-	27.81
Less: Deductions / Adjustments	-	-	-	-
<b>As at 31 March, 2017</b>	<b><u>33.55</u></b>	<b><u>5.41</u></b>	<b><u>-</u></b>	<b><u>38.96</u></b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 (Units)	As at 31.03.2017 Rs. Million	As at 31.03.2016 (Units)	As at 31.03.2016 Rs. Million	As at 01.04.2015 (Units)	As at 01.04.2015 Rs. Million
<b>NOTE 8</b>						
<b>Investments</b>						
<b>Investments - Non-current (Unquoted), all fully paid up</b>						
(a) Investments accounted for using the equity method		7,894.92		6,834.75		6,273.95
(b) Investments carried at fair value through profit or loss		2,056.86		2,266.31		2,267.11
(c) Investments carried at amortised cost		311.40		276.29		245.92
<b>Total investments before impairment</b>		<b>10,263.18</b>		<b>9,377.35</b>		<b>8,786.98</b>
Less: Impairment in the value of investments carried in (a) above		(57.21)		(57.21)		(57.21)
<b>Total investments (net)</b>		<b>10,205.97</b>		<b>9,320.14</b>		<b>8,729.77</b>
<b>(a) Investments in equity instruments (accounted for using the equity method)</b>						
<b>I. of associates companies (see note i)</b>						
A. Urjankur Shree Datta Power Company Limited	22,520,000	444.96	22,520,000	336.03	22,520,000	264.58
B. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	28,100,000	333.42	28,100,000	281.07	28,100,000	249.72
<b>II. of joint venture companies (see note ii)</b>						
A. ONGC Tripura Power Company Limited	291,200,000	6,128.91	291,200,000	5,768.84	267,490,002	5,569.31
B. Assam Power Project Development Company Limited	25,000	2.77	25,000	3.06	25,000	1.92
C. Cross Border Power Transmission Company Limited	18,433,615	265.05	15,086,000	206.88	7,220,000	73.81
D. Bihar Power Infrastructure Company Private Limited (see note v)	25,000	113.18	25,000	113.78	25,000	114.61
E. Saurya Urja Company of Rajasthan Limited	60,988,091	606.63	13,000,000	125.09	-	-
<b>Total (a)</b>		<b>7,894.92</b>		<b>6,834.75</b>		<b>6,273.95</b>
<b>(b) Investments carried at fair value through profit or loss</b>						
<b>I. Equity instruments of other entities</b>						
A. Power Transmission Company Nepal Limited	300,000	51.00	300,000	29.00	60,000	8.65
B. Saraswat Bank and Shamrao Vithal Bank	7,750	0.08	5,000	0.05	2,500	0.03
C. Shalivahana Green Energy Limited	20,244,480	319.44	20,244,480	324.70	20,244,480	329.70
D. KVK Nilachal Power Private Limited (see note iv)	5,180,000	758.00	5,180,000	983.00	5,180,000	995.00
E. SV Power Private Limited	17,778,864	450.00	17,778,864	451.00	17,778,864	455.00
<b>II. Units of trust</b>						
Urjankur Nidhi Trust	55,900	478.34	55,900	478.56	55,900	478.73
<b>Total (b)</b>		<b>2,056.86</b>		<b>2,266.31</b>		<b>2,267.11</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 (Units)	As at 31.03.2017 Rs. Million	As at 31.03.2016 (Units)	As at 31.03.2016 Rs. Million	As at 01.04.2015 (Units)	As at 01.04.2015 Rs. Million
<b>NOTE 8 continued</b>						
<b>(c) Investments carried at amortised cost</b>						
<b>I. Debentures, bonds and other</b>						
A. 7.5% Non Convertible Debentures (NCDs) of Infrastructure Leasing & Financial Services Limited	68,540	57.07	68,540	55.14	68,540	53.60
B. Government Securities (National Savings Certificates)		0.12		0.12		0.12
C. Punjab Biomass Power Limited (see note iii)	33,397,818	254.21	33,397,818	221.03	33,397,818	192.20
<b>Total (c)</b>		<b>311.40</b>		<b>276.29</b>		<b>245.92</b>
<b>Total [(a)+(b)+(c)]</b>		<b>10,263.18</b>		<b>9,377.35</b>		<b>8,786.98</b>
Aggregate amount of impairment in the value of investments (see note v)		(57.21)		(57.21)		(57.21)
<b>Total Investments (net)</b>		<b>10,205.97</b>		<b>9,320.14</b>		<b>8,729.77</b>
Aggregate carrying value of unquoted investments		10,205.97		9,320.14		8,729.77

**Notes:**

- i. Investment in associates includes goodwill as on 31 March, 2017: Rs. 19.58 million (As on 31 March, 2016 : Rs. 19.58 million, As on 1 April, 2015 : Rs. 19.58 million), net of capital reserve: Rs. 9.73 million (As on 31 March, 2016 : Rs. 9.73 million, As on 1 April, 2015 : Rs. 9.73 million)
- ii. Investment in joint ventures includes goodwill : Rs. 2,742.71 million (As on 31 March, 2016 : Rs. 2,742.71 million, As on 1 April, 2015 : Rs. 2,742.71 million), net of capital reserve: Rs. 0.69 million (As on 31 March, 2016 : Rs. 0.69 million, As on 1 April, 2015 : Rs. 0.69 million)
- iii. As per the terms of the loan agreement executed between Punjab Biomass Power Limited (PBPL) and United Bank of India Limited ('UBI'), the term loan lender, thirty percent of the promoters shares need to be pledged with UBI. Accordingly 22.50 million shares of PBPL (which were held by the Group) are under pledge in favour of UBI. The transfer of such shares which were held by the Group is subject to obtaining the approval from UBI. During the previous year ended 31 March, 2016, the Company has sold its investments in PBPL
- iv. The Company is in the process of transferring 3,533,500 equity shares as 31 March, 2017 (31 March, 2016 : 3,533,500 equity shares, 1 April, 2015: 3,533,500 equity shares) in its name. The Company has issued an undertaking to repledge the shares in favour of the lenders on transfer of shares in its name.
- v. The Company had recognised an impairment charge in the value of its investment in Bihar Power Infrastructure Company Private Limited (BPICPL) as the carrying amount of investment is higher than the recoverable amount. The amount of impairment charge recorded is based on the estimated recoverable value of the investment determined based on the value of the net assets of BPICPL.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017**

NOTE 8 continued

**A Details of associates**

Details of each of the Group's material associates at the end of the reporting year are as follows :

S. No.	Name of associate	Principal activity	Place of incorporation and Principal place of business	Proportion of ownership interest/ voting rights held by the Group		
				As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1.	Urjankur Shree Datta Power Company Limited	Generation of power	India	33.33%	33.33%	33.33%
2.	Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	Generation of power	India	33.33%	33.33%	33.33%

All of the above associates are accounted for using the equity method in these consolidated financial statements.

**Summarised financial information in respect of each of the Group's associates is set out below.**

The summarised financial information below represents amount shown in the associate's financial statement prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

**1. Urjankur Shree Datta Power Company Limited**

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Non-current assets	1,534.88	1,646.68	1,752.66
Current assets	616.93	638.27	575.06
Non-current liabilities	(524.07)	(718.77)	(905.45)
Current liabilities	(294.49)	(559.74)	(630.18)
	<b>1,333.25</b>	<b>1,006.44</b>	<b>792.09</b>

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
	Rs. Million	Rs. Million
Revenue	993.38	908.10
Profit for the year	326.71	214.30
Other comprehensive income for the year	0.10	0.05
Total comprehensive income for the year	326.81	214.35

Reconciliation of the above summarised financial information to the carrying amount of interest in Urjankur Shree Datta Power Company Limited recognised in the consolidated financial statements:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Net assets of the associate	1,333.25	1,006.44	792.09
Proportion of the Group's ownership interest	33.33%	33.33%	33.33%
<b>Carrying amount of the Group's interest</b>	<b>444.96</b>	<b>336.03</b>	<b>264.58</b>

**2. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited**

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Non-current assets	2,339.40	2,508.49	2,654.43
Current assets	515.55	623.14	617.24
Non-current liabilities	(1,265.62)	(1,531.27)	(1,707.74)
Current liabilities	(591.07)	(759.15)	(816.76)
	<b>998.26</b>	<b>841.21</b>	<b>747.17</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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NOTE 8 continued

Particulars	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Revenue	948.52	881.49
Profit for the year	156.91	94.25
Other comprehensive income / (loss) for the year	0.14	(0.21)
Total comprehensive income for the year	157.05	94.04

Reconciliation of the above summarised financial information to the carrying amount of interest in Urjankur Shree Tatyasaheb Kore Warana Power Company Limited recognised in the consolidated financial statements:

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Net assets of the associate	998.26	841.21	747.17
Proportion of the Group's ownership interest	33.33%	33.33%	33.33%
Carrying amount of the Group's interest	333.42	281.07	249.72

**B Details of material joint venture entities**

Details of each of the Group's material joint ventures at the end of the reporting year are as follows :

S. No.	Name of joint venture	Principal activity	Place of incorporation and Principal place of business	Proportion of ownership interest/ voting rights held by the Group		
				As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1.	ONGC Tripura Power Company Limited	Generation of power	India	26.00%	26.00%	49.52%
2.	Cross Border Power Transmission Company Limited	Transmission of power	India	38.00%	38.00%	38.00%
3.	Saurya Urja Company of Rajasthan Limited	Development of solar energy park	India	50.00%	50.00%	not applicable

All the above joint venture entities are accounted for using the equity method in these consolidated financial statements.

**Summarised financial information in respect of each of the Group's material joint venture entities is set out below.**

The summarised financial information below represents amount shown in the joint venture's financial statement prepared in accordance with Ind AS adjusted by the Group for equity accounting purposes.

**1. ONGC Tripura Power Company Limited**

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Non-current assets	34,237.70	35,712.81	37,266.76
Current assets	6,500.14	5,604.45	7,646.89
Non-current liabilities	(23,808.85)	(26,122.44)	(27,012.04)
Current liabilities	(3,854.19)	(3,504.91)	(12,249.59)
	<b>13,074.80</b>	<b>11,689.91</b>	<b>5,652.02</b>

The above amounts of assets and liabilities includes the following:

Cash and cash equivalents	62.54	635.20	5,095.14
Current financial liabilities (excluding trade payables and provisions)	(3,420.30)	(3,236.10)	(7,146.70)
Non-current financial liabilities (excluding trade payables and provisions)	(23,803.87)	(26,061.40)	(26,944.80)

Particulars	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Revenue	12,978.90	10,887.28
Profit for the year	1,385.38	244.45
Other comprehensive income / (loss) for the year	(0.48)	0.93
Total comprehensive income for the year	1,384.90	245.38

The above profit for the year Include the following:

Depreciation and amortisation	1,913.40	2,014.60
Interest income	217.75	212.85
Interest expense	2,464.77	2,783.62
Income-tax expense / (income)	287.16	(2.56)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017**

NOTE 8 continued

Reconciliation of the above summarised financial information to the carrying amount of interest in ONGC Tripura Power Company Limited recognised in the consolidated financial statements:

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Net assets of the joint venture	13,074.80	11,689.91	5,652.02
Proportion of the Group's ownership interest	26.00%	26.00%	49.52%
Proportion of the Group's ownership interest in net assets	3,399.45	3,039.38	2,799.11
Consolidation adjustments	44.19	44.19	84.93
Goodwill	2,685.27	2,685.27	2,685.27
<b>Carrying amount of the Group's interest</b>	<b>6,128.91</b>	<b>5,768.84</b>	<b>5,569.31</b>

**2. Cross Border Power Transmission Company Limited**

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Non-current assets	2,100.03	2,216.54	1,519.37
Current assets	778.66	507.74	96.44
Non-current liabilities	(1,783.77)	(1,516.56)	(1,072.23)
Current liabilities	(357.29)	(623.18)	(309.14)
	<b>737.63</b>	<b>584.54</b>	<b>234.44</b>

The above amounts of assets and liabilities include the following :

Cash and cash equivalents	226.05	21.30	44.50
Current financial liabilities (excluding trade payables and provisions)	184.40	87.68	21.77
Non-current financial liabilities (excluding trade payables and provisions)	1,727.42	1,467.96	1,060.00

Particulars	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Revenue	412.48	1,160.89
Profit for the year	176.49	143.17
Dividend received	35.19	-
The above profit for the year include the following:		
Depreciation and amortisation	0.22	0.16
Interest income	356.44	198.38
Interest expense	183.52	150.01
Income-tax expense	-	36.67

Reconciliation of the above summarised financial information to the carrying amount of interest in Cross Border Power Transmission Company Limited recognised in the Consolidated Ind AS Financial Statements:

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
Net assets of the joint venture	737.63	584.54	234.44
Proportion of the Group's ownership interest	38.00%	38.00%	38.00%
Proportion of the Group's ownership interest in net assets	280.30	222.13	89.09
Consolidation adjustments	(14.56)	(14.56)	(14.59)
Capital reserve	(0.69)	(0.69)	(0.69)
<b>Carrying amount of the Group's interest</b>	<b>265.05</b>	<b>206.88</b>	<b>73.81</b>

**3. Saurya Urja Company of Rajasthan Limited**

Particulars	As at	As at
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Non-current assets	1,350.76	883.52
Current assets	733.31	107.75
Non-current liabilities	(502.90)	(102.63)
Current liabilities	(367.90)	(638.45)
	<b>1,213.27</b>	<b>250.19</b>

The above amounts of assets and liabilities include the following :

Cash and cash equivalents	92.79	53.22
Current financial liabilities (excluding trade payables and provisions)	221.91	17.84

Since this joint venture company was incorporated during the year 2015-16, no information is presented as at 1 April, 2015.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2017**

NOTE 8 continued

Particulars	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Revenue	24.66	1.11
Profit /(Loss) for the year	3.26	(9.82)
The above profit / (loss) for the year include the following:		
Depreciation and amortisation	0.97	0.21
Interest Income	24.56	1.11
Interest expense	-	0.00
Income-tax expense	1.62	0.34

Reconciliation of the above summarised financial information to the carrying amount of interest in Saurya Urja Company of Rajasthan Limited recognised in the consolidated financial statements:

Particulars	As at	As at
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
Net assets of the joint venture	1,213.27	250.19
Proportion of the Group's ownership interest	50.00%	50.00%
<b>Carrying amount of the Group's interest</b>	<b>606.63</b>	<b>125.09</b>

**C Aggregate information of joint ventures that are not individually material**

S. No.	Name of joint venture	Principal activity	Place of incorporation and Principal place of business	Proportion of ownership interest/ voting rights held by the Group		
				As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1.	Assam Power Project Development Company Limited	Consultancy services	India	50.00%	50.00%	50.00%
2.	Bihar Power Infrastructure Company Private Limited	Consultancy services	India	50.00%	50.00%	50.00%

All the above joint venture entities are accounted for using the equity method in these consolidated financial statements.

**Aggregate summarised financial information of joint ventures that are not individually material.**

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
	Rs. Million	Rs. Million	Rs. Million
The Group's share of profit / (loss) of total comprehensive income / (loss) for the year	(0.89)	0.30	
Aggregate carrying amount of the Group's interests in these Jointly controlled entities	115.95	116.84	116.53
Impairment of Goodwill / Investments	(57.21)	(57.21)	(57.21)
<b>Carrying amount of the Group's interest in these Joint Ventures.</b>	<b>58.74</b>	<b>59.63</b>	<b>59.32</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 9</b>			
<b>Inventories</b>			
<b>Valued at lower of cost or net realisable value</b>			
(a) Raw materials	1,014.22	1,568.65	32.71
(b) Goods in transit	999.14	473.91	-
(c) Certified Emission Reduction (CERs) and Renewable Energy Certificates (RECs)	9.88	6.12	2.40
(d) Stores, spare parts and others	288.93	64.24	1.87
	<u>2,312.17</u>	<u>2,112.92</u>	<u>36.98</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 12,606.72 million (previous year Rs. 4,181.30 million).

**NOTE 10**

**Trade receivables**  
**Unsecured**

a) Non-current	894.41	-	-
b) Current			
(i) Considered good	11,848.71	6,488.84	1,236.87
(ii) Considered doubtful	20.18	6.48	4.89
	<u>11,868.89</u>	<u>6,495.32</u>	<u>1,241.76</u>
Less: Impairment for doubtful debts (including expected credit loss allowance)	(111.27)	(97.57)	(64.20)
	<u>11,757.62</u>	<u>6,397.75</u>	<u>1,177.56</u>

**Notes:**

Trade receivables are immediately due except in specific cases where period is contractually allowed. Interest is charged on trade receivables as per contractual terms, if any.

**Impairment for doubtful debts (including expected credit loss allowance)**

The Group closely monitors the credit quality of its trade receivables. Accordingly, there is no significant credit risk pertaining to the receivable except in certain cases where the Group has made allowance for the expected credit loss considering the estimated recoverability time frame for the receivables.

**Movement in impairment for doubtful debts (including expected credit loss allowance)**

Opening balance	97.57	64.20
Change during the year	13.70	33.37
Closing balance	<u>111.27</u>	<u>97.57</u>

The above allowance includes the provision for doubtful debts of Rs. 20.18 million at 31 March, 2017 (Rs. 6.48 million as at 31 March, 2016 and Rs. 4.89 million as at 1 April, 2015) created against specific receivables that are doubtful.

**Age of receivables**

Within the credit period	908.54	221.44	500.08
1-30 days past due	6,414.08	2,877.56	145.66
31-90 days past due	3,741.80	2,233.76	113.26
91-180 days past due	638.64	544.26	411.60
More than 180 days past due	948.97	520.73	6.96
	<u>12,652.03</u>	<u>6,397.75</u>	<u>1,177.56</u>

The concentration of credit risk is very limited due to the fact that the large customers are mainly government entities, further there are no customers who represent more than 5% of the total balance of trade receivables other than mentioned below.

Customer 1	5,839.52	4,442.31	-
Customer 2	743.43	-	-
Customer 3	1,496.60	-	-
Customer 4	1,785.98	-	-



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 11a</b>			
<b>Cash and cash equivalents</b>			
(a) Cash on hand	0.07	0.11	0.12
(b) Cheques on hand	-	0.73	0.20
(c) Balance with banks			
- in current accounts	1,797.98	1,144.82	1,168.36
- in deposits accounts	-	-	358.15
	<u><b>1,798.05</b></u>	<u><b>1,145.66</b></u>	<u><b>1,526.83</b></u>
Cash and cash equivalents as per statement of cash flow	<b>1,798.05</b>	<b>1,145.66</b>	<b>1,526.83</b>
<b>NOTE 11b</b>			
<b>Other bank balances</b>			
(a) In deposits accounts held as margin money with banks	1,757.50	2,494.43	2,276.16
(b) In escrow account with security agent of long term lenders	4,079.91	482.53	655.46
(c) Unpaid dividend account	146.54	-	-
	<u><b>5,983.95</b></u>	<u><b>2,976.96</b></u>	<u><b>2,931.62</b></u>
<b>Note:</b>	Further see note 42 for information about non cash transactions.		
<b>NOTE 12</b>			
<b>Loans</b>			
<b>I. Non-current (Unsecured and considered good)</b>			
(a) Loans to related parties	478.09	218.59	266.17
(b) Loans to others	433.50	1,446.08	357.34
(c) Loans to employees	-	-	0.12
	<u><b>911.59</b></u>	<u><b>1,664.67</b></u>	<u><b>623.63</b></u>
<b>II. Current (Unsecured, considered good)</b>			
(a) Loans to related parties	2,231.61	3,358.23	1,480.31
(b) Loans to others	1,215.30	0.14	1,065.24
(c) Loans to employees	1.04	1.08	0.35
	<u><b>3,447.95</b></u>	<u><b>3,359.45</b></u>	<u><b>2,545.90</b></u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 13</b>			
<b>Other financial assets</b>			
<b>I Non-current</b>			
(a) Interest accrued on:			
i. loans and investments	136.67	118.28	123.16
ii. deposits	21.05	3.91	-
iii. advances to others	47.45	395.37	502.22
(b) Grant receivable (see note 36)	210.11	264.88	-
(c) Fixed deposits under lien (maturity more than twelve months)	2,201.94	6,108.43	7,537.55
(d) Advance towards investments			
i. to related parties	-	-	237.11
ii. others	-	-	4.37
(e) Others	-	-	2.40
	<u>2,617.22</u>	<u>6,890.87</u>	<u>8,406.81</u>
<b>II Current</b>			
(a) Unbilled revenue	4,355.18	2,559.98	399.22
Less: Allowance for unbilled revenue (see note below)	(37.95)	(25.30)	-
	<u>4,317.23</u>	<u>2,534.68</u>	<u>399.22</u>
(b) Interest accrued on:			
i. on deposits	344.93	1,004.81	253.16
ii. on advances to related parties	279.09	273.14	162.40
iii. on advances to other parties	474.43	151.33	187.53
(c) Advance to suppliers	-	-	6.22
(d) Grant receivable	96.20	96.20	-
(e) Dividend receivable	35.23	-	-
(f) Receivables for sale of investment	1,416.49	100.00	-
(g) Receivables for sale of property plant and equipment	21.14	160.00	2,623.47
(h) Deposits with statutory authorities	758.00	-	-
(i) Security deposits	27.94	22.74	23.12
(j) Derivative instrument at fair value (FVTPL)	98.35	-	-
(k) Other receivables	18.44	23.85	40.56
	<u>7,887.47</u>	<u>4,366.75</u>	<u>3,695.68</u>
<b>Movement in allowance for unbilled revenue</b>			
Opening balance	25.30	-	-
Change during the year	12.65	25.30	-
Closing balance	<u>37.95</u>	<u>25.30</u>	<u>-</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 14</b>			
<b>Tax assets and liabilities</b>			
<b>(a) Income tax assets (Net)</b>			
<b>I Non-current</b>			
-Advance tax (net of provision for tax)	1,234.40	881.24	789.59
<b>II Current</b>			
-Advance tax (including tax deducted at source)			202.08
<b>(b) Income tax liabilities (Net)</b>			
<b>I Non-current</b>			
-Income tax payable (after adjusting advance tax and tax deducted at sou			-
<b>II Current</b>			
-Provision for income tax (net of advance tax)	236.90	214.33	50.06
<b>NOTE 15</b>			
<b>Other assets</b>			
<b>I Non-current</b>			
(a) Capital advances			3,009.79
(i) to related parties	1,003.50	1,011.24	
(ii) to others	6,319.00	7,142.64	10,674.05
(b) Prepaid expenses	444.21	542.19	313.99
(c) Other receivables	284.65	284.66	284.75
	<u>8,051.36</u>	<u>8,980.73</u>	<u>14,282.58</u>
<b>II Current</b>			
(a) Prepaid expenses	290.51	129.30	145.27
(b) Balances with government authorities	17.68	8.44	14.93
(c) Security deposits - to related parties	200.00	200.00	200.00
(d) Compensation receivable from vendors	515.90	44.42	178.56
(e) Advance to suppliers	472.59	-	-
(f) Other receivable	1.51	100.29	9.18
	<u>1,498.19</u>	<u>482.45</u>	<u>547.94</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017**

	As at 31 March, 2017		As at 31 March, 2016		As at 01 April, 2015	
	Number of shares	Rs. Million	Number of shares	Rs. Million	Number of shares	Rs. Million

**NOTE 16**

**Share capital**

The authorised, issued, subscribed and fully paid-up share capital comprises of equity shares and compulsorily convertible preference shares having a par value of Rs. 10 each as follows:

**A Equity share capital**

**Authorised**

Equity Shares of Rs. 10 each (31 March, 2016 Rs. 10 each and 1 April, 2015 Rs. 10 each) 1,900,000,000 19,000.00 1,900,000,000 19,000.00 1,900,000,000 19,000.00  
with voting rights

**Issued, subscribed and fully paid up**

a. Opening balance 1,283,564,664 12,835.65 1,233,807,613 12,338.08 1,233,807,613 12,338.08  
b. Shares issued during the year 49,757,051 497.57  
c. Closing balance 1,283,564,664 12,835.65 1,283,564,664 12,835.65 1,233,807,613 12,338.08

**Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportionate to the number of equity shares held by the shareholders.

**B Compulsorily Convertible Preference Share Capital ('CCPS')**

**Authorised**

0.0001% Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each (31 March, 2016 Rs. 10 each and 1 April, 2015 Rs 10 each) 100,000,000 1,000.00 100,000,000 1,000.00 100,000,000 1,000.00

**Issued, subscribed and fully paid up**

(a) Opening balance 34,660,767 346.61 34,660,767 346.61 34,660,767 346.61  
(b) Changes during the year  
(c) Closing balance 34,660,767 346.61 34,660,767 346.61 34,660,767 346.61

**Total share capital**

**1,318,225,431 13,182.26 1,318,225,431 13,182.26 1,268,468,380 12,684.69**

**Terms and rights attached to preference shares**

Subject to the applicable law, each holder of CCPS shall be entitled to receive notice of, and to attend, any meeting of the Company and shall be entitled to vote together with the holders of equity shares of the Company as if such holder of CCPS held the maximum numbers of equity shares in to which the CCPS can be converted. Each CCPS is convertible into one equity share.

These CCPS shall be converted to equity shares on the earlier of (i) the last permissible date on which conversion is required under applicable laws, (ii) the date falling on the 10th anniversary being 2 December, 2021, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity shares.

CCPS holders will be entitled to non cumulative dividend of 0.0001% of face value of shares or dividend given to equity shareholder whichever is higher.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017**

NOTE 16 continued

**Share capital**

**C Details of shares held by each shareholder holding more than 5% shares:**

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity share capital</b>						
Infrastructure Leasing & Financial Services Limited, the holding company	1,173,426,464	91.42%	1,173,426,464	91.42%	1,123,669,413	91.07%
Mr. Vibhav Ramprakash Kapoor, Mr. Karunakaran Ramchand and Mr. Ramesh Chander Bawa, trustees of IL&FS Employee Welfare Trust	86,000,000	6.70%	86,000,000	6.70%	86,000,000	6.97%
<b>Compulsorily Convertible Preference Share Capital ('CCPS')</b>						
0.0001% Compulsorily convertible preference shares are held by Standard Chartered IL&FS Asia Infrastructure Growth Fund Company PTE Limited	24,787,863	71.52%	24,787,863	71.52%	24,787,863	71.52%
0.0001% Compulsorily convertible preference shares are held by IL&FS Trust Company Limited, trustees of IL&FS Infrastructure Equity Fund I	9,872,904	28.48%	9,872,904	28.48%	9,872,904	28.48%

**D Details of shares held by the holding company**

Particulars	As at 31 March, 2017		As at 31 March, 2016		As at 1 Apr 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Fully paid up equity shares with voting rights	1,173,426,464		1,173,426,464		1,123,669,413	
Infrastructure Leasing & Financial Services Limited, India, the holding company						
<b>Aggregate number of shares</b>						
	1,173,426,464		1,173,426,464		1,123,669,413	



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 17</b>			
<b>Other equity excluding non-controlling interest</b>			
<b>a. Equity component of compound financial instruments</b>			
Opening balance	2,366.33	2,366.33	
Add: Change due to amendment in terms	39.56	-	
	<u>2,405.89</u>	<u>2,366.33</u>	<u>2,366.33</u>
<b>b. Securities premium account</b>			
Opening balance	37,552.76	33,197.81	
Add: Premium on shares issued during the year	-	4,361.51	
Less: Securities issue expenditure	-	(6.56)	
	<u>37,552.76</u>	<u>37,552.76</u>	<u>33,197.81</u>
<b>c. General reserve</b>			
Opening balance	7.60	7.60	
Add: Additions during the year	-	-	
	<u>7.60</u>	<u>7.60</u>	<u>7.60</u>
<b>d. Debenture redemption reserve</b>			
Opening balance	118.58	-	
Add: Additions during the year	466.35	118.58	
	<u>584.93</u>	<u>118.58</u>	<u>-</u>
<b>e. Foreign currency monetary item translation difference account</b>			
Opening balance	(0.92)	12.26	
Add:			
Effect of foreign exchange rate variations during the year	(87.12)	(3.73)	
Transferred from non controlling interest on acquisition of additional stake	-	13.10	
Less: Amortisation for the year	-	(22.55)	
	<u>(88.04)</u>	<u>(0.92)</u>	<u>12.26</u>
<b>f. Capital reserve created on consolidation</b>			
Opening Balance	(5,212.58)	9.95	
Add: Additions during the year	-	(5,222.53)	
	<u>(5,212.58)</u>	<u>(5,212.58)</u>	<u>9.95</u>
<b>g. Self insurance reserves (through appropriation)</b>			
Opening balance	-	2.73	
Less: Reversed	-	(2.73)	
	<u>-</u>	<u>-</u>	<u>2.73</u>
<b>h. Retained earnings</b>			
Opening balance	(12,031.91)	(8,855.83)	
Add:			
Loss for the year	(738.10)	(2,716.15)	
Other comprehensive income / (expense) (Net of taxes)	(6.18)	(2.52)	
Interim dividend	(1,080.94)	(2,504.63)	
Dividend distribution tax	(313.25)	(509.88)	
Transfer to debenture redemption reserve	(466.35)	(118.58)	
Gain on dilution in Subsidiaries with no loss of control	-	3,882.23	
Transfer from NCI on additional acquisition in subsidiary	-	(1,202.83)	
Share issue expenses	(16.45)	(3.72)	
	<u>(14,653.18)</u>	<u>(12,031.91)</u>	<u>(8,855.83)</u>
<b>i. Foreign currency translation reserve</b>			
Opening balance	75.75	-	
Add:			
Transferred from non controlling interest	-	106.37	
Additions during the year	115.01	(30.62)	
	<u>190.76</u>	<u>75.75</u>	<u>-</u>
<b>j. Effective portion of cash flow hedge</b>			
Opening balance	-	-	
Add: Transfer during the year	(54.60)	-	
	<u>(54.60)</u>	<u>-</u>	<u>-</u>
Less: tax on above	(18.90)	-	
Closing balance	<u>(35.70)</u>	<u>-</u>	<u>-</u>
<b>Total other equity</b>	<u>20,752.44</u>	<u>22,875.61</u>	<u>26,740.85</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 17 continued**

**Other equity**

**Nature and purpose of reserves**

**a. Equity component of compound financial instrument:**

Equity component of compound financial instrument pertains to the deemed equity portion of Fully Compulsorily Convertible Debentures (FCCDs) issued to Infrastructure Leasing & Financial Services Limited. On initial recognition, net present value of the contractual cashflows had been recognized as debt and the residual as equity. During the current year, the terms of the FCCDs were amended pursuant to which the subscriber has waived its option of early conversion into equity shares. Further, in addition to conversion of principal into equity shares, the subscriber has provided the Company an option to either pay other contractual cash flows on maturity, in cash, or to covert those into equity shares at maturity, on 29 March, 2021. The Company has opted to convert the entire proceeds into a fixed number of equity shares.

**b. Securities premium reserve:**

Securities Premium Reserve is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act, 2013.

**c. General reserve:**

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

**d. Debenture redemption reserve:**

The Company is required by Companies Act, 2013 to create a debenture redemption reserve out of the profits which is available for payment of dividend, for the purpose of redemption of debentures.

**e. Foreign currency monetary item translation difference account:**

The Group has adopted exemption available under Ind AS 101 to follow the previous GAAP for long term financial instruments outstanding as on transition date. Hence Group has accumulated the exchange difference arising out of long term foreign currency monetary item that do not pertain to acquisition of an asset on this account and amortise it to the statement of profit or loss over the period of the instrument.

**f. Capital reserve and capital reserve on consolidation:**

This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

**g. Retained earnings:**

Retained Earnings are the profits of the Group earned till date net of appropriations.

**h. Foreign currency translation reserve:**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Indian Rupee) are accumulated under the foreign currency translation reserve.

**i. Cashflow hedge reserve:**

Cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

## Non Controlling Interest (NCI)

	As at 31.03.2017	As at 31.03.2016	As at 31.03.2016
	Rs. Million	Rs. Million	Rs. Million
Movement in NCI	7,507.35	10,257.55	
Balance at beginning of the year	236.13	94.37	
Share of profit for the year	(0.23)	(0.03)	
Remeasurement of defined benefit obligation (net of taxes)	10.84	(2.88)	
Share in other comprehensive income / (loss)	-	4,781.18	
Additional non controlling interest arising on disposal of partial interests in subsidiaries	-	(7,622.84)	
Reduction in non controlling interest on acquisition of additional stake in subsidiary	(177.28)	-	
Share in other reserves	5,389.28	-	
Equity component of compound financial instrument	<b>12,966.09</b>	<b>7,507.35</b>	

## ii Details of non-wholly owned subsidiaries that have non-controlling interests (NCI)

The table below shows details of non - wholly owned subsidiaries of the Group that have non-controlling interests

Name of Subsidiary	Place of Incorporation and Principal place of Business		Ownership interest of NCI as at		Total comprehensive income / (loss) allocated to NCI		Accumulated NCI	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
IL&FS Tamilnadu Power Company Limited (ITPCL) (see note below)	India	India	8.62%	8.62%	108.41	121.21	8,076.32	2,755.90
Lajpur Wind Energy Private Limited (LWEL)	India	India	49.00%	49.00%	6.10	(22.16)	1,609.34	1,603.23
Khandke Wind Energy Private Limited (KWEL)	India	India	49.00%	49.00%	106.16	(6.87)	1,202.77	1,096.61
Wind Urja India Private Limited (WUIL)	India	India	49.00%	49.00%	(9.54)	(3.20)	343.76	353.31
Tadas Wind Energy Private Limited (TWEL)	India	India	49.00%	49.00%	18.47	4.15	1,005.91	991.46
Rated Wind Energy Private Limited (RWEL)	India	India	49.00%	49.00%	17.14	(1.67)	723.99	706.84
					<b>246.74</b>	<b>91.46</b>	<b>12,966.09</b>	<b>7,507.35</b>

Note: Non controlling interest presented above with respect to ITPCL represents the share of NCI in the consolidated results for ITPCL and its subsidiaries as mentioned in note 3.4 B (I)

## iii Summarised financial information in respect of each of the Group's subsidiaries that has non - controlling interest is set out below. The summarised financial information below represents amount before intergroup eliminations

Particulars	ITPCL		LWEL		KWEL		WUIL		TWEL		RWEL	
	Year ended 31.03.2017	Year ended 31.03.2016										
Non current assets	130,987.39	116,041.53	13,295.32	13,676.39	7,948.71	7,732.70	2,146.55	2,251.38	12,254.69	12,765.04	6,541.78	7,215.39
Current assets	21,235.04	10,262.92	1,245.68	1,245.68	906.69	822.83	215.37	251.45	743.11	463.46	599.60	625.70
Current liabilities	(25,698.57)	(23,010.38)	(59,514.66)	(59,514.66)	(5,343.86)	(5,588.96)	(1,093.55)	(1,251.91)	(9,336.65)	(9,942.65)	(4,656.75)	(5,002.66)
Non current liabilities	(30,632.25)	(18,784.21)	(1,830.89)	(1,704.91)	(657.15)	(718.84)	(541.69)	(511.76)	(1,539.32)	(1,201.67)	(919.11)	(1,346.50)
<b>Net assets</b>	<b>35,886.61</b>	<b>38,529.86</b>	<b>33,129.46</b>	<b>33,259.92</b>	<b>2,454.39</b>	<b>2,237.72</b>	<b>716.68</b>	<b>736.16</b>	<b>2,121.83</b>	<b>2,084.14</b>	<b>1,825.72</b>	<b>1,490.73</b>
Equity attributable to the owner of the company	27,810.29	31,773.96	22,871.91	1,750.58	1,251.62	1,141.11	372.92	382.85	1,111.92	1,052.68	801.73	783.69
Non-controlling interest	8,076.32	2,755.90	10,257.55	1,609.34	1,202.77	1,096.61	343.76	353.31	1,009.91	991.46	723.09	706.64

Particulars	ITPCL		LWEL		KWEL		WUIL		TWEL		RWEL	
	Year ended 31.03.2017	Year ended 31.03.2016										
Revenue	24,328.79	9,403.95	1,737.70	1,370.01	1,272.21	1,200.04	356.00	297.18	2,073.56	1,862.45	1,053.41	985.90
Expenses	(23,166.62)	(7,940.25)	(1,725.24)	(1,770.37)	(1,035.56)	(1,113.97)	(379.46)	(274.93)	(2,073.56)	(1,862.45)	(1,053.41)	(985.90)
Profit / (loss) for the year	1,162.17	1,463.70	12.46	(64.36)	236.65	86.37	(42.46)	(83.85)	(37.69)	(373.68)	17.85	(173.02)
Share of profit attributable to owners of the parent	1,064.37	1,399.58	6.36	(378.49)	110.49	93.24	(9.94)	(90.65)	19.22	(373.68)	17.85	(173.35)
-attributable to Non-controlling interests	97.80	124.12	6.10	(22.16)	106.16	(6.87)	(9.54)	(3.20)	18.47	4.15	17.14	(1.67)
<b>Other comprehensive income for the year</b>	<b>123.17</b>	<b>(33.84)</b>										
-attributable to owners of the parent	112.56	(30.93)										
-attributable to Non-controlling interests	10.61	(2.91)										
<b>Total comprehensive income for the year</b>	<b>1,285.34</b>	<b>1,429.86</b>	<b>12.46</b>	<b>(400.36)</b>	<b>216.65</b>	<b>86.37</b>	<b>(19.48)</b>	<b>(93.85)</b>	<b>37.69</b>	<b>(369.53)</b>	<b>34.99</b>	<b>(173.02)</b>
Attributable to owners of the parent	1,176.93	1,308.65	6.36	(378.20)	110.49	93.24	(9.94)	(90.65)	19.22	(373.68)	17.85	(173.35)
-attributable to Non-controlling interests	108.41	121.21	6.10	(22.16)	106.16	(6.87)	(9.54)	(3.20)	18.47	4.15	17.14	(1.67)
Dividend paid to non-controlling interests	141.86	-	-	-	-	-	-	-	-	-	-	-
Net Cash inflow / (outflow) from operating activities	3,972.89	5,534.61	1,317.96	812.63	927.24	764.00	372.87	96.43	1,740.37	1,559.73	985.97	581.67
Net Cash inflow / (outflow) from investing activities	(5,049.36)	(13,406.93)	(339.82)	(476.38)	(121.39)	(260.18)	0.48	0.39	(38.86)	81.99	(30.22)	(134.52)
Net Cash inflow / (outflow) from financing activities	1,319.91	8,044.87	(924.17)	(325.71)	(898.06)	(537.01)	(319.51)	(111.20)	(1,690.03)	(1,591.44)	(914.12)	(464.60)
<b>Net Cash inflow / (outflow)</b>	<b>243.44</b>	<b>3,172.55</b>	<b>53.97</b>	<b>10.54</b>	<b>(52.21)</b>	<b>(331.91)</b>	<b>53.84</b>	<b>(14.47)</b>	<b>11.45</b>	<b>49.28</b>	<b>41.63</b>	<b>(17.45)</b>

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 19</b>			
<b>Non-current borrowings (At Amortised cost)</b>			
(a) Debentures			
- Issued to holding company - unsecured	-	3,085.96	89.13
- Others - unsecured	5,405.36	2,451.32	986.79
- Others - secured	4,973.12	-	-
(b) Term loans from banks			
- Secured	67,015.16	65,836.33	56,100.66
- Unsecured	3,814.60	4,058.94	2,998.39
(c) Term loans from other parties			
- Secured	17,006.31	14,777.24	10,096.21
- Unsecured	1,490.45	492.69	1,956.51
(d) Term loans from related parties			
- Secured	6,722.98	5,433.05	501.04
- Unsecured	3,886.25	5,637.59	297.59
(e) Inter corporate deposits from related party - unsecured	-	-	2,850.00
(f) Buyer's Credit - secured	8,177.41	16,386.61	20,413.37
	<b>118,491.64</b>	<b>118,159.73</b>	<b>96,289.69</b>

**Security**

Redeemable non-convertible debentures raised by a subsidiary of Rs. 4,973.12 million (as at 31 March, 2016: Rs. nil, as at 1 April, 2015: Rs. nil) are secured by guarantee given by the Group.

Term loan and buyer's credit availed by various entities of the Group from various banks, financial institutions and related parties are secured by pari passu charge on all present and future moveable and immovable assets, stores and spares, raw materials, work-in-progress, receivables, intangibles and rights of the respective entities and guarantees issued by Parent Company.

**Terms of Repayment**

**Secured**

Secured debentures issued includes non convertible debentures of Rs. 4,973.12 million (As at 31 March, 2016: nil, As at 1 April, 2015: nil) carrying interest at rate of 9.80% p.a. and redeemed at premium of 4.84%. The same is redeemable in two equal installments on 16 March, 2020 and 14 March, 2021.

Secured term loans from banks and others have maturities starting from 2017 and ending with 2032 in various installments.

**Unsecured**

Unsecured debentures issued to holding company includes Rs. nil (as at 31 March, 2016: Rs. 3,003.68 million, as at 1 April, 2015: Rs. nil) which carry effective interest rate of 16%. These debentures were convertible into equity shares of subsidiary company based on its fair market value subject to a cap of Rs. 400 per share and floor of Rs. 100 per share. The same has been accordingly split into debt and embedded derivative on initial recognition. During the current year, there has been change in terms of conversion and the principal amount along with accrued interest will be converted into fixed number of equity shares. Accordingly, the said amount has been classified under equity component represented by non controlling interest (see note 18).

Unsecured debentures issued to holding company includes Rs. nil (as at 31 March, 2016: Rs. 82.28 million, as at 1 April, 2015: Rs. 89.13) with respect to 247,000 1% Fully Compulsorily Convertible Debentures (FCCDs) of Rs. 10,000 each at face value. During the current year, the terms of the FCCDs were amended pursuant to which the subscriber has waived its option of early conversion into equity shares. Further, in addition to conversion of principal into equity shares, the subscriber has provided the Company an option to either pay contractual cash flows on maturity, in cash, or to convert those into equity shares at maturity, on 29 March, 2021. The Company has opted to convert the entire proceeds into fixed number of equity shares (i.e. 41,215,847 equity shares) at maturity. Accordingly, the instrument has been split into debt and equity (see note 17a).

Unsecured Non Convertible Debentures issued includes Rs. 3,445.86 million (as at 31 March, 2016: Rs. 2,451.32 million, as at 1 April, 2015: Rs. 986.79 million) which carry effective interest rate ranging from 12.13 % p.a. to 13.13% p.a. These debentures are redeemable between May, 2018 to June, 2019.

Unsecured Non Convertible Debentures issued includes Rs. 1,959.50 million (as at 31.03.2016: Rs. nil, as at 01.04.2015: Rs. nil) which carry effective interest rate ranging from 12.83% p.a. to 13.24% p.a. These debentures are redeemable between April, 2019 to September, 2021.

Unsecured term loans from banks and others have maturities starting from 2017 and ending with 2025, in various installments.

**Breach of covenants**

There were no breach of covenants of any of the borrowings stated above.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 20</b>			
<b>Other financial liabilities</b>			
<b>I Non-current</b>			
<b>At amortised cost</b>			
(a) Interest accrued but not due on borrowings	59.99	548.03	-
(b) Premium payable on redemption of debentures	487.51	11.59	-
(c) Retention money payable	-	556.64	4,305.69
(d) Other payables	24.80	15.60	15.38
<b>At fair value</b>			
(a) Derivative contracts designated in hedge accounting relationship	83.92	-	-
(b) Derivative contracts not designated in hedging relationship	-	1,837.56	-
	<u>656.22</u>	<u>2,969.42</u>	<u>4,321.07</u>
<b>II Current</b>			
<b>At amortised cost</b>			
(a) Current maturities of non-current borrowings - Secured			
- Debentures	994.68	-	-
- Term loans from banks	6,350.52	3,797.90	6,313.91
- Term loans from other parties	928.42	384.09	1,301.18
- Term loans from related parties	3,738.05	112.08	2,504.79
(b) Current maturities of non-current borrowings - Unsecured			
- Term loans from banks	3,505.82	444.46	-
- Term loans from other parties	495.52	1,990.26	-
- Term loans from related parties	5,480.87	5,095.36	-
(c) Interest accrued but not due on borrowings	314.00	1,375.68	597.39
(d) Payable towards capital expenditure	8,185.96	3,302.10	3,123.11
(e) Retention money in respect of project contracts	5,287.75	4,880.13	1,438.69
(f) Book overdraft	1,080.94	-	-
(g) Other payables	115.21	3.09	12.10
<b>At fair value</b>			
(a) Derivative contracts designated in hedge accounting relationship	309.78	-	-
(b) Derivative contracts not designated in hedging relationship	16.73	302.00	31.03
	<u>36,804.25</u>	<u>21,687.15</u>	<u>15,322.20</u>
<b>NOTE 21</b>			
<b>Provisions</b>			
<b>I Non-current</b>			
(a) Provision for employee benefits (see note 35)	47.32	38.88	37.69
(b) Provision for decommissioning liability	208.04	138.45	108.67
	<u>255.36</u>	<u>177.33</u>	<u>146.36</u>
<b>II Current</b>			
(a) Provision for employee benefits (see note 35)	27.18	25.44	29.33
	<u>27.18</u>	<u>25.44</u>	<u>29.33</u>
<b>Movement of provision for decommissioning liability</b>			
Opening balance	138.45	108.67	
Provision recognised during the year	37.58	15.81	
Unwinding of discount	32.01	13.97	
	<u>208.04</u>	<u>138.45</u>	

Provision for decommissioning liability are initially measured at the estimated cost that the company will incur upon the end of the useful life of the related asset, discounted at an appropriate risk adjusted discount rate. The estimates used in measuring the decommissioning liability are reviewed annually. Any change in the estimate are adjusted to the cost of assets and the unwinding of discount is recognised in the statement of profit or loss as finance costs.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 22</b>			
<b>Other liabilities</b>			
<b>I Non-current</b>			
(a) Operation and maintenance cost equalisation reserve	758.81	748.12	274.94
(b) Deferred government grant (see note 36)	10,275.04	9,137.67	5,625.50
(c) Advance payable	-	96.79	322.49
	<u>11,033.85</u>	<u>9,982.58</u>	<u>6,222.93</u>
<b>II Current</b>			
(a) Dividend payable	141.86	2,504.63	-
(b) Provision for dividend distribution tax	334.95	509.88	-
(c) Income received in advance	96.79	225.70	283.16
(d) Operation and maintenance cost equalisation reserve	40.49	53.35	3.80
(e) Deferred Government Grant (see note 36)	214.32	167.65	53.58
(f) Other payables - statutory dues	617.82	413.68	389.75
(g) Other payables - others	-	1.29	-
	<u>1,446.23</u>	<u>3,876.18</u>	<u>730.29</u>

**NOTE 23**

**Current borrowings**  
(at amortised cost)

(a) Short term loans			
(i) From banks			
- Secured	7,720.92	1,097.58	1,117.43
- Unsecured	2,774.33	7,874.42	8,327.05
(ii) From other parties			
- Secured	2,000.00	2,000.00	200.00
- Unsecured	132.89	135.95	1,928.28
(b) Loans from related parties - unsecured	1,453.60	910.00	832.00
(c) Inter corporate deposits from related party - unsecured	1,760.00	3,500.00	-
(d) Buyers Credit- Unsecured	1,099.50	-	-
	<u>16,941.24</u>	<u>15,517.95</u>	<u>12,404.76</u>

**Notes:**

i. Security

Term loans availed by various entities of the Group including cash credits and loan repayable on demand are secured by way of fixed deposits, charge on the current assets, loans and advances of the corresponding project, the present and future stocks of raw materials including in transit, work in process stores and spare, present and future book debts, operating cash flows, outstanding decrees, money receivables, claims, securities, Government subsidies, investments, rights and other moveable assets excluding bills purchased/discounted by bank.

ii. Interest Rate and Terms of Repayments

- (a) Short term loans from banks and others are repayable on or before the end of 12 months from the date of first disbursement.  
(b) Interest rates on cash credit, loan repayable on demand and other short term loans are ranging from 4.5% to 16%.

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
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**NOTE 24**

**Trade payables**

Trade payables (see note below)	8,389.65	4,857.81	1,510.02
	<u>8,389.65</u>	<u>4,857.81</u>	<u>1,510.02</u>

**Note:**

- i. As on 31 March 2017, 31 March 2016 and 1 April 2015 there are no outstanding dues to micro and small enterprises. There is no interest due or outstanding on the same. (see note 45)  
ii. The credit period for goods and services are upto 365 days. Interest is payable on trade payables as per contractual terms, if any.



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	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>NOTE 25</b>			
<b>Deferred tax balances (net)</b>			
i Deferred tax assets	872.08	343.81	369.40
ii Deferred tax liabilities	77.69	58.28	47.44

**A. Deferred tax assets / (liabilities)**

	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>i. Financial year 2016-17</b>				
<b>A. Deferred tax asset (net)</b>				
Deferred tax asset				
a. Financial assets - investments (designated at fair value through profit or loss)	157.43	70.58	-	228.01
b. Tax losses (including unabsorbed depreciation) adjustable in future years	1,493.45	803.32	-	2,296.77
c. Provision for doubtful debts	188.30	6.45	-	194.75
d. Provision for employee benefits	15.55	2.55	1.94	20.04
e. MAT credit entitlement	35.66	492.73	-	528.39
f. Provision for decommissioning liability	40.12	16.94	-	57.06
g. Borrowings	322.45	(152.24)	-	170.21
h. Operation and maintenance cost equalisation reserve	261.20	3.89	-	265.09
i. Cash Flow Hedge	-	-	18.90	18.90
j. Financial assets - Loans	79.03	(69.59)	-	9.44
k. Other financial assets	48.88	(17.65)	-	31.23
l. Other financial liabilities	357.86	(13.17)	-	344.69
m. Others	25.49	9.11	-	34.60
	<b>3,025.42</b>	<b>1,152.92</b>	<b>20.84</b>	<b>4,199.18</b>
Adjustment on restricting deferred tax assets to the extent of deferred tax liability	(1,096.19)	26.46	-	(1,069.73)
	<b>1,929.23</b>	<b>1,179.38</b>	<b>20.84</b>	<b>3,129.45</b>
Deferred tax liabilities				
a. Property, plant and equipment and intangible Assets	(1,305.53)	(591.26)	-	(1,896.79)
b. Borrowings	(6.18)	(11.76)	-	(17.94)
c. Financial assets - investments (designated at fair value through profit or loss)	(273.71)	(68.93)	-	(342.64)
	<b>(1,585.42)</b>	<b>(671.95)</b>	<b>-</b>	<b>(2,257.37)</b>
<b>Net deferred tax assets</b>	<b>343.81</b>	<b>507.43</b>	<b>20.84</b>	<b>872.08</b>
<b>B. Deferred tax liability</b>				
Deferred tax liabilities				
a. Property, plant and equipment and intangible assets	35.97	(15.35)	-	20.62
b. Undistributed profits of associates	25.46	37.07	-	62.53
	<b>61.43</b>	<b>21.72</b>	<b>-</b>	<b>83.15</b>
Deferred tax assets				
-Provision for decommissioning liability	(3.15)	(2.31)	-	(5.46)
	<b>(3.15)</b>	<b>(2.31)</b>	<b>-</b>	<b>(5.46)</b>
<b>Net deferred tax liability</b>	<b>58.28</b>	<b>19.41</b>	<b>-</b>	<b>77.69</b>



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	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>ii Financial year 2015-16</b>				
<b>A. Deferred tax asset</b>				
Deferred tax assets				
a. Financial assets - investments (designated at fair value through profit and loss)	416.41	(258.98)	-	157.43
b. Tax losses (including unabsorbed depreciation) adjustable in future years	771.08	722.37	-	1,493.45
c. Provisions for doubtful debts	178.45	9.85	-	188.30
d. Provision for employee benefits	16.46	(1.84)	0.93	15.55
e. MAT credit entitlement	-	35.66	-	35.66
f. Provision for decommissioning liability	32.64	7.48	-	40.12
g. Borrowings	249.36	73.09	-	322.45
h. Operation and maintenance cost equalisation reserve	231.89	29.31	-	261.20
i. Financial assets - Loans	50.15	28.88	-	79.03
j. Other financial assets	33.56	15.32	-	48.88
k. Other financial liabilities	-	357.86	-	357.86
l. Others	38.56	(13.07)	-	25.49
	<b>2,018.56</b>	<b>1,005.93</b>	<b>0.93</b>	<b>3,025.42</b>
Adjustment on account of Deferred Tax assets restricted to Deferred tax liability	(730.64)	(365.55)	-	(1,096.19)
	<b>1,287.92</b>	<b>640.38</b>	<b>0.93</b>	<b>1,929.23</b>
Deferred tax liabilities				
a. Property, plant and equipment and intangible Assets	(865.37)	(440.16)	-	(1,305.53)
b. Borrowings	(31.85)	25.67	-	(6.18)
c. Other financial liabilities	(21.30)	21.30	-	-
d. Financial assets - investments (designated at fair value through profit or loss)	-	(273.71)	-	(273.71)
	<b>(918.52)</b>	<b>(666.90)</b>	<b>-</b>	<b>(1,585.42)</b>
<b>Net deferred tax assets</b>	<b>369.40</b>	<b>(26.52)</b>	<b>0.93</b>	<b>343.81</b>
<b>B. Deferred tax liability</b>				
Deferred tax liabilities				
a. Property, plant and equipment and intangible assets	42.52	(6.55)	-	35.97
b. Undistributed profits of associates	8.96	16.50	-	25.46
	<b>51.48</b>	<b>9.95</b>	<b>-</b>	<b>61.43</b>
Deferred tax assets				
a. Property, plant and equipment	(1.36)	1.36	-	-
b. Provision for decommissioning liability	(2.68)	(0.47)	-	(3.15)
	<b>(4.04)</b>	<b>0.89</b>	<b>-</b>	<b>(3.15)</b>
<b>Net deferred tax liabilities</b>	<b>47.44</b>	<b>10.84</b>	<b>-</b>	<b>58.28</b>

**Note:**

The entities in the Group have recognised deferred tax asset on unabsorbed depreciation and / or brought forward business losses to the extent of the corresponding deferred tax liability arising out of timing differences.



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	Year ended 31.03.2017 Rs. Million	Year ended 31.03.2016 Rs. Million
<b>NOTE 26</b>		
<b>Revenue from operations</b>		
(a) Income from sale of power	28,536.83	13,803.83
(b) Consultancy income	862.18	86.65
(c) Other operating income		
i. Renewable Energy Certificate income	366.96	248.42
ii. Generation based incentive	581.46	522.73
iii. Others	576.46	154.93
	<b><u>30,923.89</u></b>	<b><u>14,816.56</u></b>
<b>NOTE 27</b>		
<b>Other income</b>		
(a) Interest income on financial assets measured at amortised cost:		
i. Interest income - from banks on deposits	495.62	308.47
ii. Interest income - from others	880.59	674.03
iii. Interest income - from related parties	663.88	294.52
	<b><u>2,040.09</u></b>	<b><u>1,277.02</u></b>
(b) Other non-operating income:		
i. Gain on sale of financial assets - investments	281.85	551.80
ii. Gain on sale of property, plant and equipment	64.31	5.73
iii. Grant income	29.20	25.12
iv. Net gain on foreign currency transactions and translation	555.06	309.43
v. Net gain arising on financial assets designated at amortised cost	56.17	11.83
vi. Miscellaneous income	39.31	12.38
	<b><u>1,025.90</u></b>	<b><u>916.29</u></b>
(c) Other interest income		
i. Interest on income tax refund	6.66	0.32
	<b><u>3,072.65</u></b>	<b><u>2,193.63</u></b>
<b>NOTE 28</b>		
<b>Cost of fuel consumed</b>		
Consumption of coal and other raw material	12,615.34	4,235.46
	<b><u>12,615.34</u></b>	<b><u>4,235.46</u></b>
<b>NOTE 29</b>		
<b>Employee benefits expense</b>		
(a) Salaries, wages and incentives	697.45	475.87
(b) Contribution to provident and other funds	36.08	36.39
(c) Staff welfare expenses	19.75	17.79
	<b><u>753.28</u></b>	<b><u>530.05</u></b>



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	Year ended 31.03.2017 Rs. Million	Year ended 31.03.2016 Rs. Million
<b>NOTE 30</b>		
<b>Finance costs</b>		
(a) Interest expenses on borrowings	13,382.86	8,918.26
(b) Unwinding cost of decommissioning liability	25.05	6.60
(c) Other borrowing costs	1,041.44	238.66
	<b>14,449.35</b>	<b>9,163.52</b>

**NOTE 31**

**Other expenses**

(a) Power and fuel	39.77	26.38
(b) Rent	98.19	94.26
(c) Repairs and maintenance		
i. Building	5.63	0.16
ii. Plant and equipment	30.69	7.45
iii. Others	66.14	53.47
(d) Insurance	79.75	28.13
(e) Rates and taxes	101.13	91.20
(f) Travelling and conveyance	71.46	62.28
(g) Brand subscription fees	83.13	1.00
(h) Operation and maintenance	1,559.50	970.22
(i) Office maintenance expenses	44.10	4.49
(j) Legal and professional	512.31	1,054.70
(k) Payments to auditors (see note below)	21.46	24.45
(l) Director sitting fees	8.32	3.67
(m) Impairment for doubtful trade receivables	26.35	172.98
(n) Corporate social responsibility expenses	54.36	2.32
(o) Green belt and environmental expenses	14.35	-
(p) Net loss arising on financial assets designated at FVTPL	209.29	15.65
(q) Impairment of capital work in progress	323.75	-
(r) Miscellaneous expenses	108.62	74.85
	<b>3,458.30</b>	<b>2,687.66</b>

**Note:**

Payments to the auditors comprises (net of service tax)

i. To Statutory Auditors		
(a) Audit Fees	15.73	17.96
(b) Other services	1.59	5.57
(c) Reimbursement of expenses	0.19	0.51
ii. To Other auditors		
(a) Audit Fees	3.65	0.32
(b) Taxation Matters	-	0.09
(c) Reimbursement of expenses	0.01	-
iii. To Cost auditors	0.29	-
	<b>21.46</b>	<b>24.45</b>



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**NOTE 32**

**Current tax and deferred tax**

Particulars	Year ended 31.03.2017 Rs. Million	Year ended 31.03.2016 Rs. Million
<b>1. Income tax recognised in statement of profit and loss</b>		
Current tax	585.20	833.38
Deferred tax	(488.02)	37.36
<b>Total income tax expense recognised in the current year</b>	<b>97.18</b>	<b>870.74</b>
<b>2. The tax expense for the year can be reconciled to the accounting profits as follows</b>		
Loss before tax	(994.02)	(1,965.61)
Income tax expense calculated at 34.61% (previous year 34.61%)	(344.03)	(680.30)
Adjustment on account of MAT credit entitlement	(492.73)	(35.66)
Effect of expenses that are not deductible in determining taxable profits	195.13	41.68
Effect of income tax directly considered in equity	-	537.81
Effect of change in deferred tax balance	55.40	0.08
Effect of different tax rates of certain subsidiaries	(261.70)	(389.09)
Effect of unused tax losses and tax assets not recognised as deferred tax asset	905.44	1,377.73
Undistributed profits of associate companies	37.07	16.49
Miscellaneous	2.61	2.00
<b>Income tax expenses recognised in profit or loss</b>	<b>97.19</b>	<b>870.74</b>
<b>3. Income tax recognised directly in equity</b>		
<b>Current tax</b>		
Effect of tax on gain on sale of investment not resulting in loss of control	-	537.81
<b>Income tax expense directly in equity</b>	<b>-</b>	<b>537.81</b>
<b>4. Income tax recognised in Other Comprehensive Income</b>		
<b>Deferred tax</b>		
Remeasurement of Defined Benefit Plans	(1.94)	(0.93)
Effective portion of gains and loss designated portion of hedging instruments in cash flow hedge	(18.90)	-
<b>Total income tax expense recognised in other comprehensive income</b>	<b>(20.84)</b>	<b>(0.93)</b>
Bifurcation of the deferred tax expense recognised in other Comprehensive income into:		
Items that will be reclassified to profit and loss	(18.90)	-
Items that will not be reclassified to profit and loss	(1.94)	(0.93)
	<b>(20.84)</b>	<b>(0.93)</b>



**Note 33**

**Contingent liabilities and commitments**

	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>(i) Claims against the Group not acknowledged as debt</b>			
(a) Demand raised by Income Tax authorities	212.31	54.53	34.16
(b) Other Claims	92.60	187.12	122.16

Out of the above: claims of Rs. 103.75 million (As at 31 March, 2016 Rs. 56.61 million; as at 1 April, 2015 Rs. 121.42 million) pertains to joint ventures and claims of Rs. 12.08 million (As at 31 March 2016 Rs. 16.71 million; as at 1 April, 2015 Rs 11.22 million) pertains to associates

**(ii) Capital commitments**

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) includes Rs. 714.26 million (As at 31 March, 2016 Rs 381.32 million; as at 1 April, 2015 Rs 458.24 million) pertaining to joint ventures	7,249.15	23,313.64	12,703.76
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**(iii) Operating commitments**

Estimated amount of operational commitments remaining to be executed	173,794.98	149,00.14	-
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- (iv)** During the previous year, the Parent Company and its wholly owned subsidiary, IL&FS Renewable Energy Limited (IREL) has entered into share purchase agreement ('the agreement') with Orix Corporation, Japan for sale of shares in its wind power project companies namely Wind Urja India Private Limited ('WUIPL'), Tadas Wind Energy Private Limited ('TWEPL'), Ratedi Wind Energy Private Limited ('RWPL'), Lalpur Wind Energy Private Limited ('LWEPL'), Khandke Wind Energy Private Limited ('KWEPL'), Sipla Wind Energy Private Limited ('SWEPL'), Mahidad Wind Energy Private Limited ('MWEPL'), Jogihali Wind Energy Private Limited ('JWEPL') wherein 1,004 Mega Watt wind power projects are housed.

As per the agreement, the Company has consummated the sale of 49% shares in each of the five wind power project companies (namely WUIPL, TWEPL, RWPL, LWEPL, KWEPL) for a consideration of Rs. 9,201.22 million wherein 775 MW of projects are housed.

Further, as per the terms of the agreement, the Company has guaranteed certain generation from these 775 MW Wind Power Project over the period of next five years starting financial year ended 31 March, 2017. In case the actual generation varies in comparison to the guaranteed generation by more than 5% either side, then the Company would receive / pay compensation from / to Orix Corporation, Japan.

As of 31 March, 2017 the Group does not foresee a liability on account of guaranteed generation at the end of the term of five years.

- (v)** There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- (vi)** Provision has been made in the consolidated financial statements, as required, under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
- (vii)** The income Tax Assessing Officer has disallowed certain expenses, primarily on account of section 14A of the Income Tax Act and certain other matters. The Group has filed appeals at appropriate authority. No provision is considered necessary since the Group expects favorable decision.



**Note 34**

**Operating lease arrangements**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. The Group has taken property on non-cancellable operating lease and has recognised rent of Rs. 80.31 million during the year (previous year Rs. 86.90 million). The future minimum lease payments under these operating leases as of 31 March, 2017 are as follows:

	<b>As at 31.03.2017 Rs. Million</b>	<b>As at 31.03.2016 Rs.Million</b>	<b>As at 01.04.2015 Rs.Million</b>
i. Not later than one year	47.65	75.79	66.05
ii. Later than one year but not later than five years	36.73	41.21	69.41
iii. Later than five years	Nil	Nil	Nil

The Group has entered into operating lease arrangements for vehicles. The minimum future lease payments during non-cancellable periods under the foregoing arrangements in the aggregate for each of the following year is as follows:

	<b>As at 31.03.2017 Rs. Million</b>	<b>As at 31.03.2016 Rs.Million</b>	<b>As at 01.04.2015 Rs.Million</b>
i. Not later than one year	9.05	5.51	8.23
ii. Later than one year but not later than five years	12.51	6.25	7.54
iii. Later than five years	Nil	Nil	Nil

Lease expenses incurred during the year Rs. 10.66 million (previous year Rs. 8.31 million)

**Note 35**

**Employee benefits**

In accordance with Ind AS 19, the requisite disclosures are as follows:

**a. Defined contribution plan**

The Group makes contribution towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is administered by the Regional Provident Fund Commissioner and the superannuation fund is administered by the Trustees of the superannuation fund. Under the schemes, the Group is required to contribute a specified percentage of salary cost to the retirement benefit scheme to fund the benefits.

On account of defined contribution plans, a sum of Rs. 15.47 million (previous year Rs. 8.60 million) has been charged to statement of profit and loss.

**b. Defined benefit plan**

(i) Gratuity plan

The Group has created Group Gratuity Trust in respective group companies. The gratuity liability arises on retirement, withdrawal, resignation and death of an employee.



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**c. Disclosures as required under Ind AS 19 on "Employee Benefits" for Gratuity are as under:**

The Group has taken the group policy to meet its obligation towards gratuity.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Investment risk	The present value of defined plan liability is calculated using a discount rate which is determined with reference benchmark rate available on to Government Securities for tenure of 10 years. If the return on plan assets is below this rate, it will increase plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to future salaries of participants. As such an increase in the salary of the plan participants will increase plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. An increase in life expectancy of the plan participants will increase the plan's liabilities.

In respect of gratuity, the actuarial valuation was carried out as at 31 March, 2017 by registered member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Particular	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
<b>i Movement in the present value of defined benefit obligations:</b>		
Benefit obligations at the beginning	56.72	44.83
Service Cost	11.03	9.59
Interest Cost	4.44	3.58
Benefits paid	(4.75)	(6.34)
Actuarial losses	8.50	4.74
Liability transferred-in	-	0.32
Benefit obligations at the end	<b>75.94</b>	<b>56.72</b>
<b>ii Movement in the fair value of plan assets:</b>		
Fair value of plan assets at the beginning of the year	49.11	31.39
Interest Income	3.89	2.73
Transfer of assets	-	2.49
Remeasurement - Return on plan assets	0.20	(0.57)
Contributions	12.74	19.41
Benefits paid	(3.91)	(6.34)
Fair value of plan assets at the end	<b>62.03</b>	<b>49.11</b>



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Particular	Year ended	Year ended
	31.03.2017	31.03.2016
	Rs. Million	Rs. Million
<b>iii Amount recognised in Statement of profit and loss account under employee benefit expenses</b>		
Current service cost	11.03	9.59
Interest cost	4.44	3.58
<b>Expenses charged to the statement of profit and loss</b>	<b>15.47</b>	<b>13.17</b>
<b>iv Amount recognised in other comprehensive income</b>		
Remeasurement of the net defined benefit liability/(asset)		
Actuarial (gains)/losses	<b>8.50</b>	<b>4.74</b>
- Due to change in demographic assumption	0.17	0.67
- Due to change in financial assumption	4.69	3.65
- Due to experience	3.64	0.42
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	(0.20)	0.57
Less: Adjustments	-	(2.13)
	<b>8.30</b>	<b>3.18</b>

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	1.04.2015
	Rs. Million	Rs. Million	Rs. Million
<b>v. The amount included in the balance sheet arising from entity's</b>			
<b>Obligations in respect of defined benefit plan is as follows:</b>			
Present value of funded defined benefit obligation	75.94	56.72	44.83
Fair value of plan assets	(62.03)	(49.11)	(31.39)
Unfunded status	<b>13.91</b>	<b>7.61</b>	<b>13.44</b>
Net liability arising from defined benefit obligation	<b>13.91</b>	<b>7.61</b>	<b>13.44</b>
<b>vi The fair value of the plan assets at the end of the reporting period for each category, are as follows:</b>			
Fair value of plan assets of gratuity			
Stable Managed Fund – Managed by Life Insurance Corporation of India	25.90	21.26	10.51
Stable Managed Fund – Managed by HDFC Life	36.13	27.85	20.81
	<b>62.03</b>	<b>49.11</b>	<b>31.39</b>
<b>vii Assumptions</b>			
Discount Rate	7.12%	7.81%	7.99%
Rate of return on plan assets	7.12%	7.81%	7.99%
Salary escalation	7.00%	6.50%	6.50%
Mortality rate	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)	Indian Assured Lives Mortality(2006-08)



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- viii Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particular	As at	As at	As at
	31.03.2017	31.03.2016	1.04.2015
	Rs. Million	Rs. Million	Rs. Million
Effect of +1% change in rate of discounting	(33.33)	(21.40)	(12.71)
Effect of -1% change in rate of discounting	37.22	22.82	14.27
Effect of +1% change in rate of salary increase	37.23	22.91	14.32
Effect of -1% change in rate of salary increase	(21.93)	(32.94)	(12.79)

**Notes:**

- i. The discount rate is based on the prevailing market yields of Indian Government securities as at the reporting date for the estimated term of obligations.
- ii. The expected return is based on the expectation of the average long term rate of return expected on the investments of the fund during the estimated term of the obligations.
- iii. The estimate of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

**Note 36**

**Capital grants**

**(i) Grant for 40 MW Solar Project**

- a. The Company is eligible for Viability Gap Funding ('VGF' or 'grant' or 'Capital grant') from Solar Energy Corporation of India ('SECI') amounting to Rs. 811.25 million under the "Jawaharlal Nehru National Solar Mission (JNNSM) scheme" of SECI for implementation of Solar Power Projects.

The Company has received grant amounting to Rs. 96.20 million during the current year (Rs. 480.99 million in the previous year), the balance grant will be received progressively over the next four year as per the schedule given below:

End of 2nd Year from commercial operation date	10%
End of 3rd Year from commercial operation date	10%
End of 4th Year from commercial operation date	10%
End of 5th Year from commercial operation date	10%

The remaining grant will be released subject to fulfillment of the requirements of the project performance and no event of default as per terms and conditions of the Power Purchase Agreement with SECI.

- b. As per the Viability Gap Funding agreement, the grant is given on the condition that the Company will operate the plant for a period of 25 years failing which the Company will be liable to refund the grant based on the period of operation of the plant.
- c. The grants are secured in favor of the SECI by first ranking pari passu charge on the land, current assets and movable properties attributable to solar project situated at village Kachalia, MP, rights under Project agreements entered by the Company, accounts and receivables related to project and rights under insurance policies of Company related to Project.

**(ii) Grant for 1200 MW Thermal Project**

- a. ITPCL has availed tax and duty benefit in the nature of exemption from payment of Customs Duty, on its procurements with respect to its thermal power plant. The said benefits were availed by virtue of Mega Power Policy of 2009 which entitled ITPCL to procure goods without payment of taxes and duties as referred above. Since, the procurement of goods and services during the project period were done by availing the exemption from payment of aforesaid taxes and duties, the amount capitalised for the said power plant as on the commissioning was the cost of property, plant and equipment (PPE) net of any tax and duty benefit availed.



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In accordance with Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance", ITPCL has grossed up the value of its property, plant and equipment by the amount of tax and duty benefit availed considering the same as a government grant. The amount of said government grant (net of accumulated depreciation) as on the transition date has been added to the value of property, plant and equipment with corresponding credit to deferred government grant. The amount of grant shall be amortised on a systematic basis in line with depreciation charge on property, plant and equipment.

- (iii) Deferred government grant is disclosed in the financial statements at Other Liabilities (Non-current) amounting to Rs. 10,275.04 million (31 March, 2016:Rs. 9,137.67 million, 1 April, 2015: 5,625.50 million) and Other Liabilities (Current) amounting to Rs. 214.32 million (31 March, 2016: 167.65 million, 1 April, 2015: 53.58 million). Details of the capital grant recognised and amortization during the year is as under:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
	Rs. Million	Rs. Million
Opening balance	9,305.32	5,679.08
Grant recognised during the year	1,380.90	3,704.94
Less: Amount recognised in statement of profit and loss	196.86	78.70
Closing balance (see note 22)	<b>10,489.36</b>	<b>9,305.32</b>

- (iv) Grant receivable as at 31 March, 2017 is disclosed in the financial statements at Other Financial Assets (Non-current) amounting to Rs. 210.11 million (31 March, 2016:Rs. 264.88 million, 1 April, 2015: Not applicable) and Other Financial Assets (Current) amounting to Rs. 96.20 million (31 March, 2016: Rs. 96.20 million, 1 April, 2015: Not applicable).

**Note 37**

**Specified Bank Notes disclosure (SBN's)**

The details of specified bank notes (SBNs) or other denomination notes, as defined in the MCA notification G.S.R 308 (E) dated 30 March, 2017, held and transacted during the period from 8 November, 2016 to 30 December, 2016, is provided in the table below:-

Particulars	Amount in Rupees		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November, 2016	127,000	21,872	148,872
Transactions between 9 November, 2016 and 30 December, 2016			
(+) Withdrawal from Bank accounts	Nil	229,000	229,000
(+) Permitted receipts	Nil	435,000	435,000
(-) Permitted payments	Nil	605,088	605,088
(-) Amount deposited in Banks	127,000	830	127,830
Closing cash in hand as on 30 December, 2016	Nil	79,954	79,954



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**Note 38 - Financial Instruments**

**38.1 Capital Management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through optimization of debt and equity balance.

The capital structure of the Group as on 31 March, 2017 consists of net debt of Rs 156,927 million (borrowing as detailed in notes 19, 20 and 23 offset by cash and bank balances as detailed in note 11a) and total equity and non controlling interest of Rs. 46,900.79 million.

**38.1.1 Gearing ratio**

Gearing ratio at the end of the reporting period was as follows:

	<b>As at 31.03.2017 (Rs. Million)</b>	<b>As at 31.03.2016 (Rs. Million)</b>	<b>As at 01.04.2015 (Rs. Million)</b>
A. Debt (see note (i) below)	156,926.76	145,501.83	118,814.33
B. Cash and bank balance (see note (ii) below)	7,782.00	4,122.62	4,458.45
C. <b>Net debt (A - B)</b>	<b>149,144.76</b>	<b>141,379.21</b>	<b>114,355.88</b>
D. Equity (see note (iii) below)	46,900.79	43,565.22	49,683.09
E. <b>Net debt to equity ratio (C/D)</b>	<b>3.18</b>	<b>3.25</b>	<b>2.30</b>

**Note:**

- (i) Debt includes long term borrowings (including current maturity) and short term borrowings (excluding derivatives, financial guarantee contracts and contingent consideration)
- (ii) Cash and bank balance includes cash and cash equivalent and bank balance held as margin money
- (iii) Equity includes equity share capital, other equity including equity component of compound financial instrument, reserves and surplus and non-controlling interests.

**38.2 Categories of Financial Instruments**

<b>Financial Assets</b>	<b>As at 31.03.2017 (Rs. Million)</b>	<b>As at 31.03.2016 (Rs. Million)</b>	<b>As at 01.04.2015 (Rs. Million)</b>
<u>Mandatorily measured at fair value through profit or loss (FVTPL)</u>			
(a) Investments	2,056.86	2,266.31	2,267.11
(b) Derivative contract	98.35	-	-
<u>Measured at Amortised cost</u>			
(a) Investments in debts instruments	311.40	276.29	245.92
(b) Trade receivables	12,652.03	6,397.75	1,177.56
(c) Cash and cash equivalents	1,798.05	1,145.66	1,526.83
(d) Bank balances other than (c) above	5,983.95	2,976.96	2,931.62
(e) Loans	4,359.54	5,024.12	3,169.53
(f) Others financial assets	10,406.34	11,257.62	12,102.49
Note - Equity investment in joint ventures and associates is not included above since these are accounted using the equity method			
<b>Financial Liabilities</b>			
<u>Measured at fair value through other comprehensive income</u>			
(a) Derivative liability designated in hedging relationship	83.92	-	-
<u>Measured at fair value through charge to property, plant and equipment</u>			
(a) Derivative liability designated in hedging relationship	309.78	-	-
<u>Measured at fair value through profit or loss (FVTPL)</u>			
(a) Derivative liability not designated in hedging relationship	16.73	2,139.56	31.03
<u>Measured at Amortised cost (including trade payables)</u>			
(a) Borrowings	135,432.88	133,677.68	108,694.45
(b) Trade payables	8,389.65	4,857.81	1,510.02
(c) Other financial liabilities (including current maturity of long term borrowings)	37,050.04	22,517.01	19,612.24



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**38.3 Financial risk management objectives**

The Group's corporate finance department in consultation with parent's financial arm i.e. IL&FS Financial Services Limited provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risk relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge the risk exposure. The use of financial derivatives are governed by the Company policy approved by the Committee of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives. Compliance with the policies and exposure limits is reviewed by the management on a continuous basis. The Company does not enter into trade financial instruments including derivative financial instruments, for speculative purposes.

**38.4 Market Risk**

The Group is exposed to the financial risk of changes in foreign currency exchange rates and interest rates

**38.4.1 Foreign Currency Risk Management**

The Group is exposed to foreign currency risk on account of (a) Foreign currency borrowing, (b) Import of equipment's and consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising currency derivative contracts.

The carrying amounts of Group's US Dollar denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

<u>Particulars</u>	<u>Currency</u>	<u>As at 31.03.2017 (Rs. Million)</u>	<u>As at 31.03.2016 (Rs. Million)</u>	<u>As at 01.04.2015 (Rs. Million)</u>
Assets	US Dollar	0.02	0.02	0.02
	INR Equivalent	1.53	1.53	1.53
Liabilities	US Dollar	300.81	317.81	387.77
	INR Equivalent	19,400.04	21,079.38	24,270.65

**Foreign currency sensitivity analysis**

The Group is mainly exposed to USD. The following table details the Companies sensitivity to a 1% increase and decrease in Rupee against the relevant foreign currency. The sensitivity analysis include only outstanding foreign currency denominated monetary items and adjust their translation at the year-end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens 1% against the relevant currency. For a weakening of the Rupee against the relevant currency, there would be a negative impact on the profit.

<u>Particulars</u>	<u>Year ended 31.03.2017 (Rs. Million)</u>	<u>Year ended 31.03.2016 (Rs. Million)</u>
Impact on profit or loss for the year	80.85	46.92

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of reporting period does not reflect the exposure to foreign exchange risk during



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**Note 38.4.1 continued**

**Foreign currency derivative contracts designated under hedging relationship**

The Group has availed certain foreign currency loans and have entered into Currency derivative contracts like Currency Swaps, Forward Contracts to hedge the foreign currency risk exposure. The economic relationship exists between the hedged item (Foreign Currency Loan) and the hedging instrument (Currency Swap and Forward Contracts) since both are taken on the same underlying i.e, USD / INR exchange rate. These hedges have been

**As at 31.03.2017**

<b>Particulars</b>	<b>Currency</b>	<b>6 Year currency swap</b>	<b>Forward Contract</b>
Foreign Currency	USD Mn	63.43	94.25
Nominal amount	INR Mn	5,023.95	6,110.97
Average exchange rate	INR/USD	79.20	64.84
Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(50.34)	309.78
Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	(21.02)	-
Change in fair value of hedging instrument capitalised as borrowing cost along with hedge item	INR Mn	-	501.55
Balance in cash flow hedge reserve	INR Mn	(21.02)	-
Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	-	15.09
Amount reclassified from the Cash Flow Hedge reserve to statement of profit or loss [loss / (gain)]	INR Mn	(29.32)	-

There were no hedging relationship for foreign currency contracts as at 31 March, 2016 and 1 April, 2015 and accordingly no disclosure is given for those periods

**Foreign currency derivative contracts not designated under hedging relationship**

<b>Particulars</b>		<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>	<b>As at 01.04.2015</b>
Foreign currency	USD Mn	69.33	200.22	172.29
Nominal value	INR Mn	4,300.75	13,281.05	11,054.93
Carrying amount of derivative instrument at fair value [asset / (liability)]	INR Mn	(16.73)	(302.00)	(31.03)

The Group has used Level 2 hierarchy to measure the fair value of the derivative contracts by discounting the future cash flows. These cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of counterparty.



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**38.4.2 Interest rate risk management**

Interest rate risk arises from the potential changes in interest rates that may have adverse effects on the Group in the reporting period or in future years.

**Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on exposure to interest rates for term loans at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in case of term loans and debentures that have floating rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial year and consequent effect on Group's profit in that financial year would have been as below.

	<b>Year ended 31.03.2017 (Rs. Million)</b>	<b>Year ended 31.03.2016 (Rs. Million)</b>
Increase by 50 basis point		
Interest expense on loan	706.20	595.84
Effect on profit before tax	(706.20)	(595.84)
Decrease by 50 basis point		
Interest expense on loan	(706.20)	(595.84)
Effect on profit before tax	706.20	595.84

**Interest rate swap contracts**

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable rate debt. The fair value of the interest rate swap at the end of reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract.

During the year Group has entered into an interest rate swap to convert the floating rate interest liability to a fixed rate interest liability and has designated the same as a Cash flow hedge

The following table details the nominal amounts and remaining terms of the interest rate swap contract outstanding at the end of the reporting period

**As at 31.03.2017**

<b>Particulars</b>	<b>Unit</b>	<b>1 Year interest rate swap of notional principal</b>
Nominal amount of loan	INR Mn	1,750.00
Average contracted fixed interest rate	%	10.40%
Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(33.58)
Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	(33.58)
Balance in cash flow hedge reserve	INR Mn	(33.58)
Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	-
Amount reclassified from the Cash Flow Hedge reserve to statement of profit or loss [loss / (gain)]	INR Mn	-



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**Note 38.4.2 continued**

There were no hedging instruments and hedged items for interest rate risk as at 31 March, 2016 and 1 April, 2015 and accordingly no disclosure is given for those periods.

The Company has used Level 2 hierarchy to measure the fair value of the interest rate swap by discounting the future cash flows. These cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of counterparty.

**38.4.3 Other price risk**

The Company is exposed to equity price risks arising from equity investments. The sensitivity analysis below have been determined based on the exposure to the equity price risk at the end of the reporting period.

If equity prices had been 5% higher / lower, the profit for the year ended 31.03.2017 would increase / decrease by Rs. 10.47 million (for the year ended 31.03.2016: increase / decrease by Rs. 0.26 million) as a result of change in fair value of equity investments which have not been irrevocably designated as at FVTOCI.

**38.5 Credit risk**

The Group takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial assets that potentially expose the Group to credit risks are listed below:

	<b>As at 31.03.2017 (Rs. Million)</b>	<b>As at 31.03.2016 (Rs. Million)</b>	<b>As at 1.04.2015 (Rs. Million)</b>
Trade receivables	12,652.03	6,397.75	1,177.56
Loans receivable	4,359.54	5,024.12	3,169.53
Other financial assets	<u>10,504.69</u>	<u>11,257.62</u>	<u>12,102.49</u>
	<b><u>27,516.26</u></b>	<b><u>22,679.49</u></b>	<b><u>16,449.58</u></b>

Refer note 10 for credit risk and other information in respect of trade receivables. Other receivables mainly include Unbilled revenue, deposits with banks maturity more than 12 months, interest accrued and advances which are due from parties under normal course of business and as such the Group believes exposure to credit risk is minimal.



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**38.6 Liquidity risk**

The responsibility for liquidity risk management rests with the Corporate Finance department which functions under the guidance of board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

**Liabilities**

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on undiscounted cash flows of financial liabilities based on earlier date on which the Company can be required to pay.

(Rs. Million)					
Particulars	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 31.03.2017</b>					
Borrowings (including current maturities of long term borrowings)	38,567.98	62,451.44	56,767.36	157,786.78	156,926.76
Trade payables	8,361.65	28.00	-	8,389.65	8,389.65
Other financial liabilities (excluding current maturities of long term borrowings)	15,476.91	642.26	17.00	16,136.17	15,966.59
<b>Total</b>	<b>62,406.54</b>	<b>63,121.70</b>	<b>56,784.36</b>	<b>182,312.60</b>	<b>181,283.00</b>

(Rs. Million)					
Particulars	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 31.03.2016</b>					
Borrowings (including current maturities of long term borrowings)	27,118.56	62,296.48	56,134.58	145,549.62	145,501.83
Trade payables	4,829.81	28.00	-	4,857.81	4,857.81
Other financial liabilities (excluding current maturities of long term borrowings)	10,206.86	2,953.82	17.10	13,177.78	12,832.42
<b>Total</b>	<b>42,155.23</b>	<b>65,278.30</b>	<b>56,151.68</b>	<b>163,585.21</b>	<b>163,192.06</b>

(Rs. Million)					
Particulars	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 01.04.2015</b>					
Borrowings (including current maturities of long term borrowings)	25,790.94	49,677.56	43,987.15	119,455.65	118,814.33
Trade payables	1,510.28	28.00	-	1,538.28	1,510.02
Other financial liabilities (excluding current maturities of long term borrowings)	5,245.62	4,100.03	177.74	9,523.39	9,523.39
<b>Total</b>	<b>32,546.84</b>	<b>53,805.59</b>	<b>44,164.89</b>	<b>130,517.32</b>	<b>129,847.74</b>

The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets



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**38.7 Fair value measurements**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Investments of the company in equity instruments other than in joint venture and associate companies are measured at fair value through profit or loss at the end of each reporting period.

The following table gives information about how the Group determines fair values of financial assets :

S. No.	Investments equity instruments / units of other companies (unquoted)	Fair value as at		
		31.03.2017 (Rs. Million)	31.03.2016 (Rs. Million)	01.04.2015 (Rs. Million)
1	Shalivahana Green Energy Limited	319.44	324.70	329.70
2	Power Transmission Company Nepal Limited	51.00	29.00	8.65
3	KVK Nilachal Power Private Limited	758.00	983.00	995.00
4	SV Power Private Limited	450.00	451.00	455.00
5	Urjankur Nidhi Trust	478.34	478.56	478.73
6	Saraswat Bank and Shamrao Vithal Bank	0.08	0.05	0.03
		<b>2,056.86</b>	<b>2,266.31</b>	<b>2,267.11</b>

The Company have used Level 3 hierarchy to measure the fair value of above investments by the use of discounted cash flow method which is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

**The reconciliation of Level 3 fair value investments is as follows:**

	As at 31.03.2017 (Rs. Million)	As at 31.03.2016 (Rs. Million)
Unlisted shares irrevocably designated as at FVTPL		
Opening balance	2,266.31	2,267.11
Additional investment	0.03	15.02
Gain/(loss) recognised in Statement of profit and loss account	(209.48)	(15.82)
<b>Closing balance</b>	<b>2,056.86</b>	<b>2,266.31</b>

**Significant unobservable inputs**

- 1 Plant capacity utilisation factor, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 70% to 98% (as at 31 March, 2016: 70% to 95%; as at 1 April, 2015: 70% to 95%)

A slight increase / decrease in the plant utilisation factor by (1%) in isolation would result in increase / decrease in the fair value of investment by Rs. 53 million as at 31 March, 2017 (31 March, 2016: Rs. 60 million, 1 April, 2015: Rs. 63 million)

- 2 Weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model, ranging from 9.20% to 12.70% ( as at 31 March, 2016: 9.7% to 12.30%; as at 1 April, 2015: 10.10% to 12.40%)

A slight increase / decrease in the WACC (by 0.50%) in isolation would result in decrease / increase in the fair value of investment by Rs. 210 million as at 31 March, 2017 (31 March, 2016: Rs. 211 million, 1 April, 2015: Rs. 198 million)

The Company considers that the carrying amounts of all other financial assets and financial liabilities recognised in the financial statements approximates their fair values.



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**Note 39**

**Segment reporting**

	<b>Segment revenue</b>		<b>Segment profit</b>	
	<b>Year ended 31.03.17 (Rs Million)</b>	<b>Year ended 31.03.16 (Rs Million)</b>	<b>Year ended 31.03.17 (Rs Million)</b>	<b>Year ended 31.03.16 (Rs Million)</b>
Generation and sale of power	30,061.71	14,729.91	24,810.34	11,695.25
Consultancy services	862.18	86.65	(25.95)	(1,853.15)
<b>Total</b>	<b>30,923.89</b>	<b>14,816.56</b>	<b>24,784.39</b>	<b>9,842.10</b>
Unallocable income/ (expense) (net of unallocable expense/(income))			(13,375.81)	(3,921.53)
Finance cost			(14,449.35)	(9,163.52)
Interest income			2,046.75	1,277.34
Loss before tax and share from associates and joint ventures			(994.02)	(1,965.61)
Share of profit from associates and joint ventures			589.23	214.57
Loss before tax			(404.79)	(1,751.04)
Tax Expense			(97.18)	(870.74)
<b>Loss after tax</b>			<b>(501.97)</b>	<b>(2,621.78)</b>

The accounting policies of the reportable segments are the same as the accounting policies of the Group. Segment profit represent the profit before tax earned by each segment without allocation of other income and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

**Segment assets and liabilities**

	<b>As at 31.03.17 (Rs Million)</b>	<b>As at 31.03.16 (Rs Million)</b>	<b>As at 01.04.15 (Rs Million)</b>
<b>Segment assets</b>			
Consultancy services	968.29	356.13	374.40
Generation and sale of power	191,697.96	167,407.17	143,163.85
<b>Total Segment assets</b>	<b>192,666.25</b>	<b>167,763.30</b>	<b>143,538.25</b>
Unallocated	48,594.75	53,328.12	43,218.99
<b>Consolidated total assets</b>	<b>241,261.00</b>	<b>221,091.42</b>	<b>186,757.24</b>
<b>Segment liabilities</b>			
Consultancy services	340.23	605.04	379.63
Generation and sale of power	174,237.45	155,457.79	123,786.50
<b>Total Segment liabilities</b>	<b>174,577.68</b>	<b>156,062.83</b>	<b>124,166.13</b>
Unallocated	19,782.53	21,463.37	12,908.02
<b>Consolidated total liabilities</b>	<b>194,360.21</b>	<b>177,526.20</b>	<b>137,074.15</b>

**Geographical Information for the year ended 31 March, 2017**  
**(In Rs. Million)**

	<b>Domestic</b>	<b>Overseas</b>	<b>Total</b>
Revenue from external customers	30,915.12	8.77	30,923.89
	(14,811.23)	(5.33)	(14,816.56)
Segment assets	191,866.18	800.07	192,666.25
	(167,238.85)	(524.45)	(167,763.30)
Unallocable assets			48,594.75
			(53,328.12)
Total assets			241,261.00
			(221,091.42)
Capital expenditure	9,595.41	25.14	9,620.55
	(31,277.15)	-	(31,277.15)

**Note: Previous year's figures are in brackets**



**Note 40**

**Related Party Transactions:**

- a) List of related parties (With whom the Group had transactions):

**A. HOLDING COMPANY**

Infrastructure Leasing & Financial Services Limited (IL&FS)

**B. ENTITIES UNDER COMMON CONTROL**

- i. Avash Logistic Park Private Limited
- ii. IL&FS Education & Technology Services Limited
- iii. IL&FS Environmental Infrastructure & Service Limited
- iv. IL&FS Financial Services Limited
- v. IL&FS Infrastructure Development Company Limited
- vi. IL&FS Investment Advisors LLC
- vii. IL&FS Investment Managers Limited
- viii. IL&FS Securities Services Limited
- ix. IL&FS Transportation Networks Limited
- x. IL&FS Trust Company Limited (upto 30 March, 2016)
- xi. Porto Novo Maritime Limited
- xii. Tamil Nadu Water Investment Company Limited
- xiii. Sealand Ports Private Limited
- xiv. IL&FS Maritime Infrastructure Company Limited
- xv. IL&FS Urban Infrastructure Services Limited
- xvi. IL&FS Technology Development Company Limited
- xvii. IL&FS Infra Asset Management Limited
- xviii. Livia India Limited ( W.e.f 31 January, 2015)
- xix. Tierra Enviro Limited
- xx. Sabarmati Capital One Limited
- xxi. Kanak Resources Management Limited
- xxii. Unique Waste Processing Company Limited
- xxiii. IL&FS Technologies Limited
- xxiv. IL&FS Cluster Development Initiative Limited
- xxv. ISSL Settlement & Transaction Services Limited
- xxvi. IL&FS Water Limited
- xxvii. Jharkhand Infrastructure Development Corporation Limited
- xxviii. RDF Power Project Limited
- xxix. East Delhi Waste Processing Company Limited
- xxx. Chenani Nashri Tunnelway Limited
- xxxi. IL&FS Capital Advisors Limited
- xxxii. Aptex Marketing Services and Solutions Limited
- xxxiii. IL&FS Airports Limited
- xxxiv. IL&FS Global Financial Services (UK) Limited
- xxxv. IL&FS Engineering & Construction Company Limited
- xxxvi. PDCOR Limited
- xxxvii. IL&FS IIDC Fund



**C. ASSOCIATES**

- i. Urjankur Shree Datta Power Company Limited
- ii. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited
- iii. Punjab Biomass Power Limited (till 30 March, 2016)

**D. JOINT VENTURES**

- i. ONGC Tripura Power Company Limited
- ii. Cross Border Power Transmission Company Limited
- iii. Assam Power Project Development Company Limited
- iv. Bihar Power Infrastructure Company Private Limited
- v. Saurya Urja Company of Rajasthan Limited

**E. KEY MANAGEMENT PERSONNEL**

- i. Mr. Sunil Wadhwa, Managing Director
- ii. Mr. Anoop Seth, Deputy Managing Director



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Transactions during the year ended 31 March, 2017</b>				
<b>Consultancy Fee Income:</b>				
PDCOR Limited	-	12.53	-	-
	(-)	(3.14)	(-)	(-)
IL&FS Maritime Infrastructure Company Limited	-	1.17	-	-
	(-)	(4.60)	(-)	(-)
RDF Power Project Limited	-	420.00	-	-
	(-)	(-)	(-)	(-)
Others	-	5.67	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>147.95</b>	<b>439.37</b>	<b>-</b>	<b>-</b>
	<b>(4.60)</b>	<b>(7.74)</b>	<b>(-)</b>	<b>(-)</b>
<b>Interest Income</b>				
Porto Novo Maritime Limited	-	22.50	-	-
	(-)	(33.55)	(-)	(-)
IL&FS Financial Services Limited	-	22.85	-	-
	(-)	(52.81)	(-)	(-)
Urjankur Shree Datta Power Company Limited	-	-	4.62	-
	(-)	(-)	(21.47)	(-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	46.02	-
	(-)	(-)	(52.02)	(-)
East Delhi Waste Processing Company Private Limited	-	90.85	-	-
	(-)	(-)	(-)	(-)
Sealand Ports Private Limited	-	96.43	-	-
	(-)	(84.78)	(-)	(-)
Chenani Nashri Tunnelway Limited	-	91.56	-	-
	(-)	(-)	(-)	(-)
IL&FS Transportation Network Limited	-	252.01	-	-
	(-)	(20.85)	(-)	(-)
IL&FS Maritime Infrastructure Company Limited	-	11.17	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>25.86</b>	<b>587.37</b>	<b>50.64</b>	<b>-</b>
	<b>(29.04)</b>	<b>(191.99)</b>	<b>(73.49)</b>	<b>(-)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Rent income</b>				
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	1.19 (1.19)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	0.61 (0.61)	- (-)
IL&FS Environmental Infrastructure Services Limited	- (-)	5.76 (-)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>5.76 (-)</b>	<b>1.80 (1.80)</b>	<b>- (-)</b>
<b>Rent expense</b>				
IL&FS Transportation Network Limited	- (-)	1.40 (1.46)	- (-)	- (-)
Others	- (-)	0.14 (0.26)	- (-)	- (-)
<b>Total</b>	<b>64.65 (63.16)</b>	<b>1.54 (1.72)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Finance Cost</b>				
IL&FS Securities Services Limited	- (-)	971.54 (686.68)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	1,793.97 (516.61)	- (-)	- (-)
Others	- (-)	31.59 (81.63)	- (-)	- (-)
<b>Total</b>	<b>948.70 (1,643.99)</b>	<b>2,797.10 (1,284.92)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Cost of fuel consumed</b>				
IL&FS Maritime Infrastructure Company Limited	- (-)	1,425.53 (-)	- (-)	- (-)
<b>Investment made in debentures</b>	<b>- (5,000.00)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Provision for dividend</b>	<b>962.21 (2,229.51)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Brand fees</b>	<b>83.13 (1.00)</b>	<b>- (-)</b>	<b>- (-)</b>	<b>- (-)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Legal and professional expenses</b>				
IL&FS Financial Services Limited	- (-)	8.40 (442.43)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	- (103.81)	- (-)	- (-)
Porto Novo Maritime Limited	- (-)	54.20 (8.26)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	1.03 (1,232.10)	- (-)	- (-)
Others	- (-)	9.39 (24.02)	- (-)	- (-)
<b>Total</b>	<b>164.16</b> <b>(0.69)</b>	<b>73.02</b> <b>(1,810.62)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Project consultancy fees</b>				
IL&FS Financial Services Limited	- (-)	- (75.00)	- (-)	- (-)
Others	- (-)	- (4.40)	- (-)	- (-)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(79.40)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Other expenses</b>				
IL&FS Technologies Limited	- (-)	0.33 (2.06)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	215.92 (1.29)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	53.20 (9.16)	- (-)	- (-)
IL&FS Global Financial Services (UK) Limited	- (-)	32.45 (-)	- (-)	- (-)
Livia India Limited	- (-)	5.92 (4.84)	- (-)	- (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Others	-	6.52	-	-
	(-)	(0.79)	(-)	(-)
<b>Total</b>	<b>37.70</b>	<b>314.34</b>	-	-
	<b>(11.08)</b>	<b>(18.14)</b>	(-)	(-)
<b>Reimbursement of expenses :</b>				
IL&FS Financial Services Limited	-	0.27	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>28.17</b>	<b>0.27</b>	-	-
	<b>(0.11)</b>	<b>(-)</b>	(-)	(-)
<b>Capital work in progress (Interest income)</b>				
IL&FS Financial Services Limited	-	0.02	-	-
	(-)	(0.14)	(-)	(-)
IL&FS Transportation Network Limited	-	12.22	-	-
	(-)	(22.85)	(-)	(-)
Chenani Nashri Tunnelway Ltd	-	22.00	-	-
	(-)	(-)	(-)	(-)
Jharkhand Road Projects Implementation Company Limited	-	91.07	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>0.11</b>	<b>125.31</b>	-	-
	<b>(-)</b>	<b>(22.99)</b>	(-)	(-)
<b>Capital work in progress (Expenses capitalised)</b>				
<b>(a) Legal and Professional and expenses</b>				
IL&FS Environmental Infrastructure Services Limited	-	134.00	-	-
	(-)	(87.20)	(-)	(-)
Others	-	9.62	-	-
	(-)	(8.35)	(-)	(-)
<b>Total</b>	<b>0.14</b>	<b>143.62</b>	-	-
	<b>(125.78)</b>	<b>(95.55)</b>	(-)	(-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>(b) Interest Expense</b>				
IL&FS Financial Services Limited	- (-)	284.92 (56.52)	- (-)	- (-)
<b>Total</b>	<b>15.14</b> <b>(-)</b>	<b>284.92</b> <b>(56.52)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Loans given (Assets)</b>				
IL&FS Financial Services Limited	- (-)	5,541.85 (10,345.01)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	2,560.00 (-)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	2,660.00 (-)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (60.00)	- (-)	- (-)
Chenani Nashri Tunnelway Ltd	- (-)	1,400.00 (-)	- (-)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	38.08 (21.18)	- (-)
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	4.63 (34.45)	- (-)
Others	- (-)	999.99 (-)	- (-)	- (-)
	<b>55.82</b> <b>(1,025.68)</b>	<b>13,161.84</b> <b>(10,405.01)</b>	<b>42.71</b> <b>(55.63)</b>	<b>-</b> <b>(-)</b>
<b>Loan and advance received back (Assets)</b>				
Infrastructure Leasing & Financial Services Limited	102.28 (984.68)	- (-)	(-) -	(-) -
Porto Novo Maritime Limited	- (-)	98.20 (1,900.00)	(-) -	(-) -
IL&FS Financial Services Limited	- (-)	5,795.04 (10,570.85)	(-) -	(-) -



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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
IL&FS Transportation Network Limited	- (-)	4,650.00 (2,930.00)	(-) -	(-) -
Jharkhand Road Projects Implementation Company Limited	- (-)	- (-)	(-) -	(-) -
IL&FS Technologies Limited	- (-)	- (60.00)	- (-)	- -
Others	- (-)	1,410.00 (-)	- -	(-) -
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	188.68 (0.30)	- -
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	154.89 (0.30)	- -
<b>Total</b>	<b>102.28</b> <b>(984.68)</b>	<b>11,953.24</b> <b>(15,460.85)</b>	<b>343.57</b> <b>(0.60)</b>	- -
<b>Loans received during the year</b>				
IL&FS Securities Services Limited	- (-)	2,260.00 (5,500.00)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	6,720.00 (10,895.00)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	- (1,250.00)	- (-)	- (-)
Kanak Resources Management Limited	- (-)	- (1,130.00)	- (-)	- (-)
Porto Novo Maritime Limited	- (-)	200.60 (-)	- (-)	- (-)
	<b>14,960.00</b> <b>(19,099.72)</b>	<b>9,180.60</b> <b>(18,775.00)</b>	- <b>(-)</b>	- <b>(-)</b>
<b>Loans repaid during the year</b>				
IL&FS Securities Services Limited	- (-)	4,000.00 (1,100.00)	- (-)	- (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
IL&FS Financial Services Limited	- (-)	6,400.20 (9,376.32)	- (-)	- (-)
<b>Total</b>	<b>8,984.95</b> <b>(18,428.08)</b>	<b>10,400.20</b> <b>(10,476.32)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Short term borrowing taken during the year</b>				
IL&FS Securities Services Limited	- (-)	177.02 (-)	- (-)	- (-)
IL&FS Cluster Development Initiative Limited	- (-)	200.00 (-)	- (-)	- (-)
Tierra Enviro Limited	- (-)	- (130.00)	- (-)	- (-)
Appatex Marketing Service & Solutions Limited	- (-)	200.00 (-)	- (-)	- (-)
IL&FS Airport Limited	- (-)	53.00 (-)	- (-)	- (-)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>630.02</b> <b>(130.00)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Short term borrowing repaid</b>				
IL&FS Securities Services Limited	- (-)	1,177.02 (-)	- (-)	- (-)
IL&FS Cluster Development Initiative Limited	- (-)	200.00 (-)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	- (2,206.92)	- (-)	- (-)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>1,377.02</b> <b>(2,206.92)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Sale of Investment</b>				
IL&FS Environmental Infrastructure Services Limited	- (-)	<b>1,380.00</b> (-)	- (-)	- (-)
<b>Purchase of Fixed Assets (including expenses capitalised)</b>	<b>-</b> <b>(13,922.57)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Managerial remuneration</b>				
Short term benefits	-	-	-	17.72
	(-)	(-)	(-)	(-)
Post-employment benefits	-	-	-	2.02
	(-)	(-)	(-)	(-)
<b>Total</b>	-	-	-	<b>19.74</b>
	(-)	(-)	(-)	(-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Balance outstanding as at 31.03.2017</b>				
<b>as at (31.03.2016)</b>				
<b>as at (01.04.2015)</b>				
<b>Trade Payables</b>				
IL&FS Financial Services Limited	- (-) (-)	395.26 (275.87) (490.06)	- (-) (-)	- (-) (-)
IL&FS Transportation Network Limited	- (-) (-)	197.91 (202.22) (191.21)	- (-) (-)	- (-) (-)
IL&FS Maritime Infrastructure Company Limited	- (-) (-)	1,339.97 (977.00) (320.49)	- (-) (-)	- (-) (-)
Others	- (-) (-)	43.45 (163.37) (161.37)	- (-) (-)	- (-) (-)
Urjankur Shree Datta Power Company Limited	- (-) (-)	- (-) (-)	- (-) (0.01)	- (-) (-)
<b>Total</b>	<b>511.84</b> <b>(511.49)</b> <b>(493.66)</b>	<b>1,976.59</b> <b>(1,618.46)</b> <b>(1,163.13)</b>	<b>-</b> <b>(-)</b> <b>(.01)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Payable towards capital expenditure</b>				
IL&FS Environmental Infrastructure Services Limited	- (-) (-)	147.90 (603.54) (119.43)	- (-) (-)	- (-) (-)
IL&FS Financial Services Limited	- (-) (-)	60.01 (103.04) (0.69)	- (-) (-)	- (-) (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Others	-	6.01	-	-
	(-)	(53.21)	(-)	(-)
	(-)	(10.72)	(-)	(-)
<b>Total</b>	<b>7.75</b>	<b>213.92</b>	<b>-</b>	<b>-</b>
	<b>(0.07)</b>	<b>(759.79)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(-)</b>	<b>(130.84)</b>	<b>(-)</b>	<b>(-)</b>
<b>Capital advance</b>				
Porto Novo Maritime Limited	-	1,003.50	-	-
	(-)	(1,003.50)	(-)	(-)
	(-)	(2,903.50)	(-)	(-)
Others	-	-	-	-
	(-)	(7.74)	(-)	(-)
	(-)	(105.96)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>1,003.50</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(1,011.24)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(-)</b>	<b>(3,009.46)</b>	<b>(-)</b>	<b>(-)</b>
<b>Security deposit (Long Term)</b>				
Infrastructure Leasing & Financial Services Limited	-	-	-	-
	(9.18)	(-)	(-)	(-)
	(-)	(-)	(-)	(-)
<b>Security deposit (Short term)</b>				
Avash Logistic Park Private Limited	-	144.80	-	-
	(-)	(144.80)	(-)	(-)
	(-)	(144.80)	(-)	(-)
Sealand Ports Private Limited	-	55.20	-	-
	(-)	(55.20)	(-)	(-)
	(-)	(55.20)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>200.00</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(200.00)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(-)</b>	<b>(200.00)</b>	<b>(-)</b>	<b>(-)</b>
<b>Long term loans</b>				
Bihar Power Infrastructure Company Private Limited	-	-	-	125.00
	(-)	(-)	(-)	(125.00)
	(-)	(-)	(-)	(125.00)
Assam Power Project Development Company Limited	-	-	-	10.00
	(-)	(-)	(-)	(10.00)
	(-)	(-)	(-)	(10.00)



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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Punjab Biomass Power Limited	- (-) (-)	- (-) (-)	- (-) (54.93)	- (-) (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-) (-)	- (-) (-)	62.70 (83.29) (74.78)	- (-) (-)
Infrastructure Leasing & Financial Services Limited	- (0.30) (1.47)	- (-) (-)	- (-) (-)	- (-) (-)
IL&FS Maritime Infrastructure Company Limited	- (-) (-)	280.00 (-) (-)	- (-) (-)	- (-) (-)
<b>Total</b>	<b>-</b> <b>(0.30)</b> <b>(1.47)</b>	<b>280.00</b> <b>(-)</b> <b>(-)</b>	<b>62.7</b> <b>(83.29)</b> <b>(129.71)</b>	<b>135.00</b> <b>(135.00)</b> <b>(135.00)</b>
<b>Short term loans and advances including ICDs</b>				
Infrastructure Leasing & Financial Services Limited	- (47.00) (4.03)	- (-) (-)	- (-) (-)	- (-) (-)
IL&FS Financial Services Limited	- (-) (-)	34.00 (288.18) (510.00)	- (-) (-)	- (-) (-)
IL&FS Transportation Network Limited	- (-) (-)	203.64 (2,000.00) (-)	- (-) (-)	- (-) (-)
Chenani Nashri Tunnelway Limited	- (-) (-)	270.00 (-) (-)	- (-) (-)	- (-) (-)
Jharkhand Road Projects Implementation Company Limited	- (-) (-)	750.00 (-) (-)	- (-) (-)	- (-) (-)
East Delhi Waste Processing Company Private Limited	- (-) (-)	349.99 (-) (-)	- (-) (-)	- (-) (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-) (-)	- (-) (-)	173.18 (323.78) (289.34)	- (-) (-)
Urjankur Shree Datta Power Company Limited	- (-) (-)	- (-) (-)	- (150.26) (129.08)	- (-) (-)
Porto Novo Maritime Limited	- (-) (-)	50.80 (149.00) (149.00)	- (-) (-)	- (-) (-)
Sealand Ports Private Limited	- (-) (-)	400.00 (400.00) (400.00)	- (-) (-)	- (-) (-)
<b>Total</b>	- <b>(47.00)</b> <b>(4.03)</b>	<b>2,058.43</b> <b>(2,837.18)</b> <b>(1,059.00)</b>	<b>173.18</b> <b>(474.04)</b> <b>(418.42)</b>	- <b>(-)</b> <b>(-)</b>
<b>Prepaid Expense</b>				
Infrastructure Leasing & Financial Services Limited	0.18 (-) (-)	- (-) (-)	- (-) (-)	- (-) (-)
IL&FS Financial Services Limited	- (-) (-)	26.14 (49.98) (-)	- (-) (-)	- (-) (-)
<b>Total</b>	<b>0.18</b> <b>(-)</b> <b>(-)</b>	<b>26.14</b> <b>(49.98)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Equity component of compound of financial instrument</b>				
- Classified under other equity (see note 17)	<b>2,405.89</b> <b>(2,366.33)</b> <b>(2,366.33)</b>	- (-) (-)	- (-) (-)	- (-) (-)
- Classified under non-controlling interest (see note 18)	<b>5,389.28</b> <b>(-)</b> <b>(-)</b>	- (-) (-)	- (-) (-)	- (-) (-)
<b>Debentures</b>				
Infrastructure Leasing & Financial Services Limited	- <b>(3,085.96)</b> <b>(89.13)</b>	- (-) (-)	- (-) (-)	- (-) (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Long Term Borrowings (Including Current Maturities)</b>				
Infrastructure Leasing & Financial Services Limited	6,938.28 (1,373.23) (707.59)	- (-) (-)	- (-) (-)	- (-) (-)
IL&FS Financial Services Limited	- (-) (-)	10,039.87 (9,809.49) (2,595.83)	- (-) (-)	- (-) (-)
IL&FS Securities Services Limited	- (-) (-)	2,850.00 (5,095.36) (2,850.00)	- (-) (-)	- (-) (-)
<b>Total</b>	<b>6,938.28</b> <b>(1,373.23)</b> <b>(707.59)</b>	<b>12,889.87</b> <b>(14,904.85)</b> <b>(5,445.83)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Short Term Borrowings</b>				
IL&FS Financial Services Limited	- (-) (-)	- (780.00) (832.00)	- (-) (-)	- (-) (-)
IL&FS Securities Services Limited	- (-) (-)	2,760.00 (3,500.00) (-)	- (-) (-)	- (-) (-)
Others	- (-) (-)	453.60 (130.00) (-)	- (-) (-)	- (-) (-)
<b>Total</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>3,213.60</b> <b>(4,410.00)</b> <b>(832.00)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Retention Money Payable</b>				
IL&FS Environmental Infrastructure Services Limited	- (-) (-)	- (131.29) (-)	- (-) (-)	- (-) (-)
<b>Trade receivables:</b>				
IL&FS Environmental Infrastructure Services Limited	- (-) (-)	1,381.19 (-) (-)	- (-) (-)	- (-) (-)
Urjankur Shree Datta Power Company Limited	- (-) (-)	- (-) (-)	- (2.73) (1.41)	- (-) (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-) (-)	- (-) (-)	- (0.16) (0.76)	- (-) (-)
IL&FS Maritime Infrastructure Company Limited	- (-) (-)	5.80 (36.38) (34.16)	- (-) (-)	- (-) (-)
RDF Power Project Limited	- (-) (-)	420.00 (-) (-)	- (-) (-)	- (-) (-)
Others	- (-) (-)	9.18 (1.44) (1.53)	- (-) (-)	- (-) (-)
<b>Total</b>	- (-) (-)	<b>1,823.97</b> <b>(40.08)</b> <b>(40.40)</b>	- <b>(2.89)</b> <b>(2.17)</b>	- (-) (-)

**Interest accrued on loans and advances - other current assets**

Porto Novo Maritime Limited	- (-) (-)	3.49 (72.50) (42.30)	- (-) (-)	- (-) (-)
Urjankur Shree Datta Power Company Limited	- (-) (-)	- (-) (-)	- (9.73) (9.02)	- (-) (-)
Sealand Ports Private Limited	- (-) (-)	248.31 (158.33) (82.03)	- (-) (-)	- (-) (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-) (-)	- (-) (-)	- (17.11) (12.13)	- (-) (-)
Punjab Biomass Power Limited	- (-) (-)	- (-) (-)	- (-) (15.76)	- (-) (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Others	-	27.28	-	-
	(-)	(13.41)	(-)	(-)
	(-)	(1.04)	(-)	(-)
<b>Total</b>	-	<b>279.08</b>	-	-
	<b>(2.07)</b>	<b>(244.24)</b>	<b>(26.84)</b>	<b>(-)</b>
	<b>(0.11)</b>	<b>(125.37)</b>	<b>(36.91)</b>	<b>(-)</b>
<b>Interest accrued on loans and advances - Other non-current assets</b>				
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	-	-
	(-)	(-)	(4.94)	(-)
	(-)	(-)	(-)	(-)
Punjab Biomass Power Limited	-	-	-	-
	(-)	(-)	(-)	(-)
	(-)	(-)	(30.34)	(-)
<b>Total</b>	<b>136.67</b>	-	-	-
	<b>(113.33)</b>	<b>(-)</b>	<b>(4.94)</b>	<b>(-)</b>
	<b>(92.83)</b>	<b>(-)</b>	<b>(30.34)</b>	<b>(-)</b>
<b>Interest accrued on borrowings (Other current liabilities)</b>				
IL&FS Securities Services Limited	-	-	-	-
	(-)	(384.36)	(-)	(-)
	(-)	(-)	(-)	(-)
IL&FS Financial Services Limited	-	1.50	-	-
	(-)	(39.62)	(-)	(-)
	(-)	(1.49)	(-)	(-)
Others	-	6.03	-	-
	(-)	(2.43)	(-)	(-)
	(-)	(-)	(-)	(-)
<b>Total</b>	<b>608.02</b>	<b>7.53</b>	-	-
	<b>(622.18)</b>	<b>(426.41)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(28.37)</b>	<b>(1.49)</b>	<b>(-)</b>	<b>(-)</b>
<b>Dividend Payable</b>	-	-	-	-
	<b>(2,229.51)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Guarantees issued on behalf of the Company</b>	<b>1,219.68</b>	-	-	-
	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
	<b>(141.00)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Guarantees given</b>				
Saurya Urja Company of Rajasthan Limited	250.00 (-) (-)	- (-) (-)	- (-) (-)	- (-) (-)
<b>Financial assets - Investment</b>	57.07 (55.14) (53.60)	- (-) (-)	- (-) (-)	- (-) (-)
Punjab Biomass Power Limited	- (-) (-)	- (-) (-)	- (-) (192.20)	- (-) (-)
<b>Total</b>	<b>57.07</b> <b>(55.14)</b> <b>(53.60)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(192.20)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Investment in equity of associates</b>				
Urjankur Shree Datta Power Company Limited	- (-) (-)	- (-) (-)	444.96 (336.01) (264.58)	- (-) (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-) (-)	- (-) (-)	333.42 (281.59) (249.72)	- (-) (-)
<b>Total</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>	<b>778.38</b> <b>(617.60)</b> <b>(514.30)</b>	<b>-</b> <b>(-)</b> <b>(-)</b>
<b>Investment in equity of joint venture</b>				
ONGC Tripura Power Company Limited	- (-) (-)	- (-) (-)	- (-) (-)	6,128.91 (5,768.84) (5,569.31)
Cross Border Power Transmission Company Limited	- (-) (-)	- (-) (-)	- (-) (-)	265.05 (206.88) (73.81)
Assam Power Project Development Company Limited	- (-) (-)	- (-) (-)	- (-) (-)	2.77 (3.06) (1.92)
Bihar Power Infrastructure Company Private Limited	- (-) (-)	- (-) (-)	- (-) (-)	113.18 (113.78) (114.61)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Saurya Urja Company of Rajasthan Limited	-	-	-	606.63
	(-)	(-)	(-)	(125.09)
	(-)	(-)	(-)	(-)
<b>Total</b>	-	-	-	<b>7,116.54</b>
	(-)	(-)	(-)	<b>(6,217.65)</b>
	(-)	(-)	(-)	<b>(5,759.65)</b>



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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**Note 41**

**Earnings per share**

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

S.no	Particulars	Unit	Year ended 31.03.2017	Year ended 31.03.2016
a.	Net loss after tax attributable to owners	Rupees million	(738.10)	(2,716.15)
b.	Weighted average of number of equity shares	Number of Shares	1,283,564,664	1,274,728,029
c.	Basic earnings per share (a/b)	Rupees	(0.58)	(2.13)
d.	Potential dilutive equity shares on share application money, compulsorily convertible debentures and compulsorily convertible Preference shares	Number of Shares	75,876,614	75,726,705
e.	Weighted average of number of equity shares used in computing diluted earnings per share.	Number of Shares	1,359,441,278	1,350,454,734
f.	Diluted earnings per share (a/e)	Rupees	(0.58)	(2.13)

**Note 42**

**Non cash transaction**

During the year Group has entered into following non cash transaction:

- Amount payable to Engineering, Procurement and Construction contractor ('EPC') of Rs. 7.31 million has been adjusted against the property, plant and equipment.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 43**

**First time Ind as adoption reconciliation**

**a) Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015**

Particulars	Note ref	As at 31.03.2016 Rs. Million	As at 01.04.2015 Rs. Million
<b>Total equity under previous GAAP attributable to</b>			
Shareholders of the Company		43,629.45	42,019.67
Non controlling interest		8,985.18	10,870.45
Total equity as per as per previous GAAP		52,614.63	52,890.12
Restatement of financial statement by a joint venture for true up adjustment		-	(348.89)
<b>Equity as restated under previous GAAP</b>		<b>52,614.63</b>	<b>52,541.23</b>
<b>Increase in Equity on account of Ind AS adjustments</b>			
Impact on financial liabilities valued at amortised cost using EIR method	(i)	83.22	17.63
Net impact of recognition of grant and security deposit at amortised cost	(ii)	26.42	-
Equity component of compound financial instrument	(iii)	2,366.33	2,466.32
Impact on financial assets valued at amortised cost using EIR method	(v)	73.12	-
Impact of amalgamation of subsidiary	(xvi)	30.03	-
Effect of Exchange fluctuations on account of Buyer's credit	(xvii)	26.90	216.58
Fair valuation of derivative component of compound financial instrument through profit or loss	(xviii)	158.77	-
Ind AS adjustment of associates and joint ventures		73.32	27.87
Tax impact	(xiv)	431.09	386.67
<b>Total</b>		<b>3,269.20</b>	<b>3,115.07</b>
<b>Decrease in Equity on account of Ind AS adjustments</b>			
Impact on financial liabilities valued at amortised cost using EIR method	(i)	747.21	546.89
Net impact of recognition of grant and security deposit at amortised cost	(ii)	70.43	118.85
Recognition of asset retirement obligations and its consequential impact	(xi)	57.02	37.47
Equalisation of operation and maintenance expenses	(vii)	801.49	716.49
Renewable energy certificates	(ix)	928.21	786.83
Fair valuation of Investments	(iv)	952.69	938.43
Expected credit loss allowance for receivables/loans	(vi)	541.19	554.19
Impact of business combinations on reserves	(xiii)	7,942.17	2,173.98
Additional depreciation on account of adjustments	(xvii)	2.50	-
Loss on dilution in investments due to change in net assets	(xii)	99.25	-
Ind AS adjustment of associates and joint ventures		55.78	55.78
Exchange differences in translating the financial statements of foreign operations classified through profit and loss account		64.57	-
Tax impact	(xiv)	56.10	44.30
<b>Total</b>		<b>12,318.61</b>	<b>5,973.21</b>
<b>Net change in equity</b>		<b>(9,049.41)</b>	<b>(2,858.14)</b>
<b>Adjusted equity under Ind AS</b>		<b>43,565.22</b>	<b>49,683.09</b>
Attributable to:			
Owners of the Company		36,057.87	39,425.54
Non Controlling Interest		7,507.35	10,257.55



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Note 43 continued

**b. Reconciliation of total comprehensive income for the year ended 31 March, 2016**

Particulars	Note ref	Year ended 31.03.2016 Rs. Million
<b>Total profit / (loss) after tax as per previous GAAP</b>		<b>(334.47)</b>
<b>Increase in Profit on account of Ind AS adjustments</b>		
Net impact of recognition of grant and security deposit at amortised cost	(ii)	74.84
Impact on financial liabilities valued at amortised cost using EIR method	(i)	17.65
Impact on financial assets valued at amortised cost using EIR method	(v)	112.65
Remeasurement of defined benefit obligations reclassified in other comprehensive income	(viii)	2.94
Ind AS adjustment of associates and joint ventures		64.14
Impact of amalgamation of subsidiary	(xvi)	10.04
Fair valuation of derivative component of compound financial instruments through profit or loss	(xviii)	158.77
Others		4.13
Tax impact	(xiv)	<u>57.12</u>
		502.28
<b>Decrease in Profit on account of Ind AS adjustments</b>		
Net gain on sale of investment to NCI directly taken in reserves since no loss of control (net of tax)	(xv)	1,981.80
Expected credit loss allowance for receivables/loans	(vi)	13.00
Fair value of investments	(iv)	14.26
Equalisation of operation and maintenance expenses	(vii)	85.00
Inventorisation of Renewable Energy Certificates	(ix)	141.38
Impact on financial liabilities valued at amortised cost using EIR method	(i)	217.36
Recognition of asset retirement obligations and its consequential impact	(xi)	19.55
Loss on dilution in investments due to change in net assets	(xii)	99.25
Additional depreciation on account of adjustments	(xvii)	2.50
Effect of exchange fluctuations on account of Buyer's credit	(xvii)	189.68
Tax impact	(xiv)	<u>25.81</u>
		2,789.59
Net Increase / (decrease) in profit		<u>(2,287.31)</u>
<b>Adjusted loss as per Ind AS</b>		<u>(2,621.78)</u>
<b>Other comprehensive income</b>		
Other comprehensive income net of taxes		(36.05)
<b>Total comprehensive income / (loss) as per Ind AS</b>		<u>(2,657.83)</u>
Attributable to:		
Owners of the Company		(2,749.29)
Non controlling interest		91.46



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**Note 43 continued**

**c. Effect of Ind AS adoption on the statement of cash flows for the year ended 31 March, 2016**

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
		Refer note (xix)	
Net cash flow from / (used in) operating activities	2,873.30	(1,740.72)	1,132.58
Net cash flow from / (used in) investing activities	(19,687.05)	(11,584.24)	(31,271.29)
Net cash flow from / (used in) financing activities	15,453.86	14,343.22	29,797.08
Net increase / (decrease) in cash and cash equivalents	<b>(1,359.89)</b>	<b>1,018.26</b>	<b>(341.63)</b>
Cash and cash equivalents at the beginning of the period	4,251.67	(2,724.84)	1,526.83
Cash and cash equivalents adjustment on dilution of share in joint venture	(1,545.49)	1,545.49	-
Effect of exchange rate changes	-	(39.54)	(39.54)
Cash and cash equivalents at the end of the period	<b>1,346.29</b>	<b>(200.63)</b>	<b>1,145.66</b>

**d. Notes to reconciliation between Previous GAAP and Ind AS**

- i. Under previous GAAP, borrowings were recognised at cost and any cost incurred in relation to borrowings were charged to the statement of profit and loss over the tenure of such borrowings. Any unamortised costs were carried as other current and non-current assets. Under Ind AS, borrowings are being recorded at the fair value of consideration received and finance costs are charged to the statement of profit and loss using the effective interest rate method.
- ii. Under the previous GAAP, the grant and security deposit were recognised based on aggregated undiscounted value of cashflows. Under Ind AS, accounting of the same is required to be at amortised cost.
- iii. Under the previous GAAP, Fully Compulsorily Convertible Debentures (FCCDs) were considered only as borrowing. However under Ind AS, these FCCD's were assessed as compound financial instrument and on initial recognition, net present value of the contractual cashflows had been recognised as debt and the residual as equity. Accordingly the equity portion of FCCDs have been reclassified to other equity under Ind AS.
- iv. Under previous GAAP, investments in equity instruments were required to be valued at cost and were subject to impairment assessment. Under Ind AS, investments in equity instruments of other entities are mandatorily required to be stated at fair value through profit and loss unless they are classified at fair value through other comprehensive income. Further, at the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying amount has been adjusted in opening reserves.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF IND AS CONSOLIDATED FINANCIAL STATEMENTS**

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**Note 43 continued**

- v. Under previous GAAP, the transaction costs related to loans given were credited to the Statement of Profit and Loss in the year of receipt. Under Ind AS, loans (financial assets) are being recorded at the fair value of consideration received and income are charged to the statement of profit and loss using the effective interest rate method.
- vi. Under previous GAAP, there was no requirement for discounting receivables based on the intrinsic time value of cash flows, however under Ind AS, provision for credit loss allowance needs to be accounted considering the same. Accordingly, provision for credit loss allowance for receivables, non interest bearing loans etc. has been created.
- vii. Under the previous GAAP, operation and maintenance expenses were recognised in accordance with payment terms and conditions mentioned in the agreement entered into with the contractor. Under Ind AS, operation and maintenance expenses are being recognised on a straight line basis over the period over which the benefits extend to the Group.
- viii. Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit or loss.
- ix. Under Ind AS, the Group has adopted an accounting policy to recognise Renewable Energy Certificates as inventory and revenue from sale of such RECs is recognised at the time of such sale of RECs.
- x. Under Ind AS, the Group is required to recognise deferred tax liability for all taxable temporary differences associated with investments in associates for which it is not able to control the timing of reversal of such temporary differences. Accordingly the group has created Deferred tax liability on the undistributed profits of its investments in its associates
- xi. Under previous GAAP, there was no specific guidance on accounting for provision for decommissioning liability and hence such liability was not recognised by the Group. Under Ind AS, a provision for decommissioning liability is required to be made at the time of capitalisation of associated plant, property and equipment.
- xii. Under the previous GAAP, change in share of net assets of joint ventures was directly accounted under equity, however under Ind AS the same is accounted through profit or loss.
- xiii. During the previous year IEDCL had acquired additional interest in ITPCL from IL&FS. The amount that had been recognised as goodwill under the previous GAAP, has now been recorded as a reduction from capital reserves for the preparation of the consolidated Ind AS financial statements.  
Further, the premium paid by ITPCL, as part of a separate transaction for the acquisition of certain mining rights from another IL&FS group entity, has now been adjusted from retained earnings.
- xiv. Deferred tax has been recognised on adjustments made on transition to Ind AS, to the extent applicable, by individual entities.
- xv. Under previous GAAP, profit on sale of investment in subsidiary was accounted for in statement of profit or loss, however under Ind AS change in shareholding in a subsidiary without loss of control is accounted directly under equity.
- xvi. Goodearth Shipping Private Limited, a wholly owned subsidiary of the Group was amalgamated with a subsidiary with the appointed date of 1 April, 2013 and the company has accounted for the amalgamation, with effect from the appointed date i.e. 1 April 2013, in accordance with provisions of the previous GAAP and has availed the exemption under Ind AS 101 for not applying Ind AS 103 to past business combinations that occurred before the date of transition to Ind AS.
- xvii. The Group has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items outstanding and recognised in the financial statements for immediately preceding period before the first Ind AS financial reporting period as per the previous GAAP. Exchange differences arising after transition period have been taken to the statement of profit and loss and the effect of depreciation has been accounted accordingly.
- xviii. Under Ind AS, the Group is required to value any derivative component of a compound financial instrument, at fair value. Impact of fair value of derivative component is recognised in the statement of profit or loss.
- xix. Under previous GAAP, investment in joint ventures were proportionally consolidated on a line by line basis. Under Ind AS these entities are consolidated based on the equity method of consolidation.
- xx. Retained earnings as at 1 April, 2015 have been adjusted consequent to the above Ind AS transition adjustments.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Note 44

Disclosure of additional information as required by Schedule III c  
As at and for the year ended 31 March, 2017

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Rs. Million	As % of consolidated profit or loss	Rs. Million	As % of consolidated Other comprehensive income	Rs. Million	As % of consolidated Total comprehensive income	Rs. Million
<b>Parent</b>		54,380.70	(133.35%)	2,427.69	46.49%	(38.93)	(125.44%)	2,388.76
<b>IL&amp;FS Energy Development Company Limited</b>	47.57%							
<b>Indian Subsidiaries</b>								
IL&FS Renewable Energy Limited	0.27%	313.49	40.16%	(731.24)	0.32%	(0.27)	38.41%	(731.51)
Nana Layja Power Company Limited	0.01%	13.54	1.04%	(18.87)	0.00%	-	0.99%	(18.87)
IL&FS Wind Project Development Limited (Formerly IL&FS Hydro Energy Limited)	(0.48%)	(544.81)	29.70%	(540.77)	0.00%	-	28.40%	(540.77)
Mota Layja Gas Power Company Limited	0.00%	4.94	(0.25%)	4.62	0.00%	-	(0.24%)	4.62
IL&FS Wind Energy Limited (Formerly Mandvi LNG Terminal Limited)	3.64%	4,157.00	39.14%	(712.57)	0.00%	-	37.42%	(712.57)
Lalpur Wind Energy Limited	2.94%	3,359.92	(0.68%)	12.46	0.00%	-	(0.65%)	12.46
Khandke Wind Energy Private Limited	2.15%	2,454.38	(11.90%)	216.65	0.00%	-	(11.38%)	216.65
Wind Urja India Limited	0.63%	716.69	1.07%	(19.48)	0.00%	-	1.02%	(19.48)
IL&FS Tamilnadu Power Company Limited	31.27%	35,747.61	(63.84%)	1,162.19	(147.10%)	123.18	(67.50%)	1,285.37
Tadas Wind Energy Private Limited	1.86%	2,121.78	(2.07%)	37.69	0.00%	-	(1.98%)	37.69
IL&FS Wind Power Services Limited	0.03%	36.30	(0.12%)	2.21	0.30%	(0.25)	(0.10%)	1.96
Kaze Wind Energy Limited	0.74%	851.60	0.23%	(4.11)	0.00%	-	0.22%	(4.11)
Sipla Wind Energy Limited	0.89%	1,015.60	3.85%	(70.01)	0.00%	-	3.68%	(70.01)
Rohtas Biomass Energy Limited	0.02%	25.49	0.70%	(12.76)	0.00%	-	0.67%	(12.76)
Etesian Urja Limited	0.94%	1,073.67	2.30%	(41.88)	0.00%	-	2.20%	(41.88)
Patiala Bio Power Company Limited	0.02%	19.81	0.94%	(17.08)	0.00%	-	0.90%	(17.08)
Shendra Green Energy Limited	(0.42%)	(480.30)	8.70%	(158.36)	0.00%	-	8.32%	(158.36)
IL&FS Solar Power Limited	0.01%	10.04	0.03%	(0.47)	0.00%	-	0.02%	(0.47)
IL&FS Wind Farms Limited	(0.06%)	(64.24)	8.63%	(157.05)	0.00%	-	8.25%	(157.05)
Ratedi Wind Power Private Limited	1.33%	1,525.71	(1.92%)	34.99	0.00%	-	(1.84%)	34.99
Cuddalore Solar Power Private Limited	0.00%	(3.20)	0.01%	(0.10)	0.00%	-	0.01%	(0.10)
Jogihait Wind Energy Private Limited	1.03%	1,183.20	4.61%	(83.91)	0.00%	-	4.41%	(83.91)
Mahidad Wind Energy Private Limited	1.14%	1,297.72	4.62%	(84.09)	0.00%	-	4.42%	(84.09)
East Delhi Waste Processing Company Private Limited	0.00%	-	0.20%	(3.69)	0.00%	-	0.19%	(3.69)
Maliwa Solar Power Generation Company Limited	(0.01%)	(9.18)	0.56%	(10.18)	0.00%	-	0.53%	(10.18)
<b>Foreign Subsidiaries</b>								
Maritime International Offshore Pte Limited	0.00%	(2.26)	0.03%	(0.48)	(0.07%)	0.06	0.02%	(0.42)
<b>Indian associate (accounted as per equity method)</b>								
Urjankur Shree Datta Power Company Limited	0.39%	444.96	(5.98%)	108.90	(0.04%)	0.03	(5.72%)	108.93
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	0.29%	333.42	(2.87%)	52.30	(0.06%)	0.05	(2.75%)	52.35



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Note 44

Disclosure of additional information as required by Schedule III c  
As at and for the year ended 31 March, 2017

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Rs. Million	As % of consolidated profit or loss	Rs. Million	As % of consolidated Other comprehensive income	Rs. Million	As % of consolidated Total comprehensive income	Rs. Million
<b>Indian Joint Ventures (accounted as per equity method)</b>								
Cross Border Power Transmission Company Limited	0.25%	280.30	(3.68%)	67.06	0.00%	-	(3.52%)	67.06
ONGC Tripura Power Company Limited (Consolidated)	2.97%	3,399.45	(19.78%)	360.20	0.16%	(0.13)	(18.91%)	360.07
Bihar Power Infrastructure Company Private Limited	0.05%	55.92	0.03%	(0.61)	0.00%	-	0.03%	(0.61)
Assam Power Project Development Company Limited	0.00%	2.59	0.02%	(0.28)	0.00%	-	0.01%	(0.28)
Saurya Urja Company of Rajasthan Limited	0.53%	606.63	(0.09%)	1.63	0.00%	-	(0.09%)	1.63
<b>Total</b>	<b>100%</b>	<b>114,328.47</b>	<b>100%</b>	<b>1,820.60</b>	<b>100%</b>	<b>83.74</b>	<b>100%</b>	<b>1,904.33</b>
Less:								
a) Adjustments arising out of consolidation				(2,322.57)				(2,322.56)
b) Non-Controlling Interests (Indian subsidiaries)								
- IL&FS Tamilnadu Power Company Limited (ITPCL)		8,076.32		(97.80)		(10.61)		(108.41)
- Lalpur Wind Energy Limited (LWEL)		1,609.34		(6.10)		-		(6.10)
- Khandke Wind Energy Limited (KWEL)		1,202.77		(106.16)		-		(106.16)
- Wind Urja India Ltd (WUJIL)		343.76		9.54		-		9.54
- Tadas Wind Energy Limited (TWEPL)		1,009.91		(18.47)		-		(18.47)
- Ratedi Wind Energy Limited (RWEL)		723.99		(17.14)		-		(17.14)
<b>Consolidated Net Assets/Profit after tax attributable to owners</b>		<b>33,934.70</b>		<b>(738.10)</b>		<b>73.13</b>		<b>(664.97)</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**Note 45**

**Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

Particulars	As at 31.03.2017 Rs. Million	As at 31.03.2016 Rs. Million	As at 1.04.2015 Rs. Million
1 The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	Nil	Nil	Nil
2 The amount of interest paid by the buyer in terms of Section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	Nil	Nil	Nil
3 The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil	Nil
4 The amount of interest accrued and remaining unpaid at the end of each accounting period	Nil	Nil	Nil
5 The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil

**Note 46**

The Board of Directors of a Subsidiary (ITPCL) at their meeting held on 22 April, 2013, approved a scheme of merger of its wholly owned subsidiary M/s GoodEarth Shipbuilding Private Limited, (the Transferor Company) with the Subsidiary (Transferee), pursuant to sections 391 to 394 of the Companies Act, 1956 ("Scheme") with the appointed date as 1 April, 2013. This scheme was sanctioned by the Honourable High Court of Judicature at Madras vide their Order dated 10 June, 2015 which was received on 30 June, 2015 and filed with the Registrar of Companies, Tamil Nadu, Chennai on 29 July, 2015 (the Effective Date). The effect of amalgamation has been given effect to the consolidated financial statements.

**Note 47**

The Board of Directors of the Company at their meeting held on 7 February, 2017 had approved amalgamation of IL&FS Renewable Energy Limited (IREL), a 100% subsidiary, with the Company under section 233 and other applicable provisions of Companies Act, 2013. Subsequently, in accordance with the requirements of section 233, the proposed scheme of amalgamation has been filed on 21 April, 2017 with the concerned Registrar of Companies and the Official Liquidator inviting their objections and suggestions, if any.

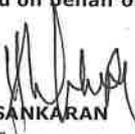


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

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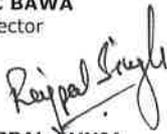
48. These consolidated financial statements were approved by Board of Directors at Its meeting held on 2 August, 2017.

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

  
**HARI SANKARAN**  
Director

  
**R C BAWA**  
Director

  
**HEMANT THANVI**  
Group Chief Financial Officer

  
**RAJPAL AHUJA**  
Company Secretary

Place: Mumbai

Date: 2 August, 2017

