

## BOARDS' 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, 2018

### FINANCIAL RESULTS:

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS)

(In Rs Million)

For the year ended	Standalone		Consolidated	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Total Income	18,128.35	16212.42	45,805.09	33,787.25
Expenses	17,892.65	14,631.51	52,669.61	34,781.27
Profit/ (Loss) before Interest, Depreciation and Tax	6,896.84	7,964.81	17,376.00	17,169.62
Interest & Finance Charges	6,618.71	6,242.78	19,397.20	14,449.35
Profit Before Depreciation and Taxes	278.13	1722.03	(2,021.20)	2,720.27
Depreciation and amortization expenses	42.43	141.12	4,843.32	3,714.29
Profit/ (Loss) Before Taxes	235.69	1,580.91	(6,864.52)	(994.02)
Share of Loss/Profit from Associate/Joint Ventures		--	706.33	589.23
Provision for taxes	(61.19)	(115.56)	(4.53)	97.18
Profit / (Loss) for the year (after tax)	296.88	1,696.47	(6,153.66)	(501.97)
Attributable to				
Owners of the Company			(6,206.15)	(738.10)
Non Controlling interest	--	--	52.49	236.13
Other comprehensive income	13.73	(39.20)	3.13	83.74
Attributable to				
Owners of the Company	--	--	3.70	73.13
Non Controlling interest	--	--	(0.57)	10.61
Balance Profit/ (Loss) brought forward from Previous Year	(4,824.04)	(4,988.70)	(14,653.18)	(12,031.91)
Add: Profit / (loss) for the year	310.61	1,657.27	(6,206.15)	(738.10)
Add: OCI allocable to retained earnings	--	--	1.00	(6.18)
Appropriations:				
- Dividend (including dividend tax)	396.65	1080.94	(475.63)	(1,394.19)
- Debenture Redemption Reserve	104.17	450.85	(133.40)	(466.35)
- Gain on dilution of stake in Wind SPVs			513.42	--
- transfer from Capital reserve on Merger			9.95	--
- Security issue expenses			(5.07)	(16.45)
Balance Profit/ (Loss) carried forward to Balance Sheet	(4012.61)	(1799.70)	(20,949.06)	(14,653.18)

**Standalone Financials:** During the period under review, your Company has earned a total income of Rs 18,128.34 million. The net profit for FY 2017-18 amounted to Rs 310.61 million. During the year the Company received the Dividend of Rs 364 mn and 23.96 mn from its investments in ONGC Tripura 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 45,806 million. The total comprehensive loss for the year attributable to the owners of the Company was Rs 6,206 million

### **HOLDING COMPANY:**

Your Company is a subsidiary of Infrastructure Leasing & Financial Services Limited as at March 31, 2018

### **OPERATIONS:**

#### **Power Sector Environment:**

The electricity generation in India stood at 1,206 BU<sup>1</sup> during FY 2018 as compared to 1,160 BU during FY 2017, registering a growth of 3.95%. The electricity generation for FY 2019 is estimated at 1,265 BU, targeting a growth of 4.89% over FY 2018

During the year 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:

- (i) In order to address the issue of lack of PPAs (demand) by the distribution licensee, Ministry of Power (MoP) has appointed PTC and PFC as nodal agency to aggregate demand from various States and invite medium term bids (3 to 5 years) from the commissioned thermal power plants not having PPAs
- (ii) MoP has extended the time-period for furnishing the final Mega Power Certificate to the tax authorities from 60 months earlier to 120 months and BG shall be reimbursed for projects where threshold capacity is installed, in proportion to the PPA signed
- (iii) The Cabinet Committee on Economic Affairs (CCEA), in May 2017 had announced Scheme for Harnessing and Allocating Koyala (SHAKTI) scheme for transparent coal allocation by Coal India Limited (CIL) to thermal power projects. The first round of bidding under the scheme was concluded in September 2017
- (iv) In line with INDC targets, Government of India has undertaken several initiatives in the Renewable Energy development space:
  - a. Under the JNNSM scheme, the Ministry of New and Renewable Energy (MNRE) has targeted installation of 10 GW to 15 GW solar projects per annum so as to reach 100 GW by 2022

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<sup>1</sup>Powermin.nic

- b. Solar Park capacity target was doubled from 20 GW to 40 GW with Rs 81 bn of Central Financial Support to be provided to support infrastructure development in these Solar Parks by FY 2020
  - c. Inter State Transmission Charges and Losses were waived off for wind and solar projects commissioned till March 2022. However, such exemptions shall be available only for wind/solar projects entering into PPA for sale of power to distribution licensees for compliance of their Renewable Purchase Obligations (RPO)
  - d. Solar Energy Corporation of India (SECI) has undertaken procurement of 4,000 MW wind capacities through competitive bidding for sale of power through Inter-State Transmission network during FY 2018
  - e. Electric Vehicles are being promoted to help reduce CO<sub>2</sub> emissions and dependence on imported fuel. This would also create additional demand for electricity. EESL has finalized procurement of 10,000 Electric Vehicles and charging infrastructure, to be implemented progressively in the upcoming years
- (v) Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) scheme seeks to ensure electrification of each household (in both rural and urban areas) by providing last mile connectivity. The scheme is expected to cover 30 mn households by December 2018 out of the 40 mn un-electrified households identified in 2011 consensus. The total budget outlay of the project is Rs 163 bn

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

Your Company's operating capacity stood at 2,889 MW (i.e. ITPCL 1,200 MW, Wind 862 MW, OTPC 727 MW & 100 MW solar project setup for a corporate client Embassy Group). In addition, Solar Parks are being developed in Joint Venture with Government of Rajasthan and the first solar park having 1,000 MW capacity (of the total 5,000 MW) is nearing completion. On the transmission side 840 km, 400 kV power transmission lines are in operation

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, 2018 the erected capacity stood at 891.1 MW, of which 861.5 MW

was revenue generating. The balance capacity shall be progressively commissioned during FY 2019

The wind farms are spread across the States of Rajasthan (164 MW), Tamil Nadu (24 MW), Gujarat (236.3 MW), Andhra Pradesh (81.6 MW), Maharashtra (87.2 MW), Madhya Pradesh (130 MW) and Karnataka (168 MW) and are housed in nine different subsidiaries

ORIX Corporation, Japan, has acquired a 49% stake in the 98.3 MW portfolio in March 2018

Enhanced focus on RPO compliance by the MNRE and formation of monitoring cell lead to huge demand for Non-Solar RECs at the exchanges during the last quarter of FY 2018. The business liquidated 621,898 RECs during FY 2018 compared to 248,448 REC units in FY 2017.

During FY 2018, the Wind projects generated around 1,175 MUs of power and the total revenue was approximately Rs 7,532 mn

(2) 1,090 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). 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

During the year, IEDCL out of its total stake of 26% in the OTPC sold 13.97% stake to IL&FS Financial Services Ltd at a consideration of Rs 3,600 mn and made a profit of Rs 452 mn. IEDCL's stake now stands at 12.03% in OTPC

During FY 2018, the project generated around 4,048 MUs of power and the total revenue was approximately Rs 12,853 mn. During the year, IEDCL received a final dividend for FY 2018 of Rs 364 mn

(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 three phases, Phase-I of 1200 MW (already commissioned), Phase-II & III of 1,980 MW & 660 MW respectively

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 2018, ITPCL generated around 5,724 MUs of power and the total revenue was approximately Rs 30,917 mn

(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 2018, the total revenue of India SPV and Nepal SPV was approximately Rs 358 mn and Rs 180 mn respectively. The India SPV has paid an interim dividend of Rs 1.30 per share and IEDCL has received its share amounting to Rs 23.9 mn. The Nepal SPV for the Nepalese FY 2017 & FY 2018 has paid a dividend of Rs 56.3 mn and IEDCL has received its of Rs 5.2 mn. In addition Nepal SPV has issued a bonus share in the ratio of 8:1

(5) Nana Layja Power Projects (3,960 MW Coal & 2,000 MW Gas)

The thermal power plants are being developed as units of the Multi product SEZ/FTWZ facility being developed by associate companies of Infrastructure Leasing & Financial Services Limited at Village MotaLayja 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)

Most of the project development activities have been completed both for 3,960 MW coal & 2,000 MW gas based capacity, which includes the Environmental Clearance & the Consent to Establish (CTE). Further project development work is on hold due to an overall slowdown in demand for power as evident from absence of any significant long term tender for procurement of power by the DISCOMs

(6) Bagasse & Biomass Power Projects:

The Company through its subsidiary, IL&FS Renewable Energy Limited (now merged with IEDCL), has been engaged in developing bagasse & biomass power projects and had an operational biomass portfolio aggregating to 93 MW, which included two bagasse based co-generation projects of total capacity of 80 MW in Maharashtra under the Urjankur Nidhi framework i.e. 36 MW Urjankur Shree Datta Power Project and 44 MW Urjankur Shree Tatyasaheb Kore Warana Power Project

During the year, the Company divested both these Projects. The 36 MW Urjankur Shree Datta Power Project was sold to the Shree Datta Karkhana (Host Sugar Factory). The 44 MW Urjankur Shree Tatyasaheb Kore Warana Power Project was sold to Shree Tatyasaheb Kore Warana Sakhar Karkhana (Host Sugar Factory) and part consideration received

Further, the Company is in the process of selling its stake in Punjab Biomass Power Limited (13 MW)

(7) Review of Solar Business

The Company has built a successful solar development platform of 1,140 MW that comprises 40 MW capacity commissioned in Madhya Pradesh, 100 MW commissioned for Embassy group in Karnataka and 1,000 MW Solar Park under development in JV with Government of Rajasthan. The 40 MW Solar Project was sold to IDFC Alternatives

These projects have helped the company gain significant expertise in the areas of competitive bidding, developing marketable 'Energy Security Solutions' and customized structures for large industrial and commercial consumers and implementing GW scale solar parks

Status of the Company's solar capacity under development:

- (i) 100 MW Solar Project (Embassy Group of Bangalore): As on March 31, 2018 the Company has successfully commissioned the 100 MW project for the Embassy Group. The project is currently under ramp up & stabilization
- (ii) Rajasthan Solar Park: The Solar Park initiative is housed in a 50:50 Joint Venture Company with the State of Rajasthan in the name of Saurya Urja Company of Rajasthan ("SURAJ"). SURAJ is mandated to develop Solar Parks aggregating to 5,000 MW in Rajasthan and is close to completing the development of the first Solar Park of 1,000 MW at Bhadla in Jodhpur district (the Bhadla III Solar Park). Park Development of Phase I (500 MW) has been completed in the month of March 2018 and handed over to the developers. Phase II (500 MW) is targeted for completion by August 2018. Power generation from the Phase I is expected by September 2018 and Phase II by March 2019

(8) Advisory Services:

The Advisory Group has been evolving its area of practice as per the new and changing business needs in the power sector landscape. It has been able to successfully re-orient its strategy from the initial days of project development of large scale thermal power projects to the new and emerging areas of demand side management and distribution reforms

In FY 2018, the company earned an advisory revenue of Rs 354.97 mn

**AMALGAMATION OF IL&FS RENEWABLE ENERGY LIMITED WITH THE COMPANY**

During the year under review, Confirmation order of the scheme of Amalgamation between IREL & IEDCL dated March 21, 2018 has been received from Regional Director (Northern Region), further approved by Registrar of Companies (ROC). Scheme of Amalgamation became effective from April 20, 2018

**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 2017-18, two reviews of the ESPF system were conducted by IL&FS Corporate Sustainability Cell including IREL's projects. An independent audit was conducted by M/s Ernst & Young LLP (E&Y) for FY 2017-18 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 and Saurya Urja Company of Rajasthan Limited (SURAJ), JV of IEDCL have completed Integrated Management System (IMS) certification covering ISO-9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health & Safety). Two six monthly internal audits were conducted for FY 2017-18 by the certified internal auditors. The required external periodical audits were completed by DNV-GL

### **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 third consecutive sustainability report of IEDCL for FY 2016-17 has been completed. The report is in accordance "Core" standards as per latest GRI Standards guidelines. The number of indicators for Financial Year 2016-17 have increased to 115 (based on GRI Standards) as compared to 86 in FY 2015-16 (based on GRI-G4)

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 2016 -17. DNV-GL has issued an "Independent Assurance certificate" for FY 2016-17 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 Standards. DNV-GL has indicated that there are continual improvements in the report of FY 2016-17 over previous years

### **BUSINESS RESPONSIBILITY REPORT**

Company had prepared BRR on voluntary basis in accordance with regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **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 the demand side challenges being faced by generation companies and that the ongoing reforms in the power sector and focus on renewables will provide growth opportunities in the sector going forward. 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 and risks of the sector 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 levels

The Risk Management Policy, Risk Register and the Risk Heat Map of each SPV were presented to the respective Audit Committees/ Board of Directors during the course of the year

### **DIVIDEND:**

During the year under review, the Board of Directors of your Company paid Interim Dividend at the rate of 2.50 percent, i.e., Rs 0.25 per equity share and Rs 0.25 per CCPS (compulsory convertible preference share), to those holders of equity shares and CCPS, whose names appeared on the Register of Member as on September 27, 2017. The total payout amounted to Rs 396,646,278.75 including dividend distribution tax

### **SHARE CAPITAL:**

During the period under review, pursuant to confirmation order of the scheme of Merger between IL&FS Renewable Energy Limited and the Company dated March 21, 2018, under section 233 of the Companies Act 2013, issued by Regional Director (Northern Region), Authorised Share Capital of the Company was increased from Rs 2000,00,00,000 to Rs 22,500,000,000/- (Rupees Two Thousand Two Hundred Fifty Crore only) divided into 2,125,000,000 (Two Hundred Twelve Crore Fifty Lakh) equity shares of Rs.10/- (Rupees Ten only) each and 125,000,000 (Twelve Crore Fifty Lakh) preference shares of Rs.10/- (Rupees Ten only) each. There was no change in the Paid-up Share Capital of the Company

### **DEBENTURES:**

The Company had raised Rs. 4,500 mn of Non –Convertible Debentures (NCDs) through private placement basis in three tranches as under.

Tranche	Date of Allotment	No of Debentures	Face Value per Debenture	Name of the Subscribers
Tranche – 1	March 16, 2018	500	10,00,000	Welspun Enterprises Limited
Tranche- 2	May 14, 2018	1950	10,00,000	1. Welspun Enterprises Limited 2. ILKAL Cooperative Bank Limited 3. Trust Capital Services (India) Pvt Ltd 4. Trust Investment Advisors Pvt Limited 5. Welspun Corporation Limited
Tranche- 3	May 28, 2018	Series – I : 1450 Series – II : 600	10,00,000	<b>Series – I</b> 1. Trust Capital Services (India) Pvt Ltd  2. Trust Investment Advisors Pvt Ltd

				Series – II Trust Capital Services (India) Pvt Ltd
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### **LISTING OF NON CONVERTIBLE DEBENTURES**

NCDs issued and allotted in Tranche 2 & Tranche 3 i.e. 1,950 and 2,050 NCDs of Rs 10,00,000 each were listed on Bombay Stock Exchange on May 29, 2018 and June 11, 2018 respectively

### **SEBI (LISTING OBLIGATION & DISCLOSURE REQUIREMENT) REGULATIONS, 2015**

In accordance with SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015, report on Corporate Governance is voluntarily included in the Annual Report (**Annexure – I**)

### **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, and \*Ms Jayantika Dave 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

\*Mr K C Lahiry ceased to be Independent Director of the Company due to his death on February 21, 2018 and Ms Jayantika Dave was appointed as Independent Director of the Company w.e.f December 15, 2017

### **MEETING OF INDEPENDENT DIRECTORS**

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 27, 2018. The minutes of the meeting of Independent Directors were laid before the Board at its meeting held on March 29, 2017

### **DIRECTORS & KMPs:**

In terms of provisions of the Act, Mr Arun K Saha and Mr R C Bawa, 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 Ravi Parthasarathy resigned as Non- Executive Chairman of Infrastructure Leasing & Financial Services Limited (“IL&FS”), which is the holding company of IEDCL. Consequent to his resignation from the Board of IL&FS, and being a nominee of IL&FS on the Board of IEDCL, he tendered his resignation from the Board of Directors of IEDCL effective from July 21, 2018. Mr Hari Sankaran, Director-in-Charge was appointed as Chairman of the Board w.e.f August 14, 2018

Ms Jayantika Dave was appointed as an Additional Director on the Board of the Company, to hold office as an Independent Director w.e.f December 15, 2017 up to December 14, 2022. Her appointment is subject to regularization by the members the ensuing AGM of the Company

Mr K C Lahiry, an Independent Director of the Company, had passed away on February 21, 2018

Mr Hemant Thanvi resigned as Group Chief Financial Officer – Energy Vertical of the Company w.e.f May 21, 2018 and Mr Anand Nair was appointed as Group Chief Financial Officer – Energy Vertical w.e.f May 22, 2018

Mr Rajpal Ahuja resigned as Company Secretary of the Company w.e.f August 13, 2018 and Mr Jignesh Nagda was appointed as Company Secretary and Compliance Officer of the Company w.e.f August 14, 2018

Other KMP of the Company includes Mr Ashwani Kumar, Chief Executive Officer

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

A revised policy on Board Performance Evaluation as per Companies (Amendment) Act, 2017 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

### **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 – II**

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

The Company being an infrastructure Company is exempted from the provisions of Section 186 of the Companies Act, 2013. However, the particulars of loans, guarantees and investments covered under section 186 of the Companies Act 2013 forms part of the note 38 to the financial statements

## **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 to be held in the year 2018, subject to ratification of their appointment at every AGM, if required under the law. Their term would expire on conclusion of the forthcoming AGM

In terms of section 139 of the Companies Act 2013, M/s M/s S R Batliboi & Co. LLP, , Chartered Accountants, Delhi, would be appointed as Statutory Auditors of the Company for a term of five years, i.e., from the conclusion of eleventh AGM till the conclusion of sixteenth AGM to be held in the year 2023

The Auditors Report for both standalone and Consolidated Financial Statements for FY 2017-18 does not contain any qualification, reservation or adverse remark

### **Secretarial Auditor and Audit report**

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 2017-18. The Secretarial Audit Report confirms that the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimers.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith to this Report as **Annexure – III**

### **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 2017-18

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- IV**

Information in accordance with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, regarding employees is given in **Annexure-V** 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-VI**

**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 2018 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 were conducted by IL&FS Group HR
Nature of action taken by the District Officer	– NA

**REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditors, cost auditors nor the secretarial auditor had reported to the audit committee, under section 143(12) of the Companies Act 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report

**MATERIAL CHANGES & COMMITMENTS:**

No material changes and commitments, affecting the financial position of the Company have occurred after the end of the financial year 2017 –18 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- VII**. CSR Policy of the Company is also attached alongwith

**SUBSIDIARIES, JOINT VENTURES & ASSOCIATES:**

- (1) The Companies which have become Direct subsidiaries during the FY 2017-18: IL&FS Solar Power Limited
- (2) The Companies that had ceased to be a Direct subsidiary and became Indirect Subsidiary(ies) during FY 2017-18: Etesian Urja Limited
- (3) The Companies that had ceased to be an Indirect Subsidiary during FY 2017-18: IL&FS Solar Power Limited
- (4) Companies which have become or ceased to be Joint Venture during the FY 2017-18 : NIL  
  
Companies which have become or ceased to become Associates during the FY 2017-18 - Urjankur Shree Datta Power Company Limited and Urjankur Shree Tatyasaheb Korewarna Power Company Limited

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 - VIII**

**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, As on March 31, 2018 the erected capacity stood at 891.1 MW, of which 861.5 MW was revenue generating. The balance capacity shall be progressively commissioned during FY 2019.

- (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 4 of the standalone Financial Statements

In regard to consolidated financials, the particulars regarding foreign expenditure, earnings and exposure appear as Note no 38 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

By Order of and on behalf of the Board of Directors

Mr Hari Sankaran  
Chairman

Date: August 14, 2018  
Place: Mumbai

**REPORT ON CORPORATE GOVERNANCE**

**(1) Company’s philosophy on code of governance:**

The essence of Corporate Governance is about maintaining the right balance between economic, social, individual and community goals. The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have been and will continue to be our guiding force in future

Good corporate governance is a synonym for sound management, transparency and disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a Company to take sound decisions, thus maximising long-term shareholder value without compromising on integrity, social obligations and regulatory compliances

**(2) Board of Directors**

**(i) Size and composition of the Board**

The composition of the Board is as under:

Sr No.	Name	Designation	Category
1.	Mr Ravi Parthasarathy*	Chairman	Non Executive
2.	Mr Hari Sankaran	Director –in-Charge	Non Executive
3.	Mr RC Bawa	Director	Non Executive
4.	Mr Arun K Saha	Director	Non Executive
5.	Mr K Ramchand	Additional Director	Non Executive
6.	Mr MS Srinivasan	Director	Non Executive
7.	Mr Siddharth Mehta	Director	Non Executive
8.	Mr SC Tripathi	Independent Director	Non Executive
9.	Mr KG Ramachandran	Independent Director	Non Executive
10.	Ms Jayantika Dave**	Independent Director	Non Executive
11.	Mr K C Lahiry***	Independent Director	Non Executive
12.	Mr CP Jain	Independent Director	Non Executive
13.	Mr Krishan Kumar	Additional Director (Nominee of SCI Asia)	Non Executive

\*Resigned w.e.f July 21, 2018

\*\* Appointed w.e.f December 15, 2017

\*\*\* passed away on February 21, 2018

**(ii) Board Meetings**

Five Board Meetings were held during the year under review (FY 2017-18) and the gap between the two meetings did not exceed 120 days. The meetings were held on May 12, 2017; August 2, 2017; September 27, 2017; November 6, 2017 and February 28, 2018.

The attendance status of Directors at Board Meetings during FY 18:

Sr No	Name of the Director	No of Board Meetings attended	Attendance at AGM held on September 27, 2017
1.	Mr Ravi Parthasarathy*	5	NA
2.	Mr Hari Sankaran	4	NA
3.	Mr RC Bawa	2	NA
4.	Mr Arun K Saha	5	NA
5.	Mr MS Srinivasan	5	NA
6.	Mr K Ramchand	2	NA
7.	Mr Siddharth Mehta	1	NA
8.	Mr SC Tripathi	5	Yes
9.	Mr KG Ramachandran#	5	No
10.	Mr KC Lahiry**	3	Yes
11.	Ms Jayantika Dave***	1	NA
12.	Mr CP Jain	5	Yes
13.	Mr Krishna Kumar	3	NA
14.	Mr Anoop Seth****	2	NA

\*resigned w.e.f July 21, 2018

\*\*passed away on February 21, 2018

\*\*\*appointed w.e.f December 15, 2017

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

#Mr KG Ramachandran, Chairman of Audit Committee had nominated Mr S C Tripathi, member of Audit Committee and Chairman of NRC to attend the AGM on his behalf

(iii) Number of shares and convertible instruments held by non- executive directors - NIL

### (3) **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)

#### 3.1 **Audit Committee:**

The existing composition of Audit Committee is as under:

Sr No	Name of the Director	Designation	Category
1.	Mr KG Ramachandran (Chairman)	Independent Director	Non-Executive
2.	Mr SC Tripathi	Independent Director	Non-Executive
3.	Mr C P Jain	Independent Director	Non-Executive
4.	Mr Hari Sankaran	Director – in - Charge	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

### **Meetings of Audit Committee**

Four Audit Committee Meetings were held during the period under review (FY 2017-18). The meetings were held on May 11, 2017; August 1, 2017; November 6, 2017; and February 28, 2018

The attendance status at Audit Committee Meetings is as under:

Sr no	Name of the Director	No of Audit Committee Meetings attended
1.	Mr KG Ramachandran – Chairman	4
2.	Mr SC Tripathi	4
3.	Mr Hari Sankaran	4
4.	Mr CP Jain	4

### **3.2 Nomination & Remuneration Committee:**

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

Sr No	Name of the Director	Category
1.	Mr SC Tripathi – (Chairman)	Independent Director
2.	Mr KG Ramachandran	Independent Director
3.	Mr Ravi Parthasarathy*	Non-Executive Director
4.	Mr Hari Sankaran	Non-Executive Director

\*resigned w.e.f July 21, 2018

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 2017-18). The meetings were held on May 12, 2017 and November 6, 2017. The attendance status at Nomination and Remuneration Committee Meetings is as under:

S r No	Name of the Director	No of Nomination & Remuneration Committee Meetings attended
1.	Mr SC Tripathi– Chairman	2
2.	Mr Ravi Parthasarathy	2
3.	Mr Hari Sankaran	2
4.	Mr K G Ramachandran	2

### **Performance evaluation criteria for Independent Directors**

The Nomination and Remuneration Committee (NRC), in its meeting, shall carry out the evaluation of performance of all the Directors including the Chairman of the Company, Independent Directors and the Board as a whole and make its recommendations to the Board. The Board in its meeting, shall on an annual basis, evaluate the performance of all the Directors, Chairperson, Independent Directors and Board Committee and shall also consider the recommendations made by NRC and Independent Directors.

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

The existing composition of CSR Committee is as under:

S No	Name of the Director	
1.	Mr Hari Sankaran - Chairman	Non-Executive Director
2.	Mr CP Jain	Independent Director
3.	Mr M S Srinivasan	Non-Executive Director

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 2017-18). The meeting was held on May 12, 2017. All the members of the CSR Committee were present at the Meeting.

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

The Committee of Directors of the Board of Directors was re-constituted as to comprise of Mr Hari Sankaran, Mr R C Bawa and Mr Arun K Saha, Directors of the Company 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.

### **3.5 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:

**RPT Review Committee** : RPT Review Committee of the Board comprising of Mr-Hari Sankaran, Director –in-Charge; and Mr Arun K Saha, Director , as its members authorized to review and approve related party transactions (RPTs) under the Related Party Transactions Policy and Approval Framework.

### **(4) Remuneration of Directors**

During FY 2017-18, the Non-Independent, Non- executive Directors except 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. No other remuneration apart from sitting fee is being paid to Directors, details of which are given in MGT -9

Mr Anoop Seth was paid remuneration in accordance as approved by the Shareholders. 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

(5) **General Meetings**

**Annual General Meeting**

<b>FY ended</b>	<b>Day and date</b>	<b>Time</b>	<b>Venue</b>	<b>Special Resolution passed at AGM</b>
March 31, 2015	Monday, September 28, 2015	12:30pm	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
March 31, 2017	Wednesday, September 27, 2017	12:30 PM	Core 4B, 4th Floor, India Habitat Centre, Lodhi Road, New Delhi-110003	(i) Appointment and approval of the remuneration of Mr Hari Sankaran as Director-in-Charge of the Company (ii) Authorisation to the Board of Directors to increase the borrowing powers of the Company

**Extraordinary General Meeting (EGM)**

Two EGMs were held during the year on January 12, 2018 of Equity and Preference Shareholders for obtaining their approval for the Scheme of Amalgamation under section 233 between IL&FS Renewable Energy Limited and IL&FS Energy Development Company Limited

**(6) General shareholder information**

(a) Listing on Stock exchange: The Company's Non- Convertible Debentures are listed on Bombay Stock Exchange(BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001

(b) Scrip Code:

<u>Number of NCDs</u>	<u>Value of NCDs</u>	<u>Scrip Code</u>
1950	10,00,000 each	957953
1450	10,00,000 each	957970
600	10,00,000 each	957969

(c) Debenture Trustee: IDBI trusteeship Services Limited  
Asian Building, Ground Floor, 17, R,  
Kamani Marg, Ballard Estate, Mumbai – 400001  
+91 9821682007, email: anjalee@idbitrustee.com  
Website: <http://idbitrustee.com/>

(d) Registrar to an issue : Link Intime India Private Limited  
247 Park, C101, 1<sup>st</sup> Floor, LBS Marg  
Vikroli (W), Mumbai – 400083  
Tel: 91 22 49186000  
Email: [debtca@linkintime.co.in](mailto:debtca@linkintime.co.in)

(e) Shareholding pattern of the Company as on March 31, 2018

S No	Name of the Shareholder	No of Shares Held	% Holding	% to Total Capital
<b>(A) Equity Shares*</b>				
<b>Resident Shareholders</b>				
1.	Infrastructure Leasing & Financial Services Ltd.	1,173,426,458	91.42	89.02
2.	Infrastructure Leasing & Financial Services Ltd. Jointly with Individuals*	6	Negligible	Negligible
3.	Mr Vibhav Ramprakash Kapoor, Mr Karunakaran Ramchand and Mr Ramesh Chander Bawa (trustees of IL&FS Employee Welfare Trust)	86,000,000	6.70	6.52
4.	Bay Capital Investment Managers Pvt Ltd	1,073,008	0.09	0.08
5.	Vistra ITCL India Limited (Trustees of IL&FS Infrastructure Equity Fund I )	2,468,226	0.19	0.18
<b>Non-Resident Shareholders</b>				
6.	Bay Capital Investments Limited (Mauritius Based Entity)	10,457,078	0.81	0.79
7.	Walid Hasan Kattan	1,97,1461	0.15	0.15

8.	7K Investments LLC	1,971,461	0.15	0.15
9.	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company PTE Ltd (Singapore based entity)	6,196,966	0.48	0.47
	<b>Total (A)</b>	1,283,564,664	100	97.37
<b>(B) Compulsory Convertible Preference shares (CCPS) **</b>				
<b>Resident Shareholders</b>				
1.	Vistra ITCL India Limited (Trustees of IL&FS Infrastructure Equity Fund I )	9,872,904	28.48	0.75
<b>Non-Resident Shareholders</b>				
2.	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company PTE Ltd (Singapore based entity)	24,787,863	71.52	1.88
	<b>Total (B)</b>	34,660,767	100	2.63
	<b>Grand Total (A) + (B)</b>	1,318,225,431	—	100

Note:\*IL&FS holds 6 Equity shares of Rs 10/- each jointly with Mr. Akhil Agarwal , Mr.Haziq Beg, Mr.R Shanmuganandam, Mr. Baskaran Subramanian , Mr. Rajpal Singh and Mr. Avinash Bapat.

\*\*Shares of Rs 10/-each for all categories of shares.Each CCPS is convertible into one equity share

(f) Dematerialisation of Shares as on 31st March 2018

The Company's Equity Shares (except 6 shares held by IL&FS jointly with individuals) and Compulsorily Convertible Preference Shares(CCPS) are held in dematerialised form with National Securities Depository Ltd. (NSDL)

(g) Address of Correspondence: IL&FS Energy Development Company Limited  
 1<sup>st</sup> Floor, Corporate Office Tower, Ambience Mall  
 Island, Ambience Mall Complex, NH-8, Gurugram –  
 122001  
 Tel No: 0124-4716100  
 E-mail: [secretarial.iedcl@ilfsindia.com](mailto:secretarial.iedcl@ilfsindia.com)

By Order of and on behalf of the Board of Directors

Mr Hari Sankaran  
 Chairman

Date: August 14, 2018  
 Place: Mumbai

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on Financial Year ended on March 31, 2018**

*[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)	Yes. NCDs were listed on BSE Ltd
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	Construction Contract Revenue (100 MW)	42201	46.17
2	Sale of Power (including Trading and Generation from Solar Power Plant)	35105	46.26

**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	L65990MH1987PLC044571	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
2.	Vejas Power Projects Limited (formerly IL&FS Wind Projects Development Limited)	U40109MH2007PLC176368	Subsidiary Company	100	Section 2(87)
3.	Nana Layja Power Company Ltd	U40103GJ2010PLC062968	Subsidiary Company	100	Section 2(87)
4.	IL&FS Renewable Energy Ltd*	U32202MH2007PLC176153	Subsidiary Company	100	Section 2(87)
5.	Mota Layja Gas Power Company Limited	U40106GJ2013PLC077551	Subsidiary Company	100	Section 2(87)
6.	IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Limited)	U40106GJ2013PLC077520	Subsidiary Company	100	Section 2(87)
7.	Maritime International Offshore PTE Limited	Foreign Company	Subsidiary Company	100	Section 2(87)
8.	IL&FS Tamil Nadu Power Company Limited	U72200TN2006PLC060330	Subsidiary Company	91.38	Section 2(87)
9.	Malwa Solar Power Generation Private Limited**	U40106DL2017PTC313507	Subsidiary Company	100	Section 2(87)
10.	IL&FS Solar Power Limited	U40300MH2010PLC207073	Subsidiary Company	100	Section 2(87)

*\*IREL amalgamated with IEDCL vide Confirmation order of the scheme of Amalgamation between IREL & IEDCL dated March 21, 2018 from Regional Director (Northern Region), further confirmed by Registrar of Companies (ROC). Effective date of Scheme of Amalgamation was April 20, 2018*

*\*\*Malwa was sold to IDFC on January 25, 2018*

## SUBSIDIARIES - INDIRECT

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Wind Urja India Private Limited (through IWEL)	U40104MH2012PTC234709	Subsidiary Company	51	Section 2(87)
2	Lalpur Wind Energy Private Limited (through IREL – 26% and IWEL-25%)	U40300MH2011PTC222588	Subsidiary Company	51	Section 2(87)
3	Khandke Wind Energy Private Limited (through IWEL)	U40300MH2012PTC234746	Subsidiary Company	51	Section 2(87)

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
4	Tadas Wind Energy Private Limited (through IWEL)	U40300MH2011PTC220233	Subsidiary Company	51	Section 2(87)
5	Ratedi Wind Power Private Limited (through IREL – 26% and IWEL-25%)	U40102MH2007PTC176369	Subsidiary Company	51	Section 2(87)
6	Patiala Bio Power Company Private Limited	U40200MH2011PLC220462	Subsidiary Company	100*	Section 2(87)
7	Sipla Wind Energy Limited	U40300MH2011PLC220004	Subsidiary Company	100*	Section 2(87)
8	Shendra Green Energy Ltd	U40100MH2005PLC151412	Subsidiary Company	100*	Section 2(87)
9	Rohtas Bio Energy Limited	U40300MH2011PLC220218	Subsidiary Company	100*	Section 2(87)
10	Ramagiri Renewable Energy Limited (formerly IL&FS Wind Farms Limited)	U40100MH1997PLC105323	Subsidiary Company	100*	Section 2(87)
11	IL&FS Wind Power Services Limited	U74120MH2013PLC242327	Subsidiary Company	100*	Section 2(87)
11.	Etesian Urja Limited (till March 30, 2018)	U40107MH2011PLC220673	Subsidiary Company	51%	Section 2(87)
13	Kaze Energy Limited (through IWEL )	U40300MH2013PLC241321	Subsidiary Company	51	Section 2(87)
14	Cuddalore Solar Power Private Limited (through IREL – 74% and ITPCL -26%)	U40300MH2012PTC237302	Subsidiary Company	97.76	Section 2(87)
15	Joghali Wind Energy Private Limited	U74900MH2014PTC255989	Subsidiary Company	100*	Section 2(87)
16	Mahidad Wind Energy Private Limited	U74999MH2014PTC255870	Subsidiary Company	100*	Section 2(87)
17	IL&FS Maritime Offshore Pte Ltd	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
18	IL&FS Offshore Natural Resources Pte Ltd	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
19	PT Bangun Asia Persada	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
20	Se7en Factor Corporation	Foreign Company	Subsidiary Company	91.38**	Section 2(87)
21	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%. Post - Merger these Companies became the Direct Subsidiaries of IEDCL

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

\*\*\*ITPCL holds 95% in PT Mantimin Coal Mining and the effective shareholding of IEDCL through ITPCL is 86.81%

### **JOINT VENTURES & ASSOCIATES**

Sl. No.	Name & address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Bihar Power Infrastructure Company Private Limited (BPIC)	U45206BR2008PTC013348	Joint venture	50	Section 2(6)
2	Assam Power Project Development Company Limited (APPDCL)	U40102AS2007PLC008471	Joint venture	50	Section 2(6)
3	Cross Border Power Transmission Company Limited (CPTC)	U40102DL2006PLC156738	Joint venture	38	Section 2(6)
4	ONGC Tripura Power Company Limited (OTPC)	U40101TR2004PLC007544	Joint venture	12.03*	Section 2(6)
5	Saurya Urja Company of Rajasthan Limited (SURAJ)	U40104RJ2015PLC047322	Joint venture	50	Section 2(6)
7	Urjankur Shree Datta Power Company Limited (upto April 20, 2017)	U40108MH2008PLC180290	Associate	33.34%#	Section 2(6)
8	Urjankur Shree Tatyasaheb Kore Warna Power Company Limited	U31500MH2008PLC184800	Associate	33.33%	Section 2(6)

\*15,64,65,672 (13.97%) shares of OTPC were transferred to IL&FS Financial Services Limited (IFIN) on March 31, 2018

# The sale of the stake held by IREL in Urjankur Shree Datta Power Company Limited was sold to the Shree Datta Karkhana (Host Sugar Factory) had been concluded

\*Power Transmission Company of Nepal (PTCN) is a 10% Joint Venture and it is not consolidated for FY 2017-18 since it is immaterial

#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year As on April 1, 2017				No. of Shares held at the end of the year As on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	1173426458	6	1173426464	91.42	1173426458	6	1173426464	91.42	No Change
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) (1)</b>	1173426458	6	1173426464	91.42	1173426458	6	1173426464	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>	1173426458	6	1173426464	91.42	1173426458	6	1173426464	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	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year As on April 1, 2017				No. of Shares held at the end of the year As on March 31, 2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	89541234	-	89541234	6.98	89541234	-	89541234	6.98	No Change
ii) Overseas	20596966	-	20596966	1.60	18625505	-	20596966	1.44	0.16
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 Individual Foreign shareholder	-	-	-	-	1971461	-	-	0.15	0.15
<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, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% 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 (01/04/2017)		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 (01/04/2017)		Increase / Decrease (date and reason)	Cumulative Shareholding during the Year		At the End of the Year (31/03/2018)
		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		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	Vistra ITCL India Limited (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	Transfer of Shares to Walid Hasan Kattan and 7K	10457078	0.81	10457078 (0.31%)
5.	Walid Hasan Kattan	-	-	Transfer of Shares from Bay Capital Investments Ltd	1971461	0.15	1971461
6	7K Investments LLC	-	-	Transfer of Shares from Bay Capital Investments Ltd	1971461	0.15	1971461
7	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 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

V. **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	20,93,29,60,549	24,79,84,93,328	-	45,73,14,53,877
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12,02,44,347	46,26,29,442	-	58,28,73,789
<b>Total (i+ii+iii)</b>	<b>21,05,32,04,896</b>	<b>25,26,11,22,770</b>	-	<b>46,31,43,27,666</b>
<b>Change in Indebtedness During the Financial Year</b>				
* Addition	26,30,18,17,842	18,92,63,95,558	-	45,22,82,13,399
* Reduction	28,97,38,67,281	19,04,79,48,290	-	48,02,18,15,570
<b>Net Change</b>	<b>-(2,67,20,49,439)</b>	<b>-(12,15,52,732)</b>	-	<b>(2,79,36,02,171)</b>
<b>Indebtedness at the End of the Financial Year</b>				
i) Principal Amount	18,26,09,11,110	24,67,69,40,596	-	42,93,78,51,706
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6,10,39,208	1,13,46,89,075	-	1,19,57,28,283
<b>Total (i+ii+iii)</b>	<b>18,32,19,50,318</b>	<b>25,81,16,29,671</b>	-	<b>44,13,35,79,989</b>

## VI. 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 Anoop Seth, Deputy Managing Director (till October 31, 2017)	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,82,96,250	1,82,96,250
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	61,439	61,439
	(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>	1,83,57,689	1,83,57,689
	<b>*Ceiling as per the Act (MD remuneration)</b>	-	-

**Note 1:** Mr Anoop Seth resigned on July 25, 2017 and last date of employment was October 31, 2017

\*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	12,00,000	-	-	12,00,000
	Mr K C Lahiry	3,00,000	-	-	3,00,000
	Mr S C Tripathi	12,00,000	-	-	12,00,000
	Mr C P Jain	11,00,000	-	-	11,00,000
	Jayantika Dave	2,00,000	-	-	2,00,000
	Sub-total (1)	<b>40,00,000</b>	-	-	<b>40,00,000</b>
2	<u>Other Non-Executive Directors:</u>				

Sl. No.	Name of the Director	Particulars of Remuneration			Total Amount
		Fee for attending Board/ Committee Meetings	Commission	Others	
	Mr Ravi Parthasarathy	2,80,000	-	-	2,80,000
	Mr Hari Sankaran	4,40,000	-	-	4,40,000
	Mr RC Bawa	80,000	-	-	80,000
	Mr Arun K Saha	3,60,000	-	-	3,60,000
	Mr K Ramchand	80,000	-	-	80,000
	Mr M S Srinivasan	2,40,000	-	-	2,40,000
	Mr Siddharth Mehta	40,000	-	-	40,000
	Mr Krishna Kumar	1,20,000	-	-	1,20,000
	Sub-total (2)	<b>16,40,000</b>	-	-	<b>16,40,000</b>
	Total =(1+2)	<b>56,40,000</b>	-	-	<b>56,40,000</b>
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	As per the Note*			

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	1,31,18,650	39,59,712	1,70,78,362
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,49,658	8400	3,58,058
	(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>1,34,68,308</b>	<b>39,68,112</b>	<b>1,74,36,420</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

Mr Hari Sankaran  
Chairman

Date: August 14, 2018

Place: Mumbai

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[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, 2018 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, 2018, 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 till 31<sup>st</sup> March, 2018.**

**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.:



1. Mr. Sunil Kumar Wadhwa, Managing Director (DIN: 00259638) 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) (DIN: 00002386) w.e.f. 4<sup>th</sup> April, 2017 for a period of 3 years. Further, Mr. Ashwani Kumar was appointed as CEO of the Company on 2<sup>nd</sup> August, 2017 and Mr. Anoop Seth, Deputy Managing Director (DIN: 00239653) resigned w.e.f 31<sup>st</sup> October, 2017.
2. The scheme of Amalgamation under Section 233 between IL&FS Renewable Energy Limited (Transferor Company), a wholly owned Subsidiary Company and the Company (Transferee Company) was approved by Equity Shareholders and Preference Shareholders of the Company in their respective general meetings held on 12<sup>th</sup> January, 2018 and by unsecured creditors of the Company in its meeting held on 12<sup>th</sup> December, 2017. The scheme of Merger or Amalgamation between IL&FS Renewable Energy Limited (Transferor Company) and the Company (Transferee Company) was approved by the Hon'ble Regional Director (Northern Bench) on 21<sup>st</sup> March, 2018.
3. The Company has allotted 500 Un-listed, Un-secured and Non-Convertible Debentures of Rs. 10 lakh each to Welspun Enterprises Limited on 16<sup>th</sup> March, 2018.

**Date: 31<sup>st</sup> July, 2018**  
**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: 31<sup>st</sup> July, 2018**  
**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 organization
- (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 risk factor involved</li> </ul>	<ul style="list-style-type: none"> <li>Consolidated Salary fixed for each financial year</li> <li>This component is also used for paying retiral benefits</li> <li>Paid on a monthly basis</li> </ul>	Normally positioned as the highest as compared to the Group
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 of service. It is</li> </ul>	Paid post separation from the Company as per the Rules of the Provident Fund and

Components	Item	Description	Policy
		33.33% of Consolidated Pay	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

Mr Hari Sankaran  
Chairman

Date: August 14, 2018  
Place: Mumbai

**Statement pursuant to Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014**  
**For the financial year ended March 31, 2018**

**(i) Employees on the rolls of the Company**

<b>Name</b>	<b>Annual Gross Remuneration including Performance Related Pay (In Rupees)</b>	<b>Designation</b>	<b>Qualification</b>	<b>Age (in Completed Yrs)</b>	<b>Total Experience (in Completed Yrs)</b>	<b>Date of Joining IEDCL</b>	<b>Period of service with IEDCL in 2017-18</b>	<b>Last Employment &amp; Designation</b>
Anoop Seth	1,15,37,535	Deputy Managing Director	Master of Management Studies (Finance)	57	36	February 5, 2016	7 Months	IL&FS Tamil Nadu Company Ltd; Managing Director
Hemant Thanvi	1,04,85,105	Group CFO - Energy Vertical	B.Com, FCA, ACS, Associate Chartered Secretary	46	23	April 1, 2011	12 Months	IL&FS Infrastructure Development Corporation Ltd.; Senior Vice President
Haziq Beg	1,89,97,580	Chief Executive – Advisory, Gas, Transmission & Trading	B.Tech, M.Tech, PGDM (Finance)	53	28	October 1, 2008	12 Months	IL&FS Infrastructure Development Corporation Ltd.; Senior Vice President
Keshav Prasad T S	1,63,17,397	Chief Operating Officer-Solar	BE (Mech) PGDM (Quality &Mktg)	55	30	June 12, 2013	12 Months	TATA Power Solar; Executive Vice President – Products and Projects Operations
Rajsekhar Budhavarapu	71,48,260	Chief Technology Officer –Renewable Investments	B.Tech (Aerospace Engg), Masters in International Finance	48	24	August 22, 2012	4 months	Garrad Hassan India Pvt. Ltd.; Country Manager

Name	Annual Gross Remuneration including Performance Related Pay (In Rupees)	Designation	Qualification	Age (in Completed Yrs)	Total Experience (in Completed Yrs)	Date of Joining IEDCL	Period of service with IEDCL in 2017-18	Last Employment & Designation
Anand B Nair	1,35,38,357	Senior Vice President and Chief Financial Officer w.e.f May 22, 2018	BCom, CA, MBA(IB)	46	19	November 5, 2009	12 Months	DaVita Inc; Director Finance
Jotdeep Singh	1,54,36,005	Chief Investment Officer	BCom (Hons), PGDM-Finance	46	21	November 1, 2015	12 months	VIGOR Capital Singapore Founder Partner
Feby Koshy	1,08,91,560	Senior Vice President	BE(Mech) Power Plant Engineering MBA (Project Management)	48	27	June 20, 2011	12 Months	GMR Energy Ltd.; General Manager
S Baskaran	83,43,267	Senior Vice President	BE (Civil) 1996, ME (Env) 1998	45	18	October 1, 2008	12 Months	National Productivity Council; Assistant Deputy Director-Env Mgmt Group
Bibhudutta Biswal	76,28,626	Vice President	BE EEE (1994), MBA (Finance)	47	23.41	November 1, 2012	12 months	Global Energy & IPPAI

Notes:

- i) The top ten employees in terms of remuneration drawn are: Mr Haziq Beg, Mr Anoop Seth, Mr Hemant Thanvi, Mr Keshav Parsad, Mr Jotdeep Singh, Mr Anand Nair, Mr Feby Koshy, Mr Rajsekhar Budhavarapu, Mr S Baskaran and Mr Bibhudatta Biswal
- ii) Mr Haziq Beg, Mr Hemant Thanvi, Mr Keshav Parsad, Mr Jotdeep Singh, Mr Anand Nair and Mr Feby Koshy were employed throughout the financial year and were in receipt of remuneration for that year which, in aggregate, was not less than 'one crore and two lakh rupees'
- iii) Mr Anoop Seth and Mr Rajsekhar Budhavarapu were employed for the part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was more than eight lakh and fifty thousand rupees per month
- iv) The terms and conditions of employment are as per Company's rules

- v) Annual Gross Remuneration includes Basic salary; Allowances, value of meal card, the Company's contribution to Provident Fund, Superannuation, Amount of gratuity based on present basic salary and Performance Related Pay
- vi) Above employees are not related to any Director of the Company
- vii) None of the above employees, either individually or together with his spouse or dependent children, has held more than 2% of the equity shares of the Company

By Order of and on behalf of the Board of Directors

Mr Hari Sankaran  
Chairman

Date: August 14, 2018  
Place: Mumbai

**Annexure- VI**

**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/arrangements/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:
1.	Infrastructure Leasing & Financial Services Limited (Holding Company)	Duration as per the funds availability/ongoing	Short Term Loan from IL&FS Ltd.	RoI @ 16% p.a. P.A Compounded Calendar Quarterly Value of Investment Rs 6000 mn	-	NIL
		One Year	Annual Support Services for Axapta License	Value: Rs. 0.05 Mn Approx.	-	NIL
		One year	Office Space on rent & IT support Services	Appx Rs 10.4 mn p.a.	-	NIL
		-	Availing Non-fund based facilities in the form of Letter of Credit from IL&FS Ltd	Commission @ 1.80% P.A Value: Up to 2,000 Mn	-	NIL
		Upto 1 year	Non-fund Based Facility	1.80% p.a. Value: Upto Rs 1,000 million	-	NIL
2.	IL&FS Wind Projects Development Limited (Subsidiary)	Two years	Lending (RLOC)T	RoI 15.50% p.a., Rs 320 mn	-	NIL
3.	Vejas Power Projects Limited (formerly IL&FS Wind Projects Development Limited)	Two years	Loan given	RoI 16% p.a., Rs 1000 mn	-	NIL
4.	Mota Layja Gas Power Company Limited	One year	Lending (RLOC)	RoI 16% p.a., Rs 7 mn	-	NIL
		One year	Loan given	RoI 16% p.a., Rs 0.8 mn	-	NIL
		One year	Loan given	RoI 16% p.a., Rs 0.6 mn	-	NIL
		One year	Loan given	RoI 16% p.a., Rs 115 mn	-	NIL
5.	IL&FS Solar Power Limited	One Years	Lending (RLOC)	ROI 16% p.a, Rs 1000 mn	-	NIL
		2 years	Lending (RLOC)	ROI 16% p.a, Rs 810 mn	-	NIL

		2 years	Loan given	1,000 Mn @ 16.00%	-	NIL
		During the tenure of implementation of solar project	Sale of material for 100 MW solar project	Value: 4,639 mn MI	-	NIL
		2 Years	Loans given	500 Mn @ 16.00%	-	NIL
		One Year	Loans given	RoI: @ 16.00%, 1,000 Mn	-	NIL
		Two Years	Loans given	RoI: @ 16.00%, 150 Mn	-	NIL
		For loan tenure	Issuing Corporate Guarantee(CG) in favour of lenders upto Rs 4,900 Mn.	0.50% p.a of CG issued Value: Rs. 20.25 Mn	-	NIL
		Till completion of Project	Sale, Purchase or Supply of any goods or materials	Value: 5603.42 million	-	539 million
		-	Purchase of Investment	Recovery of expenses on actual basis  Value: Rs. 0.50 Mn	-	NIL
		For loan tenure	Revision in amount for issuing Corporate Guarantee(CG) in favour of ISPL lenders from Rs 4,900 mn to Rs Rs 6,400 Mn.	0.50% p.a of CG issued  Rs. 8.75 Mn (issued in favour of ABFL)	-	NIL
6.	IL&FS Solar Power Limited, Lalpur Wind Energy limited IL&FS Renewable energy Limited	-	Loan novation between subsidiary companies	Value: Rs 724 mn	-	NIL
7.	Lalpur Wind Energy Private Limited (Indirect Subsidiary)	Till Apr 2018	Extension of Bank Guarantee / Corporate Guarantee	Value: Rs. 30.40 mn.	-	NIL
8.	Livia India Limited	FY 2017-2018	IT Advisory, Management and Support Services	Value: Rs. 6.70 Mn	-	NIL
9.	IL&FS Wind Energy Limited (Subsidiary)	One Year	Lending (RLOC)	RoI 16% p.a., Rs 11.8 mn	-	NIL
		One Year	Loans given	RoI 16% p.a., Rs 8.2 mn	-	NIL
		1 year	Loans given	RoI 16% p.a., Rs 138.3 mn	-	NIL
		1 Year	Loans given	4.1 Mn @ 16.00%	-	NIL
		Two years	Extension of maturity date of existing OFCDs	Rs. 860 Mn @15.50% p.a	-	NIL
		-	Sale of equity investment in Etesian Urja Limited and Kaze Energy Limited	Value: Rs. 1,374 Mn	-	NIL
10.	Sipla Wind Energy Limited	1 year	Loan given	25 Mn @ 16.00%		
11.	Malwa Solar Power Generation Limited	-	Transfer of 40 MW solar project under slump sale	Sale Consideration: Rs 1,060 mn)	-	NIL

		6 year	Loan given	RoI @ 16%, Rs 75 mn	-	NIL
		20 Years	Investment in Debentures	9.00% PA Value: Rs. 363.5 Mn	-	NIL
12.	Kaze Energy Limited	-	Conversion of OFCD/loan and interest accrued on OFCD into equity	Value: Rs. 727 Mn	-	NIL
13.	ports Private Minited and Porto Novo Maritime Limited (Fellow Subsidiaries)	3 months	Extension of time by three months and reduction in rate of interest	RoI 15.50% p.a. payable annually  Value: Rs. 400 Mn to SPPL (Till Mar 17) & Rs.51 Mn to PNML (Till Mar 17)	-	NIL
14.	IL&FS Renewable Energy Limited (Subsidiary)	6 months	Lending (RLOC)	RoI 16% p.a., Rs 1025 mn	-	NIL
		Two year	Advisory Services by IEDCL in terms of Sale of Equity Stake of IREL in Urjankur Shree Datta Power Company Limited and Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	Value: Rs 250 mn	-	NIL
		One year	Loan given	RoI 16% p.a., Rs 1188 mn	-	NIL
		-	Purchase of Investment	Recovery of expenses on actual basis  Value: 0.50 mn	-	NIL
		-	Purchase of equity investment in Kaze Energy Limited.	Value: Rs. 223 Mn	-	NIL
		-	Purchase of equity investment in Etesian Urja Limited and IL&FS Solar Power Limited	Value: Rs. 24 Mn	-	NIL
15.	IL&FS Tamilnadu Power Company Limited (Direct Subsidiary)	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)	-	NIL
		One year	Loan given	125 Mn @ 16.00% for 1 Year	-	NIL
		Sep 2017 – Nov 2017	Purchase of Power	Trading of upto 500 MW power Trading Margin of 3 paise/unit (it includes 0.20 paise per unit payable to NVVL).	-	NIL
		On going	Purchase of power	Sale of power from Unit II of ITPCL to PXIL and IEX  Trading Margin of 3 paise/unit (it includes 0.20 paise per unit payable to NVVL)	-	NIL
		On going	Loan	120.82 Mn @ 16.00% for 1 Year	-	NIL

		1 year	Loan	Interest rate: Nil with an option to renegotiate the rate Value: 604.05 Mn	-	NIL
16.	IL&FS Environmental Infrastructure & Services Limited, Saurya Urja Company of Rajasthan Limited Joint Venture / Fellow Subsidiary	On Going	Sharing/Recovery of Expenses/deputation cost	Recovery of expenses on actual basis Value: Rs. 57.42 Mn Approx.	-	NIL
17.	Tadas Wind Energy Private Limited (Subsidiary)	Extension of bank guarantee for one year in favour of lender	Bank Guarantee in favour of TWEPL's lenders	Repayment by IEDCL in case of default by subsidiaries Rs. 344 Mn	-	NIL
18.	IL&FS Securities Services Limited (Fellow Subsidiary)	3 months	Inter Corporate Deposit (Borrowing)	Rs. 3000 Mn @ 16% p.a	-	NIL
		Till 31/03/2018	Extension of ICDs	ISSL 3,000 Mn @ 16% PA (all in cost) till Mar 18	-	NIL
		04 days to 365 days	Inter Corporate Deposits (ICD)	Rs. 3,500 Mn @ 16% p.a	-	NIL
		April 27, 2018	Inter Corporate Deposits (ICD)	ISSL 3,000 Mn @ 18% PA	-	NIL
		Ongoing	Revision in existing demat charges	0.2% subject to maximum of Rs 250,000/- per transaction	-	NIL
19.	Saurya Urja Company of Rajasthan Limited (Joint Venture)	04 days to 365 days	Inter Corporate Deposits (ICD)	Rs. 600 Mn @ 10% p.a	-	NIL
20.	IL&FS Financial Services Limited (Fellow Subsidiary)	Ongoing	Interest Income on Short Term Deposits	RoI@ 6% - 7.15% p.a, Value of investment 6.1 Mn, Interest income of Approx. Rs 0.02 Mn	-	NIL
		Upto March 2018 other date mutually agreed	Advance against sale of 15% equity stake in OTPC (approx. 13% equity stake sold to IFIN)	Advance upto Rs 3,700 mn.	-	NIL
21.	IL&FS Township & Urban Assets Limited (Fellow Subsidiary)	04 days to 365 days	Inter Corporate Deposits (ICD)	Rs 300 Mn @ 11.50% p.a.	-	NIL
22.	IL&FS Paradip Refinery Water Limited (Fellow Subsidiary)	04 days to 365 days	Inter Corporate Deposits (ICD)	Rs 235 Mn @ 10% p.a	-	NIL
23.	IL&FS Wind Power Services Private Limited, IL&FS Solar Power Limited Malwa Solar Power Generation Limited Nana Layja Power Company Limited Etesian Urja Limited	On Going basis from wholly owned subsidiaries	Sharing/Recovery of Expenses on actual basis	Rs. 1.84 mn	-	NIL
24.	Cross Border Power Transmission Company Limited, Saurya Urja Company of Rajasthan Limited	Ongoing	Sharing/Recovery of Expenses/deputation cost	Recovery of expenses on actual basis Value: Rs. 2.6 Mn Approxm	-	NIL
25.	IL&FS Wind Power Services Private Limited, IL&FS Renewable Energy Limited	Ongoing	Sharing/Recovery of Expenses	Recovery of expenses on actual basis Rs. 0.22 Mn	-	NIL

26.	IL&FS Solar Power Limited, IL&FS Renewable Energy Limited, Nana Layja Power Company Limited, IL&FS Wind Services Private Limited	Ongoing	Sharing/Recovery of Expenses	Recovery of expenses on actual basis Value: Rs. 34.26 Mn	-	NIL
27.	Saurya Urja Company of Rajasthan Limited, Cross Border Power Transmission Company Limited, Khandke Wind Energy Private Limited, Lalpur Wind Energy Private Limited, Tadas Wind Energy Private Limited, Ratedi Wind Power Limited, Wind Urja India Private Limited,	On Going	Sharing/Recovery of Expenses/deputation cost	Rs. 2.52 Mn Approx.	-	NIL
28.	IL&FS Wind Power Services Private Limited, Malwa Solar Power Generation Limited.	On Going	Recovery of expenses on actual basis	Value: Rs. 0.59 Mn	-	NIL
29.	PDCOR Limited (Joint Venture)	-	Advisory Services for selection of Management Operator (MO) for Karauli Circle of JVVNL	Value ; Rs. 1.50 Mn Approx	-	NIL
30.	ONGC Tripura Power Company Limited (Joint Venture)	-	Consultancy charges for obtaining environment clearance	Recovery of expenses on actual basis Value: 1.52 Mn Approx.	-	NIL

By Order of and on behalf of the Board of Directors

Mr Hari Sankaran  
Chairman

Date: August 14, 2018

Place: Mumbai

**Annexure- VII**

**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, 2018)	<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 M S Srinivasan</li> </ul>
3.	Average net profit of the company for last three financial years	Rs (67,13,00,917)
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Rs (1,34,26,018)
5.	Details of CSR spent during the financial year (given as under)	
(a)	Total amount spent for the financial year 2017-18	Rs 1,05,09,495**
(b)	Amount unspent, if any	NA

**\*\*In FY 2017-18, 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 2017-18. However as advised by the CSR Committee, the Company decided for voluntarily undertaking CSR spending for an amount of Rs 10 mn**

**Amount of Rs 5,00,000 was spent in contribution towards promotion of theatre & arts – Jairangam 2017 – Jaipur Theatre Festival (Jaipur) through 3M Dot Bands Theatre Family, society registered in 2003. The CSR expenditure falls under the category of ‘promotion and development of traditional arts’ as per Schedule VII of Companies Act 2013. Amount of Rs 9,495 was spent towards travelling expenses**

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

(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 the reporting period	Amount spent: Direct or through Implementing Agency
1.	Individual Household Toilets & Sanitation awareness programme	Health	Padampur and Godhra village, Kutch, Gujarat	0.27	0.27	0.27	Through Implementing Agency : The Nalanda Foundation
2.	Science Centre at Mota Layja, Kutch	Education	Mota Layja Village Kutch, Gujarat	1.42	1.42	1.42	Through Implementing Agency : The Nalanda Foundation
3.	Sustainable agricultural practices (Tushar Samrudhhi Phase – II)	Water & Livelihood	Aurangabad, Maharashtra	1.50	1.50	1.50	Through Implementing Agency : The Nalanda Foundation
4.	(Water Resource Management	Water & Livelihood	Kathda, Bhada and Nana Layja village, Kutch, Gujarat	6.82	6.82	6.82	Through Implementing Agency : The Nalanda Foundation
5.	Contribution towards promotion of theater & arts-Jairangam 2017(Jaipur)	promotion and development of traditional arts'	Jaipur, Rajasthan	0.50	0.50	0.50	Through Implementing Agency: 3M Dot Bands Theatre Family

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

.....  
Director

.....  
Chairman – CSR Committee

Date: August 14, 2018

Place: Mumbai

## Annexure - VIII

## 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

Name of the subsidiary	Nana Layja Power Company Limited	IL&FS Wind Projects Development Limited (formerly IL&FS Hydro Energy Limited)	Mota Layja Gas Power Company Limited	Etesian Urja Limited (formerly Biomass Power Company Limited)	IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Limited)	Lalpur Wind Energy Pvt Ltd	Khandke Wind Energy Pvt Ltd	Wind Urja India Pvt Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	INR	INR
Share capital (Issued and Paid up Capital)	360.50	1.00	0.50	1,131.85	4,900.50	4,463.07	2,315.71	994.08
Reserves & Surplus (i.e. Other Equity)	(537.54)	(1,236.22)	1.00	(116.57)	(1,593.27)	(1,189.71)	301.59	(328.43)
Total assets	2,332.32	2,343.93	30.98	6,253.23	11,073.43	17,091.44	8,903.30	2,433.60
Total Liabilities	2,509.36	3,579.15	29.48	5,237.95	7,766.19	13,818.08	6,286.00	1,767.95
Investments	-	-	-	0.03	11,065.16	0.03	0.03	-
Turnover (Including other income)	54.39	324.22	0.67	644.06	0.70	1,649.31	1,185.94	314.01
Profit before taxation	(330.41)	(690.44)	(3.45)	(58.39)	(849.76)	(86.56)	185.50	(51.03)
Provision for taxation	-	-	-	-	-	-	22.59	-
Profit after taxation	(330.41)	(690.44)	(3.45)	(58.39)	(849.76)	(86.56)	162.91	(51.03)
Proposed Dividend								
% of shareholding	100%	100%	100%	100%	100%	51%	51%	51%
Subsidiary yet to commence business	Yes	Yes	Yes	No	Yes	No	No	No
Subsidiary sold during the year	No	No	No	No	No	No	No	No

## FORM AOC -1 (ANNUAL PI

## FORM AOC -1 (ANNUAL PERFORMANCE OF SUBSIDIARIES)

Statement containing salient features of/Statement containing salient features of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 (Form AOC-1)

## Part- "A", Subsidiaries

Rs Million

Name of the subsidiary	Tadas Wind Energy Pvt Ltd	Ratedi Wind Power Pvt Ltd	Maritime International Offshore PTE Ltd	Malwa Solar	IL&FS Tamil Nadu Power Co Power Ltd	IL&FS Maritime Offshore Pte Ltd	IL&FS Offshore Natural Resources Pte Ltd	PT Bangun Asia Persada (Consol)	Se7en Factor Corporation	IL&FS Wind Power Services Ltd	Kaze Energy Limited (formerly Vaspeth Wind Energy Ltd)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 25.01.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	USD 64.8386	INR	INR	USD 65.0441	USD 65.0441	IDR 0.004709	USD 65.0441	INR	INR
Share capital (Issued and Paid up Capital)	3,748.98	2,114.10	3.14	-	1,759.70	2,011.98	1.11	997.98	0.45	20.00	419.30
Reserves & Surplus (i.e. Other Equity)	(1,201.93)	(426.18)	(4.59)	1.21	30,801.69	(3,506.00)	(15.64)	(518.12)	210.23	25.69	211.51
Total assets	12,692.87	9,392.79	0.37	-	1,45,718.30	4,525.50	8.97	1,332.33	211.39	86.07	3,990.49
Total Liabilities	10,145.82	7,704.87	1.82	(1.21)	1,13,156.91	6,019.52	23.50	852.46	0.71	40.38	3,359.68
Investments	-	0.03	-	-	2,277.95	4,041.68	8.90	-	-	-	-
Turnover (Including other income)	2,311.95	1,182.88	-	291.31	30,917.26	8.97	-	-	-	157.49	244.07
Profit before taxation	457.60	173.51	(0.73)	15.14	(2,380.38)	(282.04)	(0.71)	(62.59)	(0.10)	12.59	(246.91)
Provision for taxation	32.38	11.31	-	3.09	-	-	-	-	-	4.05	0.74
Profit after taxation	425.22	162.20	(0.73)	12.05	(2,380.38)	(282.04)	(0.71)	(62.59)	(0.10)	8.54	(247.65)
Proposed Dividend											-
% of shareholding	51%	51%	100%	100%	91%	91%	91%	91%	91%	100%	100%
Subsidiary yet to commence business	No	No	Yes	Yes	No	Yes	Yes	Yes	Yes	No	No
Subsidiary sold during the year	No	No	No	Yes	No	No	No	No	No	No	No

## FORM AOC -1 (ANNUAL PI

## FORM AOC -1 (ANNUAL PERFORMANCE OF SUBSIDIARIES)

Statement containing salient features of/Statement containing salient features of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014 (Form AOC-1)

Part- "A", Subsidiaries

Rs Million

Name of the subsidiary	Sipla Wind Energy Ltd	Rohtas Bio Energy Limited	Patiala Bio Power Co. Ltd	Shendra Green Energy Ltd	IL&FS Solar Power Limited	Ramagiri Renewable Energy Limited (formally IL&FS Wind Farms Limited)	Cuddalore Solar Power Pvt Ltd	Jogihali Wind Energy Pvt Ltd	Mahidad Wind Energy Pvt Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2016 to 31.03.2017	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018	01.4.2017 to 31.03.2018
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR	INR	INR	INR
Share capital (Issued and Paid up Capital)	0.80	0.50	0.50	36.66	0.50	172.97	0.68	0.10	0.10
Reserves & Surplus (i.e. Other Equity)	889.85	27.57	17.72	(618.14)	45.77	(280.39)	(3.93)	1,055.12	1,145.51
Total assets	4,356.41	3,154.58	2,794.58	427.01	7,653.77	82.19	0.86	2,391.72	5,340.11
Total Liabilities	3,465.76	3,126.51	2,776.36	1,008.50	7,607.50	189.61	4.11	1,336.50	4,194.50
Investments	-	-	-	-	-	-	-	-	-
Turnover (Including other income)	1.81	352.97	395.34	0.38	5,699.68	9.78	-	4.26	6.16
Profit before taxation	(13.87)	5.81	1.60	(175.02)	36.25	(53.86)	0.06	2.54	(10.18)
Provision for taxation	-	3.23	-	-	0.02	(10.68)	-	0.65	-
Profit after taxation	(13.87)	2.58	1.60	(175.02)	36.23	(43.18)	0.06	1.89	(10.18)
Proposed Dividend	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	98%	100%	100%
Subsidiary yet to commence business	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
Subsidiary sold during the year	No	No	No	No	No	No	No	No	No

For and on behalf of the Board

Hari Sankaran  
ChairmanArun K Saha  
DirectorAshwani Kumar  
Chief Executive OfficerAnand Nair  
Group Chief  
Financial officerCompany Secretary  
Jignesh Nagda

Date:

Place:

**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, 2018, 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the Order issued under section 143(11) of the Act.

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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Emphasis of Matter**

As explained in Note 44 of the financial statements, accounting of business combination between IEDCL and its wholly owned subsidiary IL&FS Renewable Energy Limited (IREL) as per the Pooling of interest method as against the 'Acquisition Method' stated under the approved scheme of merger "the scheme". The Company is of the view, supported by legal opinion that the deviation in the accounting method followed for the accounting of the merger, from that stated in terms of the approved scheme, is permissible in terms of the relevant provisions of the Act and is not in violation of the scheme.

Our opinion is not modified in respect of this matter.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - c) The 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 of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 standalone Ind AS 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).
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order / CARO 2016") 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, 25 August, 2018**

**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 of 31 March, 2018 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**

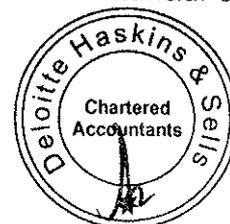
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance report)". 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 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 Company's internal financial controls over financial reporting 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 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, 2018, based on "the criteria for internal financial control over financial reporting 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

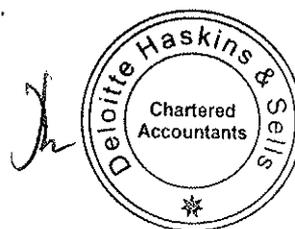
(Membership No. 87104)

**Gurugram** 25 August, 2018

**"ANNEXURE B" TO THE INDEPENDENT AUDITORS' 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 Company's property, plant and equipment (fixed assets)
  - 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 information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- 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 opinions and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the companies Act, 2013 in respect of grant of loans, making investment 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, 2018 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, Value Added Tax, Works Contract Tax, cess, Goods and Services Tax and any 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, Sales Tax, Service Tax, Value Added Tax, Cess, Goods and Services Tax and any other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

c. Details of Income tax which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (Rs. In million)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal ('ITAT')	Assessment Year 2013-14	Nil (a)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	Assessment Year 2014-15	Nil (b)
<b>Total</b>				<b>Nil</b>

(a) Net of Rs. 61.98 million paid under protest.

(b) Net of Rs. 2.76 million paid under protest.

There are no dues in respect of Sales Tax, Service Tax and Value Added Tax which have not been deposited as on 31 March, 2018 on account of any disputes. We are informed that the Company's operations did not give rise to any Excise Duty and Custom Duty.

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 institutions, 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 material 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 explanation 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 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 explanation 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, 25 August, 2018**

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**BALANCE SHEET AS AT 31 MARCH, 2018**

	Note Ref.	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	5	84.77	3,178.63
b) Capital work-in-progress	5	-	43.22
c) Intangible assets	6	1.12	1.67
d) Financial assets			
i) Investments	7	63,369.85	65,240.84
ii) Loans	11	9,999.13	11,276.04
iii) Other financial assets	12	3,652.68	1,794.87
e) Non-current tax assets	13	1,540.98	1,042.45
f) Deferred tax assets (net)	21	527.81	527.81
g) Other non-current assets	14	42.12	75.81
<b>Total non-current assets</b>		<b>79,218.46</b>	<b>83,181.34</b>
<b>Current assets</b>			
a) Inventories	10	-	2.23
b) Financial assets			
i) Investments	7	231.50	5,807.93
ii) Trade receivables	8	764.83	2,782.20
iii) Cash and cash equivalents	9	169.21	485.21
iv) Bank balances other than (iii) above	9	484.78	1,130.75
v) Loans	11	8,175.66	4,937.89
vi) Other financial assets	12	8,173.35	4,315.04
c) Other current assets	14	42.22	102.49
		<b>18,041.55</b>	<b>19,563.74</b>
d) Investments classified as held for sale	7	597.74	-
<b>Total current assets</b>		<b>18,639.29</b>	<b>19,563.74</b>
<b>Total assets</b>		<b>97,857.75</b>	<b>102,745.08</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Share capital	15	13,182.26	13,182.26
b) Other equity	16	35,584.88	35,670.91
<b>Total equity</b>		<b>48,767.14</b>	<b>48,853.17</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	17	17,283.03	24,903.97
ii) Other financial liabilities	18	2,520.66	3,196.71
b) Provisions	19	26.08	37.65
c) Other non-current liabilities	20	-	756.93
<b>Total non-current liabilities</b>		<b>19,829.77</b>	<b>28,895.26</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	22	12,279.53	9,276.63
ii) Trade payables	23	511.43	2,411.09
iii) Other financial liabilities	18	15,281.57	13,041.61
b) Provisions	19	12.51	21.33
c) Other current liabilities	24	575.80	245.99
		<b>28,660.84</b>	<b>24,996.65</b>
d) Liabilities directly associated with investments classified as held for sale		600.00	-
<b>Total current liabilities</b>		<b>29,260.84</b>	<b>24,996.65</b>
<b>Total equity and liabilities</b>		<b>97,857.75</b>	<b>102,745.08</b>

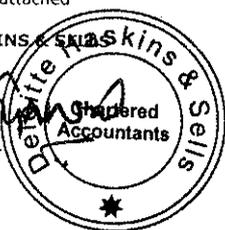
See accompanying notes forming part of the Ind AS financial statements

1-45

In terms of our report attached

For DELOITTE HASKINS & SUTSKINS & SELLS  
Chartered Accountants

JITENDRA AGARWAL  
Partner



For and on behalf of the Board of Directors

HARI SANKARAN  
Chairman

ARUN K. SAHA  
Director

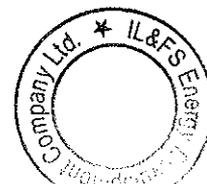
ASHWANI KUMAR  
Chief Executive Officer

ANAND NAIR  
Group Chief Financial Officer

JIGNESH NAGDA  
Company Secretary

Place: Gurugram  
Date: 25 AUG 2018

Place: Mumbai  
Date: 14 August 2018

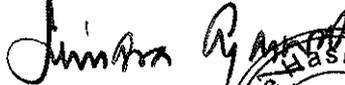


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018**

	Note Ref.	Year ended 31 March, 2018	Year ended 31 March, 2017
		Rs. Million	Rs. Million
<b>I</b> Revenue from operations	25	10,979.15	8,972.14
<b>II</b> Other income	26	7,149.20	7,240.28
<b>III Total income (I + II)</b>		<b>18,128.35</b>	<b>16,212.42</b>
<b>IV Expenses</b>			
i. Cost of power purchased		4,909.85	2,252.71
ii. Subcontracting charges		4,970.63	-
iii. Purchases of stock-in-trade		464.08	4,992.00
iv. Change in inventory	10	2.23	-
v. Employee benefits expense	27	352.54	504.71
vi. Finance costs	28	6,618.71	6,242.78
vii. Depreciation and amortisation expense	30	42.43	141.12
viii. Other expenses	29	532.18	498.19
<b>Total expenses (IV)</b>		<b>17,892.65</b>	<b>14,631.51</b>
<b>V Profit before tax (III - IV)</b>		<b>235.70</b>	<b>1,580.91</b>
<b>VI Tax expense</b>			
i. Current tax	31	(53.92)	55.71
ii. Deferred tax	21	(7.27)	(171.27)
<b>Total tax expense (VI)</b>		<b>(61.19)</b>	<b>(115.56)</b>
<b>VII Profit for the year (V - VI)</b>		<b>296.89</b>	<b>1,696.47</b>
<b>Other comprehensive income</b>			
i. Items that will not be reclassified to profit or loss			
a. Remeasurement of defined benefit plans		0.99	(5.32)
b. Income tax relating to items that will not be reclassified to profit or loss (see note 31)		(0.34)	1.82
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		20.01	(54.60)
b. Income tax relating to items that will be reclassified to profit or loss (see note 31)		(6.93)	18.90
<b>VIII Total other comprehensive income/(loss)</b>		<b>13.73</b>	<b>(39.20)</b>
<b>IX Total comprehensive income for the year (VII+ VIII)</b>		<b>310.62</b>	<b>1,657.27</b>
<b>Earnings per equity share</b> (face value of Rs. 10 each)			
i. Basic (Rs.)	32	0.23	1.32
ii. Diluted (Rs.)	32	0.22	1.25
<b>See accompanying notes forming part of the Ind AS financial statements</b>	1-45		

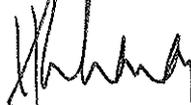
In terms of our report attached

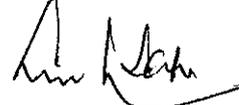
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

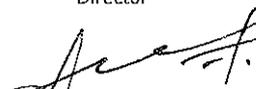


For and on behalf of the Board of Directors

  
**HARI SANKARAN**  
Chairman

  
**ARUN K. SAHA**  
Director

  
**ASHWANI KUMAR**  
Chief Executive Officer

  
**ANAND NAIR**  
Group Chief Financial Officer

  
**IGNESH NAGDA**  
Company Secretary

Place: *Gurgaon*  
Date: *25 AUG 2018*

Place: *Mumbai*  
Date: *14 August 2018*



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

Note	Year ended	Year ended
Ref.	31 March, 2018	31 March, 2017
	Rs. Million	Rs. Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year	296.89	1,696.47
<b>Adjustment for:</b>		
Tax expense	(61.19)	(115.56)
Depreciation and amortisation expense	42.43	141.12
Gain on sale of property, plant and equipment	(162.88)	(0.23)
Finance costs	6,618.71	6,242.78
Interest income	(4,676.85)	(4,564.72)
Gain on sale of financial assets - investments	(1,484.15)	(241.60)
Net gain arising on financial assets designated at Fair value through profit and loss	(470.62)	(714.69)
Net gain/(loss) arising on financial assets designated as at amortised cost	92.86	(42.76)
Allowance for doubtful trade receivables	(25.69)	(84.24)
Bad debts written off	11.48	-
Amortisation of grant	(6.64)	(29.20)
Dividend Income	(387.96)	(1,538.68)
<b>Operating profit before working capital changes</b>	<b>(213.61)</b>	<b>748.69</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Inventories	2.23	(2.23)
Trade receivables	1,903.75	(4,518.88)
Other financial assets	(36.35)	(892.07)
Other assets	93.95	(132.50)
Other current assets		0.18
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(1,889.21)	2,987.14
Other financial liabilities	(10.08)	1,208.83
Other current liabilities	929.80	60.28
Provisions	(7.83)	3.32
Long-term provisions	(3.62)	-
<b>Cash generated from operations</b>	<b>769.63</b>	<b>(537.24)</b>
Taxes paid (including Tax deducted at source)	(444.60)	(295.20)
<b>Net cash flow from/(used in) operating activities</b>	<b>324.43</b>	<b>(832.44)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	(130.69)	(24.81)
Proceeds from sale of property plant and equipment	2.80	0.66
Receipt on Stump Sale of business	350.84	-
Loans given	(11,124.00)	(19,917.32)
Loans received back	9,225.31	17,779.39
Investments in subsidiaries and associates	(565.86)	(934.98)
Proceeds from sale of investment	6,196.04	3,002.24
Interest received	1,431.09	3,797.99
Dividend received	423.19	1,503.45
Proceeds from fixed deposit under lien	1,065.32	4,716.49
Deposit in fixed deposit under lien	(623.27)	(3,697.17)
<b>Net cash flow from investing activities</b>	<b>6,250.77</b>	<b>6,225.94</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term borrowings	23,040.11	28,950.93
Repayment of long-term borrowings	(26,729.81)	(17,467.02)
Proceeds from other short-term borrowings	22,185.38	9,349.94
Short term loans repaid	(19,182.48)	(15,864.60)
Dividend Paid	(396.65)	(4,095.46)
Interest paid	(5,807.75)	(6,310.56)
Receipt of grant	-	96.20
<b>Net cash flow used in financing activities</b>	<b>(6,891.20)</b>	<b>(5,340.57)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(316.00)</b>	<b>52.93</b>
Cash and cash equivalents at the beginning of the year	9 485.21	432.28
Cash and cash equivalents at the end of the year	9 169.21	485.21
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(316.00)</b>	<b>52.93</b>

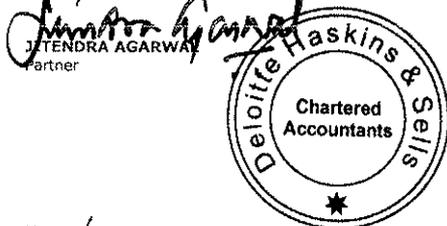
Figures in brackets indicate cash outflow

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



Place: Gurugram  
Date: 25 AUG 2018

For and on behalf of the Board of Directors

HARI SANKARAN  
Chairman

ARUN K. SAHA  
Director

ASHWANI KUMAR  
Chief Executive Officer

ANAND NAIR  
Group Chief Financial Officer

JIGNESH NAGDA  
Company Secretary

Place: Mumbai  
Date: 14 August 2018



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018**

	Number of shares		Amount Rs. Million	
<b>(a) Equity Share Capital</b>				
Balance as at 1 April, 2016			1,283,564,664	12,835.65
Change in equity share capital during the year			-	-
<b>Balance as at 31 March, 2017</b>			<b>1,283,564,664</b>	<b>12,835.65</b>
Change in equity share capital during the year			-	-
<b>Balance as at 31 March, 2018</b>			<b>1,283,564,664</b>	<b>12,835.65</b>
<b>(b) Compulsorily Convertible Preference Share Capital ('CCPS')</b>				
Balance as at 1 April, 2016			34,660,767	346.61
Change in CCPS during the year			-	-
<b>Balance as at 31 March, 2017</b>			<b>34,660,767</b>	<b>346.61</b>
Change in CCPS during the year			-	-
<b>Balance as at 31 March, 2018</b>			<b>34,660,767</b>	<b>346.61</b>
<b>(c) Other equity</b>				
	<b>Equity component of compound financial instruments</b>	<b>Rs. Million</b>	<b>Rs. Million</b>	<b>Rs. Million</b>
	2,366.33	37,557.27	7.60	118.58
	-	-	-	1,696.46
	-	-	-	(3.50)
	-	-	-	-
	-	-	-	1,692.96
	-	-	-	(1,080.94)
	39.53	-	-	(35.70)
	-	-	-	39.53
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(4,833.56)</b>
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	297.54
	-	-	-	(396.65)
	-	-	104.17	(104.17)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
	-	-	-	673.61
	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
	-	-	-	673.61
	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
	-	-	-	673.61
	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
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	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
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	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
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	-	-	-	-
	-	-	-	35,670.91
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	-	-	-	-
	-	-	-	13.08
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	-	-	-	-
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	-	-	-	296.89
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	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
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	-	-	-	13.08
	-	-	-	13.08
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	-	-	-	-
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	-	-	-	-
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	-	-	-	13.08
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	-	-	-	(396.65)
	-	-	-	-
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	-	-	-	13.08
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	-	-	-	13.08
	-	-	-	13.08
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	-	-	-	(396.65)
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	-	-	-	13.08
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	-	-	-	296.89
	-	-	-	0.65
	-	-	-	-
	-	-	-	13.08
	-	-	-	13.08
	-	-	-	310.62
	-	-	-	(396.65)
	-	-	-	-
	<b>2,405.86</b>	<b>37,557.27</b>	<b>7.60</b>	<b>(5,036.84)</b>
	-	-	-	673.61
	-	-	-	(22.62)
	-	-	-	-
	-	-	-	35,670.91
	-	-	-	296.89
	-	-	-	0.65
	-	-	-	

**1. General Information**

IL&FS Energy Development Company Limited ("the Company / IEDCL") 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.

**Amendment to Ind AS 21: Foreign currency transactions and advance consideration**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

**Ind AS 115- Revenue from Contract with Customers:**

On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

**Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

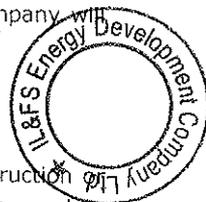
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendment when they become effective.

**Transfers of Investment Property – Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or equipment into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the



change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not applicable to the company.

**Ind AS 28 - Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the company.

**3. Significant accounting policies**

**3.1 Statement of compliance**

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.

**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:

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

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.

#### **Revenue from construction Contract**

- Revenue from construction contract is recognised based on the 'Percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfilment of all the following conditions:

All critical approvals necessary for commencement of the project have been obtained;

Contract costs for work performed (excluding cost of land/developmental rights and borrowing cost) constitute at least 25% of the estimated total contract costs representing a reasonable level of development;

At least 25% of the saleable project area is secured by contracts or agreements with buyers; and

At least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents is realised at the reporting date in respect of each of the contracts and the parties to such contracts can be reasonably expected to comply with the contractual payment terms.



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

The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to-date, to the total estimated cost of the project. For the purpose of computing percentage of construction, cost of land, developmental rights and borrowing costs are excluded. Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

#### **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.

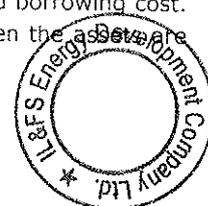
Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

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.



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### 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

Asset Type	Useful Life
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.

#### Derecognition of Intangible assets

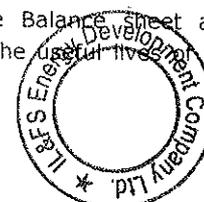
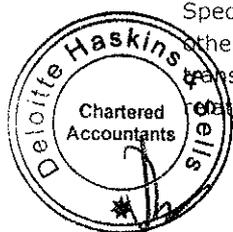
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised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

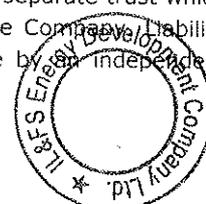
Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in 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



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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.



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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.

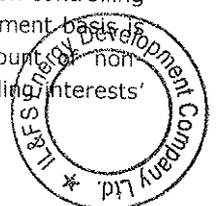
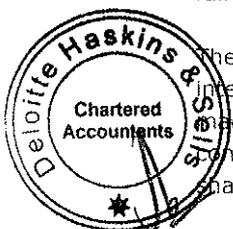
Contingent liabilities are disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### **3.12 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 Company 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 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 as per pooling of interest method. 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

### **3.13 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.

### **3.14 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.

## **3.15 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.



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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 recognised and the consideration paid and payable is recognised in the Statement of profit and



### **3.16 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.

### **3.17 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.

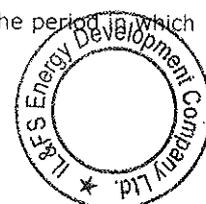
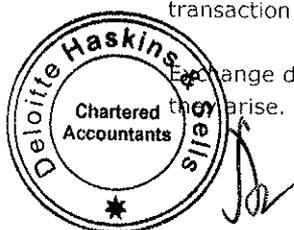
### **3.18 Foreign currency**

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.



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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 31 March, 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.

### **3.19 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.

### **3.20 Segment reporting**

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

### **3.21 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.

### **3.22 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.

### **3.23 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.

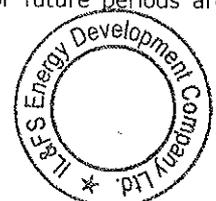
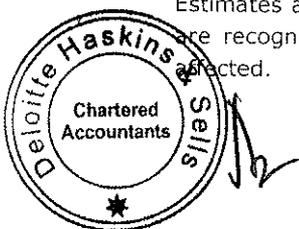
## **4. Critical accounting judgements and key sources of estimation uncertainty**

### **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 Investment**

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.

##### **Significant estimates:**

##### **i. Impairment of investments in IL&FS Tamilnadu Power Development Company Limited (ITPCL)**

ITPCL, the Company's subsidiary, has set up a 1200 MW thermal power plant in the state of Tamil Nadu. Unit I (600 MW) and unit II (600 MW) are commissioned as of 31 March, 2018. Power is evacuated based on short term power purchase agreements ('PPAs') with for unit II, which leads to certain inefficiencies in terms of load scheduling and an inability to run the unit on an optimum scale. The management of ITPCL is currently negotiating medium to long term PPA's which will enable the plant to be operated on an optimum scale. ITPCL have also participated in bidding for 2500 MW of PPAs invited by PFC Consulting Limited and has been shortlisted as a successful bidder for its 550 MW (unit II) capacity.

A delay of one year in increase the Plant Load Factor (PLF) to its optimum level would result in reduction in the recoverable amount of the project for the Company by approximately 5.0%, however the recoverable amount would continue to be sufficiently in excess of the carrying value. The carrying value of assets as at March 31, 2018 is Rs. 42,263.32 million.

No impairment is considered necessary since the recoverable value of underlying investments of ITPCL exceeds the carrying value in IEDCL. Any significant change in the valuation assumptions would impact the fair value of Wind SPV and will result in reduction of recoverable amount to that extent.

##### **ii. Impairment of investments in IL&FS Wind Energy Limited (IWEL)**

IWEL a 100% subsidiary of the Company is the holding company for 51% stake held in 7 operating Wind SPVs subsidiaries namely Lalpur Wind Energy Private Limited, Tadas Wind Energy Private Limited, Khandke Wind Energy Private Limited, Ratedi Wind Power Projects Limited, Wind Urja India Private Limited, Etesian Urja Limited and Kaze Energy Limited.

IWEL has accumulated losses of Rs. 1,593.26 million, the net worth of IWEL is partially eroded and currently stands at Rs. 3,307.23 million against the carrying value of Rs. 4,900.50 million in IEDCL.

No impairment is considered necessary since the recoverable value of underlying investments of IWEL exceeds the carrying value in IEDCL. Any significant change in the valuation assumptions would impact the fair value of Wind SPV and will result in reduction of recoverable amount to that extent.

##### **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.

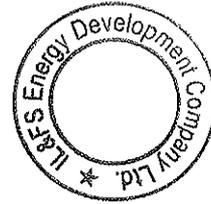


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

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**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.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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**5 Property, plant and equipment**

**i Carrying amount**

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
Land	-	36.00
Plant and equipment	56.61	3,126.40
Other equipment	2.19	2.39
Computers	3.02	3.45
Furniture and fixture	1.30	3.37
Vehicles	20.89	0.64
Office equipment	0.38	0.54
Leasehold improvements	0.38	5.84
	<b>84.77</b>	<b>3,178.63</b>
Capital work-in-progress	-	43.22
	<b>84.77</b>	<b>3,221.85</b>

**ii Cost**

	Land		Plant and 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	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	
<b>As at 1 April, 2016</b>	36.00	3,368.80	2.79	3.43	4.40	1.98	1.98	2.77	8.45	8.45	-	-	-	3,428.62	
Add: Additions	-	-	-	3.27	0.42	-	1.48	-	-	-	-	-	-	5.17	
Less: Disposals/adjustments	-	7.31	-	0.29	0.07	-	0.82	-	-	-	-	-	-	8.49	
<b>As at 31 March, 2017</b>	<b>36.00</b>	<b>3,361.49</b>	<b>2.79</b>	<b>6.41</b>	<b>4.75</b>	<b>1.98</b>	<b>3.43</b>	<b>4.75</b>	<b>8.45</b>	<b>8.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,425.30</b>	
Add: Additions	-	-	-	1.80	0.10	27.62	1.34	-	-	-	-	-	-	30.86	
Less: Disposals/adjustments	36.00	3,294.93	-	1.15	2.49	4.56	1.11	-	7.15	7.15	-	-	-	3,347.39	
<b>As at 31 March, 2018</b>	<b>-</b>	<b>66.56</b>	<b>2.79</b>	<b>7.06</b>	<b>2.36</b>	<b>25.04</b>	<b>3.66</b>	<b>3.66</b>	<b>1.30</b>	<b>1.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108.77</b>	

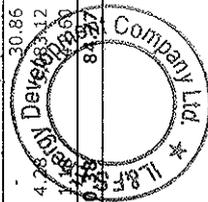
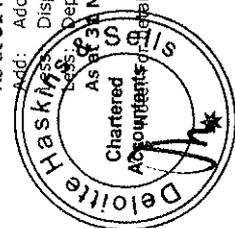
**Accumulated depreciation**

<b>As at 1 April, 2016</b>	-	101.31	0.20	1.60	0.71	0.67	1.69	1.20	1.20	-	-	-	-	107.38
Add: Additions	-	133.78	0.20	1.58	0.68	0.67	1.72	1.41	1.41	-	-	-	-	140.04
Less: Disposals/adjustments	-	-	-	0.22	0.01	-	0.52	-	-	-	-	-	-	0.75
<b>As at 31 March, 2017</b>	<b>-</b>	<b>235.09</b>	<b>0.40</b>	<b>2.96</b>	<b>1.38</b>	<b>1.34</b>	<b>2.89</b>	<b>2.61</b>	<b>2.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>246.67</b>
Add: Additions	-	31.76	0.20	2.06	0.53	4.56	1.31	1.18	1.18	-	-	-	-	41.60
Less: Disposals/adjustments	-	256.90	-	0.98	0.85	1.75	0.92	2.87	2.87	-	-	-	-	264.27
<b>As at 31 March, 2018</b>	<b>-</b>	<b>9.95</b>	<b>0.60</b>	<b>4.04</b>	<b>1.06</b>	<b>4.15</b>	<b>3.28</b>	<b>0.92</b>	<b>0.92</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.00</b>

**Carrying amount**

<b>As at 1 April, 2016</b>	36.00	3,267.49	2.59	1.83	3.69	1.31	1.08	7.25	7.25	-	-	-	-	3,321.24
Add: Additions	-	-	-	3.27	0.42	-	1.48	-	-	-	-	-	-	5.17
Less: Disposals/adjustments	-	7.31	-	0.07	0.06	-	0.30	-	-	-	-	-	-	7.74
Less: Depreciation expense	-	133.78	0.20	1.58	0.68	0.67	1.72	1.41	1.41	-	-	-	-	140.04
<b>As at 31 March, 2017</b>	<b>36.00</b>	<b>3,126.40</b>	<b>2.39</b>	<b>3.45</b>	<b>3.37</b>	<b>0.64</b>	<b>0.54</b>	<b>5.84</b>	<b>5.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,178.63</b>
Add: Additions	-	-	-	1.80	0.10	27.62	1.34	-	-	-	-	-	-	30.86
Less: Disposals/adjustments	36.00	3,038.03	-	0.17	1.64	2.81	0.19	4.28	4.28	-	-	-	-	30.86
Less: Depreciation expense	-	31.76	0.20	2.06	0.53	4.56	1.31	1.18	1.18	-	-	-	-	41.60
<b>As at 31 March, 2018</b>	<b>-</b>	<b>56.61</b>	<b>2.19</b>	<b>3.02</b>	<b>1.30</b>	<b>20.89</b>	<b>0.38</b>	<b>0.38</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84.37</b>

Details of charge created on property, plant and equipment, refer to note 17.



IL&FS ENERGY DEVELOPMENT COMPANY LIMITED  
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6 Intangible assets

i. Carrying amount

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
Computer softwares	1.12	1.67

ii Cost

	Rs. Million	Rs. Million
<b>Computer software</b>	<b>Rs. Million</b>	<b>Total</b>
As at 1 April, 2016	2.47	2.47
Add: Additions	1.07	1.07
As at 31 March, 2017	3.54	3.54
Add: Additions	0.28	-
As at 31 March, 2018	3.82	3.54
<b>Accumulated amortisation</b>		
As at 1 April, 2016	0.79	0.79
Less: Amortisation expense	1.08	1.08
As at 31 March, 2017	1.87	1.87
Less: Amortisation expense	0.83	-
As at 31 March, 2018	2.70	1.87
<b>Carrying amount</b>		
As at 1 April, 2016	1.68	1.68
Add: Additions	1.07	1.07
Less: Amortisation expense	1.08	1.08
As at 31 March, 2017	1.67	1.67
Add: Additions	0.28	-
Less: Amortisation expense	0.83	-
As at 31 March, 2018	1.12	1.67



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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7 Investments	As at 31 March, 2018		As at 31 March, 2017	
	Units	Rs. Million	Units	Rs. Million
<b>I Investments - Non-current (Unquoted)</b>				
<b>A Investments at cost - In subsidiaries (direct/indirect)</b>				
<b>i Equity instruments</b>				
a. IL&FS Tamilnadu Power Company Limited (Equity share of Rs. 10 each)	160,797,509	42,263.32	160,797,509	42,263.32
b. IL&FS Wind Energy Limited (Equity share of Rs. 10 each)	490,050,000	4,900.50	490,050,000	4,900.50
c. Etesian Urja Limited (Equity share of Rs. 10 each)(see note i below)	-	-	113,185,313	1,127.48
d. Nana Layja Power Company Limited (Equity share of Rs. 10 each)	36,050,000	360.50	20,050,000	200.50
e. Maritime International Offshore (Pte) Ltd. (Equity share of SGD 1 each)	67,169	3.15	32,483	1.53
f. IL&FS Wind Projects Development Limited (Equity share of Rs. 10 each)	100,000	1.00	100,000	1.00
g. Malwa Solar Power Generation Limited (Equity share of Rs. 10 each) (see note ii below)	-	-	100,000	1.00
h. IL&FS Solar Power Limited (Equity share of Rs. 10 each)	50,000	0.50	50,000	0.50
i. Shendra Green Energy Limited (Equity share of Rs. 10 each)	3,665,894	240.40	3,665,894	240.40
j. IL&FS Wind Farms Limited (Equity share of Rs. 10 each)	17,297,000	31.80	17,297,000	31.80
k. Sipla Wind Energy Limited (Equity share of Rs. 10 each)	80,000	0.80	80,000	0.80
l. Patiala Bio Power Company Limited (Equity share of Rs. 10 each)	50,000	0.50	50,000	0.50
m. Rohtas Bio Energy Limited (Equity share of Rs. 10 each)	50,000	0.50	50,000	0.50
n. Kaze Energy Limited (Equity share of Rs. 10 each)(see note iii below)	-	-	6,550,000	65.50
o. IL&FS Wind Power Services Limited (Equity share of Rs. 10 each)	2,000,000	20.00	2,000,000	20.00
p. Mahidad Wind Energy Private Limited (Equity share of Rs. 10 each)	10,000	0.10	10,000	0.10
q. Jogihali Wind Energy Private Limited (Equity share of Rs. 10 each)	10,000	0.10	10,000	0.10
r. Cuddalore Solar Power Private Limited (Equity share of Rs. 10 each)	50,000	0.50	50,000	0.50
s. Ratedi Wind Power Private Limited (Equity share of Rs. 10 each)	54,966,600	549.67	54,966,600	549.67
t. Tadas Wind Energy Private Limited (Equity share of Rs. 10 each)(see note iv below)	-	-	97,473,352	974.73
u. Lalpur Wind Energy Private Limited (Equity share of Rs. 10 each)	116,039,799	1,160.40	116,039,799	1,160.40
v. Mota Layja Gas Power Company Limited (Equity share of Rs. 10 each)	50,000	0.50	50,000	0.50
<b>ii. - Deemed equity instruments (see note xvi below)</b>				
a. Sipla Wind Energy Limited	-	71.09	-	71.09
b. Wind Urja India Limited	-	15.14	-	15.14
c. Lalpur Wind Energy Private Limited	-	76.93	-	76.93
d. Tadas Wind Energy Private Limited	-	63.09	-	63.09
e. Ratedi Wind Power Private Limited	-	52.17	-	52.17



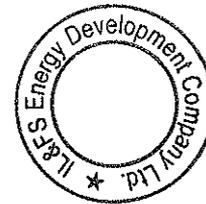
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

	As at 31 March, 2018		As at 31 March, 2017	
	Units	Rs. Million	Units	Rs. Million
<b>iii - Investment at amortised cost - Deemed Equity instruments</b>				
<b>Convertible Debentures</b>				
a. Jogibali Wind Energy Private Limited (Debentures of Rs. 10 each) (see note v below)	127,100,000	1,271.00	-	-
b. Mahidad Wind Energy Private Limited (Debentures of Rs. 10 each)(see note vi below)	138,900,000	1,389.00	-	-
c. Sipia Wind Energy Limited (formerly Nakhatrana Biomass Energy Limited) (Debentures of Rs. 10 each)(see note vii below)	108,700,000	1,087.00	-	-
d. Rohtas Bio Energy Limited (Debentures of Rs. 100,000 each) (see note viii below)	31,100,000	31.10	-	-
e. IL&FS Tamilnadu Power Company Limited (Debentures of Rs. 10,000 each) (see note ix below)	240,000	2,400.00	240,000	2,400.00
f. Kaze Energy Limited (Debentures of Rs. 10 each) (see note x below)	-	-	68,000,000	680.00
g. IL&FS Wind Energy Limited (Debentures of Rs. 10 each)(see note xi below)	8,606.78	860.68	-	-
h. Shendra Green Energy Limited (Debentures of Rs. 10 each)(see note xii below)	20,085,130	106.68	20,085,130	106.68
i. Shendra Green Energy Limited (Debentures of Rs. 10 each) (see note xiii below)	-	-	25,877,090	59.85
		56,958.12 (1.50)		55,066.28 (2.00)
<b>Impairment in value of investment in subsidiaries</b>				
<b>Sub Total (A)</b>		<b>56,956.62</b>		<b>55,064.28</b>
<b>B. Investments at cost - In associates</b>				
<b>i Equity instruments</b>				
a. Urjankur Shree Datta Power Company Limited (Equity share of Rs. 10 each)(see note xiv below)	-	-	22,520,000	225.76
b. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (Equity share of Rs. 10 each)(see note xv below)	-	-	28,100,000	281.66
<b>Sub Total (B)</b>		<b>-</b>		<b>507.42</b>
<b>C Investments at fair value through profit and loss</b> (see note 34)				
<b>i Investment in joint venture companies</b>				
<b>- Equity instruments</b>				
a. ONGC Tripura Power Company Limited (Equity share of Rs. 10 each)	134,734,328	3,118.00	291,200,000	5,859.40
b. Saurya Urja Company of Rajasthan Limited (Equity share of Rs. 10 each)	60,988,091	1,360.40	60,988,091	973.00
c. Cross Border Power Transmission Company Limited (Equity share of Rs. 10 each)	18,433,615	406.60	18,433,615	410.48
d. Bihar Power Infrastructure Company Private Limited (Equity share of Rs. 10 each)	25,000	56.00	25,000	55.60
e. Power Transmission Company Nepal Limited (Equity share of Rs. 62.50 each)	400,000	68.75	300,000	51.00
f. Assam Power Project Development Company Limited (Equity share of Rs. 10 each)	25,000	2.30	25,000	2.60



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	As at 31 March, 2018		As at 31 March, 2017	
	Units	Rs. Million	Units	Rs. Million
<b>ii. Investment in other companies</b>				
<b>- Equity instruments</b>				
a. KVK Nilanchal Power Private Limited (Equity share of Rs. 10 each)(see note xvii below)	5,180,000	587.00	5,180,000	758.00
b. SV Power Private Limited (Equity share of Rs. 10 each)	17,778,864	356.00	17,778,864	450.00
c. Shalivahana Green Energy Limited (Equity shares of Rs. 10 each)	20,244,480	202.44	20,244,480	319.44
<b>iii. Units in trust</b>				
a. Urjankur Nidhi Trust (unit of Rs. 10 each) (see note xiv & xv)		-	55,900	478.34
<b>Sub Total (C)</b>		<b>6,157.49</b>		<b>9,357.86</b>
<b>D. Investments at cost - Other Companies</b>				
<b>- Debentures</b>				
7.5% Non convertible debentures (NCD) of Infrastructure Leasing & Financial Services Limited (Debentures of Rs. 1,000 each)(see note xviii below)	68,540	57.07	68,540	57.07
17.5% Optionally Fully Convertible Debentures of Punjab Biomass Power Limited (Debentures of Rs. 10 each) (see note xix below)	33,397,818	198.67	333,978,182	254.21
<b>Sub Total (D)</b>		<b>255.74</b>		<b>311.28</b>
<b>Total (A+B+C+D)</b>		<b>63,369.85</b>		<b>65,240.84</b>
<b>Aggregate carrying value of unquoted investments</b>		<b>63,369.85</b>		<b>65,240.84</b>



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	As at 31 March, 2018		As at 31 March, 2017	
	Units	Rs. Million	Units	Rs. Million
<b>II Investment - current (Unquoted)</b>				
<b>A Investments in subsidiaries</b>				
<b>- At amortised cost</b>				
<b>i Debentures</b>				
a. IL&FS Wind Energy Limited (Debentures of Rs. 10 each) (see note xi below)	-	-	170,817,800	1,708.18
b. 0% Optionally Fully Convertible Debentures of Shendra Green Energy Limited (Debentures of Rs. 10 each) (see note xx below)	31,187,780	165.65	31,187,780	165.65
c. 0% Fully Convertible Debentures of Patiala Bio Power Company Limited (Debentures of Rs 100,000 each) (see note xxi below)	455	45.50	455	45.50
d. Shendra Green Energy Limited (Debentures of Rs. 10 each) (see note xiii below)	25,877,090	59.85	-	-
<b>ii Deemed Equity instruments</b>				
a. Jogihali Wind Energy Private Limited	-	-	127,100,000	1,271.00
b. Mahidad Wind Energy Private Limited	-	-	138,900,000	1,389.00
c. Sipla Wind Energy Limited (formerly Nakhatrana Biomass Energy Limited)	-	-	108,700,000	1,087.00
d. Kaze Energy Limited (formerly Vaspeth Wind Energy Private Limited)	-	-	1,50,00,000	150.00
e. Rohtas Bio Energy Limited	-	-	31,100,000	31.10
Less: Provision for diminution in value of investments				
		<u>271.00</u>		<u>5,847.43</u>
		(39.50)		(39.50)
		<u>231.50</u>		<u>5,807.93</u>
<b>Aggregate carrying value of unquoted investments</b>		<u>231.50</u>		<u>5,807.93</u>
<b>Investments classified as held for Sale</b>				
<b>- Equity instruments</b>				
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (Equity share of Rs 10 each)(see note xv below)	281,664,500	281.66		
<b>- units in trust</b>				
Urjankur Nidhi Trust (unit of Rs 10 each) (see note xv)	31,608,000	316.08		
		<u>597.74</u>		<u>-</u>

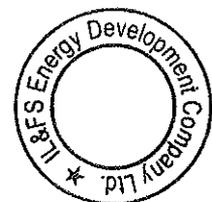
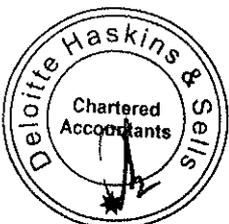
**Notes:**

- i During the year, Company has sold its investment in Etesian Urja Limited.
- ii During the year, Company has sold its investment in Malwa Solar Power Generation Company Limited
- iii During the year, Company has sold its investment in Kaze Energy Limited
- iv. The Company holds 26% equity stake in Khandke Wind Energy Private Limited ('KWEPL'), Lalpur Wind Energy Private Limited ('LWEPL'), Tadas Wind Energy Private Limited ('TWEPL') and Ratedi Wind Power Private Limited ('RWPPPL'), collectively called as 'Wind SPVs'. However, as per terms of the covered warrant subscription agreement between the Company and IL&FS Energy Development Company Limited ('IEDCL') dated 19 February, 2016. The Company shall exercise voting rights in respect of the Equity Shares of Wind SPVs in accordance with the instructions of the covered warrant holder. Also the Company shall execute an irrevocable Power of Attorney in favour of the covered warrant holder, authorising to exercise voting rights in respect of Equity Shares of Wind SPVs. The Company has redeemed the covered warrants pertaining to its investment in TWEPL in current year at its fair value (of KWEPL in FY 2016-17) to IL&FS Wind Energy Limited (IWEL) and also transferred the corresponding investment in TWEPL to IWEL.
- v Description: Fully convertible debentures  
Rate of interest - 15.50% (31 March, 2017: 0%)  
Maturity details: 30 September, 2024  
Each debentures will be converted into equity share having face value of Rs 10 each.
- vi Description: Fully convertible debentures  
Rate of interest - 15.50% (31 March, 2017: 0%)  
Maturity details: 30 September, 2024  
Each debentures will be converted into equity share having face value of Rs 10 each.
- vii Description: Fully convertible debentures  
Rate of interest - 15.50% (31 March, 2017: 0%)  
Maturity details: 30 September, 2024  
Each debentures will be converted into equity share having face value of Rs 10 each.



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- viii Description: Fully convertible debentures  
Rate of interest - 0% (31 March, 2017: 0%)  
Maturity details: July 18 to August 18  
The debentures will be converted into 31,100 equity shares having face value of Rs 10 each issued at a premium of Rs 990 each.
- ix Description: Fully compulsorily convertible debentures  
Rate of interest - 16% (31 March, 2017: 16%)  
Maturity details: 30 September, 2024  
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 debentures aggregating to Rs. 1,965.01 million (previous year Rs 1,362.94 million) is included as part of 'Other current 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 as mutually agreed by the Company and the issuer.
- x Description: Fully compulsorily convertible debentures  
Rate of interest - Not applicable (31 March, 2017: 0%)  
Maturity details: 8 February, 2018  
The debentures were converted into equity shares at fair value determined by an independent valuer during the year. Further the equity shares have been sold during the current year.
- xi Description: Optionally fully convertible debentures  
Rate of interest - 15.50% (31 March, 2017: 15.50%)  
Maturity details: extended from 31 March 2018 to 31 March 2019  
The debentures shall be convertible into equity shares at par resulting into an equal number of shares as the number of debentures units outstanding at the Company's option.  
Interest accrued on these debenture aggregating to Rs. 266.83 million as at 31 March, 2018 (Rs. 264.81 million as at 31 March, 2017) 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 as mutually agreed by the Company and the issuer.
- xii Description: Optionally fully convertible debentures  
Rate of interest - 0% (31 March, 2017: 0%)  
Maturity details: April 2019 to December 2019  
The debentures will be converted into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding at the Company's option.
- xiii Description: Optionally fully convertible debentures  
Rate of interest - 1% (31 March, 2017: 1%)  
Maturity details: Extended to 21 March 2019  
The debentures will be converted into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding at the Company's option.
- xiv During the year, Company has sold its investment in Urjankur Shree Datta power company.
- xv During the year, agreement for sale of investment in Urjankur Shree Tatyasaheb has been executed hence shown under the head "Assets held for sale". Accordingly, the Company has recognised fair value gain of Rs. 50.55 million in the statement of profit and loss during the year ended 31 March 2018. The management expects that the transfer of the said investments will be completed by 31 March 2019.
- xvi Interest free loans given are recognised at fair value on the date of transaction and difference is recognised as deemed equity
- xvii The Company is in the process of transferring 35,33,500 equity shares in its name at 31 March, 2018 (previous year 35,33,500). The Company has issued an undertaking to repledge the shares in favour of lenders of the KVK Nilanchal Power private Limited on transfer in its name.
- xviii Description: Non convertible debentures  
Rate of interest - 7.50% (31 March 2017: 7.50%)  
Maturity details: 30 April 2020
- xix Description: Optionally fully convertible debentures  
Rate of interest - 17.50% to 17.65% (31 March 2017: 17.50% to 17.65%)  
Maturity details: October 2018 to December 2019  
The debentures will be converted into 33,39,78,180 equity shares having face value of Rs 1 each.  
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 22,500,000 shares of PBPL (which were held by the Company) are under pledge in favour of UBI. The transfer of such shares which were held by the Company is subject to obtaining the approval from UBI. During the previous year ended 31 March, 2016, the Company has sold its investments in PBPL.
- xx Description: Optionally fully convertible debentures  
Rate of interest - 0% (31 March 2017: 0%)  
Maturity details: 19 March, 2019  
The debentures will be converted into equity shares at par resulting into an equal number of shares as the number of debenture units outstanding at the Company's option.
- xxi Description: Fully convertible debentures  
Rate of interest - 0% (31 March 2017: 0%)  
Maturity details: July 2018 to August 2018  
The debentures will be converted into 45,500 equity shares having face value of Rs 10 each issued at a premium of Rs 990 each.

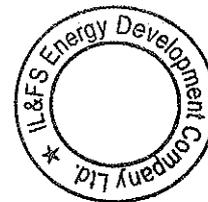


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

**Additional information**

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

Particulars	Registered office	% of shareholding	
		31 March, 2018	31 March, 2017
<b>I Subsidiaries</b>			
i IL&FS Tamilnadu Power Company Limited	Chennai	91.38%	91.38%
ii Shendra Green Energy Limited	Aurangabad	100%	100%
iii IL&FS Wind Energy Limited	Mumbai	100%	100%
iv Etesian Urja Limited	Mumbai	0%	100%
v Nana Layja Power Company Limited	Ahemdabad	100%	100%
vi Ratedi Wind Power Private Limited (against covered warrants)	Mumbai	26%	26%
vii Lalpur Wind Energy Private Limited (against covered warrants)	Mumbai	26%	26%
viii Jogihali Wind Energy Private Limited	Mumbai	100%	100%
ix Mahidad Wind Energy Private Limited	Mumbai	100%	100%
x Sipla Wind Energy Limited	Mumbai	100%	100%
xi IL&FS Wind Farms Limited	Mumbai	100%	100%
<b>II Joint Venture companies</b>			
i ONGC Tripura Power Company Limited	Delhi	26%	26%
ii Saurya Urja Company of Rajasthan Limited	Jaipur	50%	50%
iii Cross Border Power Transmission Company Limited	Delhi	38%	38%



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

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>8 Trade receivables</b>		
Trade receivables		
a. Unsecured, considered good	764.83	2,782.20
b. Doubtful	136.38	111.27
	<u>901.21</u>	<u>2,893.47</u>
Less: Allowance for doubtful debts	136.38	111.27
	<u><b>764.83</b></u>	<u><b>2,782.20</b></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.

**Allowance 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 allowance for doubtful debts**

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
Opening balance	111.27	97.57
Change during the year	25.11	13.70
Closing balance	<u><b>136.38</b></u>	<u><b>111.27</b></u>

**Age of receivables**

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
1-30 days past due	83.16	1,438.64
31-90 days past due	93.40	281.06
91-180 days past due	118.40	105.74
More than 180 days past due	469.87	956.76
	<u><b>764.83</b></u>	<u><b>2,782.20</b></u>

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

Particulars	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
Customer 1	145.13	219.09
Customer 2	85.06	-
Customer 3	56.01	-
Customer 4	136.15	120.61
Customer 5	81.83	200.02
Customer 6	-	743.43
Customer 7	116.07	159.14
Customer 8	-	230.51
Customer 9	73.04	-
Customer 10	-	420.00
Customer 11	-	173.53
<b>Total</b>	<u><b>693.29</b></u>	<u><b>2,266.33</b></u>

**9 Cash and bank balances**

**A. Cash and cash equivalents**

a. Balance with banks		
- in current accounts	169.21	485.21
Cash and cash equivalents as per statement of cash flow	<u><b>169.21</b></u>	<u><b>485.21</b></u>

**B. Other balances with banks**

a. in deposit accounts held as margin money with banks	484.78	1,130.75
	<u><b>484.78</b></u>	<u><b>1,130.75</b></u>

**Note:**

Further refer note 42 for information about non cash transactions.



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

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>10 Inventories (lower of cost or net realisable value)</b>		
Traded goods - Wind energy converters and components	-	2.23
	-	<b>2.23</b>
<b>11 Loans</b>		
<b>I. Non-current (Unsecured)</b>		
a. Loans and advances to related parties		
- Considered good	8,551.64	11,000.87
- Doubtful	-	146.79
	8,551.64	11,147.66
Less: Allowance for bad and doubtful loans	-	(146.79)
	8,551.64	11,000.87
b. Other loans and advances		
- Considered good	1,447.49	275.17
- Doubtful	231.23	220.18
	1,678.72	495.35
Less: Allowance for bad and doubtful loans	(231.23)	(220.18)
	1,447.49	275.17
	<b>9,999.13</b>	<b>11,276.04</b>
<b>II. Current (Unsecured)</b>		
a. Loans and advances to related parties		
- Considered good	7,001.42	3,126.06
- Doubtful	198.12	205.37
	7,199.54	3,331.43
Less: Allowance for bad and doubtful loans	(198.12)	(205.37)
	7,001.42	3,126.06
b. Inter-corporate deposits to related parties	738.60	596.30
c. Loans and advances to others		
- Considered good	435.64	1,215.53
- Doubtful	41.33	41.33
Less: Allowance for bad and doubtful loans	(41.33)	(41.33)
	435.64	1,215.53
	<b>8,175.66</b>	<b>4,937.89</b>

**Note**

Further information about these loans is set out in note 34. These financial assets are carried at amortised cost.

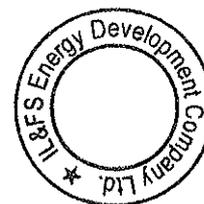
**12 Other financial assets**

<b>I Non-current</b>		
Unsecured, considered good		
a. Interest accrued:		
- on deposits	4.70	1.09
- on investments	3,030.78	1,499.61
- on loans and advances	463.76	7.78
b. Security deposits	1.23	3.56
c. Advance towards investments		
- to related parties	-	20.00
d. Grant receivable (see note 39)	-	210.11
e. Deposit accounts held as margin money with banks	150.02	50.00
f. Earnest money deposit and other advances	2.19	2.72
Considered doubtful		
a. Interest accrued:		
- on investments	77.82	75.15
- on loans and advances	46.39	44.62
	124.21	119.77
Less: Allowance for bad and doubtful loans	(124.21)	(119.77)
	-	-
	<b>3,652.68</b>	<b>1,794.87</b>



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

	<u>As at</u> <u>31 March, 2018</u> Rs. Million	<u>As at</u> <u>31 March, 2017</u> Rs. Million
<b>II Current</b>		
Unsecured, considered good		
a. Interest accrued on:		
- on deposits	6.38	30.16
- on investments	446.03	95.58
- on loans and advances	2,487.18	1,674.99
b. Dividend receivable	-	35.23
c. Grant receivable (see note 39)	-	96.20
d. Receivable for sale of property, plant and equipment	-	21.14
e. Receivable for sale of investment	4,298.88	1,437.63
f. Unbilled revenue	258.45	924.11
g. Retention money under construction contract	676.43	-
 Considered doubtful		
a. Interest accrued on:		
- on investments	150.70	91.73
	150.70	91.73
Less: Allowance for bad and doubtful loans	(150.70)	(91.73)
	-	-
	<u><b>8,173.35</b></u>	<u><b>4,315.04</b></u>
 <b>13 Non-current tax assets</b>		
<b>i Income tax asset (net)</b>		
Taxes paid (including tax deducted at source)	2,713.03	2,180.24
Provision for taxation	(1,236.79)	(1,300.95)
ii Amount paid under protest / dispute	64.74	163.16
	<u><b>1,540.98</b></u>	<u><b>1,042.45</b></u>
 <b>14 Other assets</b>		
<b>i Non-current</b>		
a. Capital advances	-	20.77
b. Prepaid expenses	42.12	55.04
	<u><b>42.12</b></u>	<u><b>75.81</b></u>
<b>ii Current</b>		
a. Prepaid expenses	32.98	85.06
b. Balances with government authorities	9.24	17.43
	<u><b>42.22</b></u>	<u><b>102.49</b></u>



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

	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Rs. Million	Number of shares	Rs. Million

**15 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 share capital**

Equity Shares of Rs. 10 each with voting rights	1,900,000,000	19,000.00	1,900,000,000	19,000.00
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**Issued, subscribed and fully paid up**

a. Opening balance	1,283,564,664	12,835.65	1,283,564,664	12,835.65
b. Changes during the year - shares issued	-	-	-	-
c. Closing balance	1,283,564,664	12,835.65	1,283,564,664	12,835.65

**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 share capital**

0.0001% Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each	100,000,000	1,000.00	100,000,000	1,000.00
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**Issued, subscribed and fully paid up**

(a) Opening balance	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
	<b>1,318,225,431</b>	<b>13,182.26</b>	<b>1,318,225,431</b>	<b>13,182.26</b>

**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 shareholder 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.



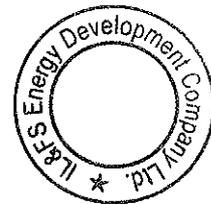
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

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

	As at 31 March, 2018		As at 31 March, 2017	
	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%
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%
<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%
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%

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

Particulars	Aggregate number of shares	
	As at 31 March, 2018	As at 31 March, 2017
Fully paid up equity shares with voting rights		
Infrastructure Leasing & Financial Services Limited, India, the holding company	1,173,426,464	1,173,426,464



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

	As at 31 March, 2018	As at 31 March, 2017
	Rs. Million	Rs. Million
<b>16 Other equity</b>		
<b>a. Equity component of compound financial instruments</b>	2,405.86	2,405.86
<b>b. Securities premium account</b>	37,557.27	37,557.27
<b>c. General reserve</b>	7.60	7.60
<b>d. Debenture redemption reserve</b>		
Opening balance	569.44	118.58
Add: Transfer during the year	104.17	450.86
Closing balance	<u>673.61</u>	<u>569.44</u>
<b>e. Retained earnings</b>		
Opening balance	(4,828.56)	(4,993.22)
Add: Profit for the year	296.89	1,696.46
Add: Transferred from Other Comprehensive Income	-	-
	<u>(4,531.67)</u>	<u>(3,296.76)</u>
Less: Appropriation		
- Interim dividend (see note (e) below)	329.56	1,080.94
- Dividend distribution tax on interim dividend	67.09	-
- Debenture redemption reserve	104.17	450.86
	<u>500.82</u>	<u>1,531.80</u>
Closing balance	<u>(5,032.49)</u>	<u>(4,828.56)</u>
<b>f. Other comprehensive income</b>		
<b>i Remeasurement of defined benefit obligations</b>		
Opening balance	(5.00)	(1.50)
Add: Transfer during the year	0.99	(5.32)
	<u>(4.01)</u>	<u>(6.82)</u>
Less: Tax on the above	0.34	(1.82)
Closing balance	<u>(4.35)</u>	<u>(5.00)</u>
<b>ii Cash Flow Hedge</b>		
Opening balance	(35.70)	-
Gain/(loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges	20.01	(54.60)
	<u>(15.69)</u>	<u>(54.60)</u>
Less: Income tax related to net gains/(losses) recognised in other comprehensive income	6.93	(18.90)
Closing balance	<u>(22.62)</u>	<u>(35.70)</u>
	<u>(26.97)</u>	<u>(40.70)</u>
	<u>35,584.88</u>	<u>35,670.91</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 previous 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.

**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.

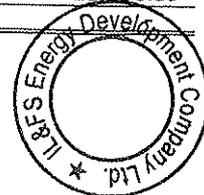
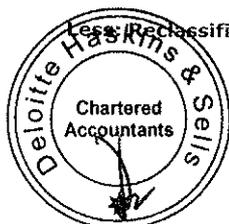
**e. Dividend**

During the year, the Company has declared and paid interim dividend of Rs. 0.25 (previous year Rs. 0.82) for both equity and preference shareholders.



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

	As at 31 March, 2018		As at 31 March, 2017	
	Non-current	Current	Non-current	Current
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>17 Non-current borrowings</b>				
<b>(At Amortised cost)</b>				
<b>a. Debentures - unsecured</b>				
Others (see note 'i' below)				
- Zero Coupon Non Convertible debentures (see note 'i A' below)	991.14	-	985.03	-
- Zero Coupon Non Convertible debentures (see note 'i B' below)	986.54	-	979.57	-
- Zero Coupon Non Convertible debentures (see note 'i C' below)	-	1,496.61	1,481.25	-
- 12.75% Non Convertible debentures (see note 'i D' below)	-	-	-	994.68
- 11.00% Non Convertible debentures (see note 'i E' below)	490.27	-	-	-
<b>b. Term loans from banks</b>				
<b>- secured</b>				
i. Yes Bank Limited (see note 'ii' below)	645.52	1,391.00	2,069.00	1,284.00
ii. Yes Bank Limited (see note 'iii' below)	376.06	358.71	730.36	-
iii. Yes Bank Limited (see note 'iv' below)	253.97	67.31	315.28	13.46
iv. Yes Bank Limited (see note 'v' below)	1,666.57	306.06	-	-
v. IndusInd Bank Limited (see note 'vi' below)	-	-	-	293.28
vi. State Bank of India (see note 'vii' below)	-	-	1,980.84	135.60
vii. Karnataka Bank Limited (see note 'viii' below)	247.42	-	246.74	-
viii. Syndicate Bank Limited (see note 'ix' below)	3,164.42	-	3,137.87	-
ix. United Bank of India (see note 'x' below)	986.59	-	-	-
x. Yes bank Limited (see note 'xi' below)	2.05	0.26	-	-
xi. HDFC Bank Limited (see note 'xii' below)	5.41	0.72	-	-
<b>- unsecured</b>				
i. Yes Bank Limited (see note 'iii' below)	376.06	358.71	730.36	-
ii. Yes Bank Limited (see note 'iv' below)	2,285.73	605.78	2,837.50	121.16
iii. Yes Bank Limited (see note 'v' below)	1,666.57	306.06	-	-
iv. IndusInd Bank Limited (see note 'vi' below)	-	-	-	2,639.48
v. Karnataka Bank Limited (see note 'viii' below)	247.42	-	246.74	-
vi. Dhanlakshmi Bank Limited (see note 'xiii' below)	-	-	-	745.18
<b>c. Term loans from financial institutions</b>				
<b>- secured</b>				
i. IL&FS Limited (see note 'xiv' below)	335.96	-	252.98	-
ii. IL&FS Limited (see note 'xv' below)	-	1,705.14	4,270.00	-
iii. IL&FS Limited (see note 'xvi' below)	-	1,337.50	150.00	-
iv. IL&FS Limited (see note 'xvii' below)	-	1,620.00	720.00	-
v. IL&FS Limited (see note 'xviii' below)	-	803.76	-	1,545.30
vi. Aditya Birla Finance Limited (see note 'xix' below)	-	757.51	1,490.45	-
vii. IFCI Ltd.(see note 'xx' below)	979.31	-	-	-
<b>- unsecured</b>				
i. Tata Capital Financial Services Limited (see note 'xxi' below)	-	-	-	495.52
<b>d. Inter corporate deposit from related parties</b>				
<b>- unsecured</b>				
i. IL&FS Securities Services Limited (see note 'xxii' below)	-	-	-	2,850.00
ii. Patiala Bio Power Company Limited (see note (xxiii))	-	2,260.16	2,280.00	-
iii. Rohtas Bio Energy Limited (see note (xxiv))	1,576.02	-	-	-
iv. IL&FS Solar Power Limited (see note (xxv))	-	-	-	433.23
	<b>17,283.03</b>	<b>13,375.29</b>	<b>24,903.97</b>	<b>11,550.89</b>
		<b>13,375.29</b>		<b>11,550.89</b>
	<b>17,283.03</b>	-	<b>24,903.97</b>	-
<b>Less: Reclassified to other financial liabilities</b>				



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

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**Notes:**

i. Details of debentures issued to other party

A a. Amount - Rs 1,000 million

b. Effective rate of interest - 12.13% p.a. (31 March, 2017: 12.13% p.a.)

c. Terms and conditions

During the pervious year, the Company had 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% p.a. (31 March, 2017: 12.37% p.a.)

c. Terms and conditions

During the previous year, the Company had 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% p.a. (31 March, 2017: 12.80% p.a.)

c. Terms and conditions

During the year ended 31 March 2016, 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 - Not applicable (31 March, 2017: 13.13% p.a.)

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

The debentures have been redeemed during the year.

E a. Amount - Rs 500 million

b. Effective rate of interest - 11.77% p.a. (31 March, 2017: 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 par.

d. Repayment date - 16 April, 2021

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

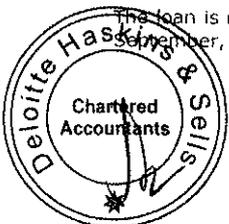
a. Effective rate of interest - 15.45% p.a. (31 March, 2017: 13.16% p.a.)

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:



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

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
More than 1 year and less than 3 years	749.00	2,140.00
3 to 5 years	-	
5 years and above		
	<b>749.00</b>	<b>2,140.00</b>

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.

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

a. Effective rate of interest - 13.28% p.a. (31 March, 2017: 15.87% p.a.)

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:

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
More than 1 year and less than 3 years	752.76	1,500.00
3 to 5 years	-	
5 years and above		
	<b>752.76</b>	<b>1,500.00</b>

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

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

a. Effective rate of interest - 13.12% p.a. (31 March, 2017: 13.77% p.a.)

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:

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
More than 1 year and less than 3 years	2,153.84	1,750.01
3 to 5 years	506.85	1,615.37
5 years and above		
	<b>2,660.69</b>	<b>3,365.38</b>

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

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

a. Effective rate of interest - 11.80% p.a. (31 March, 2017: Not applicable)

b. Terms and security

i. Sanctioned and withdrawn amount is Rs 4,150 million

ii. The loan is repayable in 12 structured quarterly installments commencing from 31 March, 2018. The maturity pattern is stated below:



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

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
More than 1 year and less than 3 years	3,527.50	-
3 to 5 years	-	-
5 years and above	-	-
	<b>3,527.50</b>	<b>-</b>

iii Security

A first pari passu charge over the total 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

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

a. Effective rate of interest - Not applicable (31 March, 2017: 13.12% p.a.)

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.

The loan has been repaid during the year

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

a. Effective rate of interest - Not applicable (31 March, 2017: 10.38% p.a.)

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:

	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
More than 1 year and less than 3 years	-	298.80
3 to 5 years	-	262.80
5 years and above	-	1,448.40
	<b>-</b>	<b>2,010.00</b>

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.

During the period, loan has been transferred to other SPV under slump sale.

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

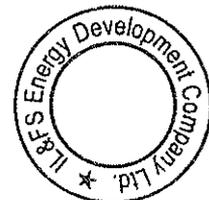
a. Effective rate of interest - one year MCLR (Marginal cost of funds based lending rate)+ 2.50% i.e. 11.94% p.a. (31 March, 2017: 12.22% p.a.)

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.



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

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

ix 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% p.a. (31 March, 2017: 11.34% p.a.)

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

	<b>As at 31 March 2018 Rs. Million</b>	<b>As at 31 March 2017 Rs. Million</b>
More than 1 year and less than 3 years	-	-
3 to 5 years	3,271.25	1,962.75
5 years and above	-	1,308.50
	<b>3,271.25</b>	<b>3,271.25</b>

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.

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

a. Effective rate of interest - one year MCLR+ 2.40% i.e. 11% p.a. (31 March, 2017: Not applicable)

b. Terms and security

i Total Sanction and disbursed amount is Rs. 1000 million.

ii Repayment terms

Bullet repayment at the end of 3 years from the date of disbursement i.e. 29 January, 2018.

iii Security

- 10% of loan amount by way of Fixed deposit under lien
- 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 120% of the loan outstanding amount

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

a. Effective rate of interest - 8.15% p.a. (31 March, 2017: Not applicable)

b. Terms and security

i Total Sanction and disbursed amount is Rs. 2.34 million.

ii Repayment terms

Payable in 84 equal monthly installments commencing from 15 March, 2018.

iii Security

- First hypothecation charge on vehicle



- xii Details of repayment terms and security for the term loan from bank
- a. Effective rate of interest - 8.1% p.a. (31 March, 2017: Not applicable)
  - b. Terms and security
    - i Total Sanction and disbursed amount is Rs. 6.30 million.
    - ii Repayment terms  
Payable in 84 equal monthly instalments commencing from 5 Jan, 2018.
    - iii Security  
- First hypothecation charge on vehicle
- xiii Details of repayment terms and security for the term loan from bank
- a. Effective rate of interest - Not applicable (31 March, 2017: 12.81% p.a.)
  - 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. The loan has been repaid during the year
- xiv Details of secured term loan from others
- a. Effective rate of interest - 16% p.a. (31 March, 2017: 16% p.a.)
  - 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.
- xv Details of secured term loan from others
- a. Effective rate of interest - 16% p.a. (31 March, 2017: 16% p.a.)
  - b. Terms and security
    - i. Total Sanction limit of revolving line of credit is Rs 5,000 million and outstanding amount is Rs. 1,705.14 million (31 March 2017: 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.



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

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xvi Details of Secured term loan from others

a. Effective rate of interest - 16% p.a. (31 March, 2017: 16% p.a.)

b. Terms and security

i. Total Sanction limit of revolving line of credit is Rs. 2,500 million and outstanding amount is Rs. 1337.50 million (31 March 2017: 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.

xvii Details of Secured term loan from others

a. Effective rate of interest - 16% p.a. (31 March, 2017: 16% p.a.)

b. Terms and security

i. Total Sanction limit is Rs. 3.250 million and outstanding is Rs. 1,620 million (31 March 2017: 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.

xviii Details of Secured term loan from others

a. Effective rate of interest - 15.50% p.a. (31 March, 2017: 15.50% p.a.)

b. Terms and security

i. Total disbursed amount is Rs. 1,545.30 million and outstanding is Rs. 803.76 million

ii. Repayment terms

Repayment after 24 months from the date of first disbursement & extended by 6 months i.e 09 December, 2015.

iii. Security

Second hypothecation charge on investments, loans and advances, current assets, deposits etc.

xix Details of Secured term loan from others

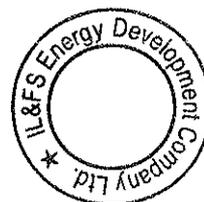
a. Effective rate of interest - 14.36% p.a. (31 March, 2017: 14.39% p.a.)

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.



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

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xx Details of unsecured term loan from others

IFCI Ltd.

a. Effective rate of interest - IFCI Benchmark Rate + 0.75% premium (Effective rate 11.83% p.a. ) (Previous year: Not applicable)

b. Repayment terms

Eight semi annual installments of Rs 125 million each after moratorium period of 24 months

c. Security

First pari passu charge over the present and future loans and advances and receivables accrued out of such loans and advances.

xxi Details of unsecured term loan from others

Tata Capital Financial Services Limited

a. Effective rate of interest - Not applicable (31 March, 2017: 13.65% p.a.)

b. Repayment terms

Bullet repayment after 24 months from the date of disbursement i.e. 29 September, 2015. Loan has been repaid during the period.

xxii Inter-corporate deposit from related parties

IL&FS Securities Services Limited

a. Effective rate of interest - Not applicable (31 March, 2017: 14.50% p.a.)

b. Repayment terms

The loan was originally scheduled for repayment on 30 September, 2016 however loan repayment maturity was extended till 20 June, 2017. Loan has been repaid during the period

xxiii Inter-corporate deposit from related parties

Patiala Bio Power Energy Limited

a. Effective rate of interest - 15.50% p.a. (31 March, 2017: 15.50% p.a.)

b. Repayment terms

ICD's are repayable at the end of 24 months from the date of disbursement. Due date for repayment is 30th March 2019

xxiv Inter-corporate deposit from related parties

Rohtas Bio Energy Limited

a. Effective rate of interest - 15.50% p.a. (31 March, 2017: 15.25% p.a.)

b. Repayment terms

ICD's are repayable at the end of 24 months from the date of disbursement. The repayable date are between 21st August 2019 to 30 th March 2020

xxv Inter-corporate deposit from related parties

IL&FS Securities Services Limited

a. Effective rate of interest - Not applicable (31 March, 2017: 14.50% p.a.)

b. Repayment terms

The loan was originally scheduled for repayment on 30 September, 2016 however loan repayment maturity was extended till 20 June, 2017. Loan has been repaid during the period



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

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>18 Other financial liabilities</b>		
<b>I Non-Current</b>		
a. Premium payable on redemption of debentures	430.07	368.24
b. Margin Money	327.13	-
c. Derivative contracts designated in hedge accounting relationship	53.64	83.92
d. Covered warrants	1,709.82	2,684.56
e. Interest accrued but not due on borrowings	-	59.99
	<u>2,520.66</u>	<u>3,196.71</u>
<b>II Current</b>		
a. Current maturity of long term borrowings (see note 17)	13,375.29	11,550.89
b. Interest accrued but not due on borrowings	573.86	163.96
c. Payable for purchase of fixed assets	-	43.30
d. Margin money payable	200.00	200.00
e. Book overdraft	-	1,080.94
f. Retention money payable	746.26	2.52
g. Premium payable on redemption of debentures	386.16	-
	<u>15,281.57</u>	<u>13,041.61</u>

**19 Provisions**

<b>I Non-Current</b>		
a. Provision for employee benefits (see note 36)		
(i) Provision for gratuity (net)	6.46	4.29
(ii) Provision for compensated absences	19.62	25.41
b. Decommissioning liability (see note below)	-	7.95
	<u>26.08</u>	<u>37.65</u>
<b>II Current</b>		
a. Provision for employee benefits (see note 36)		
(i) Provision for gratuity (net)	0.69	7.23
(ii) Provision for compensated absences	11.82	14.10
	<u>12.51</u>	<u>21.33</u>
<b>Note:</b>		
<b>Decommissioning liability</b>		
Opening balance	7.95	6.97
Provision reversed during the year (see note below)	(7.95)	-
Unwinding of discount	-	0.98
Closing balance	<u>-</u>	<u>7.95</u>

Note: During the year, the Company has transferred its 40 MW solar power plant hence the related provision for decommissioning liability has been reversed.

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>20 Other non-current liabilities</b>		
Capital grant (see note 39)	756.93	786.13
Less: Amortised during the year	6.64	29.20
Less: Transferred during the year (see note below)	750.29	-
	<u>-</u>	<u>756.93</u>

Note: During the year, the Company has transferred its 40 MW solar power plant hence the related capital grant liability has been reversed.



IL&FS ENERGY DEVELOPMENT COMPANY LIMITED  
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	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>21 Deferred tax assets (net)</b>		
A. Deferred tax asset	1,175.24	1,046.40
B. Deferred tax liability	(597.43)	(518.59)
	<u>527.81</u>	<u>527.81</u>

**A. Deferred tax assets / (liabilities)**

	Opening Balance Rs. Million	Recognised in Statement of profit and loss Rs. Million	Recognised in other comprehensive Income Rs. Million	Closing balance Rs. Million
<b>Deferred tax assets</b>				
MAT Credit entitlement	436.48	-	-	436.48
Provisions for doubtful debts	216.71	29.51	-	246.22
Provision for employee benefits	17.52	(5.88)	(0.34)	11.30
Cash flow hedge	18.90	-	(6.93)	11.97
Receivable for sale of investments	14.66	(14.66)	-	-
Borrowings	15.01	1.44	-	16.45
Other financial liabilities	344.68	41.36	-	386.04
unutilised income tax losses and unabsorbed depreciation	1,064.49	960.10	-	2,024.59
	<u>2,128.45</u>	<u>1,011.87</u>	<u>(7.27)</u>	<u>3,133.05</u>
Adjustments (see note below)	<u>1,082.05</u>	<u>925.76</u>	<u>(7.27)</u>	<u>2,007.81</u>
	<u>1,046.40</u>	<u>86.11</u>	<u>(7.27)</u>	<u>1,125.24</u>
<b>Deferred tax liabilities</b>				
Financial assets - Investments (designated at fair value through profit and loss)	(407.02)	(203.99)	-	(611.01)
Property, Plant and Equipment and Intangible Assets	(111.57)	125.15	-	13.58
	<u>(518.59)</u>	<u>(78.84)</u>	<u>-</u>	<u>(597.43)</u>
<b>Net deferred tax assets/(liabilities)</b>	<u>527.81</u>	<u>7.27</u>	<u>(7.27)</u>	<u>527.81</u>

Note: During the year, no deferred tax asset (net) has been recognised in the absence of virtual certainty.

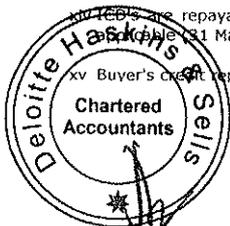


IL&FS ENERGY DEVELOPMENT COMPANY LIMITED  
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 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)	354.61	-
B. Term loans from banks		
i. United Bank of India (see note 'ii' below)	-	99.35
ii. Syndicate bank (see note 'iii' below)	-	198.49
iii. Syndicate bank (see note 'iv' below)	895.04	-
C. Term loans from financial institution		
i. PTC India Financial Services Limited (see note 'v' below)	-	2,000.00
<b>Unsecured</b>		
<b>I. Loans from banks:</b>		
A. Buyer's credit (see note 'xv' below)	2,826.93	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
iii. Syndicate bank (see note 'iv' below)	99.45	-
<b>II. Inter corporate deposit from related parties</b>		
i. IL&FS Securities Services Limited (see note 'vi' below)	-	2,760.00
ii. IL&FS Securities Services Limited (see note 'vii' below)	6,500.00	-
iii. IL&FS Wind Projects Development Limited (see note (viii) below)	-	15.75
iv. IMICL Dighi Maritime Limited (see note (ix) below)	1,045.50	-
v. IL&FS Cluster Development Initiative Limited (see note (x) below)	200.00	200.00
vi. IL&FS Airport Limited (see note (xi) below)	53.00	53.00
vii. Khandke Wind Energy Limited (see note (xii) below)	305.00	-
viii. Lalpur Wind Energy Private Limited (see note (xiii) below)	-	70.00
ix. Nana Lavja Power Company Limited (see note (xiv) below)	-	100.00
	<b>12,279.53</b>	<b>9,276.63</b>

**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. (31 March 2017: 12.25% p.a.).
- ii. Secured by way of fixed deposit equivalent to 10% of the loan amount. The effective rate of interest on loan as on March 31, 2018: Not applicable (31 March 2017: 11.92% p.a.). The loan has been repaid during the year.
- iii. Secured by way of fixed deposit equivalent to 10% of the loan amount. The effective rate of interest on loan as on March 31, 2018: Not applicable (31 March 2017: 11.64% p.a.). The loan has been repaid during the year.
- iv. Secured by way of first passu charge over present and future loans and advances equivalent to 90% of loan amount and fixed deposit equivalent to 10% of the loan amount. The effective rate of interest on loan is 10.67% p.a. (31 March, 2017: Not applicable).
- v. Secured by First ranking charge on the entire loans and advances of the Company to the extent of Rs 2,000 million both present and future. The effective rate of interest on loan as on March 31, 2018: Not applicable (31 March, 2017: 12.25%). The loan has been repaid during the year.
- vi. The effective rate of interest on deposit as on March 31, 2018: Not applicable (31 March, 2017: 14.50% p.a.). The inter corporate deposit has been repaid during the year.
- vii. The effective rate of interest on deposit as on March 31, 2018: 18.00% p.a. (31 March 2017: Not applicable)
- viii. The effective rate of interest on deposit as on March 31, 2018: Not applicable (31 March, 2017: 15.50%). The inter corporate deposit has been repaid during the year.
- ix. Loans are repayable at the end of 6 months from the date of disbursement. Effective Rate of interest as on March 31, 2018: 16% (Previous year: Not applicable)
- x. ICD's are repayable at the end of 12 months from the date of disbursement. Effective Rate of Interest as on March 31, 2018: 16% (31 March 2017: 16%)
- xi. ICD's are repayable at the end of 365 days from the date of disbursement. Effective rate of interest as on March 31, 2018: 15.75%. (31 March 2017: 15.75%)
- xii. Loan are repayable at the end of 183 days from the date of disbursement. Effective Rate of interest as on March 31, 2018: 6.5% (31 March 2017: Not applicable).
- xiii. ICD's are repayable at the end of 3 months from the date of disbursement. Effective Rate of interest as on March 31, 2018: Not applicable (31 March 2017: 12%). The ICD has been repaid during the year.
- xiv. ICD's are repayable at the end of 12 months from the date of disbursement. Effective Rate of interest as on March 31, 2018: Not applicable (31 March 2017: 16%). The ICD has been repaid during the year.
- xv. Buyer's credit represents the letter of credit discounted by the vendors through its bankers.



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 NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>23 Trade payables</b>		
Trade payables (see note below)	511.43	2,411.09
	<b>511.43</b>	<b>2,411.09</b>

**Notes**

- i. As at 31 March, 2018 and 31 March, 2017, 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. Revenue received in advance	45.77	56.02
b. Statutory dues	209.41	167.23
c. Advance from customers	320.62	22.74
	<b>575.80</b>	<b>245.99</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	Year ended 31 March, 2018	Year ended 31 March, 2017
	Rs. Million	Rs. Million
<b>25 Revenue from operations</b>		
a. Consultancy income	354.97	1,116.47
b. Sale of wind energy converters and components	475.64	5,092.00
c. Construction Contract Revenue (see note 40.1)	5,070.04	-
d. Sale of power		
- Generation from solar power plant	116.88	477.47
- Trading	4,961.62	2,286.20
	<b>10,979.15</b>	<b>8,972.14</b>
<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	78.29	131.33
ii. Others financial assets carried at amortised cost	4,531.82	4,385.77
b. Interest income on income tax refund	-	5.40
c. Guarantee fees	66.74	51.13
	<b>4,676.85</b>	<b>4,573.63</b>
B Dividend income:		
- Equity instruments	387.96	1,538.68
	<b>387.96</b>	<b>1,538.68</b>
C Other gains and losses		
a. Gain on sale of property, plant and equipment	162.88	0.23
b. Gain on sale of financial assets - investments	1,484.15	241.82
c. Amortisation of grant (see note 39)	6.64	29.20
d. Net gain arising on financial assets designated at Fair value through profit or loss (see note 34)	470.62	714.69
e. Net gain/(loss) arising on financial assets designated as at amortised cost	(92.86)	42.54
f. Net Reversal of impairment loss on financial assets		
- On receivables	(25.11)	97.94
- On other financial assets carried at amortised cost	45.93	-
- Other financial assets	4.87	-
g. Miscellaneous income	27.27	1.55
	<b>2,084.39</b>	<b>1,127.97</b>
	<b>7,149.20</b>	<b>7,240.28</b>
<b>27 Employee benefits expense</b>		
a. Salaries, wages and incentives	306.03	464.07
b. Contribution to provident and other funds (see note 36)	29.53	29.57
c. Staff welfare expenses	16.98	11.07
	<b>352.54</b>	<b>504.71</b>
<b>28 Finance costs</b>		
a <b>Interest expenses:</b>		
i. On borrowings	6,598.59	6,130.48
ii. on delayed payment of direct and indirect taxes	0.47	1.51
b. Unwinding cost of decommissioning liability	-	0.98
c. Other borrowing cost	19.65	109.81
	<b>6,618.71</b>	<b>6,242.78</b>



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	Year ended 31 March, 2018	Year ended 31 March, 2017
	Rs. Million	Rs. Million
<b>29 Other expenses</b>		
a. Power and fuel	5.02	35.83
b. Rent (see note 35)	47.23	54.03
c. Repairs and maintenance		
i. Plant and machinery	7.85	30.07
ii. Others	24.35	23.24
d. Insurance	6.63	8.23
e. Rates and taxes	16.64	35.22
f. Communication	3.87	4.54
g. Travelling and conveyance	23.07	37.26
h. Printing and stationery	1.31	1.49
i. Advertisement and business promotion	2.61	3.56
j. Legal and professional expenses	131.95	91.42
k. Brand subscription fees	116.27	83.13
l. Office maintenance expenses	10.22	2.45
m. Outsource contract	52.20	23.81
n. Director sitting fees	7.89	4.84
o. Payments to auditors (see note (i) below)	7.02	5.65
p. Impairment loss on financial assets	-	13.70
q. Net gain on foreign currency transactions and translation	-	0.01
r. Corporate social responsibility expenses (see note (ii) below)	10.51	1.40
s. Bad debts written off	11.48	0.06
t. Miscellaneous expenses	46.06	38.25
	<b>532.18</b>	<b>498.19</b>

**Notes**

i. Payments to the auditors comprises (net of GST/Service tax input credit)

a. Audit Fees	6.28	3.98
b. Other services	0.38	-
c. Reimbursement of expenses	0.36	1.67
	<b>7.02</b>	<b>5.65</b>

The remuneration above excludes fee of Rs 0.54 million (previous year Nil) for professional services rendered by firm of accountants in which partners of the firm of statutory auditors are partners.

ii Expenditure on Corporate Social Responsibility

- a. Gross amount required to be spent by the Company during the year : Rs. Nil  
b. Amount spent during the year:

Particulars	Paid (A)	Yet to be paid (B)	Total (A+B)
i. Contribution/acquisition of any asset	-	-	-
ii. On purpose other than (i) above	10.51	-	10.51
iii. Details of related party transactions	-	-	-
Add: Receipts for non-permitted transactions (if any)	-	-	-
- Contribution during the year	-	-	-
- Payable as at 31 March, 2018	-	-	-

**30 Depreciation and amortisation expense**

a. Depreciation of property, plant and equipment	41.60	140.04
b. Amortisation of intangible assets	0.83	1.08
	<b>42.43</b>	<b>141.12</b>



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	Year ended 31 March, 2018 Rs. Million	Year ended 31 March, 2017 Rs. Million
<b>31 Tax expense</b>		
<b>a. Income tax recognised in profit or loss</b>		
<b>i. Current tax</b>		
In respect of current year	-	55.71
In respect of previous year	(53.92)	-
<b>ii. Deferred tax</b>		
In respect of the current year	(7.27)	(171.27)
Total income tax expense recognised in the current year	<u>(61.19)</u>	<u>(115.56)</u>
<b>b. Income tax recognised in other comprehensive income</b>		
i. Remeasurement of defined benefit plans	0.34	(1.82)
ii. Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge	6.93	(18.90)
	<u>7.27</u>	<u>(20.72)</u>
	<u>(53.92)</u>	<u>(136.28)</u>
<b>c. The income tax expenses for the year can be reconciled to the accounting profit as follows:</b>		
i. Profit before tax from continuing operations	235.70	1,580.91
ii. Enacted tax rate in India	34.61%	34.61%
iii. Income tax expenses calculated at enacted tax rate	81.58	547.15
iv. Adjustment on account of MAT credit entitlement	-	(436.48)
v. Effect of income that is exempt from taxation - Dividend income on equity instruments	(132.77)	(532.51)
vi. Impact of capital gain	(298.77)	-
vii. Current tax of prior years	(53.92)	1.79
viii. Effect of unused tax losses and tax assets not recognised as deferred tax asset	349.96	535.61
<b>Income tax expenses recognised in profit or loss</b>	<u>(53.92)</u>	<u>115.56</u>

**32 Earning per share**

	Unit	Year ended 31 March, 2018	Year ended 31 March, 2017
a. Net Profit after tax from continuing operations	Rs. Million	296.89	1,696.47
b. Weighted average of number of equity shares	Number of shares	1,283,564,664	1,283,564,664
<b>c. Basic earnings per share (a/b)</b>	<b>Rupees</b>	<b>0.23</b>	<b>1.32</b>
d. Potential dilutive equity shares on compulsorily convertible debentures and compulsorily convertible Preference shares	Number of shares	75,876,614	75,876,614
e. Weighted average of number of equity shares used	Number of shares	1,359,441,278	1,359,441,278
<b>f. Diluted earnings per share (a/e)</b>	<b>Rupees</b>	<b>0.22</b>	<b>1.25</b>



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

**33 Additional information to the financial statements**

**33.1 Contingent liabilities**

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
<b>a. Contingent liabilities</b>		
1. Guarantees given on behalf of the IEDCL's subsidiaries and its associates to their lenders (see note 'i' below)	17,088.75	9,786.50
2. Claims against the Company not acknowledged as debt towards demand raised by Income Tax authorities (see note 'ii' below)	64.74	163.16
3. Other claims against the Company not acknowledged as debts (see note 'iii' below)	713.70	-
<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**

- a. During the previous year FY 2015-16, 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.

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, 2018 the Company does not foresee a liability on account of guaranteed generation at the end of the term of five years

- b. During the current year, Company has further has consummated the sale of 49% shares in two of the wind power project companies i.e. Kaze Energy Limited and Etesian Urja Limited having 98.30 MW of projects, for a consideration of Rs 1,320 million

As per the terms of the agreement, the Company has guaranteed the generation from these 98.30 MW wind power projects over the period of next three years commencing from the financial year ended 31 March, 2019. 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, 2018 the Company does not foresee a liability on account of guaranteed generation at the end of the term of three years



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

**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.
- iii. Company had sold its investment in Himachal Sorang Power Limited (HSPL) to TAQA Jyoti Energy ventures private Limited (TAQA) in 2012. HSPL has demanded IEDCL to pay Rs. 713.70 million towards the obligations and losses incurred by HSPL under the Bulk Power Transmission Agreement. As per the legal opinion obtained by the company has reasonably arguable case and will be able to defend the claim.

**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.

**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 maximizing the return to stakeholders through optimization of debt and equity balance.

The capital structure of the Company consists of net debt of Rs. 42,133.85 million (previous year Rs 44,065.53 million) (borrowing as detailed in notes 17, 18 and 22 offset by cash and bank balances as detailed in note 9 and 12) and total equity of Rs. 48,767.14 million (previous year Rs 48,853.17 million).

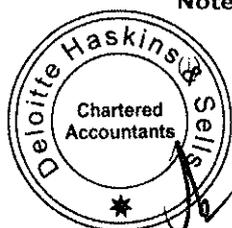
**Gearing ratio**

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

	<b>As at 31 March, 2018 Rs. Million</b>	<b>As at 31 March, 2017 Rs. Million</b>
A Debt (see note (i) below)	42,937.86	45,731.49
B Cash and bank balances (see note (ii) below)	804.01	1,665.96
C <b>Net debt (A-B)</b>	<b>42,133.85</b>	<b>44,065.53</b>
D <b>Total Equity</b>	<b>48,767.14</b>	<b>48,853.17</b>
E <b>Net debt to equity ratio (C/D)</b>	<b>86.40%</b>	<b>90.20%</b>

**Notes:**

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



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- (ii) Cash and bank balance includes cash and cash equivalents 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 2018 Rs. Million	As at 31 March 2017 Rs. Million
<b>Financial assets</b>		
<b>Mandatory measured at FVTPL</b>		
a) Investments in other entities	1,461.52	2,005.78
<b>Designated measured at FVTPL</b>		
a) Investments in joint ventures	5,012.05	7,352.08
<b>Measured at amortised cost</b>		
a) Investments	7,632.70	9,365.74
b) Loans	18,174.80	16,213.93
c) Trade receivables	764.83	2,782.20
d) Cash and cash equivalents	169.21	485.21
e) Bank balances other than (iii) above	634.80	1,180.75
f) Other financial assets	11,676.01	6,059.91

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

**Financial liabilities**

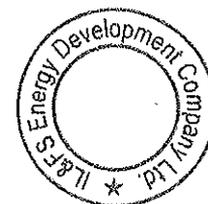
**Measured at amortised cost**

a) Borrowings (including current maturity of long term borrowings)	42,937.85	45,731.49
b) Trade payables	511.43	2,411.09
c) Other financial liabilities (excluding current maturity of long term borrowings)	4,426.93	4,687.43

**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 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, 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.



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**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	As at	As at	As at
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
USD (\$)	0.05	0.02	50.13	50.00
Equivalent	3.15	1.53	3,172.89	3,137.86
INR				

**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.

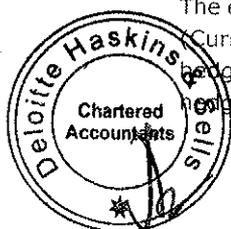
	Rs. Million	
	As at 31 March, 2018	As at 31 March, 2017
Impact on profit or loss for the year	-	-
Impact on total equity as at the end of reporting date	162.61/ (162.61)	162.09/ (162.09)

- 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 previous 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 previous 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.



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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, 2018	6 year USD – INR Currency Swap with exchange of notional principal As at 31 March, 2017
i	Foreign currency	USD	62.08	63.43
		Mn		
ii	Nominal amount	INR Mn	4,680.46	5,023.95
iii	Average exchange rate	INR / USD	75.40	79.21
iv	Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(53.64)	(50.34)
v	Change in fair value of hedging instrument recognized in OCI [gain / (loss)]	INR Mn	(13.57)	(21.02)
vi	Balance in cash flow hedge reserve	INR Mn	(34.59)	(21.02)
vii	Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	Nil	Nil
viii	Amount reclassified from the Cash Flow Hedge reserve to statement of profit or loss [loss / (gain)]	INR Mn	(10.27)	(29.32)

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"

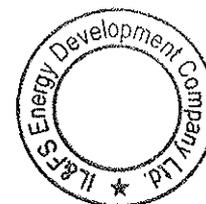
The Company has used Level 2 hierarchy to measure the fair value of the currency swap by discounting the future cash flows. These cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted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

#### 4.2 Interest Rate Risk Management

The Company is exposed to interest rate risk at 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, 2018 would decrease / increase by Rs. 214.69 million (for the year ended 31 March, 2017: increase / decrease by Rs. 228.65 million)



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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 previous 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 contact 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 2018	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	(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	Nil
vii	Amount reclassified from the Cash Flow Hedge reserve to Statement of profit and loss [gain / (loss)]	INR Mn	-	-

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.

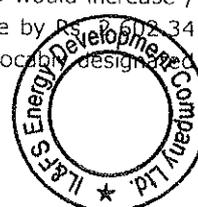
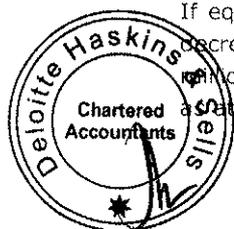
The reclassification adjustment as per point (iii) above is disclosed under "Other expenses" head in the statement of profit and loss.

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, 2018 would increase / decrease by Rs. 2,490.72 million (for the year ended 31 March, 2017: increase / decrease by Rs. 2,490.72 million) as a result of change in fair value of equity investments which have not been irrevocably designated as FVTOCI.



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**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 18 % 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**

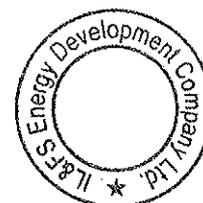
The responsibility for liquidity risk management rests with the Corporate Finance department which functions under the guidance of board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast 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, 2018</b>					
Payable to Non-group parties:					
Borrowings (see note 17,18 and 22)	6,644.62	15,807.08	127.68	22,579.38	22,368.88
Trade payables	308.35			308.35	308.35
Other financial liabilities	1,405.84	483.71		1,889.55	1,889.55
Payable to Group companies	19,360.51	3,948.93	-	23,309.44	23,309.44
<b>Grand Total</b>	<b>27,719.32</b>	<b>20,239.72</b>	<b>127.68</b>	<b>48,086.72</b>	<b>47,876.22</b>
<b>As at 31 March, 2017</b>					
Payable to Non-group parties:					
Borrowings (see note 17,18 and 22)	12,903.71	15,135.32	2,651.30	30,690.33	30,031.23
Trade payables	724.33	-	-	724.33	724.33
Other financial liabilities	1,580.44	242.96	17.00	1,840.40	1,756.50
Payable to Group companies	9,686.16	9,536.44		19,222.60	20,317.95
<b>Grand Total</b>	<b>24,894.64</b>	<b>24,914.72</b>	<b>2,668.30</b>	<b>52,477.66</b>	<b>52,830.01</b>

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



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Particulars	Rs. Million	
	As at 31 March, 2018	As at 31 March, 2017
Undrawn cash credit limit	145.39	500.00
Undrawn revolving line of credit	4,457.36	2,360.00

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.

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, 2018</b>					
Net settled					
Interest rate swap	-	-	-	-	-
<b>Gross settled</b>					
Currency swap					
Pay (INR Million)	-	173.15	170.33	4,336.98	-
Receive (USD Million)	-	1.41	1.39	59.27	-
<b>As at 31 March, 2017</b>					
Net settled	-	-	-		
Interest rate swap	(8.44)	(8.82)	(17.45)	-	-
<b>Gross settled</b>					
Currency swap					
Pay (INR Million)	-	173.15	170.33	2,012.76	2,667.71
Receive (USD Million)	-	1.16	1.12	22.99	38.16

**7. Fair value measurement**

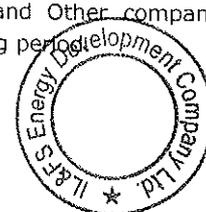
The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or un-observable and consists of the following three levels:

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 (quoted) are measured at fair value through profit or loss at the end of each reporting period.



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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 2018	31 March 2017
1	ONGC Tripura Power Company Limited	3,118.00	5,859.40
2	Saurya Urja Company of Rajasthan Limited	1,360.40	973.00
3	Cross Border Power Transmission Company Limited	406.60	410.48
4	Power Transmission Company Nepal Limited	68.75	51.00
5	Bihar Power Infrastructure Company Private Limited	56.00	55.60
6	Assam Power Project Development Company Limited	2.30	2.60
7	KVK Nilanchal Power Private Limited	587.00	758.00
8	SV Power Private Limited	356.00	450.00
9	Shalivana Green Energy	202.44	319.44
10	Etesian Urja Limited	-	18.83
11	Units in Urjankur Nidhi Trust	316.08	478.34
		<b>6,473.57</b>	<b>9,376.69</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.

**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 55% to 98% (as at 31 March, 2016: 70% to 98%)

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. 169 million as at 31 March, 2018 (31 March, 2017: Rs. 159 million)

- b. Weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model, ranging from 8.53% to 16.4% ( as at 31 March, 2017: 9.2% to 22.40%)

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. 494 million as at 31 March, 2018 (31 March, 2017: Rs. 670 million)

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

Particulars	As at	As at
	31 March, 2018	31 March, 2017
	Rs. Million	Rs. Million
Opening balance	9,376.69	8,125.94
Purchases during the year	6.25	536.06
Sold during the year	(3,379.99)	-
Gain/(loss) recognized in statement of profit and loss account	470.62	714.69
	<b>6,473.57</b>	<b>9,376.69</b>

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



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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**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 recognized rent of Rs. 22.69 million during the current year (Previous year Rs. 22.02 million). The non-cancellable operating lease commitments are as follows:

	<b>As at 31 March, 2018 Rs. Million</b>	<b>As at 31 March, 2017 Rs. Million</b>
i. Not later than one year	-	7.44
ii. Later than one year but not later than five years	-	-
iii. Later than five years	-	-

**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:

	<b>As at 31 March, 2018 Rs. Million</b>	<b>As at 31 March, 2017 Rs. Million</b>
i. Not later than one year	0.60	9.05
ii. Later than one year but not later than five years	0.14	12.51
iii. Later than five years	Nil	Nil

Lease expenses incurred during the year Rs. 4.03 million (Previous year Rs. 10.66 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. 20.90 million (Previous year Rs. 22.06 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.



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

(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 7 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, 2018 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	Rs. Million	
	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>i Movement in the present value of defined benefit obligations:</b>		
Benefit obligations at the beginning	54.12	41.63
Service Cost	8.03	6.44
Interest Cost	3.87	3.26
Remeasurement - Actuarial (gains)/losses	-	-
- Due to Change in Demographic assumptions	(0.09)	0.16
- Due to Change in financial assumptions	(4.19)	4.28
- Due to experience	2.22	1.01
Liability Transferred In	0.53	-
Liability Transferred Out	(3.52)	-
Benefits paid	(9.32)	(2.66)
Benefit obligations at the end	<b>51.65</b>	<b>54.12</b>

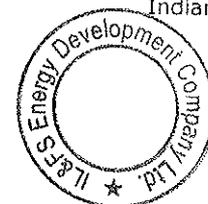
**ii Movement in the fair value of plan assets:**

Fair value of plan assets at the beginning	42.60	32.45
Interest Income	3.05	2.54
Transfer of assets	0.53	-



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particular	Year ended 31 March, 2018	Year ended 31 March, 2017
Transfer out assets	(3.52)	-
Remeasurement - Return on plan assets excluding amounts included in interest income	(1.07)	0.14
Contributions	12.24	10.13
Adjustment	-	-
Benefits paid	(9.33)	(2.66)
Fair value of plan assets at the end	<b>44.50</b>	<b>42.60</b>
<b>iii Amount recognized in Statement of profit and loss account under employee benefit expenses:</b>		
Service Cost	8.03	6.44
Other adjustment	(0.71)	-
Net interest on net defined benefit liabilities	0.82	0.72
	<b>8.14</b>	<b>7.16</b>
<b>iv Amount recognized in other comprehensive income :</b>		
Remeasurement of the net defined benefit liability/(asset)		
Actuarial (gains)/losses	-	-
- Due to Change in Demographic assumptions	(0.09)	0.16
- Due to Change in financial assumptions	(4.19)	4.28
- Due to experience	2.22	1.01
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	1.07	(0.14)
	<b>(0.99)</b>	<b>5.31</b>
<b>v The amount included in the balance sheet arising from Obligations in respect of defined benefit plan is as follows:</b>		
Present value of funded obligation	51.65	54.12
Fair value of plan assets	(44.50)	(42.60)
Unfunded status	7.15	11.52
Net liability arising from defined benefit obligations	<b>7.15</b>	<b>11.52</b>
<b>vi. The fair value of the plan assets at the end of the reporting period of each category are as follows:</b>		
Fair value of plan assets of gratuity		
Stable Managed Fund – Managed by HDFC Life	44.50	42.60
<b>vii Assumptions</b>		
Discount Rate	7.68%	7.12%
Rate of return on plan assets	7.68%	7.12%
Salary escalation	6.00%	7.00%
Mortality rate		
	Indian Assured Lives	Indian Assured Lives



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particular	Year ended	Year ended
	31 March, 2018	31 March, 2017
	Mortality(2006- 08)	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	As at	As at
	31 March, 2018	31 March, 2017
Effect of +1% change in rate of discounting	(2.64)	(3.87)
Effect of -1% change in rate of discounting	2.94	4.41
Effect of +1% change in rate of salary increase	2.96	4.38
Effect of -1% change in rate of salary increase	(2.70)	(3.90)
Effect of +1% change in rate of employee turnover	0.25	(0.08)
Effect of -1% change in rate of employee turnover	(0.27)	0.08

**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. 6.84 million (Previous Year Rs. 7.85 million)
- iv. The estimate of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

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

Particulars	Year ended 31	Year ended 31
	March, 2018	March, 2017
Discount rate	7.68%	7.12%
Salary escalation	6.00%	7.00%
Attrition	11.00%	7.00%



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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**37 Segment reporting**

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company by business segment and geographic segments.

Segment Information for primary Segment reporting (by business segment)

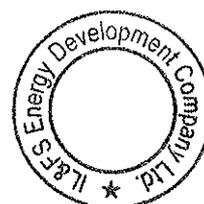
The Company is operating under following segments

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

Particulars	Rs. Million			
	Segment revenue		Segment profits	
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2018	Year ended 31 March, 2017
Consultancy services	354.97	1,116.47	(223.08)	408.38
Generation and sale of power	116.88	477.47	76.72	296.97
Trading/construction contract	10,507.30	7,378.20	116.11	109.49
<b>Total</b>			(30.25)	814.84
Unallocable income (net of unallocable expenses)			(2,207.80)	(2,435.22)
Finance costs			6,618.72	6,242.78
Interest income			(4,676.85)	(4,573.63)
Tax expense			(61.19)	(115.56)
<b>Profit for the year</b>			296.89	1,696.47
Other comprehensive income			13.73	(39.20)
<b>Total comprehensive income</b>			<b>310.62</b>	<b>1,657.27</b>

**Segment assets and liabilities**

Particulars	As at	As at
	31 March, 2018	31 March, 2017
	Rs. Million	Rs. Million
<b>Segment assets</b>		
Consultancy services	604.11	1,592.27
Generation and sale of power	57.61	3,630.47
Trading/construction contract	1,132.76	2,022.40
<b>Total segment assets</b>	<b>1,794.48</b>	<b>7,245.14</b>
Unallocated	96,063.27	95,499.94
<b>Total assets</b>	<b>97,857.75</b>	<b>1,02,745.08</b>
<b>Segment liabilities</b>		
Advisory services	259.20	173.86
Generation and sale of power	-	827.06
Trading/construction contract	3,825.41	3,266.60
<b>Total segment liabilities</b>	<b>4,084.61</b>	<b>4,267.52</b>
Unallocated	45,006.00	49,624.38
<b>Total liabilities</b>	<b>49,090.61</b>	<b>53,891.90</b>



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**Other segment information**

	<b>Depreciation and amortization</b>	
	<b>Year ended 31 March, 2018</b>	<b>Year ended 31 March, 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
Consultancy services	10.67	7.34
Generation and sale of power	31.76	133.78
Trading	-	-
	<b>42.43</b>	<b>141.12</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, 2018 and 31 March, 2017

<b>Particulars</b>	<b>Year ended 31 March, 2018</b>	<b>Year ended 31 March, 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
Customer 1	-	1,799.82
Customer 2	3,606.59	2,286.20
Customer 3	-	2,081.65
Customer 4	1,355.03	-
Customer 5	5,070.04	-
	-	-
<b>Total</b>	<b>10,031.66</b>	<b>6,167.67</b>

**Geographical information**

	<b>Revenue</b>		<b>Non-current assets</b>	
	<b>Year ended 31 March, 2018</b>	<b>Year ended 31 March, 2017</b>	<b>Year ended 31 March, 2018</b>	<b>Year ended 31 March, 2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>	<b>Rs. Million</b>	<b>Rs. Million</b>
Outside India	-	-	-	-
India	18,128.35	16,212.42	128.01	3,299.33
	<b>18,128.35</b>	<b>16,212.42</b>	<b>128.01</b>	<b>3,299.33</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. Vejas Power Projects Limited (formerly IL&FS Wind Projects Development Limited)
- ii. Lalpur Wind Energy Private Limited (LWEPL)
- iii. Nana Layja Power Company Limited (NLPCL)
- iv. Khandke Wind Energy Private Limited (KWEPL)
- v. Ratedi Wind Power Private Limited (RWPL)
- vi. Shendra Green Energy Limited (SGEL)
- vii. Tadas Wind Energy Private Limited (TWEPL)
- viii. Ramagiri Renewable Energy Limited (*formerly IL&FS Wind Farms Limited*)
- ix. Wind Urja India Private Limited (WUIPL)
- x. IL&FS Solar Power Limited (ISPL)
- xi. Jogihali Wind Energy Private Limited (JWEPL)
- xii. Mahidad Wind Energy Private Limited (MWEPL)
- xiii. IL&FS Wind Energy Limited (formerly Mandvi LNG Terminal Limited)
- xiv. IL&FS Wind Power Services Limited (IWPSL)
- xv. East Delhi Waste Processing Company Limited (EDWPCL) (till January 11, 2017)
- xvi. Kaze Energy Limited (formerly Vaspeth Wind Energy Limited)
- xvii. Cuddalore Solar Power Private Limited
- xviii. Mota Layja Gas Power Company Limited
- xix. Maritime Infrastructure Offshore PTY Limited
- xx. Sipla Wind Energy Limited (SWEL) (*formerly Nakhatrana Biomass Energy Limited*)
- xxi. IL&FS Tamil Nadu Power Company Limited (ITPCL)
- xxii. Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)
- xxiii. Maiwa Solar Power Generation Limited (till January 25, 2018)
- xxiv. Rohtas Bio Energy Limited
- xxv. Patiala Bio Power Company Private 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 Managers Limited
- vi. IL&FS Securities Services Limited
- vii. IL&FS Transportation Networks Limited
- viii. IL&FS Trust Company Limited
- ix. Porto Novo Maritime Limited
- x. Sealand Ports Private Limited
- xi. IL&FS Maritime Infrastructure Company Limited
- xii. IL&FS Technologies Limited
- xiii. Livia India Limited
- xiv. IMICL Dighi Maritime Limited
- xv. IL&FS Airports Limited



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

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- xvi. IL&FS Cluster Development Initiative Limited
- xvii. IL&FS Paradip Water Refinery Limited
- xviii. IL&FS Township & Urban Assets Limited
- xix. IL&FS Global Financial Services (UK) Limited
- xx. RDF Power Projects Limited
- xxi. IL&FS Engineering & Construction Company Limited
- xxii. Apptex Marketing Services & Solutions Limited

**D ASSOCIATES**

- i. Urjankur Shree Datta Power Company Limited (till 20<sup>th</sup> April, 2017)
- ii. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited
- iii. Jharkhand Infrastructure Development Corporation 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. Saurya urja Company of Rajasthan Limited
- vi. PDCORE Limited

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

IIDC Limited

**G KEY MANAGEMENT PERSONNEL**

Mr. Hari Sankaran (Director-in-charge)  
Mr. Ashwani Kumar (w.e.f. 02-08-2017)  
Mr. Anoop Seth (till 31-10-2017)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Transaction with related parties during the year are as follows:

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b><u>Holding Company</u></b>		
Interest Income	17.89	25.86
Finance costs	1,808.11	943.43
Rent	32.61	48.02
Advertisement & business promotion	116.27	83.13
Office maintenance expenses	55.04	23.68
Salaries, wages and incentives	16.84	27.59
Other borrowing cost	6.00	12.00
Dividend paid	293.36	962.21
Advances paid during the year	-	0.10
Advances received back during the year	-	0.10
Loans/ICDs Paid during the year (Assets)	-	44.18
Loans/ICDs Received Back during the year (Assets)	-	91.18
Loans/ICD/Margin Received (Liability)	19,121.50	14,960.00
Loans/ICD/Margin Money Repaid (Liability)	20,340.40	8,927.36
<b><u>Subsidiary companies</u></b>		
<b>Consultancy income:</b>		
Nana Layja Power Company Limited	-	0.50
IL&FS Tamil Nadu Power Company Limited	223.73	174.86
Ratedi Wind Power Private Limited	-	4.96
Khandke Wind Energy Private Limited	3.04	-
Lalpur Wind Energy Private Limited	4.12	1.92
Mahidad Wind Energy Private Limited	0.59	-
Sipla Wind Energy Limited	0.22	-
IL&FS Solar Power Limited	-	173.91
Etesian Urja Limited	-	68.75
<b>Total</b>	<b>231.70</b>	<b>424.91</b>
<b>Guarantee fees</b>		
Khandke Wind Energy Private Limited	3.10	2.79
Lalpur Wind Energy Private Limited	0.25	-
Ratedi Wind Power Private Limited	-	2.00
Mahidad Wind Energy Private Limited	-	-
Tadas Wind Energy Private Limited	6.90	7.71
IL&FS Solar Power Limited	29.00	-
IL&FS Tamil Nadu Power Company Limited	-	25.00
IL&FS Wind Energy Limited	10.00	10.00
Wind Urja India Private Limited	5.93	6.73
<b>Total</b>	<b>55.18</b>	<b>54.23</b>
<b>Interest income</b>		
Shendra Green Energy Limited	5.55	8.99
Lalpur Wind Energy Private Limited	214.91	221.71
Joghali Wind Energy Private Limited	380.99	103.59
Ramagiri Renewable Energy Limited	18.25	-
Mahidad Wind Energy Private Limited	588.93	194.22
Vejas Power Projects Limited	90.21	-
IL&FS Solar Power Limited	307.51	2.30
IL&FS Tamil Nadu Power Company Limited	1,492.28	2,094.10
Wind Urja India Private Limited	36.11	41.58
Ratedi Wind Power Private Limited	39.96	46.60
Khandke Wind Energy Private Limited	4.59	20.60



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

Particulars	31 March, 2018	31 March, 2017
	Rs. Million	Rs. Million
Tadas Wind Energy Private Limited	107.22	106.25
IL&FS Wind Energy Limited	196.43	599.08
Kaze Energy Limited	4.89	26.43
Etesian Urja Limited	1.72	40.14
Etesian Urja Limited	57.12	-
Kaze Energy Limited	27.87	-
Malwa Solar Power Generation Limited	-	0.02
Sipla Wind Energy Limited	443.24	79.39
Mota Layja Gas Power Company Limited	1.17	-
Nana Layja Power Company Limited	111.37	251.52
<b>Total</b>	<b>4,130.36</b>	<b>3,836.52</b>
<b>Finance costs</b>		
Vejas Power Projects Limited	0.13	25.51
IL&FS Solar Power Limited	5.64	183.88
Rohtas Bio Energy Limited	120.48	352.43
Patiala Bio Power Company Private Limited	351.94	-
Nana Layja Power Company Limited	3.64	-
IMICL Dighi Maritime Limited	102.08	-
Khandke Wind Energy Private Limited	1.79	-
IL&FS Tamil Nadu Power Company Limited	17.10	-
Lalpur Wind Energy Private Limited	9.06	-
<b>Total</b>	<b>611.86</b>	<b>561.82</b>
<b>Sale of wind energy converters and components</b>		
Kaze Energy Limited	475.64	2,081.64
Etesian Urja Limited	-	2,999.70
<b>Total</b>	<b>475.64</b>	<b>5,081.35</b>
<b>Construction Contract Revenue</b>		
IL&FS Solar Power Limited	5,070.04	-
<b>General Office Expenses</b>		
Etesian Urja Limited	12.31	-
Kaze Energy Limited	69.10	-
<b>Total</b>	<b>81.41</b>	-
<b>Purchase of power</b>		
IL&FS Tamil Nadu Power Company Limited	4,909.85	2,252.71
<b>Reimbursement of expenses :</b>		
IL&FS Tamil Nadu Power Company Limited	0.04	9.19
Khandke Wind Energy Private Limited	0.20	0.02
Lalpur Wind Energy Private Limited	0.13	-
Mahidad Wind Energy Private Limited	-	0.01
Tadas Wind Energy Private Limited	0.25	0.01
Nana Layja Power Company Limited	0.39	0.15
IL&FS Wind Power Services Limited	0.63	0.91
IL&FS Wind Energy Limited	-	0.01
Wind Urja India Private Limited	0.05	-
Ratedi Wind Power Private Limited	0.13	-
Malwa Solar Power Generation Limited	-	0.08
Etesian Urja Limited	-	0.02
IL&FS Solar Power Limited	33.73	0.02
<b>Total</b>	<b>35.54</b>	<b>10.41</b>



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Gain / (loss) on sale of financial assets - equity investments</b>		
Khandke Wind Energy Private Limited	-	(0.22)
<b>Provision for doubtful receivables / financial assets written back, no longer required</b>		
Etesian Urja Limited	-	34.09
Kaze Energy Limited	-	63.85
<b>Net gain/(loss) arising on financial assets designated as at FVTPL</b>		
Etesian Urja Limited	-	(4.37)
<b>Net gain/(loss) arising on financial assets designated as at amortised cost</b>		
Shendra Green Energy Limited	-	(13.40)
<b>Investment - Debentures</b>		
Malwa Solar Power Generation Limited	363.50	-
Shendra Green Energy Limited	-	111.85
Kaze Energy Limited	-	830.00
Etesian Urja Limited	-	1,096.50
<b>Total</b>	<b>363.50</b>	<b>2,038.35</b>
<b>Investments made/purchased during the year - Equity instruments</b>		
Nana Layja Power Company Limited	160.00	-
Power Transmission Company Nepal Limited	6.25	-
Maritime Infrastructure Offshore PTY Limited	1.62	-
Malwa Solar Power Generation Limited	650.00	-
<b>Total</b>	<b>817.87</b>	<b>-</b>
<b>Redemption - Optionally fully convertible debentures</b>		
IL&FS Wind Energy Limited	-	3,002.24
<b>Sale of Investment</b>		
IL&FS Wind Energy Limited	1,373.88	-
<b>Fully Convertible Debentures Converted into Equity</b>		
Kaze Energy Limited	830.00	-
Etesian Urja Limited	-	1,131.35
<b>Total</b>	<b>830.00</b>	<b>1,131.35</b>
<b>Loans converted into Equity along with Interest Accrued</b>		
Kaze Energy Limited	31.57	-
<b>Advance Towards Equity</b>		
Nana Layja Power Company Limited	-	20.00
<b>Advances paid during the year</b>		
Vejas Power Projects Limited	0.20	-
Mota Layja Gas Power Company Limited	0.20	-
Nana Layja Power Company Limited	0.10	-
IL&FS Wind Energy Limited	0.30	0.20
IL&FS Tamil Nadu Power Company Limited	0.30	0.20
<b>Total</b>	<b>1.10</b>	<b>0.40</b>



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Advances received back during the year</b>		
Vejas Power Projects Limited	0.20	-
Mota Layja Gas Power Company Limited	0.20	-
Nana Layja Power Company Limited	0.10	-
IL&FS Wind Energy Limited	-	0.20
IL&FS Tamil Nadu Power Company Limited	0.30	0.20
<b>Total</b>	<b>0.80</b>	<b>0.40</b>
<b>Loan/Inter Corporate Deposits given during the Year (Assets)</b>		
Etesian Urja Limited	380.44	240.85
Malwa Solar Power Generation Limited	-	10.00
Kaze Energy Limited	199.31	385.99
IL&FS Wind Energy Limited	164.48	120.00
Patiala Bio Power Company Private Limited	1.50	-
Cuddalore Solar Power Private Limited	1.00	-
IL&FS Solar Power Limited	4,246.15	69.37
Mahidad Wind Energy Private Limited	321.50	1,550.76
Ratedi Wind Power Private Limited	155.76	461.05
Lalpur Wind Energy Private Limited	288.20	1,649.68
Wind Urja India Private Limited	54.00	131.60
Tadas Wind Energy Private Limited	22.35	911.00
Khandke Wind Energy Private Limited	-	224.20
Rohtas Bio Energy Limited	10.00	28.00
Shendra Green Energy Limited	2.43	233.07
Ramagiri Renewable Energy Limited	10.50	8.60
IL&FS Tamil Nadu Power Company Limited	1,584.42	6,547.47
Nana Layja Power Company Limited	511.10	1,480.10
Mota Layja Gas Power Company Limited	8.40	-
Sipla Wind Energy Limited	242.81	1,150.82
Vejas Power Projects Limited	1,506.82	-
Joghali Wind Energy Private Limited	944.70	1,958.46
<b>Total</b>	<b>10,655.88</b>	<b>17,161.02</b>
<b>Loan/Inter Corporate Deposits received back during the Year (Assets)</b>		
Rohtas Bio Energy Limited	27.20	15.00
Wind Urja India Private Limited	180.33	117.96
Ratedi Wind Power Private Limited	527.01	518.85
Lalpur Wind Energy Private Limited	1,806.92	1,346.42
Khandke Wind Energy Private Limited	66.78	279.72
Sipla Wind Energy Limited	-	595.47
Tadas Wind Energy Private Limited	334.05	834.80
IL&FS Tamil Nadu Power Company Limited	103.98	5,551.02
Vejas Power Projects Limited	310.62	-
Joghali Wind Energy Private Limited	65.42	2,206.94
IL&FS Solar Power Limited	3,279.29	17.44
Mahidad Wind Energy Private Limited	-	1,556.94
IL&FS Wind Energy Limited	-	8.50
Kaze Energy Limited	50.35	427.12
Etesian Urja Limited	614.83	-
Nana Layja Power Company Limited	1,818.42	1,090.30
Others	-	259.43
<b>Total</b>	<b>9,185.20</b>	<b>14,825.90</b>



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Loan/Inter Corporate Deposits/Margin Money received during the Year (Liability)</b>		
Vejas Power Projects Limited	-	27.75
Patiala Bio Power Company Private Limited	-	2,280.00
IL&FS Solar Power Limited	694.43	422.50
Rohtas Bio Energy Limited	2,274.00	-
Nana Layja Power Company Limited	-	300.00
Mota Layja Gas Power Company Limited	-	1,350.00
Sipla Wind Energy Limited	-	10.00
Joghali Wind Energy Private Limited	-	185.00
Lalpur Wind Energy Private Limited	-	70.00
Khandke Wind Energy Private Limited	305.00	-
IL&FS Tamil Nadu Power Company Limited	327.13	-
Lalpur Wind Energy Private Limited	30.40	-
<b>Total</b>	<b>3,630.96</b>	<b>4,645.25</b>
<b>Loan/Inter Corporate Deposits/Margin Money repaid during the Year (Liability)</b>		
IL&FS Solar Power Limited	1,127.65	1,189.27
Rohtas Bio Energy Limited	697.98	2,280.00
Nana Layja Power Company Limited	100.00	200.00
Sipla Wind Energy Limited	-	10.00
Joghali Wind Energy Private Limited	-	185.00
Mota Layja Gas Power Company Limited	-	1,350.00
Patiala Bio Power Company Private Limited	19.84	-
Lalpur Wind Energy Private Limited	100.40	-
Vejas Power Projects Limited	15.75	227.87
<b>Total</b>	<b>2,061.62</b>	<b>5,442.14</b>
<b>Fellow Subsidiaries</b>		
<b>Conversion of Loan / Fully Compulsory Convertible Debentures/Accrued interest into Equity / Preference Shares</b>		
East Delhi Waste Processing Company Private Limited	-	500.00
<b>Interest income</b>		
IL&FS Financial Services Limited	0.24	11.87
IL&FS Financial Services Limited	3.17	4.85
East Delhi Waste Processing Company Private Limited	54.25	90.85
Porto Novo Maritime Limited	9.15	22.50
Sealand Ports Private Limited	109.21	96.43
<b>Total</b>	<b>176.02</b>	<b>226.50</b>
<b>Finance costs</b>		
IL&FS Securities Services Limited	364.68	979.40
IL&FS Airport Limited	8.35	-
IL&FS Cluster Development Initiative Limited	32.00	-
IL&FS Paradip Water Refinery Limited	2.61	-
IL&FS Township & Urban Assets Limited	7.33	-
IL&FS Financial Services Limited	171.20	-
<b>Total</b>	<b>586.17</b>	<b>979.40</b>
<b>Rent</b>		
IL&FS Transportation Networks Limited	0.27	1.40



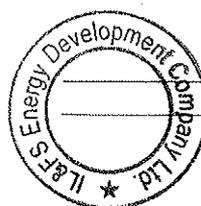
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Salaries, Wages &amp; Incentives</b>		
IL&FS Financial Services Limited	4.47	0.27
IL&FS Maritime Infrastructure Company Limited	0.27	-
<b>Total</b>	<b>4.74</b>	<b>0.27</b>
<b>Repair &amp; Maintenance</b>		
IL&FS Technologies Limited	0.69	0.14
Livia India Limited	6.70	6.64
<b>Total</b>	<b>7.39</b>	<b>6.78</b>
<b>Other borrowing cost</b>		
IL&FS Financial Services Limited	60.00	111.45
IL&FS Global Financial Services (UK) Limited	-	32.45
IL&FS Securities Services Limited	5.00	45.13
<b>Total</b>	<b>65.00</b>	<b>189.03</b>
<b>Bank Demat Charges</b>		
IL&FS Securities Services Limited	1.26	1.27
<b>Miscellaneous Expenses</b>		
IL&FS Securities Services Limited	1.58	6.81
IL&FS Financial Services Limited	-	0.31
East Delhi Waste Processing Company Private Limited	-	0.02
IL&FS Education & Technology Services Limited	-	0.04
<b>Total</b>	<b>1.58</b>	<b>7.18</b>
<b>Legal and Professional Expenses</b>		
IL&FS Maritime Infrastructure Company Limited	-	1.03
IL&FS Transportation Networks Limited	-	1.00
<b>Total</b>	<b>-</b>	<b>2.03</b>
<b>Legal &amp; professional expenses</b>		
IL&FS Transportation Networks Limited	1.50	-
RDF Power Project Limited	-	400.00
<b>Total</b>	<b>1.50</b>	<b>400.00</b>
<b>Travelling and Conveyance</b>		
IL&FS Investment Managers Limited	0.02	0.08
<b>Reimbursement of Expenses</b>		
IL&FS Engineering & Construction Company Limited	-	0.02
<b>Sale of investment</b>		
IL&FS Environmental Infrastructure & Service Limited	-	1,380.00
IL&FS Financial Services Limited	3,600.00	-
<b>Total</b>	<b>3,600.00</b>	<b>1,380.00</b>
<b>Loan/Inter Corporate Deposit given during the year (Assets)</b>		
IL&FS Financial Services Limited	6.10	2,168.03
East Delhi Waste Processing Company Private Limited	-	249.99
<b>Total</b>	<b>6.10</b>	<b>2,418.02</b>



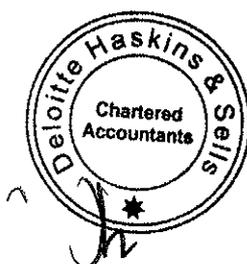
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Loan/Inter Corporate Deposit received back during the year (Assets)</b>		
Porto Novo Maritime Limited	-	98.20
IL&FS Financial Services Limited	40.10	2,420.53
<b>Total</b>	<b>40.10</b>	<b>2,518.73</b>
<b>Loan/Inter Corporate Deposit/Margin Money received during the year (Liability)</b>		
IL&FS Securities Services Limited	10,000.00	2,260.00
Appatex Marketing Service & Solutions Limited	-	200.00
IL&FS Securities Services Limited	-	177.02
IL&FS Cluster Development Initiative Limited	-	200.00
IL&FS Airport Limited	-	53.00
IMICL Dighi Maritime Limited	1,045.50	-
IL&FS Township & Urban Assets Limited	300.00	-
IL&FS Paradip Water Refinery Limited	235.00	-
<b>Total</b>	<b>11,580.50</b>	<b>2,890.02</b>
<b>Loan/Inter Corporate Deposit/Margin Money repaid during the year (Liability)</b>		
IL&FS Securities Services Limited	8,110.00	4,000.00
IL&FS Securities Services Limited	1,000.00	1,422.38
Appatex Marketing Service & Solutions Limited	-	200.00
IL&FS Township & Urban Assets Limited	300.00	-
IL&FS Paradip Water Refinery Limited	235.00	-
<b>Total</b>	<b>9,645.00</b>	<b>5,622.38</b>
<b>Joint Venture / Affiliates</b>		
<b>Consultancy Fee Income:</b>		
ONGC Tripura Power Company Limited	0.31	-
Saurya Urja Company of Rajasthan Limited	-	80.95
Cross Border Power Transmission Company Limited	9.50	26.57
Jharkhand Infrastructure Development Corporation Limited	-	4.00
Power Transmission Company Nepal Limited	4.00	5.33
PDCOR Limited	4.20	12.53
<b>Total</b>	<b>18.00</b>	<b>129.38</b>
<b>Financial Assets - Loan Given (Current)</b>		
Urjankur Shree Datta Power Company Limited	-	4.63
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	17.50
<b>Total</b>	<b>-</b>	<b>22.13</b>
<b>Financial Assets -Loans repaid (Current)</b>		
Urjankur Shree Datta Power Company Limited	-	154.89
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	188.68
<b>Total</b>	<b>-</b>	<b>343.57</b>
<b>Interest income</b>		
Urjankur Shree Datta Power Company Limited	-	4.62
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	48.87
<b>Total</b>	<b>-</b>	<b>53.49</b>
<b>Rent income</b>		
Urjankur Shree Datta Power Company Limited	-	1.19
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	0.61
<b>Total</b>	<b>-</b>	<b>1.80</b>



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

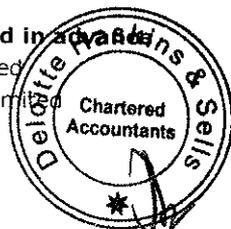
Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Guarantee Fees</b>		
Saurya Urja Company of Rajasthan Limited	-	8.43
<b>Dividend Income</b>		
ONGC Tripura Power Company Limited	364.00	-
Cross Border Power Transmission Company Limited	23.96	35.22
<b>Total</b>	<b>387.96</b>	<b>35.22</b>
<b>Finance costs</b>		
Saurya Urja Company of Rajasthan Limited	24.98	10.22
<b>Reimbursement of expenses :</b>		
Cross Border Power Transmission Company Limited	0.87	4.87
Saurya Urja Company of Rajasthan Limited	7.03	15.45
<b>Total</b>	<b>7.90</b>	<b>20.32</b>
<b>Investments made/purchased during the year - Equity (Including Premium)</b>		
Cross Border Power Transmission Company Limited	-	33.48
Saurya Urja Company of Rajasthan Limited	-	479.88
<b>Total</b>	<b>-</b>	<b>513.36</b>
<b>Advances paid during the year</b>		
ONGC Tripura Power Company Limited	0.10	-
Saurya Urja Company of Rajasthan Limited	0.10	0.10
<b>Total</b>	<b>0.20</b>	<b>0.10</b>
<b>Advances received back during the year</b>		
Saurya Urja Company of Rajasthan Limited	0.10	0.10
ONGC Tripura Power Company Limited	0.10	-
<b>Total</b>	<b>0.20</b>	<b>0.10</b>
<b>Loans/ICD/Margin Received (Liability)</b>		
Saurya Urja Company of Rajasthan Limited	660.00	200.00
<b>Loans/ICD/Margin Repaid (Liability)</b>		
Saurya Urja Company of Rajasthan Limited	660.00	-
<b>Guarantees Given during the year</b>		
Saurya Urja Company of Rajasthan Limited	-	250.00
<b>Sitting Fee</b>		
Mr. Hari sankaran	0.44	-
<b>Managerial Remuneration</b>		
Short Term Benefits	18.36	17.72
Post - Employment Benefits	-	2.02
<b>Total</b>	<b>18.36</b>	<b>19.74</b>



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

Balances as at 31 March 2018

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b><u>Holding Company</u></b>		
<b>Infrastructure Leasing &amp; Financial Services Limited</b>		
Share Capital	11,734.26	11,734.26
Non current - Borrowings	5,802.37	6,938.28
Trade Payables	67.93	18.78
Other equity	2,405.86	2,405.86
Non current - Interest accrued but not due on borrowings	-	59.99
Current - Loans	0.14	-
Non current - Loans	-	0.39
Non current - Interest accrued but not due on investment	154.55	136.67
Non current - Investment	57.07	57.07
Pre-Payment	-	0.18
Guarantee Taken	2,876.17	1,100.54
<b><u>Subsidiary Companies</u></b>		
<b>Non Current - Borrowings (incl current maturity)</b>		
Patiala Bio Power Company Private Limited	2,260.16	2,280.00
IL&FS Solar Power Limited	-	433.23
Rohtas Bio Energy Limited	1,576.02	-
<b>Total</b>	<b>3,836.18</b>	<b>2,713.23</b>
<b>Current - Borrowings</b>		
Vejas Power Projects Limited	-	15.75
Lalpur Wind Energy Private Limited	-	70.00
Nana Layja Power Company Limited	-	100.00
Khandke Wind Energy Private Limited	305.00	-
<b>Total</b>	<b>305.00</b>	<b>185.75</b>
<b>Current - Interest accrued on borrowings</b>		
Vejas Power Projects Limited	-	0.01
Patiala Bio Power Company Private Limited	157.21	17.44
Cuddalore Solar Power Private Limited	-	3.54
Rohtas Bio Energy Limited	47.26	28.50
IL&FS Solar Power Limited	1.76	57.19
Khandke Wind Energy Private Limited	1.61	-
IL&FS Tamil Nadu Power Company Limited	15.39	-
Lalpur Wind Energy Private Limited	6.27	0.04
<b>Total</b>	<b>229.51</b>	<b>106.72</b>
<b>Non current - Margin money</b>		
IL&FS Tamil Nadu Power Company Limited	327.13	-
<b>Trade payables</b>		
IL&FS Tamil Nadu Power Company Limited	29.41	1,604.11
<b>Current - Advance fom customers</b>		
IL&FS Solar Power Limited	320.62	-
<b>Current - Revenue received in advance</b>		
Wind Urja India Private Limited	1.23	-
Tadas Wind Energy Private Limited	2.29	-



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
Khandke Wind Energy Private Limited	1.03	-
IL&FS Wind Energy Limited	5.00	-
IL&FS Solar Power Limited	22.25	-
Lalpur Wind Energy Private Limited	0.04	-
<b>Total</b>	<b>31.84</b>	<b>-</b>
<b>Non Current - Loans</b>		
Mahidad Wind Energy Private Limited	296.50	1,313.14
Malwa Solar Power Generation Limited	-	10.00
IL&FS Tamil Nadu Power Company Limited	4,321.25	4,636.45
Nana Layja Power Company Limited	-	1,358.50
Kaze Energy Limited	-	35.74
Etesian Urja Limited	-	17.70
Sipla Wind Energy Limited	218.15	894.15
IL&FS Solar Power Limited	1,058.46	60.60
Lalpur Wind Energy Private Limited	-	1,740.84
Tadas Wind Energy Private Limited	350.00	350.00
Ramagiri Renewable Energy Limited	10.50	113.60
IL&FS Wind Energy Limited	23.50	-
Vejas Power Projects Limited	1,196.20	-
Rohtas Bio Energy Limited	-	28.00
Shendra Green Energy Limited	-	121.10
Joghali Wind Energy Private Limited	942.08	269.74
<b>Total</b>	<b>8,416.64</b>	<b>10,949.56</b>
<b>Current - Loans</b>		
Lalpur Wind Energy Private Limited	510.29	330.64
Kaze Energy Limited	260.59	109.15
Tadas Wind Energy Private Limited	244.34	556.04
Shendra Green Energy Limited	297.94	174.41
Wind Urja India Private Limited	202.30	328.63
Khandke Wind Energy Private Limited	-	107.39
Ratedi Wind Power Private Limited	-	371.25
Etesian Urja Limited	0.03	216.71
IL&FS Tamil Nadu Power Company Limited	2,109.69	-
Joghali Wind Energy Private Limited	206.94	-
Ramagiri Renewable Energy Limited	113.60	-
Sipla Wind Energy Limited	918.81	-
Rohtas Bio Energy Limited	13.00	-
Cuddalore Solar Power Private Limited	3.14	-
Patiala Bio Power Company Limited	2.50	-
Mahidad Wind Energy Private Limited	1,338.14	-
East Delhi Waste Processing Company Private Limited	349.99	349.99
Others	-	37.12
Nana Layja Power Company Limited	628.10	576.92
<b>Total</b>	<b>7,199.40</b>	<b>3,158.25</b>
<b>Inter corporate deposits</b>		
IL&FS Wind Energy Limited	273.90	111.50
Mota Layja Gas Power Company Limited	8.40	-
<b>Total</b>	<b>282.30</b>	<b>111.50</b>
<b>Trade receivables</b>		
Ratedi Wind Power Private Limited	5.34	5.21
Wind Urja India Private Limited	13.35	7.07
IL&FS Tamil Nadu Power Company Limited	145.33	219.09



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
Mahidad Wind Energy Private Limited	-	0.01
Khandke Wind Energy Private Limited	3.80	0.02
Nana Layja Power Company Limited	0.32	-
Lalpur Wind Energy Private Limited	6.56	2.02
Tadas Wind Energy Private Limited	0.27	-
IL&FS Wind Energy Limited	21.30	10.51
Kaze Energy Limited	116.07	159.14
Etesian Urja Limited	-	404.04
Malwa Solar Power Generation Limited	-	0.08
IL&FS Solar Power Limited	81.82	200.02
IL&FS Wind Power Services Limited	0.07	-
<b>Total</b>	<b>394.24</b>	<b>1,007.19</b>

**Current - Interest accrued on loans and investments**

IL&FS Tamil Nadu Power Company Limited	813.19	12.21
Mahidad Wind Energy Private Limited	421.88	81.06
Nana Layja Power Company Limited	20.30	42.42
IL&FS Wind Energy Limited	37.70	275.06
Jogihali Wind Energy Private Limited	176.59	8.62
Malwa Solar Power Generation Limited	-	0.02
Etesian Urja Limited	31.75	32.09
Kaze Energy Limited	35.31	23.56
Patiala Bio Power Company Private Limited	-	15.94
Rohtas Bio Energy Limited	-	10.80
Ratedi Wind Power Private Limited	0.93	60.67
Wind Urja India Private Limited	63.99	39.65
Sipla Wind Energy Limited	296.24	31.54
Tadas Wind Energy Private Limited	57.89	181.85
Khandke Wind Energy Private Limited	-	35.27
Lalpur Wind Energy Private Limited	328.33	347.95
Shendra Green Energy Limited	16.95	11.40
Vejas Power Projects Limited	58.78	-
Mota Layja Gas Power Company Limited	1.05	-
Others	-	48.90
IL&FS Solar Power Limited	60.23	2.07
<b>Total</b>	<b>2,421.12</b>	<b>1,261.08</b>

**Non current - Interest accrued on loans and investments**

IL&FS Wind Energy Limited	268.47	-
Mahidad Wind Energy Private Limited	228.14	-
Jogihali Wind Energy Private Limited	208.75	-
Sipla Wind Energy Limited	178.53	-
Tadas Wind Energy Private Limited	187.47	-
IL&FS Tamil Nadu Power Company Limited	1,965.01	1,362.94
<b>Total</b>	<b>3,036.37</b>	<b>1,362.94</b>

**Current - Retention money**

IL&FS Solar Power Limited	676.43	-
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**Current - Receivable for sale of investments**

IL&FS Wind Energy Limited	1,373.88	-
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**Current - Advance Towards investments**

Nana Layja Power Company Limited	-	20.00
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**Unbilled Revenue**

IL&FS Solar Power Limited	257.20	-
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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Current - Receivables on sale of property, plant &amp; equipment</b>		
Etesian Urja Limited	-	21.14
<b>Non current - Covered warrants</b>		
IL&FS Wind Energy Limited	1,709.82	2,684.56
<b>Investment in Equity/deemed equity Instruments/debentures</b>		
Nana Layja Power Company Limited	360.50	200.50
Ratedi Wind Power Private Limited	601.84	601.84
Tadas Wind Energy Private Limited	63.09	1,037.82
Lalpur Wind Energy Private Limited	1,237.33	1,237.33
Wind Urja India Private Limited	15.14	15.14
Ramagiri Renewable Energy Limited	31.80	31.80
Sipla Wind Energy Limited	1,158.89	1,158.89
Joghali Wind Energy Private Limited	1,271.10	1,271.10
Mahidad Wind Energy Private Limited	1,389.10	1,389.10
Kaze Energy Limited	-	215.50
IL&FS Tamil Nadu Power Company Limited	42,263.32	42,263.32
Vejas Power Projects Limited	1.00	1.00
Mota Layja Gas Power Company Limited	0.50	0.50
IL&FS Wind Energy Limited	4,900.50	4,900.50
Etesian Urja Limited	-	1,127.48
Maritime Infrastructure Offshore PTY Limited	3.15	1.53
Malwa Solar Power Generation Limited	-	1.00
Patiala Bio Power Company Private Limited	46.00	46.00
Rohtas Bio Energy Limited	31.60	31.60
IL&FS Wind Power Services Limited	20.00	20.00
Cuddalore Solar Power Private Limited	0.50	0.50
IL&FS Solar Power Limited	0.50	0.50
Shendra Green Energy Limited	240.40	240.40
IL&FS Tamil Nadu Power Company Limited	2,400.00	2,400.00
Kaze Energy Limited	-	680.00
Shendra Green Energy Limited	332.18	332.18
IL&FS Wind Energy Limited	860.68	1,708.18
<b>Total</b>	<b>57,229.12</b>	<b>60,913.71</b>
<b>Guarantees outstanding</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	2,000.00
IL&FS Solar Power Limited	5,800.00	-
Kaze Energy Limited	2,911.00	-
Ratedi Wind Power Private Limited	400.00	-
IL&FS Tamil Nadu Power Company Limited	5,000.00	5,000.00
Wind Urja India Private Limited	227.85	1,336.60
<b>Total</b>	<b>16,838.75</b>	<b>8,836.50</b>
<b>Fellow Subsidiaries</b>		
<b>Non Current - Borrowings (incl current maturity)</b>		
IL&FS Securities Services Limited	-	2,850.00
<b>Current - Borrowings</b>		
IL&FS Securities Services Limited	6,500.00	2,760.00
IL&FS Cluster Development In	200.00	200.00
IL&FS Airport Limited	53.00	53.00



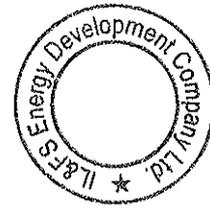
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS**

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
IMICL Dighi Maritime Limited	1,045.50	-
<b>Total</b>	<b>7,798.50</b>	<b>3,013.00</b>
<b>Current - Interest accrued on borrowings</b>		
IL&FS Securities Services Limited	6.88	-
IL&FS Airport	1.85	-
IMICL Dighi Maritime Limited	37.12	-
IL&FS Cluster Development Initiative Limited	7.69	0.08
IL&FS Financial Services Limited	154.08	-
<b>Total</b>	<b>207.63</b>	<b>0.08</b>
<b>Trade Payables</b>		
IL&FS Financial Services Limited	67.23	33.35
IL&FS Investment Managers Limited	0.02	-
IL&FS Technologies Limited	-	-
Livia India Limited	2.21	0.57
IL&FS Securities Services Limited	1.24	0.53
IL&FS Trust Company Limited	-	-
IL&FS Maritime Infrastructure Company Limited	0.24	0.93
IL&FS Transportation Networks Limited	2.67	1.05
<b>Total</b>	<b>73.61</b>	<b>36.43</b>
<b>Inter Corporate Deposits</b>		
IL&FS Financial Services Limited	5.50	34.00
Porto Novo Maritime Limited	50.80	50.80
Sealand Ports Private Limited	400.00	400.00
<b>Total</b>	<b>456.30</b>	<b>484.80</b>
<b>Trade receivables</b>		
IL&FS Maritime Infrastructure Company Limited	5.27	5.27
Kaze Energy Limited	-	21.24
RDF Power Project Limited	-	420.00
East Delhi Waste Processing Company Private Limited	3.62	3.62
IIDC Limited	-	1.21
<b>Total</b>	<b>8.88</b>	<b>451.34</b>
<b>Current - Receivable for sale of investment</b>		
IL&FS Environmental Infrastructure & Services Limited	1,380.00	1,380.00
<b>Current - Interest accrued on loans and investments</b>		
Porto Novo Maritime Limited	11.72	3.49
East Delhi Waste Processing Company Private Limited	81.34	-
IL&FS Financial Services Limited	-	0.17
Sealand Ports Private Limited	346.61	248.31
<b>Total</b>	<b>439.67</b>	<b>251.98</b>
<b>Affiliates / Joint Ventures</b>		
<b>Current - Margin money payable</b>		
Saurya Urja Company of Rajasthan Limited	200.00	-
<b>Current - Interest accrued on borrowings</b>		
Saurya Urja Company of Rajasthan Limited	24.28	9.20



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

Particulars	31 March, 2018 Rs. Million	31 March, 2017 Rs. Million
<b>Non Current - Loans</b>		
Assam Power Project Development Company Limited	10.00	10.00
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	62.70
Bihar Power Infrastructure Company Private Limited	125.00	125.00
<b>Total</b>	<b>135.00</b>	<b>197.70</b>
<b>Current - Loans</b>		
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	173.18
<b>Sundry advances (Assets)</b>		
Bihar Power Infrastructure Company Private Limited	1.34	1.34
<b>Trade receivables</b>		
Bihar Power Infrastructure Company Private Limited	1.97	7.30
Cross Border Power Transmission Company Limited	0.06	3.60
Power Transmission Company Nepal Limited	1.89	5.00
Saurya Urja Company of Rajasthan Limited	3.69	99.64
PDCOR Limited	4.55	7.80
Jharkhand Infrastructure Development Corporation Limited	3.46	4.19
<b>Total</b>	<b>15.62</b>	<b>127.52</b>
<b>Investment - Equity Instruments</b>		
Cross Border Power Transmission Company Limited	406.60	410.48
ONGC Tripura Power Company Limited	3,118.00	5,859.40
Power Transmission Company Nepal Limited	68.75	51.00
Bihar Power Infrastructure Company Private Limited	56.00	55.60
Assam Power Project Development Company Limited	2.30	2.60
Saurya Urja Company of Rajasthan Limited	1,360.40	973.00
Urjankur Shree Datta Power Company Limited	-	225.76
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	281.66	281.66
<b>Total</b>	<b>5,293.71</b>	<b>7,859.50</b>
<b>Guarantees Given</b>		
Saurya Urja Company of Rajasthan Limited	250.00	-



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

**39 Capital grant**

- a. The Company was 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. 573.19 million till the previous year. During the year company has sold the assets related to 40 MW, for which grant was allowed.

Particulars	Year ended 31 March, 2018 Rs. Million	Year ended 31 March, 2017 Rs. Million
Opening Balance	756.93	786.12
Grant recognised by the company during the year	-	-
Less: Amount recognised in Statement of Profit and Loss	6.64	29.20
Less: Amount transferred under slump sale	750.29	
Capital grant carried to balance sheet	-	756.93



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

40 During the year, the Company has transferred its 40 MW solar power plant under slump sale and the Company has transferred all relatable and identified fixed assets, current assets, all intellectual property rights, clients, contracts of the relevant business at book value.

The Company has transferred all liabilities pertaining to the 40 MW solar power plant. The Company has all identified adjustments/disclosures have been made in financial statements

**40.1 Contract assets**

**Contracts in Progress at the end of reporting year**

	As at 31 March, 2018	Rs. Million As at 31 March, 2017
Construction costs incurred plus profits recognised less losses recognised	5,070.04	-
Less: Progress Billings	5,070.04	-
Balance at end of the year	-	-
<u>Balances included in the financial statement</u>		
(i) Amounts due from Customers under construction contracts (see note 8)	81.83	-
(ii) Retentions held by customer (see note 12)	676.43	-
(iii) Advances received from customers (see note 24)	320.62	-

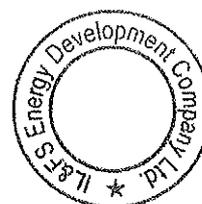
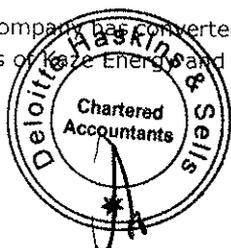
41 The Company has, as at 31 March 2018, made investments in equity shares/debentures, provided loans and has amounts recoverable aggregating to Rs. 9,141.30 million in relation to three of its wholly owned subsidiary companies. These subsidiary companies have amounts recoverable from their Engineering Procurement Construction (EPC) contractor, aggregating to Rs. 4,529.50 million, on account of advances and interest accrued thereon. During the year, the said EPC contractor has been referred to the National Company Law Tribunal (NCLT), under the Insolvency and Bankruptcy Code by its lenders and accordingly an Interim Resolution Professional (IRP) has been appointed. Pursuant to these proceedings with NCLT, the subsidiary companies have also lodged their claims with the IRP. Further, these subsidiary companies have also received unencumbered collateral securities in the form of development rights for Wind Power Generation Assets (WPGA). Considering the collaterals held by the subsidiary companies, against the amounts recoverable, and the state of the above-mentioned proceedings with IRP (which are currently sub-judice), the respective management of the subsidiary companies are of the view that the claims filed by the subsidiary companies will be admitted as financial creditors and are recoverable. Based on the assessment of respective management of the subsidiary companies adjustments on recovery from EPC contractor, if any, is not expected to be material and will be recorded on the outcome of the matter.

The Company has carried out an evaluation for possible impairment in the value of the investments and other dues recoverable in relation to these subsidiary companies taking into account the expected cash flows, based on future business projections, and the respective management's plans for recovering the capital advances given by the subsidiary companies to the EPC contractor. Based on the above assessment no impairment is deemed necessary by the Management in the value of the investments or other amounts recoverable from the subsidiary companies.

**42 Non cash transaction**

During the year company has entered into following non cash transaction:

- Against the receivable of Rs 1,060 million for sale of net assets pertaining to 40 MW, company has been allotted equity shares amounting to Rs 650 million and Rs 410 million paid in cash
- During the year company has converted the FCDs along with interest accrued thereon totaling to Rs 932 million into equity shares of I&F Energy Development Company Limited.



**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, 2018 Rs. Million	31 March, 2017 Rs. Million
1 The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting period.	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
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
4 The amount of interest accrued and remaining unpaid at the end of each accounting period; and	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

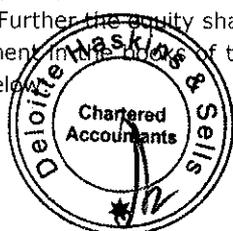
**Note :** Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

**44** During the year ended 31 March, 2018 IEDCL and its wholly owned subsidiary IREL had applied to the Regional Director (Northern Region), Ministry of Corporate Affairs, Government of India (the 'Regional Director') for a merger under section 233 of the Companies Act, 2013 ('Act'). The scheme of merger (the scheme) was approved by the Regional Director on 21 March, 2018 w.e.f. 1 April, 2017.

The said approved scheme of merger had inadvertently prescribed for the accounting for the merger of IEDCL and IREL to be as per the 'Acquisition Method' prescribed under IND AS 103 Business Combination ('IND AS 103') however since the entities were under the common control, the Company has accounted for the merger based on pooling of interest method to meet the requirements of IND AS 103, the relevant accounting standard prescribed under section 133 of the Act.

The Company is of the view, supported by legal opinion that deviation from the accounting method as mentioned in the scheme is permissible in terms of the relevant provisions of the Act as the specific clause of the scheme being contrary to the requirements of the accounting standards prescribed u/s 133 of the Act, is nullity and thus deviation is not in violation of the scheme.

Pursuant to the accounting as per IND AS 103, assets, liabilities and reserves of the merging entity have been considered at book value. Further the equity share capital, preference share capital of the merging entity has been cancelled with the investment in the Company. Details of assets and liabilities acquired pursuant to merger has been stated below.



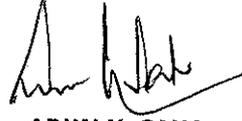
IL&FS ENERGY DEVELOPMENT COMPANY LIMITED  
NOTES FORMING PART OF THE IND AS FINANCIAL STATEMENTS

45 The standalone Ind AS financial statements were approved by Board of Directors at its meeting held on 14 August, 2018.

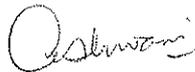
For and on behalf of the Board of Directors



**HARI SANKARAN**  
Chairman



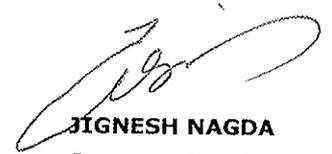
**ARUN K. SAHA**  
Director



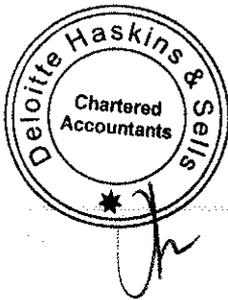
**ASHWANI KUMAR**  
Chief Executive officer



**ANAND NAIR**  
Group Chief Financial  
Officer



**JIGNESH NAGDA**  
Company Secretary



Place: Mumbai  
Date: 14 August 2018



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

#### Report on the Consolidated Ind AS Financial Statements

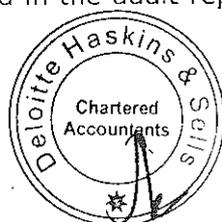
We have audited the accompanying consolidated Ind AS financial statements of **IL&FS Energy Development Company Limited** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit / loss in its joint ventures, comprising the Consolidated Balance Sheet as at 31 March, 2018, 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 consolidated statement of changes in equity of the Group including joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its 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 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the 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.



- (b) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of Rs. 4,745.86 million as at 31 March, 2018, total revenues of Rs. Nil and net cash outflows amounting to Rs. 7.39 million 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 and joint ventures 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.

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 branch auditors and 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 and joint ventures companies incorporated in India, referred in the Other Matters paragraph above, 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 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, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group's companies and joint venture companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.



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-paragraphs (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 the 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, 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 nineteen subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 86,672.20 million as at 31 March, 2018, total revenues of Rs. 11,691.22 million and net cash inflows amounting to Rs. 8,618.44 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. 420.34 million for the year ended 31 March, 2018, 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.

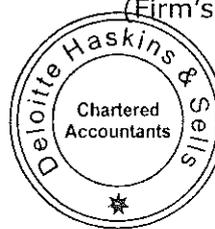


- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies for the reasons stated therein.
- (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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures (refer to note 34(i) 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 (refer to note 34(vi) to the consolidated Ind AS financial statements).
  - 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 and joint venture companies incorporated in India (refer to note 34(v) to the consolidated Ind AS financial statements).

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm's Registration No. 015125N)



*Jitendra Agarwal*

**JITENDRA AGARWAL**

Partner

(Membership No. 87104)

Place: Gurugram

Date: 25 August, 2018

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph (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")**

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** (hereinafter referred to as "Parent") and its subsidiary 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 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 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.



# Deloitte Haskins & Sells

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 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 the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary 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, 2018, based on "the criteria for internal financial control over financial reporting 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".



**Deloitte  
Haskins & Sells**

**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 sixteen subsidiary companies and four joint ventures, which are companies incorporated in India, is based solely 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)

Place: Gurugram  
Date: 25 August, 2018

**IL&S ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018**

	Note Ref.	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>ASSETS</b>			
<b>I. NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment	5	156,547.73	150,889.46
(b) Capital work-in-progress	5	10,178.65	20,079.24
(c) Goodwill	6	6,810.52	6,810.52
(d) Other intangible assets	7	3,979.55	4,009.35
(e) Financial assets			
i) Investments	8	5,511.67	10,205.97
ii) Trade receivables	10	1,233.25	894.41
iii) Loans	12	3,102.83	911.59
iv) Other financial assets	13	3,149.06	2,617.22
(f) Deferred tax assets (net)	26	872.06	872.08
(g) Non-current tax assets (net)	14	1,838.37	1,234.40
(h) Other non current assets	15	8,589.75	8,051.36
<b>Total non-current assets (A)</b>		<b>201,768.44</b>	<b>206,575.60</b>
<b>II. CURRENT ASSETS</b>			
(a) Inventories	9	3,761.48	2,312.17
(b) Financial assets			
i) Trade receivables	10	16,756.85	11,757.62
ii) Cash and cash equivalents	11a	9,604.94	1,798.05
iii) Bank balances other than (ii) above	11b	5,946.81	5,983.95
iv) Loans	12	1,240.98	3,447.95
v) Other financial assets	13	7,531.30	7,887.47
(c) Current tax assets (net)	14	227.66	-
(d) Other current assets	15	1,896.36	1,498.19
		<b>46,966.38</b>	<b>34,685.40</b>
Assets classified as held for sale	16	597.74	-
<b>Total Current Assets (B)</b>		<b>47,564.12</b>	<b>34,685.40</b>
<b>TOTAL ASSETS (A) + (B)</b>		<b>249,332.56</b>	<b>241,261.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>III. EQUITY</b>			
(a) Share capital	17	13,182.26	13,182.26
(d) Other equity	18	14,570.83	20,752.44
<b>Equity attributable to owners of the Company</b>		<b>27,753.09</b>	<b>33,934.70</b>
Non-controlling interests	19	13,828.94	12,966.09
<b>Total equity (C)</b>		<b>41,582.03</b>	<b>46,900.79</b>
<b>LIABILITIES</b>			
<b>IV. NON-CURRENT LIABILITIES</b>			
(a) Financial liabilities			
i) Borrowings	20	126,782.43	118,491.64
ii) Other financial liabilities	21	3,643.89	656.22
(b) Provisions	22	311.90	255.36
(c) Deferred tax liabilities (net)	26	62.39	77.69
(d) Other non-current liabilities	23	10,063.48	11,033.85
<b>Total non-current liabilities (D)</b>		<b>140,864.09</b>	<b>130,514.76</b>
<b>V. CURRENT LIABILITIES</b>			
(a) Financial liabilities			
i) Borrowings	24	24,079.89	16,941.24
ii) Trade payables	25	6,549.71	8,389.65
iii) Other financial liabilities	21	34,512.04	36,804.25
(b) Provisions	22	18.69	27.18
(c) Current tax liabilities (net)	14	53.37	236.90
(d) Other current liabilities	23	1,072.74	1,446.23
		<b>66,286.44</b>	<b>63,845.45</b>
Liabilities associated with assets classified as held for sale	16	600.00	-
<b>Total current liabilities (E)</b>		<b>66,886.44</b>	<b>63,845.45</b>
<b>TOTAL LIABILITIES (F) = (D) + (E)</b>		<b>207,750.53</b>	<b>194,360.21</b>
<b>TOTAL EQUITY AND LIABILITIES (C) + (F)</b>		<b>249,332.56</b>	<b>241,261.00</b>

See accompanying notes forming part of the consolidated financial statements

1-48

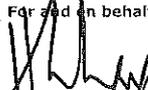
In terms of our report attached

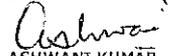
For DELOITTE HASKINS & SELLS  
Chartered Accountants

  
JITENDRA AGARWAL  
Partner

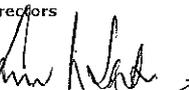
Place: Gurugram  
Date: 25 AUG 2018

For and on behalf of the Board of Directors

  
HARI SANKARAN  
Chairman

  
ASHWANI KUMAR  
Chief Executive Officer

Place: Mumbai  
Date: 14 August 2018

  
ARUN K. SAHA  
Director

  
ANAND NAIR  
Chief Financial Officer

  
JIGNESH NAGDA  
Company Secretary

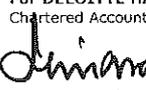
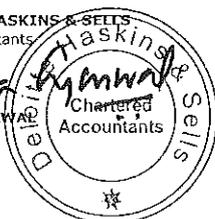


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018**

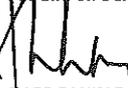
	Note Ref.	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>I. Income</b>			
Revenue from operations	27	42,306.98	30,923.89
Other income	28	3,617.33	2,863.36
<b>Total Income (A)</b>		<b>45,924.31</b>	<b>33,787.25</b>
<b>II. Expenses</b>			
Cost of fuel consumed	29	23,859.70	12,615.34
Employee benefits expense	30	684.86	753.28
Finance costs	31	19,491.35	14,449.35
Depreciation and amortisation expense	5, 7	4,843.32	3,714.29
Other expenses	32	3,909.60	3,249.01
<b>Total expenses (B)</b>		<b>52,788.83</b>	<b>34,781.27</b>
<b>Loss before tax and share from Associates and Joint Ventures (A) - (B)</b>		<b>(6,864.52)</b>	<b>(994.02)</b>
<b>III. Share of profit of Joint Venture and Associates (C)</b>			
Share of profit of Associates		-	161.20
Share of profit of Joint Ventures		706.33	428.03
<b>IV. Loss before tax (D) = (A) - (B) + (C)</b>		<b>(6,158.19)</b>	<b>(404.79)</b>
<b>V. Tax expense: (E)</b>			
(a) Current tax	33	110.37	585.20
(b) Deferred tax	33	22.13	(488.02)
		<b>132.50</b>	<b>97.18</b>
<b>VI. Loss for the year (F) = (D) - (E)</b>		<b>(6,290.69)</b>	<b>(501.97)</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	36	2.10	(8.30)
ii) Share of OCI in Joint Ventures and Associates		(0.44)	(0.03)
iii) Income tax related to item that will not be reclassified to profit and loss	26	(0.66)	1.94
		1.00	(6.39)
<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	18 i	20.01	(54.60)
ii) Exchange differences in translating financial statements of foreign operations	18 h, 19	(10.95)	125.85
iii) Share of OCI in joint ventures		-	(0.02)
iv) Income tax relating to items that will be reclassified to profit or loss	26	(6.93)	18.90
		2.13	90.13
<b>Total other comprehensive income / (loss) (G)</b>		<b>3.13</b>	<b>83.74</b>
<b>VIII. Total comprehensive loss for the year (F) + (G)</b>		<b>(6,287.56)</b>	<b>(418.23)</b>
Profit / (loss) for the year attributable to:			
- Owners of the Company		(6,343.18)	(738.10)
- Non-controlling interests		52.49	236.13
		<b>(6,290.69)</b>	<b>(501.97)</b>
Other comprehensive income / (loss) for the year			
- Owners of the Company		3.69	73.13
- Non-controlling interests		(0.56)	10.61
		<b>3.13</b>	<b>83.74</b>
Total comprehensive Income / (loss) for the year			
- Owners of the Company		(6,339.49)	(664.97)
- Non-controlling interests		51.93	246.74
		<b>(6,287.56)</b>	<b>(418.23)</b>
<b>Earning per equity share</b>			
(Face value of Rs. 10 per share)	43		
- Basic (in Rs.)		(4.94)	(0.58)
- Diluted (in Rs.)		(4.94)	(0.58)

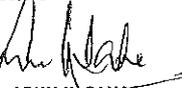
See accompanying notes forming part of the consolidated financial statements 1-48

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  
Chairman

  
ARUN K. SAHA  
Director

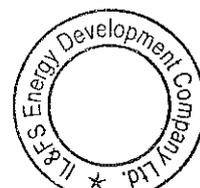
  
ASHWANI KUMAR  
Chief Executive Officer

  
ANAND NAIR  
Chief Financial Officer

  
JIGNESH NAGDA  
Company Secretary

Place: Gurugram  
Date: 25 AUG 2018

Place: Mumbai  
Date: 14 August 2018



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

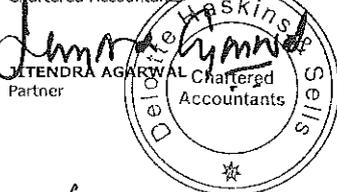
	Note Ref.	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss for the year		(6,290.69)	(501.97)
<b>Adjustment for:</b>			
Tax expense charged to statement of profit or loss		132.50	97.18
Share of profits in Associates		-	(161.20)
Share of profits in Joint Ventures		(706.33)	(428.03)
Depreciation and amortisation expense		4,843.32	3,714.29
Grant income		(264.07)	(29.20)
Finance costs		19,491.34	14,449.35
Gain on sale of financial assets - investments		(543.29)	(281.85)
Gain on sale of property, plant and equipment		(162.80)	(64.31)
Net gain on derecognition of financial liability		(380.43)	-
Provision for doubtful trade receivables		404.55	26.35
Impairment of capital work in progress		195.18	323.75
Net gain arising on financial assets designated at amortised cost		92.86	(56.17)
Net loss arising on financial assets designated at FVTPL		319.93	209.29
Impairment loss on other financial assets		51.76	-
Interest income		(2,112.64)	(2,046.75)
<b>Operating profit before working capital changes</b>		<b>15,071.19</b>	<b>15,250.73</b>
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Trade receivables		(5,829.46)	(6,279.87)
Other financial assets - current		1,113.79	(1,880.68)
Other financial assets - non current		(224.30)	-
Other current assets		(398.18)	(1,015.74)
Other non current assets		85.64	189.35
Inventories		(1,449.31)	(199.25)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Other financial liability - non current		39.55	9.20
Other financial liability - current		190.36	69.65
Other non current liabilities		43.28	(86.10)
Provision for employee benefits		(6.57)	44.35
Trade payables		(1,829.49)	3,531.84
Other current liabilities		681.69	61.15
Cash generated from operations		<b>7,488.19</b>	<b>9,694.63</b>
Taxes paid (including tax deducted at source) net of refund		<b>(1,125.53)</b>	<b>(915.79)</b>
<b>Net Cash from operating activities</b>		<b>6,362.66</b>	<b>8,778.84</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest received		1,557.74	2,688.05
Dividend received from joint ventures		423.19	-
Payment towards purchase of investments		(6.27)	(513.44)
Proceeds from sale of investments in Subsidiaries, Joint Ventures and Associates		5,276.07	-
Payment for purchase of property, plant and equipment		(5,826.79)	(8,446.74)
Proceeds from sale of property, plant and equipment		26.64	63.42
Payment for purchase of other intangible assets		(0.45)	(118.87)
(Increase)/decrease in loans - non current		(2,202.29)	706.38
(Increase)/decrease in loans - current		2,206.97	(88.50)
(Increase)/decrease in other non current assets		(624.03)	831.38
(Increase)/decrease in fixed deposits not considered as cash and cash equivalents		(2,331.93)	3,885.42
(Increase)/decrease in escrow account with security agent		2,646.74	(3,597.38)
<b>Net Cash from / (used in) investing activities</b>		<b>1,145.59</b>	<b>(4,590.28)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from long term borrowings (net)		11,184.40	5,160.45
Proceeds from issue of debentures (net)		1,613.60	4,841.20
Proceeds from non controlling shareholders		-	5,390.92
Proceeds from short term borrowings (net)		6,085.91	2,504.24
Finance costs paid		(17,971.84)	(17,259.82)
Securities issue expenses		(5.07)	(16.45)
Dividend paid (including dividend distribution tax)		(647.94)	(4,241.97)
Capital grant received		-	54.77
<b>Net Cash from / (used in) financing activities</b>		<b>259.06</b>	<b>(3,566.66)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,767.31</b>	<b>621.90</b>
Effect of exchange fluctuation translation effect		39.58	30.49
<b>Total</b>		<b>7,806.89</b>	<b>652.39</b>
Cash and cash equivalents at the beginning of the year	11a	1,798.05	1,145.66
Cash and cash equivalents at the end of the year	11a	9,604.94	1,798.05
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,806.89</b>	<b>652.39</b>

See accompanying notes forming part of the consolidated financial statements

1-48

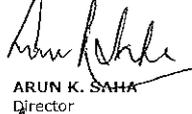
In terms of our report attached

For DELOITTE HASKINS & SELLS  
Chartered Accountants

  
JITENDRA AGARWAL  
Partner

For and on behalf of the Board of Directors

  
HARI SANKARAN  
Chairman

  
ARUN K. SAHA  
Director

  
ASHWANI KUMAR  
Chief Executive Officer

  
ANAND NAIR  
Chief Financial Officer

  
IGNESH NAGDA  
Company Secretary

Place: Gurugram  
Date: 25 AUG 2018

Place: Mumbai  
Date: 14 August 2018

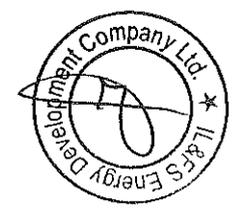
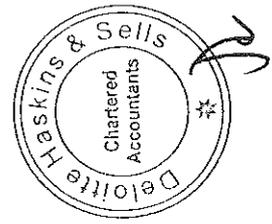


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018**

	Number of shares	Amount Rs. Million
<b>(a) Equity Share Capital</b>		
Balance as at 1 April, 2016	1,283,564,664	12,835.65
Changes in equity share capital during the year	-	-
Balance as at 31 March, 2017	<u>1,283,564,664</u>	<u>12,835.65</u>
Changes in equity share capital during the year	-	-
Balance as at 31 March, 2018	<u>1,283,564,664</u>	<u>12,835.65</u>
<b>(b) Compulsorily Convertible Preference Share Capital ('CCPS')</b>		
Balance as at 1 April, 2016	34,660,767	346.61
Changes in CCPS during the year	-	-
Balance as at 31 March, 2017	<u>34,660,767</u>	<u>346.61</u>
Changes in CCPS during the year	-	-
Balance as at 31 March, 2018	<u>34,660,767</u>	<u>346.61</u>

	Reserves and surplus										Rs. Million	
	Equity component of financial instruments	Securities premium account	General reserve	Debt redemption reserve	Foreign currency monetary translation difference account	Capital reserve created on consolidation	Retained earnings	Foreign currency translation reserve	Effective portion of Cash flow hedge	Attributable to owners of the Company	Non controlling interests (NCI)	Total
<b>(c) Other Equity</b>												
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)
Remeasurement 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)	115.01	(35.70)	(664.97)	246.74	(418.23)
Dividend	-	-	-	-	-	-	(1,080.94)	-	-	(1,080.94)	-	(1,080.94)
Dividend distribution tax	-	-	-	-	-	-	(313.25)	-	-	(313.25)	-	(313.25)
Debt redemption reserve	-	-	-	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)
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



IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

Continued

Other Equity	Reserves and surplus							Other Comprehensive Income		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	Retained earnings	Foreign currency translation reserve	Effective portion of Cash flow hedge		Attributable to owners of the Company	Non controlling interests (NCI)
Balance as at 1 April, 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
(Loss) / profit for the year	-	-	-	-	-	-	(6,343.18)	-	-	(6,343.18)	52.49	(6,290.69)
Remeasurement of defined benefit obligation (net of income tax)	-	-	-	-	-	-	1.00	-	-	1.00	-	1.00
Other comprehensive income (Net of income tax)	-	-	-	-	-	-	-	(10.39)	13.08	2.69	(0.56)	2.13
<b>Total comprehensive income</b>	-	-	-	-	-	-	(6,342.18)	(10.39)	13.08	(6,339.49)	51.93	(6,287.56)
Dividend	-	-	-	-	-	-	(329.56)	-	-	(329.56)	-	(329.56)
Dividend distribution tax	-	-	-	-	-	-	(67.09)	-	-	(67.09)	-	(67.09)
Debt redemption reserve	-	-	-	133.40	-	-	(133.40)	-	-	-	-	-
Capital Reserve on Merger	-	-	-	-	-	(9.95)	9.95	-	-	-	-	-
Impact of partial stake sale in subsidiary with no loss of control	-	-	-	-	-	-	513.42	-	-	513.42	806.57	1,319.99
Addition during the year	-	-	-	-	46.18	-	-	-	-	46.18	4.35	50.53
Securities issue expenses	-	-	-	-	-	-	(5.07)	-	-	(5.07)	-	(5.07)
<b>Balance as at 31 March, 2018</b>	<b>2,405.89</b>	<b>37,552.76</b>	<b>7.60</b>	<b>718.33</b>	<b>(41.86)</b>	<b>(5,222.53)</b>	<b>(21,007.11)</b>	<b>180.37</b>	<b>(22.62)</b>	<b>14,570.83</b>	<b>13,828.94</b>	<b>28,399.77</b>

See accompanying notes forming part of the consolidated financial statements

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In terms of our report attached

For DELOITTE HASKINS & SELS  
Chartered Accountants

For and on behalf of the Board of Directors

*Jitendra Agarwal*  
HARI SANKARAN  
Chairman

*Arun K. Saha*  
ARUN K. SAHA  
Director

*Anand Nair*  
ANAND NAIR  
Chief Financial Officer

*Ignesh Nagda*  
IGNESH NAGDA  
Company Secretary



Place: Gurgaon  
Date: 25 AUG 2018

Place: Mumbai  
Date: 14 August 2018



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

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

**Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 "Revenue from Contract with Customers" was notified on 28 March 2018 and will come into force from accounting periods commencing on or after 1 April 2018. The standard establishes a five-step model to account for revenue arising from contract with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to the customers. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Ind AS 115 provides two transition options: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April, 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Group has commenced its impact assessment, which involves carrying out a systematic review of all existing major contracts to ensure that the impact and effect of the new revenue standard is fully understood and changes to the current accounting procedures are highlighted and acted upon. The results of this assessment will drive the Group's choice of transition option. Currently, it is expected that changes in total revenue to be recognised from a customer contract will be very limited.

**Amendments to Ind AS 112 - Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112**

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a Subsidiary, a Joint Venture or an Associate (or a portion of its interest in a Joint Venture or an Associate) that is classified (or included in a disposal Company that is classified) as held for sale.

These amendments are effective for annual period beginning on or after April 1 2018. The Company will apply amendment when they become effective.

**Amendments to Ind AS 12 - Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.



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

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These amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendment when they become effective.

**Transfers of Investment Property – Amendments to Ind AS 40**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. These amendments are not applicable to the company.

**Ind AS 28 - Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that:

- An entity that is a Venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in Associates and Joint Ventures at fair value through profit or loss
- If an entity, that is not itself an investment entity, has an interest in an Associate or Joint Venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity Associate or Joint Venture to the investment entity Associate's or Joint Venture's interests in subsidiaries. This election is made separately for each investment entity Associate or Joint Venture, at the later of the date on which: (a) the investment entity Associate or Joint Venture is initially recognised; (b) the Associate or Joint Venture becomes an investment entity; and (c) the investment entity Associate or Joint Venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the company.

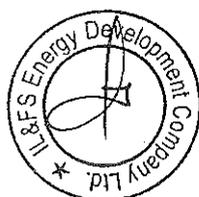
**Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. The Group will apply the amendments when they became effective.



### **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.

#### **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.



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

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 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:

	Country of incorporation	Interest as at	Interest as at
		31.03.2018	31.03.2017
<b>A. Subsidiary Companies</b>			
a. Vejas Power Projects Limited (formerly IL&FS Wind Projects Development Limited)	India	100%	100%
b. IL&FS Renewable Energy Limited (IREL) (see not i below)	India	-	100%
c. Nana Layja Power Company Limited (NLPCL)	India	100%	100%
d. Mota Layja Gas Power Company Limited (MLGPCL)	India	100%	100%
e. IL&FS Wind Energy Limited (formerly Mandavi LNG Terminal Limited)	India	100%	100%
f. IL&FS Tamilnadu Power Company Limited (ITPCL)	India	91.38%	91.38%
g. Malwa Solar Power Generation Limited (MSPGL)	India	-	100%
h. Maritime International Offshore PTE Limited (MIOPL)	Singapore	100%	100%
i. Etesian Urja Limited (formerly Bhojpur Biomass Power Company Limited)	India	-	100%
j. IL&FS Solar Power Limited (ISPL)	India	100%	100%
k. Patiala Bio Power Company Limited (BPCL)	India	100%	100%
l. Sipla Wind Energy Limited (SWEL) (Formerly Nakhatrana Biomass Energy Limited)	India	100%	100%
m. Shendra Green Energy Limited (SGEL) (Formerly GAPS Power & Infrastructure Private Limited)	India	100%	100%
n. Rohtas Bio Energy Limited (RBEL)	India	100%	100%
o. Ramagiri Renewable Energy Limited (RREL) (formerly IL&FS Wind Farms Limited)	India	100%	100%



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

	Country of incorporation	Interest as at 31.03.2018	Interest as at 31.03.2017
p. IL&FS Wind Power Services Private Limited (IWPSPL)	India	100%	100%
q. Kaze Energy Limited (KWEL) (formerly Vaspeth Wind Energy Limited)	India	-	100%
r. Cuddalore Solar Power Private Limited (CSPL)	India	100%	100%
s. Jogihali Wind Energy Private Limited (JWEPL)	India	100%	100%
t. Mahidad Wind Energy Private Limited (MWEPL)	India	100%	100%
<b>B. Subsidiaries of ITPCL (effective shareholding)</b>			
a. IL&FS Maritime Offshore Pte Limited (IMOPL)	Singapore	91.38%	91.38%
b. IL&FS Offshore Natural Resources Pte. Limited (IONRPL)	Singapore	91.38%	91.38%
c. PT Bangun Asia Persada (PBAP)	Indonesia	91.38%	91.38%
d. PT Mantimin Coal Mining (PMCM)	Indonesia	86.81%	86.81%
e. Se7factor Corporation (SFC)	Seychelles	91.38%	91.38%
<b>C. Subsidiary entities of IWEL (effective shareholding)</b>			
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%
f. Etesian Urja Limited (EUL) (formerly Bhojpur Biomass Power Company Limited)	India	51%	-
g. Kaze Energy Limited (KWEL) (formerly Vaspeth Wind Energy Limited)	India	51%	-



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

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**Notes:**

- i. During the year ended 31 March, 2018 one of the subsidiary company ie IL&FS Renewable Energy Limited (IREL) has been merged with IEDCL and consequently all the step down subsidiaries of IREL have become direct subsidiaries of IEDCL.
- ii. During the year ended 31 March, 2018 the Group has divested its stake of 49% in 2 Wind SPVs (EUL and KWEL).
- iii. During the year ended 31 March, 2018 the Group has divested its 100% stake in Malwa Solar Power Generation Limited (MSPGL).

### **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 as per pooling of interest method. 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.



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

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**Revenue from construction Contract**

- Revenue from construction contract is recognised based on the 'Percentage of completion method' (POC) when the outcome of the contract can be estimated reliably upon fulfilment of all the following conditions:
- All critical approvals necessary for commencement of the project have been obtained;
- Contract costs for work performed (excluding cost of land/developmental rights and borrowing cost) constitute at least 25% of the estimated total contract costs representing a reasonable level of development;
- At least 25% of the saleable project area is secured by contracts or agreements with buyers; and
- At least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents is realised at the reporting date in respect of each of the contracts and the parties to such contracts can be reasonably expected to comply with the contractual payment terms.
- The costs incurred on property development activities are carried as "Inventories" till such time the outcome of the project cannot be estimated reliably and all the aforesaid conditions are fulfilled. When the outcome of the project can be ascertained reliably and all the aforesaid conditions are fulfilled, revenue from property development activity is recognised at cost incurred plus proportionate margin, using percentage of completion method. Percentage of completion is determined based on the proportion of actual cost incurred to-date, to the total estimated cost of the project. For the purpose of computing percentage of construction, cost of land, developmental rights and borrowing costs are excluded. Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

**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.

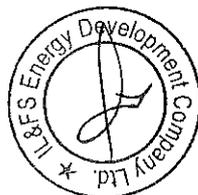
Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

**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.



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

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;



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- 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.



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**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.



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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 releasable 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.



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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.

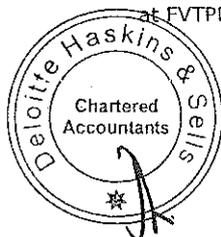
**3.21 Derivative financial instruments**

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.

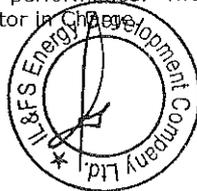
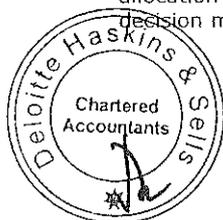
### **3.23 Leases**

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 Application of new and revised Ind AS

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April, 2017. The nature and the impact of each amendment is described below

#### **Amendments to Ind AS 7: Statement of Cash Flows: Disclosure Initiative**

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Group does not have any non-cash elements related to liabilities arising from financial activities and hence no additional disclosure is required due to adoption of this standard.

#### **Amendments to Ind AS 102 Classification and Measurement of Share-based Payment Transactions**

The amendments to Ind AS 102 Share-based Payment addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company does not have any share based payment transactions.

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.



#### **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 seven step down subsidiaries i.e (LWEPL, KWEPL, WUIPL, RWPL, TWEPL, EUL, KWEL):**

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 the 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.

##### **Power Purchase Agreements**

Management has assessed applicability of Appendix A to Ind-AS 18 Construction Contracts: "Service Concession Arrangements" and Appendix C to Ind AS 17 Lease - "Determining whether an arrangement contains a lease" to power purchase agreements ("PPAs") with the state energy distribution agencies. In assessing the applicability of Service Concession Arrangements and Determining whether an arrangement contains a lease, the management has exercised significant judgement in relation to underlying ownership of asset, terms of PPAs (including the current tenure of the agreement, cancellation rights with each party), ability determine prices, commitment to supply power etc. Based on the evaluation the management has determined that PPAs do not meet the criteria of Service Concession Arrangements as well as Determining whether an arrangement contains a lease.

##### **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.

**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**

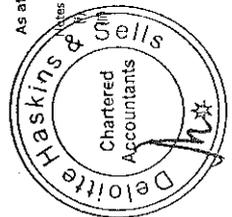
**NOTE 5**

**Property, plant and equipment**

	As at 31 March, 2018 Rs. Million	As at 31 March, 2017 Rs. Million
Freehold land	3,744.44	3,692.30
Building	7,018.86	6,647.78
Roads & Drainage	173.48	196.17
Plant & Machinery	92,381.50	85,114.65
- Thermal Power Plant	46,095.12	44,728.52
- Wind Energy converters	2,964.24	2,423.88
- Transmission Line	317.10	3,405.70
- Other Plant & machinery	2,544.14	2,728.93
Hydraulics works, pipelines and sluices	1,822.44	1,885.19
Railway siding & track hopper	36.62	36.62
Furniture & fixtures	19.56	8.97
Office Equipment	11.66	13.15
Computer	27.54	6.50
Vehicles	156,547.73	150,889.46
	10,178.65	20,078.24
Capital work in progress	1,65,735.38	1,70,968.70

	Freehold (see note I)	Buildings	Roads & Drainage	Thermal power generation plant	Wind energy converters (WECs)	Plant and Equipment Transmission Line	Other plant and machinery	Hydraulics works, pipelines and sluices	Railway Siding & Track Hopper	Furniture and fixtures	Office equipment	Computers	Vehicles	Total
<b>ii Cost</b>														
As at 1 April, 2016	3,601.75	3,936.29	247.92	44,397.92	39,813.78	2,510.77	3,705.94	1,831.78	1,980.49	47.99	16.59	16.58	13.65	103,135.55
Add: Additions	90.55	2,840.61	23.60	41,564.96	7,958.06	2.13	1.18	1,105.25	0.99	10.94	5.32	11.20	0.10	53,534.59
Add: Effect of foreign currency exchange difference	-	(1.89)	-	1,201.93	-	-	10.29	-	-	0.59	3.13	1.96	-	1,200.04
Less: Disposals / Adjustments	3,692.30	6,775.01	271.52	87,164.61	47,771.84	2,512.90	3,709.83	2,937.03	1,981.18	58.34	18.88	25.82	12.52	156,922.98
As at 31 March, 2017	108.91	499.34	31.87	9,376.66	3,266.30	-	-	-	-	6.87	17.90	5.64	30.80	13,348.99
Add: Additions	-	(0.14)	-	172.56	-	-	3,298.13	-	-	2.49	1.18	1.15	5.76	3,376.99
Add: Effect of foreign currency exchange difference	56.77	11.51	-	-	-	2,512.90	402.70	2,937.03	1,981.18	62.52	35.50	30.31	37.56	167,062.40
Less: Disposals / Adjustments	3,744.44	7,262.70	303.39	95,714.03	51,038.14	2,512.90	402.70	2,937.03	1,981.18	62.52	35.50	30.31	37.56	167,062.40
As at 31 March, 2018	-	40.06	23.33	540.24	1,482.13	30.18	122.60	56.27	31.62	5.51	5.81	5.72	3.52	2,348.99
<b>iii Accumulated depreciation</b>														
As at 1 April, 2016	-	87.39	52.02	1,509.92	1,564.53	58.84	166.99	148.83	64.37	16.19	6.04	8.47	2.89	3,686.48
Add: Depreciation for the year	-	(0.22)	-	-	-	-	15.83	-	-	0.36	-	-	-	(0.22)
Add: Effect of foreign currency exchange difference	-	-	-	-	3.34	-	10.29	-	-	0.34	1.94	1.52	0.67	18.10
Less: Deductions / Adjustments	-	127.23	75.35	2,050.16	3,043.32	89.02	295.13	207.10	95.99	21.72	9.51	12.67	5.92	6,033.52
As at 31 March, 2017	-	117.62	54.56	2,282.37	1,899.80	59.64	115.84	185.79	62.75	14.95	6.15	7.02	6.58	4,813.07
Add: Depreciation for the year	-	1.24	-	-	-	-	-	-	-	0.04	-	-	-	1.24
Add: Effect of foreign currency exchange difference	-	2.25	-	-	1.10	-	15.94	-	-	0.04	0.14	1.04	0.09	17.07
Less: Deductions / Adjustments	-	243.84	129.91	4,332.53	4,542.02	148.66	85.60	392.89	158.74	35.89	15.32	18.85	10.02	10,514.67
As at 31 March, 2018	-	6,647.78	195.17	85,114.65	44,728.52	2,423.88	3,405.70	2,728.93	1,885.19	36.62	8.97	13.15	6.50	150,889.46
<b>Net Carrying amount</b>														
As at 31 March, 2017	3,744.44	7,018.86	173.48	92,381.50	45,096.12	2,564.24	317.10	2,544.14	1,822.44	26.63	19.58	11.66	27.54	155,547.73
As at 31 March, 2018	3,744.44	7,018.86	173.48	92,381.50	45,096.12	2,564.24	317.10	2,544.14	1,822.44	26.63	19.58	11.66	27.54	155,547.73

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 company. Pursuant to these agreements (purchase order) the group has received ownership of freehold land aggregating to 128.51 acres (as at 31.03.2017, 128.51 acres) at 104 locations (as at 31.03.2017, 100 locations). As no separate sale consideration is paid / payable by the group to landowners / EPC contractor for the land, the same has been capitalised at Rs 1 per locations.



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

**NOTE 6**

**Goodwill**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
Balance at the beginning of the Year	6,810.52	6,815.76
Reversal during the year on disposal of subsidiary	-	(5.24)
	<b>6,810.52</b>	<b>6,810.52</b>

Balance at the beginning of the Year  
Reversal during the year on disposal of subsidiary

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.

i. Goodwill of the group includes Rs. 6,410 million as at 31 March, 2018 (as at 31 March, 2017: 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, 2018 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.

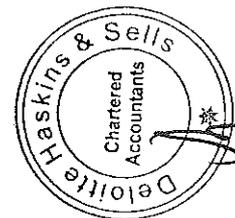
**O&M Cost inflation** O&M Cost for the project period has been extrapolated by using a steady 4% per annum growth rate which is as per contracted obligations.

**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 Goodwill of the Group includes Rs. 250.28 million (as at 31 March, 2017 Rs. 250.28 million) corresponding to acquisition of land for ITPCL Phase II project through the scheme of merger as approved by the Honorable High Court of Madras which has been identified as cash generating unit. The group has valued the land acquired through amalgamation by independent valuer. The key assumption used in the value in use calculations for the cash - generating unit are as follows:

**Market value approach**

This method models the behaviour of the market by comparing the properties being Appraised with similar properties that have been recently sold (comparable properties) or for which offers to purchase have been made. Comparable properties are selected for similarity to the subject property by way of attributes, such as the size, shape, location, frontage, usage, transaction, time, etc. Their sale / offer prices are then adjusted for their difference from the subject property. Finally, a market value for the subject is estimated from the adjusted sales price of the comparable.



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

**NOTE 7**

**Other intangible assets**

**i Carrying amount**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
Software	75.80	102.95
Coal Mining Rights (see note below)	3,903.75	3,903.75
Technical knowhow	-	2.65
	<b>3,979.55</b>	<b>4,009.35</b>

**ii Cost**

	Software Rs. Million	Coal Mining Rights Rs. Million	Technical know how Rs. Million	Total Rs. Million
<b>As at 1 April, 2016</b>	<b>17.64</b>	<b>3,903.75</b>	<b>8.06</b>	<b>3,929.45</b>
Add: Additions	118.86	-	-	118.86
Less: Disposals	-	-	-	-
<b>As at 31 March, 2017</b>	<b>136.50</b>	<b>3,903.75</b>	<b>8.06</b>	<b>4,048.31</b>
Add: Additions	0.45	-	-	0.45
Less: Disposals	-	-	-	-
<b>As at 31 March, 2018</b>	<b>136.95</b>	<b>3,903.75</b>	<b>8.06</b>	<b>4,048.76</b>

**iii Accumulated amortisation**

<b>As at 1 April, 2016</b>	<b>9.71</b>	-	<b>1.44</b>	<b>11.15</b>
Add: Additions	23.84	-	3.97	27.81
Less: Deductions / Adjustments	-	-	-	-
<b>As at 31 March, 2017</b>	<b>33.55</b>	-	<b>5.41</b>	<b>38.96</b>
Add: Amortisation	27.60	-	2.65	30.25
Less: Deductions / Adjustments	-	-	-	-
<b>As at 31 March, 2018</b>	<b>61.15</b>	-	<b>8.06</b>	<b>69.21</b>

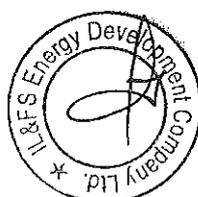
**Carrying amount**

<b>As at 31 March, 2017</b>	102.95	3,903.75	2.65	4,009.35
<b>As at 31 March, 2018</b>	75.80	3,903.75	-	3,979.55

**Note:**

Coal mining rights held by subsidiary companies have been identified as cash generating units and tested for impairment as on reporting date using Discounted Cash Flow method (DCF method). There was no impairment as on 31 March, 2018

	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>Reconciliation of depreciation and amortisation with statement of profit or loss</b>		
Depreciation on Property, plant and equipment as per note 5	4,813.07	3,686.48
Amortisation on Intangible assets as per note 7	30.25	27.81
	<b>4,843.32</b>	<b>3,714.29</b>



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

	As at <u>31.03.2018</u> (Units)	As at <u>31.03.2018</u> Rs. Million	As at <u>31.03.2017</u> (Units)	As at <u>31.03.2017</u> Rs. Million
<b>NOTE 8</b>				
<b>Investments</b>				
<b>Investments - Non-current (Unquoted), all fully paid up</b>				
(a) Investments accounted by using the equity method		4,098.72		7,894.92
(b) Investments carried at fair value through profit or loss		1,214.29		2,056.86
(c) Investments carried at amortised cost		391.17		391.17
<b>Total investments before impairment</b>		<b>5,704.18</b>		<b>10,342.95</b>
Less: Impairment in the value of investments		(192.51)		(136.98)
<b>Investment in equity instruments</b>				
<b>Total investments (net)</b>		<b>5,511.67</b>		<b>10,205.97</b>
<b>(a) Investments in equity instruments (accounted for using the equity method)</b>				
<b>I. of Associate companies (see note i)</b>				
A. Urjankur Shree Datta Power Company Limited	-	-	22,520,000	444.96
B. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (see note v)	-	-	28,100,000	333.42
<b>II. of Joint Venture companies (see note ii)</b>				
A. ONGC Tripura Power Company Limited	134,734,328	2,804.50	291,200,000	6,128.91
B. Assam Power Project Development Company Limited	25,000	3.06	25,000	2.77
C. Cross Border Power Transmission Company Limited	18,433,615	285.42	18,433,615	265.05
D. Bihar Power Infrastructure Company Private Limited (see note iii)	25,000	113.12	25,000	113.18
E. Saurya Urja Company of Rajasthan Limited	60,988,091	892.62	60,988,091	606.63
<b>Total (a)</b>		<b>4,098.72</b>		<b>7,894.92</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	400,000	68.75	300,000	51.00
B. Saraswat Bank and Shamrao Vithal Bank	10,250	0.10	7,750	0.08
C. Shalivahana Green Energy Limited	20,244,480	202.44	20,244,480	319.44
D. KVK Nilachal Power Private Limited (see note iv)	5,180,000	587.00	5,180,000	758.00
E. SV Power Private Limited	17,778,864	356.00	17,778,864	450.00
<b>II. Units of trust</b>				
Urjankur Nidhi Trust (see note v)	-	-	55,900	478.34
<b>Total (b)</b>		<b>1,214.29</b>		<b>2,056.86</b>



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

	As at <u>31.03.2018</u> (Units)	As at <u>31.03.2018</u> Rs. Million	As at <u>31.03.2017</u> (Units)	As at <u>31.03.2017</u> Rs. Million
<b>NOTE 8 continued</b>				
<b>(c) Investments carried at amortised cost</b>				
<b>I. Debentures, bonds and other</b>				
A. 7.50% (As at 31 March, 2017: 7.50%) Non Convertible Debentures (NCDs) of Infrastructure Leasing & Financial Services Limited (see note vi)	68,540	57.07	68,540	57.07
B. 17.5% (As at 31 March, 2017: 17.65%) Optionally Fully Convertible Debentures of Punjab Biomass Power Limited (Debentures of Rs 10 each) (see note vii)	33,397,818	333.98	33,397,818	333.98
C. Government Securities (National Savings Certificates)		0.12		0.12
<b>Total (c)</b>		<u>391.17</u>		<u>391.17</u>
<b>Total [(a)+(b)+(c)]</b>		<u>5,704.18</u>		<u>10,342.95</u>
Aggregate amount of impairment in the value of investments		(192.51)		(136.98)
<b>Total Investments (net)</b>		<u>5,511.67</u>		<u>10,205.97</u>
Aggregate carrying value of unquoted investments		5,511.67		10,205.97

**Notes:**

- i. Investment in Associates includes goodwill as on 31 March, 2018: Rs. nil (As on 31 March, 2017 : Rs. 19.58 million, net of capital reserve: Rs. nil (As on 31 March, 2017 : Rs. 9.73 million)
- ii. Investment in Joint Ventures includes goodwill : Rs. 1,299.89 million (As on 31 March, 2017 : Rs. 2,742.71 million), net of capital reserve: Rs. 0.69 million (As on 31 March, 2017 : Rs. 0.69 million)
- iii. The Company had recognised an impairment charge of Rs. 57.21 mn (previous year Rs. 57.21 mn) 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.
- iv. The Company is in the process of transferring 3,533,500 equity shares as 31 March, 2018 (31 March, 2017 : 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. During the year, agreement for sale of investment in Urjankur Shree Tatyasaheb Kore Warna Limited and Urjankur Nidhi Trust has been executed hence disclosed under the head "Assets held for sale". Accordingly the Group has recognised fair value loss of Rs. 1.20 million in the Statement of Profit or Loss during the year ended 31 March, 2018. The management expects that transfer of assets shall be completed by 31 March, 2019.
- vi. Description: Non convertible debentures  
These debentures will redeem on 30 April, 2020
- vii. Optionally fully convertible debentures carries interest rate of 17.50% to 17.65% (As at 31 March, 2017: 17.50% to 17.65%)  
The debentures will be converted into 33,39,78,180 equity shares having face value of Rs 1 each by December 2019  
Impairment recognised in the value of debentures is Rs. 135.30 (previous year Rs. 79.77 )



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

**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 31.03.2018	As at 31.03.2017
1.	Urjankur Shree Datta Power Company Limited (USDPL)	Generation of power	India	-	33.33%
2.	Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (USTKWPL)	Generation of power	India	33.33%	33.33%

During the year the Group has sold its investment in one of its associate i.e USDPL and has also entered a definitive agreement for sale of other associate USTKWPL which is classified as an asset held for sale.

**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	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Non-current assets	-	1,534.88
Current assets	-	616.93
Non-current liabilities	-	(524.07)
Current liabilities	-	(294.49)
	-	<b>1,333.25</b>

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Revenue	-	993.38
Profit for the year	-	326.71
Other comprehensive income for the year	-	0.10
Total comprehensive Income for the year	-	<b>326.81</b>

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	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Net assets of the Associate	-	1,333.25
Proportion of the Group's ownership interest	-	33.33%
<b>Carrying amount of the Group's interest</b>	-	<b>444.96</b>

**2. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited**  
(Classified separately as asset held for sale)

Particulars	As at	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Non-current assets	-	2,339.40
Current assets	-	515.55
Non-current liabilities	-	(1,265.62)
Current liabilities	-	(591.07)
	-	<b>998.26</b>



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

**NOTE 8 continued**

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Revenue	-	948.52
Profit for the year	-	156.91
Other comprehensive income / (loss) for the year	-	0.14
Total comprehensive income for the year	-	157.05

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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Net assets of the Associate	-	998.26
Proportion of the Group's ownership interest	-	33.33%
<b>Carrying amount of the Group's interest</b>	-	<b>333.42</b>

**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 31.03.2018	As at 31.03.2017
1.	ONGC Tripura Power Company Limited	Generation of power	India	12.03%	26.00%
2.	Cross Border Power Transmission Company Limited	Transmission of power	India	38.00%	38.00%
3.	Saurya Urja Company of Rajasthan Limited	Development of solar energy park	India	50.00%	50.00%

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**

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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Non-current assets	32,992.64	34,237.70
Current assets	5,023.78	6,500.14
Non-current liabilities	(20,776.47)	(23,808.85)
Current liabilities	(4,425.31)	(3,854.19)
	<b>12,814.64</b>	<b>13,074.80</b>

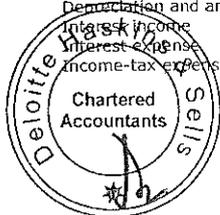
The above amounts of assets and liabilities includes the following:

Cash and cash equivalents	364.91	62.54
Current financial liabilities (excluding trade payables and provisions)	(3,963.56)	(3,420.30)
Non-current financial liabilities (excluding trade payables and provisions)	(20,526.16)	(23,803.87)

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Revenue	12,810.09	12,978.90
Profit for the year	1,426.54	1,385.38
Other comprehensive income / (loss) for the year	(1.70)	(0.48)
Total comprehensive income for the year	1,424.84	1,384.90

The above profit for the year include the following:

Depreciation and amortisation	1,936.32	1,913.40
Interest income	129.15	217.75
Interest expense	2,030.49	2,464.77
Income-tax expense / (Income)	328.62	287.16



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

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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Net assets of the Joint Venture	12,814.64	13,074.80
Proportion of the Group's ownership interest	12.03%	26.00%
Proportion of the Group's ownership interest in net assets	1,541.60	3,399.45
Consolidation adjustments	20.45	44.19
Goodwill	1,242.45	2,685.27
<b>Carrying amount of the Group's interest</b>	<b>2,804.50</b>	<b>6,128.91</b>

**2. Cross Border Power Transmission Company Limited**

Particulars	As at	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Non-current assets	2,002.51	2,100.03
Current assets	674.93	778.66
Non-current liabilities	(1,643.44)	(1,783.77)
Current liabilities	(242.78)	(357.29)
	<b>791.22</b>	<b>737.63</b>

The above amounts of assets and liabilities include the following :

Cash and cash equivalents	103.21	226.05
Current financial liabilities (excluding trade payables and provisions)	164.65	184.40
Non-current financial liabilities (excluding trade payables and provisions)	1,599.46	1,727.42

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Revenue	359.59	412.48
Profit for the year	129.50	176.49
Dividend received	23.96	35.19

The above profit for the year include the following:

Depreciation and amortisation	0.16	0.22
Interest income	314.17	356.44
Interest expense	177.14	183.52
Income-tax expense	-	-

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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Net assets of the Joint Venture	791.22	737.63
Proportion of the Group's ownership interest	38.00%	38.00%
Proportion of the Group's ownership interest in net assets	300.66	280.30
Consolidation adjustments	(14.56)	(14.56)
Capital reserve	(0.69)	(0.69)
<b>Carrying amount of the Group's interest</b>	<b>285.42</b>	<b>265.05</b>

**3. Saurya Urja Company of Rajasthan Limited**

Particulars	As at	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Non-current assets	10.23	1,350.76
Current assets	3,007.44	733.31
Non-current liabilities	(0.71)	(502.90)
Current liabilities	(1,231.77)	(367.90)
	<b>1,785.19</b>	<b>1,213.27</b>

The above amounts of assets and liabilities include the following :

Cash and cash equivalents	30.96	92.79
Current financial liabilities (excluding trade payables and provisions)	67.63	221.91



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

NOTE 8 continued

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Revenue	2,347.36	24.66
Profit/(Loss) for the year	571.98	3.26
The above profit / (loss) for the year include the following:		
Depreciation and amortisation	1.05	0.97
Interest income	62.60	24.56
Income-tax expense	222.20	1.62

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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Net assets of the Joint Venture	1,785.19	1,213.27
Proportion of the Group's ownership interest	50.00%	50.00%
<b>Carrying amount of the Group's interest</b>	<b>892.62</b>	<b>606.63</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 31.03.2018	As at 31.03.2017
1.	Assam Power Project Development Company Limited	Consultancy services	India	50.00%	50.00%
2.	Bihar Power Infrastructure Company Private Limited	Consultancy services	India	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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
The Group's share of profit / (loss) of total comprehensive income / (loss) for the year	0.23	(0.89)
Aggregate carrying amount of the Group's interests in these Jointly controlled entities	116.18	115.95
Impairment of Goodwill / Investments	(57.21)	(57.21)
<b>Carrying amount of the Group's interest in these Joint Ventures.</b>	<b>58.97</b>	<b>58.74</b>



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

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 9</b>		
<b>Inventories</b>		
<b>Valued at lower of cost or net realisable value</b>		
(a) Raw materials	357.37	1,014.22
(b) Goods in transit	2,432.00	999.14
(c) Certified Emission Reduction (CERs) and Renewable Energy Certificates (RECs)	10.75	9.88
(d) Contract work in progress	311.06	-
(e) Stores, spare parts and others	650.30	288.93
	<b>3,761.48</b>	<b>2,312.17</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations was Rs. 18,297.69 million (previous year Rs. 12,606.72 million).

**NOTE 10**

**Trade receivables**  
**Unsecured**

a) Non-current	1,233.25	894.41
b) Current		
(i) Considered good	16,756.85	11,848.71
(ii) Considered doubtful	500.12	20.18
	17,256.97	11,868.89
Less: Impairment for doubtful debts (including expected credit loss allowance)	(500.12)	(111.27)
	<b>16,756.85</b>	<b>11,757.62</b>

**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	111.27	97.57
Change during the year	388.85	13.70
Closing balance	500.12	111.27

The above allowance includes the provision for doubtful debts of Rs. 136.38 million at 31 March, 2018 (Rs. 20.18 million as at 31 March, 2017) created against specific receivables that are doubtful.

**Age of receivables**

Within the credit period	6,430.27	908.54
1-30 days past due	5,004.28	6,414.08
31-90 days past due	2,300.70	3,741.80
91-180 days past due	2,677.62	638.64
More than 180 days past due	2,077.35	1,060.24
	<b>18,490.22</b>	<b>12,763.30</b>

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	7,456.36	5,839.52
Customer 2	6,062.93	743.43
Customer 3	2,292.36	1,496.60
Customer 4	-	1,785.98



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

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 11a</b>		
<b>Cash and cash equivalents</b>		
(a) Cash on hand	0.03	0.07
(b) Cheques on hand	0.07	-
(c) Balance with banks		
- in current accounts	9,055.52	1,797.98
- in demand deposit accounts	549.32	-
	<u>9,604.94</u>	<u>1,798.05</u>
Cash and cash equivalents as per statement of cash flow	9,604.94	1,798.05
<b>NOTE 11b</b>		
<b>Other bank balances</b>		
(a) In deposits accounts held as margin money with banks	1,188.46	1,757.50
(b) In escrow account with security agent of long term lenders	1,433.17	4,079.91
(c) In fixed deposits with security agent of long term lenders	3,325.18	-
(d) Unpaid dividend account	-	146.54
	<u>5,946.81</u>	<u>5,983.95</u>
<b>NOTE 12</b>		
<b>Loans</b>		
<b>I. Non-current</b>		
<b>(Unsecured and considered good)</b>		
(a) Loans to related parties	1,437.70	477.70
(b) Inter-corporate deposits to related parties	280.00	-
(c) Loans to others	1,385.13	433.89
<b>(Unsecured and considered doubtful)</b>		
Loans to others	231.23	220.18
Less: Allowance for bad and doubtful loans	(231.23)	(220.18)
	<u>3,102.83</u>	<u>911.59</u>
<b>II. Current</b>		
<b>(Unsecured)</b>		
(a) Loans to related parties		
- Considered good	532.91	2,231.61
(b) Loans to others	-	1,215.30
- Considered good	251.75	-
- Considered doubtful	41.33	41.33
Less: Allowance for bad and doubtful loans	(41.33)	(41.33)
(c) Loans to employees	0.02	1.04
(d) Inter-corporate deposits to related parties	456.30	-
	<u>1,240.98</u>	<u>3,447.95</u>
<b>Movement in allowance for Bad and doubtful loans</b>		
Opening balance	261.51	-
Change during the year	11.05	261.51
Closing balance	<u>272.56</u>	<u>261.51</u>



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

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 13</b>		
<b>Other financial assets</b>		
<b>I Non-current (Unsecured and considered good)</b>		
(a) Interest accrued on:		
i. loans and investments	456.15	136.67
ii. deposits	36.78	21.05
iii. advances to others	-	47.45
(b) Grant receivable	-	210.11
(c) Fixed deposits under lien (maturity more than twelve months)	205.76	2,201.94
(d) Other Bank deposits (due after 12 months)	2,226.07	-
(e) Others	224.30	-
<b>(Considered doubtful)</b>		
Interest accrued on loans and investments	124.21	119.77
Less: Provision for doubtful advances	(124.21)	(119.77)
	<u>3,149.06</u>	<u>2,617.22</u>
<b>II Current</b>		
(a) Unbilled revenue	3,310.96	4,355.18
Less: Allowance for unbilled revenue	(50.53)	(37.95)
	3,260.43	4,317.23
(b) Interest accrued on:		
i. on deposits	12.01	344.93
ii. on advances to related parties	497.40	279.09
iii. on advances to other parties	777.16	474.43
Interest accrued (doubtful):	12.81	-
Less: Provision for Doubtful Debts	(12.81)	-
(c) Grant receivable	-	96.20
(d) Dividend receivable	-	35.23
(e) Receivables for sale of investment	2,925.00	1,437.63
(f) Deposits with statutory authorities	-	758.00
(g) Security deposits	48.13	27.94
(h) Derivative instrument at fair value (FVTPL)	-	98.35
(i) Other receivables	11.17	18.44
	<u>7,531.30</u>	<u>7,887.47</u>
<b>Movement in allowance for unbilled revenue (including current and non current)</b>		
Opening balance	37.95	25.30
Change during the year	12.58	12.65
Closing balance	<u>50.53</u>	<u>37.95</u>
<b>Movement in allowance for interest accrued (including current and non current)</b>		
Opening balance	119.77	119.77
Change during the year	17.25	-
Closing balance	<u>137.02</u>	<u>119.77</u>



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

	As at 31.03.2018 Rs. Million	As at 31.03.2017 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)	1,838.37	1,234.40
<b>II Current</b>		
-Advance tax (including tax deducted at source)	227.66	-
<b>(b) Income tax liabilities (Net)</b>		
<b>I Current</b>		
-Provision for income tax (net of advance tax)	53.37	236.90
<b>NOTE 15</b>		
<b>Other assets</b>		
<b>I Non-current</b>		
(a) Capital advances		
(i) to related parties	1,003.50	1,003.50
(ii) to others	6,943.03	6,319.00
(b) Prepaid expenses	354.69	444.21
(c) Other receivables	288.53	284.65
	<b>8,589.75</b>	<b>8,051.36</b>
<b>II Current</b>		
(a) Prepaid expenses	424.76	290.51
(b) Balances with government authorities	81.76	17.68
(c) Advance against land	200.00	200.00
(d) Compensation receivable from vendors	719.32	515.90
(e) Advance to suppliers	178.53	472.59
(f) Other receivables	291.99	1.51
	<b>1,896.36</b>	<b>1,498.19</b>
<b>NOTE 16</b>		
<b>Assets classified as held for Sale</b> (At carrying value or fair value whichever is less)		
<b>Investment in equity instruments</b>		
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (USTKWPL) (2,81,00,000 Equity share of Rs. 10 each)(see note below)	281.66	-
<b>Investment in units of trusts</b>		
Urjankur Nidhi Trust (55900 unit of Rs. 10 each)	316.08	-
	<b>597.74</b>	<b>-</b>
<b>Liabilities associated with assets classified as held for sale</b>		
Advance Received against sale of Investments	600.00	-
	<b>600.00</b>	<b>-</b>

**Note**

During the year the agreement for sale of investment in Urjankur Shree Tatyasaheb Kore Wwarana Power Company Limited along with Units in Urjankur Nidhi Trust has been executed hence shown under the head "Asset held for sale". Accordingly the group has recognised impairment loss of Rs. 1.20 million in the statement of profit or loss during the year ended 31 March, 2018. The management expects that the transfer of said investment will be completed by 31 March, 2019.



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

**NOTE 17**

**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:

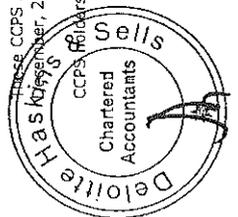
	As at 31 March, 2018 Number of shares	As at 31 March, 2017 Number of shares	Rs. Million	Rs. Million
<b>A Equity share capital</b>				
<b>Authorised</b>				
Equity Shares of Rs. 10 each (31 March, 2017 Rs. 10 each) with voting rights	1,900,000,000	1,900,000,000	19,000.00	19,000.00
<b>Issued, subscribed and fully paid up</b>				
a. Opening balance	1,283,564,664	1,283,564,664	12,835.65	12,835.65
b. Shares issued during the year	-	-	-	-
c. Closing balance	<u>1,283,564,664</u>	<u>1,283,564,664</u>	<u>12,835.65</u>	<u>12,835.65</u>
<b>Terms and rights attached to equity shares</b>				
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>B Compulsorily Convertible Preference Share Capital ('CCPS')</b>				
<b>Authorised</b>				
0.0001% Compulsorily Convertible Preference Shares ('CCPS') of Rs. 10 each (31 March, 2017 Rs. 10 each)	100,000,000	100,000,000	1,000.00	1,000.00
<b>Issued, subscribed and fully paid up</b>				
(a) Opening balance	34,660,767	34,660,767	346.61	346.61
(b) Changes during the year	-	-	-	-
(c) Closing balance	<u>34,660,767</u>	<u>34,660,767</u>	<u>346.61</u>	<u>346.61</u>
<b>Total share capital</b>	<u>1,318,225,431</u>	<u>1,318,225,431</u>	<u>13,182.26</u>	<u>13,182.26</u>

**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 shareholder 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 28th September, 2021, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity shares.

These CCPS 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 CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 17 continued

Share capital

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

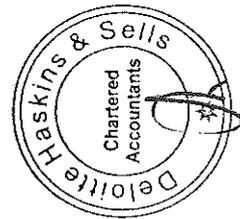
	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity share capital</b>				
Infrastructure Leasing & Financial Services Limited, the holding company	1,173,426,464	91.42%	1,173,426,464	91.42%
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%
<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%
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%

D Details of shares held by the holding company

Particulars

Fully paid up equity shares with voting rights  
Infrastructure Leasing & Financial Services Limited, India, the holding company

Aggregate number of shares	
As at 31 March, 2018	As at 31 March, 2017
1,173,426,464	1,173,426,464



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

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 18</b>		
<b>Other equity</b>		
<b>a. Equity component of compound financial instruments</b>		
Opening balance	2,405.89	2,366.33
Add: Change due to amendment in terms	-	39.56
	<u>2,405.89</u>	<u>2,405.89</u>
<b>b. Securities premium account</b>		
Opening balance	37,552.76	37,552.76
Add: Additions during the year	-	-
	<u>37,552.76</u>	<u>37,552.76</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>
<b>d. Debenture redemption reserve</b>		
Opening balance	584.93	118.58
Add: Additions during the year	133.40	466.35
	<u>718.33</u>	<u>584.93</u>
<b>e. Foreign currency monetary item translation difference account</b>		
Opening balance	(88.04)	(0.92)
Add: Effect of foreign exchange rate variations during the year	11.27	(87.12)
Less: Amortisation for the year	(34.91)	-
	<u>(41.86)</u>	<u>(88.04)</u>
<b>f. Capital reserve created on consolidation</b>		
Opening Balance	(5,212.58)	(5,212.58)
Add: Additions / (deletions) during the year	(9.95)	-
	<u>(5,222.53)</u>	<u>(5,212.58)</u>
<b>g. Retained earnings</b>		
Opening balance	(14,653.18)	(12,031.91)
Add / (less):		
Profit / (Loss) for the year	(6,343.18)	(738.10)
Other comprehensive income / (expense) (Net of taxes)	1.00	(6.18)
Dividend for the year	(329.56)	(1,080.94)
Dividend distribution tax	(67.09)	(313.25)
Transfer to debenture redemption reserve	(133.40)	(466.35)
Transfer from Capital reserve on merger	9.95	-
Gain on dilution in Subsidiaries with no loss of control	513.42	-
Share Issue expenses	(5.07)	(16.45)
	<u>(21,007.11)</u>	<u>(14,653.18)</u>
<b>h. Foreign currency translation reserve</b>		
Opening balance	190.76	75.75
Additions during the year	(10.39)	115.01
	<u>180.37</u>	<u>190.76</u>
<b>i. Effective portion of cash flow hedge</b>		
Opening balance	(54.60)	-
Add: Transfer during the year	20.01	(54.60)
	<u>(34.59)</u>	<u>(54.60)</u>
Less: Tax on above	(11.97)	(18.90)
Closing balance	<u>(22.62)</u>	<u>(35.70)</u>
<b>Total other equity</b>	<u>14,570.83</u>	<u>20,752.44</u>



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

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**NOTE 18 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 previous 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**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 20</b>		
<b>Non-current borrowings (At Amortised cost)</b>		
(a) Debentures		
- secured	6,439.32	4,973.12
- unsecured	6,517.03	5,405.36
(b) Term loans from banks		
- Secured	66,825.75	67,015.16
- Unsecured	4,575.78	3,814.60
(c) Term loans from other parties		
- Secured	33,579.29	17,006.31
- Unsecured	-	1,490.45
(d) Term loans from related parties		
- Secured	8,845.26	6,722.98
- Unsecured	-	3,886.25
(e) Buyer's Credit - secured	-	8,177.41
	<b>126,782.43</b>	<b>118,491.64</b>

**Security**

Redeemable non-convertible debentures raised by a subsidiary of Rs. 4,979.90 million (as at 31 March, 2017: Rs. 4,973.12 million) are secured by guarantee given by the Group.

The non-convertible debentures raised by another subsidiary of the Group amounted Rs 1,459.42 million (as at 31 March 2017 : Rs Nil) is secured by pari passu first charge over all assets including land.

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. 4,979.90 million (As at 31 March, 2017: Rs. 4,973.12 million) 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 debentures issued includes non convertible debentures of Rs. 1,459.42 million (As at 31 March, 2017: Rs. Nil) carrying interest at the rate of 10.5% p.a payable quarterly. The repayment will be bullet payment at the end of 3 Year from first date of issue.

Secured term loans from banks and others have maturities starting from 2017 and ending with 2038 in various installments and carries interest rate ranging from 9% to 15.50% per annum.

**Unsecured**

Unsecured Non Convertible Debentures issued includes Rs 2,467.95 million (as at 31 March, 2017 Rs 3,445.86 million) which carry effective interest rate ranging from 12.13 % p.a. to 13.13% p.a (previous year 12.13 % p.a. to 13.13% p.a). These debentures are redeemable between May, 2018 to April, 2021.

Unsecured Non Convertible Debentures issued includes Rs 1,970.99 million (as at 31.03.2017: Rs 1,959.50 million) which carry effective interest rate ranging from 12.49% p.a. to 12.59% p.a (previous year 12.83% p.a. to 13.24% p.a). These debentures are redeemable between April, 2019 to September, 2021.

Unsecured Non Convertible Debentures issued includes Rs 2,078.09 million (as at 31.03.2017: Rs Nil) shall be redeemed with a redemption premium such that the overall yield to the subscriber is equivalent to 11.0% p.a. Redemption premium is payable at the time of each redemption payment. No coupon amount is payable in the interim period. Bullet repayment on December 27, 2020 alongwith redemption premium.

Unsecured term loans from banks have maturities from 2018 and ending with 2023, in various installments and carries interest rate ranging from 11% to 14% per annum.



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**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 21</b>		
<b>Other financial liabilities</b>		
<b>I Non-current</b>		
<b>At amortised cost</b>		
(a) Interest accrued but not due on borrowings	95.49	59.99
(b) Premium payable on redemption of debentures	839.60	487.51
(c) Retention money payable	2,590.81	-
(d) Other payables	64.35	24.80
<b>At fair value</b>		
Derivative contracts designated in hedge accounting relationship	53.64	83.92
	<u>3,643.89</u>	<u>656.22</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	7,540.18	6,350.52
- Term loans from other parties	4,908.87	928.42
- Term loans from related parties	8,667.78	3,738.05
(refer long term borrowing for terms and security details)		
(b) Current maturities of non-current borrowings - Unsecured		
- Debentures	1,496.61	-
- Term loans from banks	1,270.55	3,505.82
- Term loans from other parties	-	495.52
- Term loans from related parties	-	5,480.87
(refer long term borrowing for terms)		
(c) Interest accrued but not due on borrowings	966.01	314.00
(d) Interest accrued and due on borrowings	26.29	-
(e) Payable towards capital expenditure	7,262.87	8,185.96
(f) Premium payable on redemption of debentures	386.16	-
(g) Retention money in respect of project contracts	1,652.95	5,287.75
(h) Book overdraft	-	1,080.94
(i) Other payables	305.57	115.21
(j) Buyers credit	28.20	-
<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
	<u>34,512.04</u>	<u>36,804.25</u>
<b>NOTE 22</b>		
<b>Provisions</b>		
<b>I Non-current</b>		
(a) Provision for employee benefits	47.15	47.32
(b) Provision for decommissioning liability	264.75	208.04
	<u>311.90</u>	<u>255.36</u>
<b>II Current</b>		
Provision for employee benefits	18.69	27.18
	<u>18.69</u>	<u>27.18</u>
<b>Movement of provision for decommissioning liability</b>		
Opening balance	208.04	138.45
Provision recognised during the year	9.91	37.58
Unwinding of discount	46.80	32.01
	<u>264.75</u>	<u>208.04</u>

Provision for decommissioning liability are initially measured at the estimated cost that the group 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**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>NOTE 23</b>		
<b>Other liabilities</b>		
<b>I Non-current</b>		
(a) Operation and maintenance cost equalisation reserve	802.09	758.81
(b) Deferred government grant	9,261.39	10,275.04
	<u>10,063.48</u>	<u>11,033.85</u>
<b>II Current</b>		
(a) Dividend payable	-	141.86
(b) Provision for dividend distribution tax	-	334.95
(c) Income received in advance	12.80	96.79
(d) Operation and maintenance cost equalisation reserve	62.91	40.49
(e) Deferred Government Grant	235.95	214.32
(f) Other payables - statutory dues	589.57	617.82
(g) Other payables - others	171.51	-
	<u>1,072.74</u>	<u>1,446.23</u>

**NOTE 24**

**Current borrowings**  
(at amortised cost)

(a) Short term loans		
(i) From banks		
- Secured	8,939.67	7,720.92
- Unsecured	99.45	2,774.33
(ii) From other parties		
- Secured	2,920.54	2,000.00
- Unsecured	133.31	132.89
(iii) From related parties- Unsecured	7,801.38	1,453.60
(c) Inter corporate deposits from related party - unsecured	-	1,760.00
(d) Buyers Credit- Unsecured	4,185.54	1,099.50
	<u>24,079.89</u>	<u>16,941.24</u>

**Notes:**

i. Security

Short Term loans availed by various entities of the Group including cash credits, loan repayable on demand and bill discounting facility 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 6.7% to 18% (31 March 2017: 4.5% to 16%).

**NOTE 25**

**Trade payables**

Trade payables (see note below)

6,549.71	8,389.65
<u>6,549.71</u>	<u>8,389.65</u>

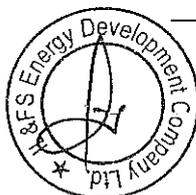
**Note:**

- i. As on 31 March 2018 and 31 March 2017, there are no outstanding dues to micro and small enterprises. There is no interest due or outstanding on the same.
- ii. The credit period for goods and services are upto 365 days. Interest is payable on trade payables as per contractual terms, if any.



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

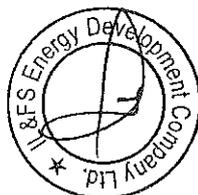
	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million		
<b>NOTE 26</b>				
<b>DEFERRED TAX BALANCES (NET)</b>				
i	827.06	872.08		
ii	62.39	77.69		
	<b>Opening Balance</b>	<b>Recognised in statement of profit and loss</b>	<b>Recognised in other comprehensive income</b>	<b>Closing balance</b>
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>i. Financial year 2017-18</b>				
<b>A. Deferred tax asset</b>				
Deferred tax assets				
a.	228.01	(228.01)	-	-
b.	2,296.77	1,156.52	-	3,453.29
c.	194.75	51.47	-	246.22
d.	20.04	(4.70)	(0.66)	14.68
e.	528.39	28.31	-	556.70
f.	57.06	21.01	-	78.07
g.	170.21	0.65	-	170.86
h.	265.09	2.97	-	268.06
i.	18.90	-	(6.93)	11.97
j.	-	-	-	-
k.	9.44	(9.44)	-	-
l.	31.23	(31.23)	-	-
m.	344.69	41.36	-	386.05
n.	34.60	(10.47)	-	24.13
	<b>4,199.18</b>	<b>1,018.44</b>	<b>(7.59)</b>	<b>5,210.03</b>
Adjustment on account of Deferred Tax assets restricted to Deferred tax liability	(1,069.73)	(957.41)	-	(2,027.14)
	<b>3,129.45</b>	<b>61.03</b>	<b>(7.59)</b>	<b>3,182.89</b>
Deferred tax liabilities				
a.	(1,896.79)	(414.02)	-	(2,310.81)
b.	(17.94)	17.94	-	-
c.	(342.64)	297.62	-	(45.02)
	<b>(2,257.37)</b>	<b>(98.46)</b>	<b>-</b>	<b>(2,355.83)</b>
<b>Net deferred tax assets</b>	<b>872.08</b>	<b>(37.43)</b>	<b>(7.59)</b>	<b>827.06</b>
<b>B Deferred tax liability</b>				
Deferred tax liabilities				
a.	20.62	(10.26)	-	10.36
b.	62.53	(4.48)	-	58.05
c.	-	26.71	-	26.71
	<b>83.15</b>	<b>11.97</b>	<b>-</b>	<b>95.12</b>
Deferred tax assets				
a.	(5.46)	(0.56)	-	(6.02)
b.	-	(26.71)	-	(26.71)
	<b>(5.46)</b>	<b>(27.27)</b>	<b>-</b>	<b>(32.73)</b>
<b>Net deferred tax liabilities</b>	<b>77.69</b>	<b>(15.30)</b>	<b>-</b>	<b>62.39</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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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 2016-17</b>				
<b>A. Deferred tax asset</b>				
Deferred tax assets				
a. Financial assets - investments (designated at fair value through profit and 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. Provisions 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. Prepaid Expenses & Others	-	-	-	-
k. Financial assets - Loans	79.03	(69.59)	-	9.44
l. Other financial assets	48.88	(17.65)	-	31.23
m. Other financial liabilities	357.86	(13.17)	-	344.69
n. 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 account of Deferred Tax assets restricted to 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. Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	-	-	-	-
b. Property, plant and equipment and intangible assets	(1,305.53)	(591.26)	-	(1,896.79)
c. Borrowings	(6.18)	(11.76)	-	(17.94)
d. Financial assets at FVTPL - Investments	(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				
a. 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 liabilities</b>	<b>58.28</b>	<b>19.41</b>	<b>-</b>	<b>77.69</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 difference.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>NOTE 27</b>		
<b>Revenue from operations</b>		
(a) Income from sale of power	34,494.93	28,536.83
(b) Consultancy income	123.74	862.18
(c) Construction Contract Revenue	5,667.13	-
(d) Other operating income		
i. Renewable Energy Certificate income	607.24	366.96
ii. Generation based incentive	627.36	581.46
iii. Others	786.58	576.46
	<u>42,306.98</u>	<u>30,923.89</u>

**NOTE 28**

**Other income**

(a) Interest income on financial assets measured at amortised cost:		
i. Interest income - from banks on deposits	481.18	495.62
ii. Interest income - from others	1,034.41	880.59
iii. Interest income - from related parties	594.35	663.88
iii. Loan processing / guarantee fees	2.70	-
	<u>2,112.64</u>	<u>2,040.09</u>
(b) Other non-operating income:		
i. Gain on sale of financial assets - investments	543.29	281.85
ii. Gain on sale of property, plant and equipment	162.80	64.31
iii. Grant income	264.07	29.20
iv. Net gain on foreign currency transactions and translation	68.13	555.06
v. Net gain/(loss) arising on financial assets designated as at FVTPL	(319.93)	(209.29)
vi. Net gain/(loss) arising on financial assets designated at amortised cost	(92.86)	56.17
vii. Net gain on derecognition of financial liabilities measured at amortised Cost	380.43	-
viii. Impairment loss on other financial assets	(51.76)	-
ix. Miscellaneous income*	550.14	39.31
	<u>1,504.32</u>	<u>816.61</u>
(c) Other interest income		
Interest on income tax refund	0.37	6.66
	<u>3,617.33</u>	<u>2,863.36</u>

\* Includes an amount of Rs. 420 million waived by an EPC contractor

**NOTE 29**

**Cost of fuel consumed**

Consumption of coal and other raw material	23,859.70	12,615.34
	<u>23,859.70</u>	<u>12,615.34</u>

**NOTE 30**

**Employee benefits expense**

(a) Salaries, wages and incentives	608.47	697.45
(b) Contribution to provident and other funds	48.78	36.08
(c) Staff welfare expenses	27.61	19.75
	<u>684.86</u>	<u>753.28</u>



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	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>NOTE 31</b>		
<b>Finance costs</b>		
(a) Interest expenses on borrowings	18,724.05	13,375.90
(b) Unwinding cost of decommissioning liability	46.80	32.01
(c) Other borrowing costs	720.50	1,041.44
	<b>19,491.35</b>	<b>14,449.35</b>
<b>NOTE 32</b>		
<b>Other expenses</b>		
(a) Power and fuel	37.55	39.77
(b) Rent	93.00	98.19
(c) Repairs and maintenance		
i. Building	6.76	5.63
ii. Plant and equipment	80.71	30.69
iii. Others	89.53	66.14
(d) Insurance	137.59	79.75
(e) Rates and taxes	69.93	101.13
(f) Travelling and conveyance	82.74	71.46
(g) Brand subscription fees	116.27	83.13
(h) Operation and maintenance	1,809.24	1,559.50
(i) Office maintenance expenses	25.56	44.10
(j) Legal and professional	463.42	515.97
(k) Payments to auditors (see note below)	21.58	17.80
(l) Director sitting fees	14.36	8.32
(m) Provision for bad and doubtful trade receivables	401.43	26.35
(n) Interest on delay payment of overdue payables	68.52	-
(o) Corporate social responsibility expenses	58.77	54.36
(p) Green belt and environmental expenses	23.49	14.35
(q) Bad debts written off	3.12	-
(r) Impairment of capital work in progress	195.18	323.75
(s) Miscellaneous expenses	110.85	108.62
	<b>3,909.60</b>	<b>3,249.01</b>
<b>Note:</b>		
Payments to the auditors comprises		
i. To Statutory Auditors		
(a) Audit Fees	16.05	15.73
(b) Other services	2.42	1.59
(c) Reimbursement of expenses	0.49	0.19
	2.62	0.29
iii. To Cost auditors		
	<b>21.58</b>	<b>17.80</b>



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

**NOTE 33**

**Current tax and deferred tax**

Particulars	Year ended 31.03.2018 Rs. Million	Year ended 31.03.2017 Rs. Million
<b>1. Income tax recognised in statement of profit and loss</b>		
Current tax	<u>110.37</u>	<u>585.20</u>
Deferred tax	<u>22.13</u>	<u>(488.02)</u>
<b>Total income tax expense recognised in the current year</b>	<u>132.50</u>	<u>97.18</u>
<b>2. The tax expense for the year can be reconciled to the accounting profits as follows</b>		
Loss before tax	(6,864.51)	(994.02)
Income tax expense calculated at 34.61% (previous year 34.61%)	(2,375.81)	(344.03)
Adjustment on account of MAT credit entitlement	(46.19)	(492.73)
Effect of expenses that are not deductible in determining taxable profits	(20.20)	195.13
Effect of income tax directly considered in equity	-	-
Effect of change in deferred tax balance	22.16	55.40
Effect of different tax rates of certain subsidiaries	(187.02)	(261.70)
Effect of unused tax losses and tax assets not recognised as deferred tax asset	2,724.68	905.43
Undistributed profits of associate companies	(4.47)	37.07
Dividend distribution tax of subsidiary and joint ventures	78.98	
Miscellaneous	(59.63)	2.61
<b>Income tax expenses recognised in profit or loss</b>	<u>132.50</u>	<u>97.18</u>
<b>3. Income tax recognised in Other Comprehensive Income</b>		
<b>Deferred tax</b>		
Remeasurement of Defined Benefit Plans	0.66	(1.94)
Effective portion of gains and loss designated portion of hedging instruments in cash flow hedge	6.93	(18.90)
<b>Total income tax expense recognised in other comprehensive income</b>	<u>7.59</u>	<u>(20.84)</u>
Bifurcation of the deferred tax expense recognised in other Comprehensive income into:		
Items that will be reclassified to profit and loss	6.93	(18.90)
Items that will not be reclassified to profit and loss	0.66	(1.94)
	<u>7.59</u>	<u>(20.84)</u>



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

**Note 34**

**Contingent liabilities and commitments**

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
<b>(i) Claims against the Group not acknowledged as debt</b>		
(a) Bank Guarantees provided	10,003.05	9,752.90
(b) Demand raised by Tax authorities	192.56	212.31
(c) Other Claims	896.90	92.60

Out of the above: claims of Rs. 45.33 million (As at 31 March, 2017: Rs. 103.75 mn) pertains to joint ventures and claims of Rs. nil (As at 31 March 2017: Rs. 12.08 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. 89.31 million (As at 31 March, 2017 Rs 714.26 million) pertaining to joint ventures	7,026.66	7,249.15
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**(iii) Operating commitments**

Estimated amount of operational commitments remaining to be executed	2,01,032.29	173,794.98
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**(iv) During the year ended 31 March, 2016, the Group 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.

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, 2018 the Company does not foresee a liability on account of guaranteed generation at the end of the term of five years

During the current year, the Group has further consummated sale of 49% shares in two of the wind power project companies i.e. Kaze Energy Limited (KEL) and Etesian Urja Limited (EUL) having 98.30 MW of projects, for a consideration of Rs 1,320 million As per the terms of the agreement, the Group has guaranteed the generation from these 98.30 MW wind power projects over the period of next three years commencing from the financial year ended 31 March, 2019. 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, 2018 the Company does not foresee a liability on account of guaranteed generation at the end of the term of three 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.**



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- (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 35**

**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.

- a. The Group has taken property on non-cancellable operating lease and has recognised rent of Rs.64.36 million during the year (previous year Rs. 80.31 million). The future minimum lease payments under these operating leases as of 31 March, 2018 are as follows:

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
i. Not later than one year	23.18	47.65
ii. Later than one year but not later than five years	17.61	36.73
iii. Later than five years	Nil	Nil

- b. The Group has entered into operating lease arrangements for vehicles and has recognise an expense of Rs. 4.03 million (previous year Rs. 10.66 million). The future minimum lease payments under these operating leases as of 31 March, 2018 are as follows:

	As at 31.03.2018 Rs. Million	As at 31.03.2017 Rs. Million
i. Not later than one year	0.60	9.05
ii. Later than one year but not later than five years	0.14	12.51
iii. Later than five years	Nil	Nil

**Note 36**

**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. 31.47 million (previous year Rs. 15.47 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, 2018 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
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
<b>i Movement in the present value of defined benefit obligations:</b>		
Benefit obligations at the beginning	75.94	56.72
Service Cost	14.25	11.03
Interest Cost	5.45	4.44
Benefits paid	(11.30)	(4.75)
Actuarial losses / (Gain)	(3.46)	8.50
Liability transferred-in/(out)	(1.58)	-
Benefit obligations at the end	<b>79.30</b>	<b>75.94</b>
<b>ii Movement in the fair value of plan assets:</b>		
Fair value of plan assets at the beginning of the year	62.03	49.11
Interest Income	4.59	3.89
Transfer of assets	(3.18)	-
Remeasurement - Return on plan assets	(1.36)	0.20
Contributions	19.24	12.74
Benefits paid	(11.31)	(3.91)
Fair value of plan assets at the end	<b>70.01</b>	<b>62.03</b>



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Particular	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
<b>iii Amount recognised in Statement of profit and loss account under employee benefit expenses</b>		
Current service cost	14.25	11.03
Interest cost	0.86	4.44
Other adjustments	(0.71)	-
<b>Expenses charged to the statement of profit and loss</b>	<b>14.40</b>	<b>15.47</b>
<b>iv Amount recognised in other comprehensive income</b>		
Remeasurement of the net defined benefit liability/(asset)		
Actuarial (gains)/losses	(3.46)	8.50
- Due to change in demographic assumption	(0.09)	0.17
- Due to change in financial assumption	(4.55)	4.69
- Due to experience	1.18	3.64
Add:		
(Return)/loss on plan assets excluding amounts included in the net interest on the net defined benefit liability/(asset)	1.36	(0.20)
<b>Net (gains)/losses</b>	<b>(2.10)</b>	<b>8.30</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>Rs. Million</b>	<b>Rs. Million</b>
<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	79.30	75.94
Fair value of plan assets	(70.01)	(62.03)
Unfunded status	<b>9.29</b>	<b>13.91</b>
Net liability arising from defined benefit obligation	<b>9.29</b>	<b>13.91</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	17.66	25.90
Stable Managed Fund – Managed by HDFC Life	52.35	36.13
	<b>70.01</b>	<b>62.03</b>
<b>vii Assumptions</b>		
Discount Rate	7.68%	7.12%
Rate of return on plan assets	7.68%	7.12%
Salary escalation	6.0% - 6.5%	7.00%
Mortality rate	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 on the defined benefit obligation is given below:

Particular	As at	As at
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Effect of +1% change in rate of discounting	(39.13)	(33.33)
Effect of -1% change in rate of discounting	43.49	37.22
Effect of +1% change in rate of salary increase	43.58	37.23
Effect of -1% change in rate of salary increase	(39.15)	(21.93)

**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 37**

**Construction contract assets**

**Contracts in Progress at the end of reporting year**

	As at	Rs. Million
	March 31, 2018	As at March 31, 2017
Construction costs incurred plus profits recognised less losses recognised	5,978.19	-
Less: Progress Billings	5,667.13	-
Balance at end of the year	<b>311.06</b>	-
<b>Balances included in the financial statements</b>		
Amounts due from Customers under construction contracts	6,062.93	-



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**Note 38**

**Capital grants**

**(i) Grant for 40 MW Solar Project**

The Company was 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. During the current year the Group has sold the assets related to 40 MW Solar Project, for which Grant was allowed.

**(ii) Grant for 1200 MW Thermal Project**

IL&FS Tamil Nadu Power Company Limited (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.

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 as follows:

Particulars	Year ended	Year ended
	31.03.2018	31.03.2017
	Rs. Million	Rs. Million
Opening balance	10,489.36	9,305.32
Grant recognised during the year	-	1,380.90
Less: Amount recognised in statement of profit and loss	264.07	196.86
Less: Grant transferred under slump sale	727.96	-
Closing balance (see note 22)	<b>9,497.34</b>	<b>10,489.36</b>
Disclosed under other non current liability	9,261.39	10,275.04
Disclosed under other current liability	235.95	214.32

(iv) Grant receivable as at 31 March, 2018 is disclosed in the financial statements at Other Financial Assets (Non-current) amounting to Rs. nil (31 March, 2017:Rs. 210.11 million) and Other Financial Assets (Current) amounting to Rs. nil (31 March, 2017: Rs. 96.20 million).

**Note 39**

**Loans and advances**

Three subsidiaries of the Group namely Mahidad Wind Energy Private Limited (MWEPL), Jogihali Wind Energy Private Limited (JWEPL) and Sipla Wind Energy Limited (SWEL) (hereinafter referred as 3 subsidiaries companies) had awarded EPC contracts to Wind World India Limited (WWIL) to develop 84.40 MW, 77.60 MW and 66.40 MW wind power projects respectively. As at 31 March, 2018 the following amounts are recoverable from WWIL:

Particular	(Rs. Million)			
	MWEPL	JWEPL	SWEL	Total
Capital Advance	1,343.86	347.03	1,956.13	3,647.02
Interest	440.97	276.68	164.81	882.46
<b>Total</b>	<b>1,784.83</b>	<b>623.71</b>	<b>2,120.94</b>	<b>4,529.48</b>



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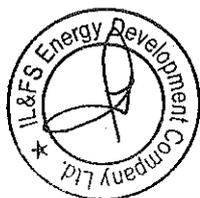
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In view of substantial delays in commissioning of the projects, the 3 subsidiaries companies executed settlement agreement with WWIL and its affiliates on 1 October, 2016 whereby it was agreed:

- a. to cancel 24 MW out of 84.80 MW for MWEPL, 23.30 MW out of 66.40 MW for SWEL and cancel entire 77.60 MW for JWEPL.
- b. WWIL shall pay the excess amount along with interest as defined in the said agreement.
- c. Further, the 3 subsidiaries companies have received security in the form of right to receive proceeds from monetization of 1,000 MW development rights owned by WWIL affiliates and subservient charge on the economic interest and benefits with respect to 152.60 MW projects owned by the promoters of WWIL.

During the year, WWIL has been referred to National Company Law Tribunal, Ahmedabad Bench, under the Insolvency and Bankruptcy Code by its lenders and accordingly an Interim Resolution Professional (IRP) has been appointed. Claims of Rs. 1,975 million, 587 million and 2,260 million have been filed by MWEPL, JWEPL and SWEL respectively with the IRP and it is under verification. Further, the IRP has invited Expressions of Interests (EOI) from interested parties towards submission of resolution plan for WWIL. Further these subsidiary companies have also received unencumbered collateral securities in the form of development rights for Wind Power Generation Assets.

Considering the collaterals held by the 3 subsidiaries companies, against the amounts recoverable, and the state of above mentioned proceedings with IRP (which are currently sub-judice), the Group is of the view that the claims filed will be admitted as financial creditors and are recoverable. Based on the assessment, management is confident of completing the balance un-commissioned capacity and recover the balance dues without significant adjustment's (if any) which shall be recorded on the outcome of the matter.



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**Note 40 - Financial Instruments**

**40.1 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, 2018 consists of net debt of Rs 174,746 million (borrowing as detailed in notes 20, 21 and 24 offset by cash and bank balances as detailed in note 11a and 11b) and total equity including non controlling interest of Rs. 41,582.03 million.

**40.1.1 Gearing ratio**

Gearing ratio at the end of the reporting period was as follows:

	<u>As at</u> <u>31.03.2018</u> (Rs. Million)	<u>As at</u> <u>31.03.2017</u> (Rs. Million)
A. Debt (see note (i) below)	174,746.31	156,926.76
B. Cash and bank balance (see note (ii) below)	15,551.75	7,782.00
C. <b>Net debt (A - B)</b>	<u>159,194.56</u>	<u>149,144.76</u>
D. Equity (see note (iii) below)	41,582.03	46,900.79
E. <b>Gearing ratio</b>	<u>79%</u>	<u>76%</u>

**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.

**40.2 Categories of Financial Instruments**

<b>Financial Assets</b>	<u>As at</u> <u>31.03.2018</u> (Rs. Million)	<u>As at</u> <u>31.03.2017</u> (Rs. Million)
<u>Mandatorily measured at fair value through profit or loss (FVTPL)</u>		
(a) Investments	1,214.29	2,056.86
(b) Derivative contract	-	98.35
<u>Measured at Amortised cost</u>		
(a) Investments in debts instruments	391.17	391.17
(b) Trade receivables	17,990.10	12,652.03
(c) Cash and cash equivalents	9,604.94	1,798.05
(d) Bank balances other than (c) above	5,946.81	5,983.95
(e) Loans	4,343.81	4,359.54
(f) Others financial assets	10,680.36	10,406.34

Note - Equity investment in joint ventures and associates is not included above since these are accounted using the equity method

**Financial Liabilities**

<u>Measured at fair value through other comprehensive income</u>		
(a) Derivative liability designated in hedging relationship	53.64	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
<u>Measured at Amortised cost (including trade payables)</u>		
(a) Borrowings	150,862.32	135,432.88
(b) Trade payables	6,549.71	8,389.65
(c) Other financial liabilities (including current maturity of long term borrowings)	38,102.29	37,050.04



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**40.3 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.

**40.4 Market Risk**

The Group is exposed to the financial risk of changes in foreign currency exchange rates and interest rates

**40.4.1 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</u>	<u>As at</u>
		<u>31.03.2018</u>	<u>31.03.2017</u>
		<u>(Million)</u>	<u>(Million)</u>
Assets	US Dollar	0.05	0.02
	INR Equivalent	3.15	1.53
Liabilities	US Dollar	163.84	300.81
	INR Equivalent	10,568.55	19,400.04

**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</u>	<u>Year ended</u>
	<u>31.03.2018</u>	<u>31.03.2017</u>
	<u>(Rs. Million)</u>	<u>(Rs. Million)</u>
Impact on profit or loss for the year	39.29	80.85

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 the year.



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**Note 40.4.1 continued**

**Foreign currency derivative contracts designated under hedging relationship**

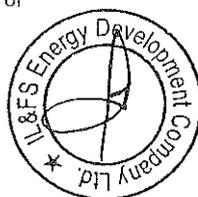
The Group has availed certain foreign currency loans and have entered into Currency derivative contracts like Currency Swaps, Forward Contracts to hedge the foreign currency risk exposure. The economic relationship exists between the hedged item (Foreign Currency Loan) and the hedging instrument (Currency Swap and Forward Contracts) since both are taken on the same underlying i.e, USD / INR exchange rate. These hedges have been designated as a cash flow hedge.

**As at 31.03.2018**

Particulars	Currency	6 Year currency swap	Forward Contract
Foreign Currency	USD Mn	62.08	-
Nominal amount	INR Mn	4,680.46	-
Average exchange rate	INR/USD	75.39	-
Carrying amount of hedging instrument at fair value [asset / (liability)]	INR Mn	(53.64)	-
Change in fair value of hedging instrument recognised in OCI [gain / (loss)]	INR Mn	(13.57)	-
Change in fair value of hedging instrument capitalised as borrowing cost along with hedge item	INR Mn	-	121.99
Balance in cash flow hedge reserve	INR Mn	34.59	-
Ineffective portion of hedge recognised in statement of profit and loss	INR Mn	-	0.03
Amount reclassified from the Cash Flow Hedge reserve to statement of profit or loss [loss / (gain)]	INR Mn	(10.27)	-

**As at 31.03.2017**

Particulars	Currency	6 Year currency swap	Forward Contract
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)	-



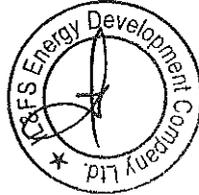
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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**Foreign currency derivative contracts not designated under hedging relationship**

<u>Particulars</u>		<u>As at</u> <u>31.03.2018</u>	<u>As at</u> <u>31.03.2017</u>
Foreign currency	USD Mn	-	69.33
Nominal value	INR Mn	-	4,300.75
Carrying amount of derivative instrument at fair value [asset / (liability)]	INR Mn	-	(16.73)

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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**40.4.2 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.

	<u>Year ended</u> <u>31.03.2018</u> (Million)	<u>Year ended</u> <u>31.03.2017</u> (Million)
Increase by 50 basis point		
Interest expense on loan	780.54	706.20
Effect on profit before tax	(780.54)	(706.20)
Decrease by 50 basis point		
Interest expense on loan	(780.54)	(706.20)
Effect on profit before tax	780.54	706.20

**Interest rate swap contracts**

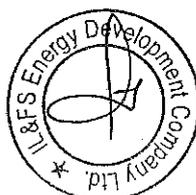
Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the cash flow exposures on the issued variable 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.

The 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 contact outstanding at the end of the reporting period

**1 Year interest rate swap of notional principal**

<u>Particulars</u>	<u>Unit</u>	<u>As at</u> <u>31.03.2018</u>	<u>As at</u> <u>31.03.2017</u>
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	(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	33.58	-



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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.

**40.4.3 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 31.03.2018 would increase / decrease by Rs. 76.51 million (for the year ended 31.03.2017: increase / decrease by Rs. 10.47 million) as a result of change in fair value of equity investments which have not been irrevocably designated as at FVTOCI.

**40.5 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:

	<u>As at</u> <u>31.03.2018</u> <u>(Million)</u>	<u>As at</u> <u>31.03.2017</u> <u>(Million)</u>
Trade receivables	17,990.10	12,652.03
Loans receivable	4,343.81	4,359.54
Other financial assets	<u>10,680.36</u>	<u>10,504.69</u>
	<u><b>33,014.27</b></u>	<u><b>27,516.26</b></u>

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.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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**40.6 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.

Particulars	within 1 year	1 year to 5 years	More than 5 years	Total	Carrying amount
<b>As at 31.03.2018</b>					
Borrowings (including current maturities of long term borrowings)	48,334.76	96,280.52	31,130.30	175,745.58	174,746.31
Trade payables	6,548.60	1.11	-	6,549.71	6,549.71
Other financial liabilities (excluding current maturities of long term borrowings)	11,134.07	3,138.14	-	14,272.21	14,271.94
<b>Total</b>	<b>66,017.43</b>	<b>99,419.77</b>	<b>31,130.30</b>	<b>196,567.50</b>	<b>195,567.96</b>

(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>

The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets



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**40.7 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	
		31.03.2018 (Rs. Million)	31.03.2017 (Rs. Million)
1	Shalivahana Green Energy Limited	202.44	319.44
2	Power Transmission Company Nepal Limited	68.75	51.00
3	KVK Nilachal Power Private Limited	587.00	758.00
4	SV Power Private Limited	356.00	450.00
5	Urjankur Nidhi Trust	-	478.34
6	Saraswat Bank and Shamrao Vitthal Bank	0.10	0.08
		<b>1,214.29</b>	<b>2,056.86</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 31.03.2018 (Rs. Million)	As at 31.03.2017 (Rs. Million)
Unlisted shares irrevocably designated as at FVTPL		
Opening balance	2,056.86	2,266.31
Additional investment	6.27	0.03
Investment sold during the year	(212.83)	-
Investment classified as held for sale	(316.08)	-
Gain/(loss) recognised in Statement of profit and loss account	(319.93)	(209.48)
<b>Closing balance</b>	<b>1,214.29</b>	<b>2,056.86</b>

**Significant unobservable inputs**

- Plant capacity utilisation factor, taking into account management's experience and knowledge of market conditions of the specific industries, ranging from 55% to 98% (as at 31 March, 2017: 70% to 98%)  
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. 69 million as at 31 March, 2018 (31 March, 2017: Rs. 53 million)
- Weighted average cost of capital (WACC) determined using a Capital Asset Pricing Model, ranging from 9.55% to 13.30% ( as at 31 March, 2017: 9.20% to 12.70%)  
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. 238 million as at 31 March, 2018 (31 March, 2017: Rs. 210 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 41**

**Segment reporting**

	Segment revenue		Segment profit	
	Year ended 31.03.18 (Rs Million)	Year ended 31.03.17 (Rs Million)	Year ended 31.03.18 (Rs Million)	Year ended 31.03.17 (Rs Million)
Generation and sale of power	36,516.11	30,061.71	29,318.21	24,810.34
Consultancy services	123.74	862.18	66.27	(25.95)
Construction Contract	5,667.13	-	5,022.92	-
<b>Total</b>	<b>42,306.98</b>	<b>30,923.89</b>	<b>34,407.40</b>	<b>24,784.39</b>
Unallocable income/ (expense) (net of unallocable expense/(income))			(23,893.58)	(13,375.81)
Finance cost			(19,491.35)	(14,449.35)
Interest income			2,113.01	2,046.75
Loss before tax and share from associates and joint ventures			(6,864.52)	(994.02)
Share of profit from associates and joint ventures			706.33	589.23
Loss before tax			(6,158.19)	(404.79)
Tax Expense			(132.50)	(97.18)
<b>Loss after tax</b>			<b>(6,290.69)</b>	<b>(501.97)</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**

	As at 31.03.18 (Rs Million)	As at 31.03.17 (Rs Million)
<b>Segment assets</b>		
Consultancy services	604.11	968.29
Generation and sale of power	194,348.12	191,697.96
Construction Contract	6,740.59	-
<b>Total Segment assets</b>	<b>201,692.82</b>	<b>192,666.25</b>
Unallocated	47,639.74	48,594.75
<b>Consolidated total assets</b>	<b>249,332.56</b>	<b>241,261.00</b>
<b>Segment liabilities</b>		
Consultancy services	259.20	340.23
Generation and sale of power	10,006.18	16,830.82
Construction Contract	3,881.05	-
<b>Total Segment liabilities</b>	<b>14,146.43</b>	<b>17,170.65</b>
Unallocated	193,604.10	177,189.56
<b>Consolidated total liabilities</b>	<b>207,750.53</b>	<b>194,360.21</b>

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

- (i) all assets are allocated to reportable segments other than investments in associates and joint ventures, other 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.

**Other segment information**

	Depreciation and amortisation	
	Year ended 31.03.18 (Rs Million)	Year ended 31.03.17 (Rs Million)
Sale of Power	4,606.19	3,513.48
Other	237.13	200.81
	<b>4,843.32</b>	<b>3,714.29</b>

**Information about major customers**

The customer contributed 10% or more to the Group's revenue during the year are as under:

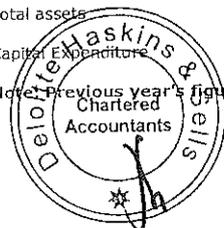
- Customer 1
- Customer 2

	Year ended 31.03.18 (Rs Million)	Year ended 31.03.17 (Rs Million)
Customer 1	20,914.35	16,905.61
Customer 2	5,667.13	-

**Geographical Information for the year ended 31 March, 2018**  
(In Rs. Million)

	Domestic	Overseas	Total
Revenue from external customers	42,306.98	-	42,306.98
	(30,915.12)	(8.77)	(30,923.89)
Segment assets	201,117.00	575.82	201,692.82
	(191,866.18)	(800.07)	(192,666.25)
Unallocable assets			47,639.74
			(48,594.75)
Total assets			249,332.56
			(241,261.00)
Capital Expenditure	3,443.85	-	3,443.85
	(9,595.41)	(25.14)	(9,620.55)

Note: Previous year's figures are in brackets



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**Note 42**

**Related Party Transactions:**

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. ITNL International Pte. Limited
- vi. Rapid Metrorail Gurgaon Limited
- 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 Technologies Limited
- xvii. IL&FS Infra Asset Management Limited
- xviii. Livia India Limited
- 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
- xxxviii. Baleshwar Kharagpur Expressway Limited
- xxxix. Jharkhand Road Projects Implementation Company Limited



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- xi Jorabat Shillong Expressway Limited
- xii ITNL Road Infrastructure Development Company Limited
- xiii IMICL Dighi Maritime Limited
- xliii IL&FS Infrastructure Equity Fund 1 (IEEF 1)
- xliv IL&FS Township & Urban Assets Limited
- xlvi IL&FS Paradip Refinery Water Limited

**C. ASSOCIATES**

- i. Urjankur Shree Datta Power Company Limited (upto 20 April, 2017)
- ii. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited

**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. Hari Sankaran, Director
- ii. Mr. Ashwani Kumar (w.e.f. 2 August, 2017)
- iii. Mr. Anoop Seth (till 31 October, 2017)



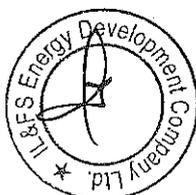
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particulars	Holding Company (IL&FS)	Entities under common control	Associates /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Transactions during the year ended 31 March, 2018</b>				
<b>Consultancy Fee Income:</b>				
PDCOR Limited	-	4.20	-	-
	(-)	(12.53)	(-)	(-)
IL&FS Maritime Infrastructure Company Limited	-	-	-	-
	(-)	(1.17)	(-)	(-)
RDF Power Project Limited	-	-	-	-
	(-)	(420.00)	(-)	(-)
ONGC Tripura Power Company Limited	-	-	0.31	-
	(-)	(-)	-	(-)
Cross Border Power Transmission Company Limited	-	-	9.50	-
	(-)	(-)	(26.57)	(-)
Saurya Urja Company of Rajasthan Limited	-	-	(-)	-
	(-)	(-)	(80.95)	(-)
Others	-	2.91	-	-
	(-)	(5.67)	(-)	(-)
<b>Total</b>	-	<b>7.11</b>	<b>9.81</b>	-
	<b>(147.95)</b>	<b>(439.37)</b>	<b>(107.52)</b>	<b>(-)</b>
<b>Interest Income</b>				
Porto Novo Maritime Limited	-	9.16	-	-
	(-)	(22.50)	(-)	(-)
IL&FS Financial Services Limited	-	3.98	-	-
	(-)	(22.85)	(-)	(-)
Urjankur Shree Datta Power Company Limited	-	-	-	-
	(-)	(-)	(4.62)	(-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	22.25	-
	(-)	(-)	(46.02)	(-)
East Delhi Waste Processing Company Private Limited	-	96.61	-	-
	(-)	(90.85)	(-)	(-)
Sealand Ports Private Limited	-	109.21	-	-
	(-)	(96.43)	(-)	(-)
Chenani Nashri Tunnelway Limited	-	64.58	-	-
	(-)	(91.56)	(-)	(-)
IL&FS Transportation Network Limited	-	71.98	-	-
	(-)	(252.01)	(-)	(-)



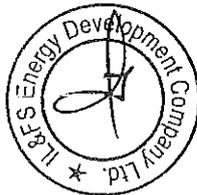
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particulars	Holding Company (IL&FS)	Entities under common control	Associates / Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
ITNL International Pte. Limited	(-) (-)	8.99 (-)	(-) (-)	(-) (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	43.40 (11.17)	- (-)	- (-)
Rapid Metrorail Gurgaon Limited	- (-)	1.38 (-)	- (-)	- (-)
IL&FS Engineering & Construction Company Limited	- (-)	50.55 (-)	- (-)	- (-)
Baleshwar Kharagpur Expressway Limited	- (-)	1.18 (-)	- (-)	- (-)
Jharkhand Road Projects Implementation Company Limited	- (-)	6.60 -	- (-)	- (-)
Jorbat Shilong Expressway Limited	- (-)	85.63 -	- (-)	- (-)
ITNL Road Infrastructure Development Company Limited	- (-)	0.94 (-)	- (-)	- (-)
<b>Total</b>	<b>17.91</b> <b>(25.86)</b>	<b>554.19</b> <b>(587.37)</b>	<b>22.25</b> <b>(50.64)</b>	<b>-</b> <b>(-)</b>
<b>Rent income</b>				
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	- (1.19)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	- (0.61)	- (-)
IL&FS Environmental Infrastructure Services Limited	- (-)	- (5.76)	- (-)	- (-)
<b>Total</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(5.76)</b>	<b>-</b> <b>(1.80)</b>	<b>-</b> <b>(-)</b>
<b>Rent expense</b>				
IL&FS Transportation Network Limited	- (-)	0.27 (1.40)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	0.92 (-)	- (-)	- (-)
IL&FS Environmental Infrastructure Services Limited	- (-)	1.27 (-)	- (-)	- (-)
Others	- (-)	0.40 (0.14)	- (-)	- (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particulars	Holding Company (IL&FS)	Entities under common control	Associates /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Total</b>	<b>49.79</b> <b>(64.65)</b>	<b>2.86</b> <b>(1.54)</b>	- (-)	- (-)
<b>Finance Cost</b>				
IL&FS Securities Services Limited	- (-)	364.68 (971.54)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	1,941.89 (1,793.97)	- (-)	- (-)
IMICL Dighi Maritime Limited	- (-)	102.08 (-)	- (-)	- (-)
Others	- (-)	69.07 (31.59)	- (-)	- (-)
<b>Total</b>	<b>1,811.04</b> <b>(948.70)</b>	<b>2,477.72</b> <b>(2,797.10)</b>	- (-)	- (-)
<b>Other borrowing cost</b>				
IL & FS Financial Services Limited	- (-)	592.01 (215.92)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	5.00 (-)	- (-)	- (-)
<b>Total</b>	<b>6.50</b> <b>(-)</b>	<b>597.01</b> <b>(215.92)</b>	- (-)	- (-)
<b>Cost of fuel consumed</b>				
IL&FS Maritime Infrastructure Company Limited	- (-)	1,392.85 (1,425.53)	- (-)	- (-)
<b>Provision for dividend</b>				
Infrastructure Leasing & Financial Services Limited	293.36 (962.21)			
IL&FS Infrastructure Equity Fund 1 (IIEF - 1)	- (-)	2.47 (10.01)	- (-)	- (-)
<b>Total</b>	<b>293.36</b> <b>(962.21)</b>	<b>2.47</b> <b>(10.01)</b>	- (-)	- (-)
<b>Brand fees</b>	116.27 (83.13)	- (-)	- (-)	- (-)



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
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Particulars	Holding Company (IL&FS)	Entities under common control	Associates /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Legal and professional expenses</b>				
IL&FS Financial Services Limited	- (-)	97.50 (8.40)	- (-)	- (-)
Porto Novo Maritime Limited	- (-)	- (54.20)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	59.00 (1.03)	- (-)	- (-)
IL&FS Environmental Infrastructure Services Limited	- (-)	50.00 (-)	- (-)	- (-)
Others	- (-)	4.55 (9.39)	- (-)	- (-)
<b>Total</b>	<b>153.44</b> <b>(164.16)</b>	<b>211.05</b> <b>(73.02)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Other expenses</b>				
IL&FS Technologies Limited	- (-)	0.69 (0.33)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	42.46 (-)	- (-)	- (-)
Porto Novo Maritime Limited	- (-)	24.68 (-)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	2.84 (53.20)	- (-)	- (-)
IL&FS Global Financial Services (UK) Limited	- (-)	- (32.45)	- (-)	- (-)
Livia India Limited	- (-)	6.70 (5.92)	- (-)	- (-)
Others	- (-)	0.02 (6.52)	- (-)	- (-)
<b>Total</b>	<b>55.04</b> <b>(37.70)</b>	<b>77.39</b> <b>(98.42)</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 /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Capital work in progress (Interest income)</b>				
IL&FS Financial Services Limited	- (-)	- (0.02)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	- (12.22)	- (-)	- (-)
Chenani Nashri Tunnelway Ltd	- (-)	- (22.00)	- (-)	- (-)
Jharkhand Road Projects Implementation Company Limited	- (-)	- (91.07)	- (-)	- (-)
<b>Total</b>	<b>- (0.11)</b>	<b>49.72 (125.31)</b>	<b>- (-)</b>	<b>- (-)</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)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	59.00 (5.00)	- (-)	- (-)
IL&FS Education & Technology Services Limited	- (-)	- (4.62)	- (-)	- (-)
<b>Total</b>	<b>- (0.14)</b>	<b>59.00 (143.62)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>(b) Interest Expense</b>				
IL&FS Financial Services Limited	- (-)	- (284.92)	- (-)	- (-)
<b>Purchase of Fixed Assets (including expenses capitalised)</b>				
IL&FS Maritime Infrastructure Company Limited	- (-)	439.00 (-)	- (-)	- (-)
IL&FS Environmental Infrastructure Services Limited	- (-)	600.00 (-)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>1,039.00 (-)</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 /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Loans given (Assets)</b>				
IL&FS Financial Services Limited	- (-)	24,980.31 (5,541.85)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	- (2,560.00)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	2,430.00 (2,660.00)	- (-)	- (-)
Chenani Nashri Tunnelway Ltd	- (-)	200.00 (1,400.00)	- (-)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	- (38.08)	- (-)
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	- (4.63)	- (-)
Others	- (-)	4,420.00 (999.99)	- (-)	- (-)
	<b>11,866.00</b> <b>(55.82)</b>	<b>32,030.31</b> <b>(13,161.84)</b>	<b>-</b> <b>(42.71)</b>	<b>-</b> <b>(-)</b>

**Loan and advance received back (Assets)**

Infrastructure Leasing & Financial Services Limited	6.00 (102.28)	- (-)	(-) -	(-) -
Porto Novo Maritime Limited	- (-)	- (98.20)	(-) -	(-) -
IL&FS Financial Services Limited	- (-)	27,284.27 (5,795.04)	(-) -	(-) -
IL&FS Transportation Network Limited	- (-)	2,440.00 (4,650.00)	(-) -	(-) -
Jharkhand Road Projects Implementation Company Limited	- (-)	750.00 (-)	(-) -	(-) -
IL&FS Technologies Limited	- (-)	- (-)	- (-)	- -
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	- (188.68)	- -
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	- (154.89)	- -



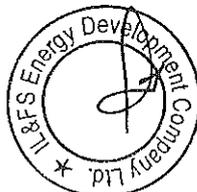
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company (IL&FS)	Entities under common control	Associates /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Others	- (-)	3,650.00 (1,410.00)	- -	(-) -
<b>Total</b>	<b>6.00</b> <b>(102.28)</b>	<b>34,124.27</b> <b>(11,953.24)</b>	<b>-</b> <b>(343.57)</b>	<b>-</b> <b>-</b>
<b>Loans received during the year</b>				
IL&FS Securities Services Limited	- (-)	10,000.00 (2,260.00)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	9,088.00 (6,720.00)	- (-)	- (-)
IL&FS Township & Urban Assets Limited	- (-)	300 (-)	- (-)	- (-)
IL&FS Paradip Refinery Water Limited	- (-)	235.00 (-)	- (-)	- (-)
IMICL Dighi Maritime Limited	- (-)	1045.50 (-)	- (-)	- (-)
Porto Novo Maritime Limited	- (-)	(200.60)	- (-)	- (-)
	<b>19,121.50</b> <b>(14,960.00)</b>	<b>20,668.50</b> <b>(9,180.60)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>
<b>Loans repaid during the year</b>				
IL&FS Securities Services Limited	- (-)	9,110.00 (4,000.00)	- (-)	- (-)
IL & FS Transportaion Network Limited	- (-)	200.60 (-)	- (-)	- (-)
IL&FS Paradip Refinery Water Limited	- (-)	235.00 (-)	- (-)	- (-)
IL&FS Township & Urban Assets Limited	- (-)	300.00 (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	6,608.61 (6,400.20)	- (-)	- (-)
<b>Total</b>	<b>20,340.40</b> <b>(8,984.95)</b>	<b>16,454.21</b> <b>(10,400.20)</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 /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Short term borrowing taken during the year</b>				
IL&FS Securities Services Limited	-	-	-	-
	(-)	(177.02)	(-)	(-)
IL&FS Cluster Development Initiative Limited	-	-	-	-
	(-)	(200.00)	(-)	(-)
Appatex Marketing Service & Solutions Limited	-	-	-	-
	(-)	(200.00)	(-)	(-)
IL&FS Airport Limited	-	-	-	-
	(-)	(53.00)	(-)	(-)
<b>Total</b>	-	-	-	-
	(-)	(630.02)	(-)	(-)
<b>Short term borrowing repaid</b>				
IL&FS Securities Services Limited	-	-	-	-
	(-)	(1,177.02)	(-)	(-)
IL&FS Cluster Development Initiative Limited	-	-	-	-
	(-)	(200.00)	(-)	(-)
IL&FS Financial Services Limited	-	810.00	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	-	810.00	-	-
	(-)	(1,377.02)	(-)	(-)
<b>Short Term Deposits placed during the period (Assets)</b>				
IL&FS Financial Services Limited	-	140.00	-	-
	(-)	(-)	(-)	(-)
<b>Short Term Deposits withdrawn during the period (Assets)</b>				
IL&FS Financial Services Limited	-	140.00	-	-
	(-)	(-)	(-)	(-)
<b>Sale of Investment</b>				
IL&FS Environmental Infrastructure Services Limited	-	-	-	-
	(-)	(1,380)	(-)	(-)
IL&FS Financial Services Limited	-	3,600	-	-
	(-)	(-)	(-)	(-)
<b>Total</b>	-	3,600	-	-
	(-)	(1,380)	(-)	(-)



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

Particulars	Holding Company (IL&FS)	Entities under common control	Associates /Joint Ventures	KMP
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>Managerial remuneration</b>				
Sitting fees				0.82 (-)
Short term benefits	- (-)	- (-)	- (-)	18.36 (17.72)
Long term benefits	- (-)	- (-)	- (-)	- (2.02)
<b>Total</b>	- (-)	- (-)	- (-)	<b>19.18</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 31.03.2018 as at (31.03.2017)</b>				
<b>Trade Payables</b>				
IL&FS Financial Services Limited	- (-)	728.66 (395.26)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	199.89 (197.91)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	1,634.36 (1,339.97)	- (-)	- (-)
Others	- (-)	66.66 (43.45)	- (-)	- (-)
<b>Total</b>	<b>1,094.31 (511.84)</b>	<b>2,629.57 (1,976.59)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Payable towards capital expenditure</b>				
IL&FS Environmental Infrastructure Services Limited	- (-)	- (147.90)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	- (60.01)	- (-)	- (-)
Others	- (-)	5.72 (6.01)	- (-)	- (-)
<b>Total</b>	<b>1.28 (7.75)</b>	<b>5.72 (213.92)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Capital advance ( Non Current Assets)</b>				
Porto Novo Maritime Limited	- (-)	1,003.50 (1,003.50)	- (-)	- (-)
<b>Security deposit (Non Current) (Other Financial Assets)</b>	6.88 (-)	- (-)	- (-)	- (-)
<b>Security deposit (Current) (Other Financial Assets)</b>	0.54 (-)	- (-)	- (-)	- (-)
<b>Advance against Land (Other Current Assets)</b>				
Avash Logistic Park Private Limited	- (-)	144.80 (144.80)	- (-)	- (-)



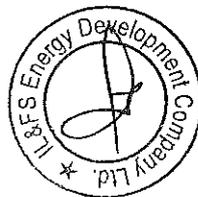
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

Particulars	Holding Company	Entities under common control	Associates	Joint ventures
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Sealand Ports Private Limited	- (-)	55.20 (55.20)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>200.00 (200.00)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Non Current Loans including ICDs</b>				
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	125.00 (125.00)
Assam Power Project Development Company Limited	- (-)	- (-)	- (-)	10.00 (10.00)
Jorabat Shillong Expressway Limited	- (-)	620.00 (-)	- (-)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	62.70 (62.70)	- (-)
IL&FS Engineering & Construction Company Ltd	- (-)	620.00 (-)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	280.00 (280.00)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>1,520.00 (280.00)</b>	<b>62.70 (62.70)</b>	<b>135.00 (135.00)</b>
<b>Current loans including ICDs</b>				
IL&FS Financial Services Limited	- (-)	5.50 (34.00)	- (-)	- (-)
IL&FS Transportation Network Limited	- (-)	- (203.64)	- (-)	- (-)
Chenani Nashri Tunnelway Limited	- (-)	- (270.00)	- (-)	- (-)
Jharkhand Road Projects Implementation Company Limited	- (-)	- (750.00)	- (-)	- (-)
East Delhi Waste Processing Company Private Limited	- (-)	349.99 (349.99)	- (-)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	182.92 (173.18)	- (-)
Porto Novo Maritime Limited	- (-)	50.80 (50.80)	- (-)	- (-)



**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
Sealand Ports Private Limited	- (-)	400.00 (400.00)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>806.29 (2,058.43)</b>	<b>182.92 (173.18)</b>	<b>- (-)</b>
<b>Sundry Advance</b>				
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	1.34 (1.34)
<b>Equity component of compound of financial instrument</b>				
- Classified under other equity (see note 18)	2,405.89 (2,405.89)	- (-)	- (-)	- (-)
- Classified under non-controlling interest (see note 19)	5,389.28 (5,389.28)	- (-)	- (-)	- (-)
<b>Long Term Borrowings (Including Current Maturities)</b>				
Infrastructure Leasing & Financial Services Limited	5,802.37 (6,938.28)	- (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	11,710.67 (10,039.87)	- (-)	- (-)
IL&FS Securities Services Limited	- (-)	- (2,850.00)	- (-)	- (-)
<b>Total</b>	<b>5,802.37 (6,938.28)</b>	<b>11,710.67 (12,889.87)</b>	<b>- (-)</b>	<b>- (-)</b>
<b>Short Term Borrowings</b>				
IL&FS Securities Services Limited	- (-)	6,500.00 (2,760.00)	- (-)	- (-)
IMICL Dighi Maritime Limited	- (-)	1,045.50 (-)	- (-)	- (-)
Others	- (-)	255.88 (453.60)	- (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>7,801.38 (3,213.60)</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>Trade receivables:</b>				
IL&FS Environmental Infrastructure Services Limited	- (-)	- (1.19)	- (-)	- (-)
PDCOR Limited	- (-)	4.55 (7.80)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	6.80 (5.80)	- (-)	- (-)
RDF Power Project Limited	- (-)	- (420.00)	- (-)	- (-)
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	1.97 (7.30)
Cross Border Power Transmission Company Limited	- (-)	- (-)	- (-)	0.06 (3.60)
Saurya Urja Company of Rajasthan Limited	- (-)	- (-)	- (-)	3.69 (99.64)
Others	- (-)	7.65 (9.18)	- (-)	- (-)
<b>Total</b>	<b>7.01</b> <b>(-)</b>	<b>19.00</b> <b>(443.97)</b>	<b>-</b> <b>(-)</b>	<b>5.72</b> <b>(110.54)</b>
<b>Receivable on Sale of Investments</b>				
IL&FS Environmental Infrastructure Services Limited	- (-)	1,380.00 (1,380.00)	- (-)	- (-)
<b>Interest accrued on loans and advances - other current assets</b>				
Porto Novo Maritime Limited	- (-)	11.72 (3.49)	- (-)	- (-)
Sealand Ports Private Limited	- (-)	346.61 (248.31)	- (-)	- (-)
IL&FS Maritime Infrastructure Company Limited	- (-)	19.48 (-)	- (-)	- (-)
IL&FS Engineering & Construction Company Ltd	- (-)	22.01 (-)	- (-)	- (-)



**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	- (-)	82.17 (27.29)	15.41 (-)	- (-)
<b>Total</b>	<b>- (-)</b>	<b>481.99 (279.09)</b>	<b>15.41 (-)</b>	<b>- (-)</b>
<b>Interest accrued on loans and advances - Other non-current assets</b>	154.55 (-)	- (-)	- (-)	- (-)
<b>Interest accrued on borrowings (Other current liabilities)</b>				
IL&FS Securities Services Limited	- (-)	6.88 (-)	- (-)	- (-)
IMICL Dighi Maritime Limited	- (-)	37.12 (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	576.16 (1.50)	- (-)	- (-)
Others	- (-)	31.94 (6.03)	- (-)	- (-)
Saurya Urja Company of Rajasthan Limited	- (-)	- (-)	- (-)	24.28 (9.20)
<b>Total</b>	<b>- (59.99)</b>	<b>652.10 (7.53)</b>	<b>- (-)</b>	<b>24.28 (9.20)</b>
<b>Advance received as margin money</b>				
Saurya Urja Company of Rajasthan Limited	- (-)	- (-)	- (-)	200.00 (-)
<b>Guarantees issued by related party on behalf of the Group</b>	126.40 (1,219.68)	- (-)	- (-)	- (-)
<b>Guarantees given on behalf of Joint Ventures</b>				
Saurya Urja Company of Rajasthan Limited	- (-)	- (-)	- (-)	250.00 (250.00)
<b>Financial assets - Investment</b>	57.07 (57.07)	- (-)	- (-)	- (-)
<b>Investment in equity of associates</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
Urjankur Shree Datta Power Company Limited	- (-)	- (-)	- (444.96)	- (-)
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- (-)	- (-)	281.66 (333.42)	- (-)
<b>Total</b>	- (-)	- (-)	<b>281.66</b> <b>(778.38)</b>	- (-)
<b>Investment in equity of joint Ventures</b>				
ONGC Tripura Power Company Limited	- (-)	- (-)	- (-)	2,804.50 (6,128.91)
Cross Border Power Transmission Company Limited	- (-)	- (-)	- (-)	285.42 (265.05)
Assam Power Project Development Company Limited	- (-)	- (-)	- (-)	3.06 (2.77)
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	113.12 (113.18)
Saurya Urja Company of Rajasthan Limited	- (-)	- (-)	- (-)	892.62 (606.63)
<b>Total</b>	- (-)	- (-)	- (-)	<b>4,098.72</b> <b>(7,116.54)</b>



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

**Note 43**

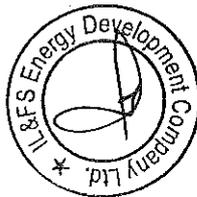
**Earnings per share**

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 31.03.2018	Year ended 31.03.2017
a.	Net loss after tax attributable to owners	Rupees million	(6,343.18)	(738.10)
b.	Weighted average of number of equity shares	Number of Shares	1,283,564,664	1,283,564,664
c.	Basic earnings per share (a/b)	Rupees	(4.94)	(0.58)
d.	Potential dilutive equity shares on share application money, compulsorily convertible debentures and compulsorily convertible Preference shares	Number of Shares	75,876,614	75,876,614
e.	Weighted average of number of equity shares used in computing diluted earnings per share.	Number of Shares	1,359,441,278	1,359,441,278
f.	Diluted earnings per share (a/e)	Rupees	(4.94)	(0.58)

**Note**

The diluted earnings per share has been computed by dividing the Net profit after tax available for equity shareholders by the weighted average number of equity shares, after giving effect of the outstanding convertible debentures. The effect of the conversion of debentures was anti-dilutive.

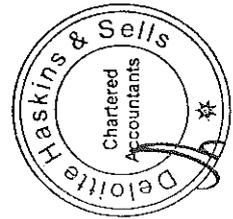


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Note 44

Disclosure of additional information as required by Schedule III of the Companies Act, 2013  
As at and for the year ended 31 March, 2018

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>								
IL&FS Energy Development Company Limited	48.03%	48,767.16	8.24%	296.89	438.28%	13.74	8.63%	310.63
<b>Indian Subsidiaries</b>								
Nana Layja Power Company Limited	(0.17%)	(177.04)	(9.18%)	(330.57)	-	-	(9.17%)	(330.57)
Vejas Power Projects Limited (VPPL) (formerly known IL&FS Wind Projects Development Limited)	(1.22%)	(1,237.07)	(19.22%)	(692.29)	-	-	(19.24%)	(692.29)
Mota Layja Gas Power Company Limited	0.00%	0.82	(0.11%)	(4.12)	-	-	(0.11%)	(4.12)
IL&FS Wind Energy Limited (Formerly Mandvi LNG Terminal Limited)	3.23%	3,307.23	(23.59%)	(849.76)	-	-	(23.61%)	(849.76)
Lalpur Wind Energy Limited	3.22%	3,273.36	(2.40%)	(86.55)	-	-	(2.41%)	(86.55)
Khandke Wind Energy Private Limited	2.58%	2,617.33	4.52%	162.91	-	-	4.53%	162.91
Wind Urja India Limited	0.66%	665.65	(1.42%)	(51.05)	-	-	(1.42%)	(51.05)
Tadas Wind Energy Private Limited	32.60%	33,101.91	(78.84%)	(2,839.29)	(350.56%)	(10.99)	(79.21%)	(2,850.28)
IL&FS Tamilnadu Power Company Limited	2.51%	2,547.02	11.81%	425.21	-	-	11.82%	425.21
IL&FS Wind Power Services Limited	0.05%	45.70	0.24%	8.53	(27.11%)	0.85	0.26%	9.38
Kaze Wind Energy Limited	0.62%	630.81	(6.88%)	(247.65)	-	-	(6.88%)	(247.65)
Sipla Wind Energy Limited	0.88%	890.65	(0.39%)	(13.87)	-	-	(0.39%)	(13.87)
Rohtas Biomass Energy Limited	0.03%	28.07	0.07%	2.58	-	-	0.07%	2.58
Etesian Urja Limited	1.00%	1,015.26	(1.62%)	(58.41)	-	-	(1.62%)	(58.41)
Patiala Bio Power Company Limited	0.02%	18.22	(0.04%)	(1.60)	-	-	(0.04%)	(1.60)
Shendra Green Energy Limited	(0.57%)	(581.48)	(4.86%)	(175.01)	-	-	(4.86%)	(175.01)
IL&FS Solar Power Limited	0.05%	46.28	1.01%	36.24	-	-	1.01%	36.24
Ramagiri Renewable Energy Limited (formerly known IL&FS Wind Farms Limited)	(0.11%)	(107.41)	(1.20%)	(43.17)	-	-	(1.20%)	(43.17)
Ratedi Wind Power Private Limited	1.66%	1,687.93	4.50%	162.18	-	-	4.51%	162.18
Cuddalore Solar Power Private Limited	(0.00%)	(3.26)	(0.00%)	(0.06)	-	-	(0.00%)	(0.06)
Joghali Wind Energy Private Limited	1.04%	1,055.21	0.05%	1.89	-	-	0.05%	1.89
Mahidat Wind Energy Private Limited	1.13%	1,145.60	(0.28%)	(10.19)	-	-	(0.28%)	(10.19)
<b>Foreign Subsidiaries</b>								
Maritime International Offshore Pte Limited	(0.00%)	(1.45)	(0.02%)	(0.71)	(0.64%)	(0.02)	(0.02%)	(0.73)

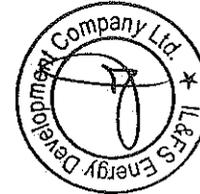
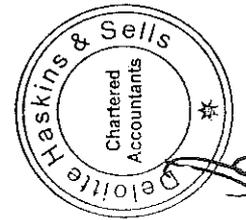


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Note 44

Disclosure of additional information as required by Schedule III of the Companies Act, 2013  
As at and for the year ended 31 March, 2018

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	0.30%	300.66	1.37%	49.21	-	-	1.37%	49.21
ONGC Tribura Power Company Limited (Consolidated)	1.52%	1,541.60	10.30%	370.90	(14.04%)	(0.44)	10.30%	370.46
Bihar Power Infrastructure Company Private Limited	0.06%	55.98	(0.00%)	(0.06)	-	-	(0.00%)	(0.06)
Assam Power Project Development Company Limited	0.00%	2.31	0.01%	0.29	-	-	0.01%	0.29
Saurya Urja Company of Rajasthan Limited	0.88%	892.62	7.94%	285.99	-	-	7.95%	285.99
<b>Total</b>	<b>100.00%</b>	<b>101,529.67</b>	<b>-100.00%</b>	<b>(3,601.54)</b>	<b>100.00%</b>	<b>3.14</b>	<b>100.00%</b>	<b>(3,598.40)</b>
Add / (Less):								
a) Adjustments arising out of consolidation		(59,947.64)		(2,689.14)		(0.01)		(2,689.15)
b) Non-Controlling Interests (Indian subsidiaries)								
- IL&FS Tamilnadu Power Company Limited (ITPCL)		(7,832.36)		247.74		0.56		248.30
- Lalpur Wind Energy Limited (LWEL)		(1,566.93)		42.41		-		42.41
- Khandke Wind Energy Limited (KWEL)		(1,282.60)		(79.83)		-		(79.83)
- Wind Urja India Ltd (WUIL)		(318.76)		25.01		-		25.01
- Tadas Wind Energy Limited (TWEPL)		(1,218.26)		(208.36)		-		(208.36)
- Ratedi Wind Energy Limited (RWEL)		(803.45)		(79.47)		-		(79.47)
- Etesian Urja Limited (EUL)		(497.48)		-		-		-
- Kaze Energy Limited (KWEL)		(309.10)		-		-		-
<b>Consolidated Net Assets/Profit after tax attributable to owners</b>		<b>27,753.09</b>		<b>(6,343.18)</b>		<b>3.69</b>		<b>(6,339.49)</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 31.03.2018 Rs. Million	As at 31.03.2017 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
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
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
4 The amount of interest accrued and remaining unpaid at the end of each accounting period	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

Note: Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 46**

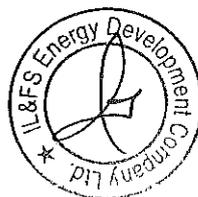
**Non cash transaction**

During the previous year the 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 property, plant and equipment

**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, the scheme of merger was approved by Regional Director during the current year with effect from 1 April, 2017.



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

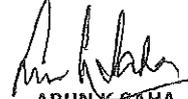
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**Note 48**

These consolidated financial statements were approved by Board of Directors at its meeting held on 14 August, 2018.

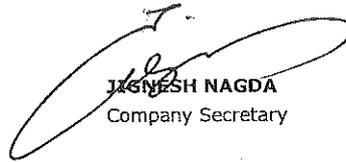
For and on behalf of the Board of Directors

  
**HARI SANKARAN**  
Chairman

  
**ARUN K SAHA**  
Director

  
**ASHWANI KUMAR**  
Chief Executive Officer

  
**ANAND NAIR**  
Chief Financial Officer

  
**JAGDISH NAGDA**  
Company Secretary

Place: Mumbai  
Date: 14 August 2018

