

## **AUDITORS' REPORT**

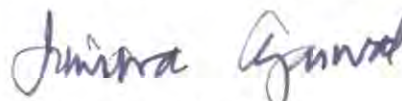
### **TO THE MEMBERS OF IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

1. We have audited the attached Balance Sheet of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED** ('the Company'), as at 31 March, 2012, the Statement of Profit and loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - a) we have 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
  - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
  - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on 31 March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)



**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

**BENGALURU**, 4 May, 2012



**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 3 of our report of even date)

- i. Having regard to the nature of the Company's business/activities/result, clause 4(ii) and (xiii) of the Order is not applicable.
- ii. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b. The fixed assets 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 fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and for the sale of services. The Company's operations did not give rise to purchase of inventory and sale of goods during the current year. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.
- viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.



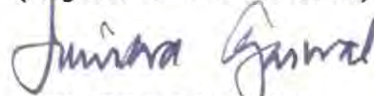
- ix. According to the information and explanations given to us in respect of statutory dues:
- a. the Company has generally been regular in depositing undisputed dues, including Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There are no undisputed amounts payable in respect of these statutory dues which have remained outstanding as at 31 March, 2012 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act, 1948 are not applicable to the Company and the operations of the Company during the year did not give rise to any liability for Investor Education and Protection Fund, Sales Tax, Wealth Tax, Customs Duty and Excise Duty.
  - b. there are no dues in respect of Income Tax, Service Tax and Cess which had not been deposited on account of any dispute.
- x. Since the Company has been registered for a period of less than five years, the provisions of clause 4 (x) of the Order regarding accumulated losses and cash losses are not applicable to the Company.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks, financial institutions and debentures.
- xii. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by the way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is not dealing in shares, securities and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interest of the Company.
- xv. According to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvi. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long- term investment.
- xvii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.





- xviii. According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our audit report. Accordingly, the provisions of clause (xix) of the Order not applicable to the Company.
- xix. The Company has not raised any money by way of public issues during the year.
- xx. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)



**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

**BENGALURU**, 4 May, 2012

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31 MARCH, 2012**

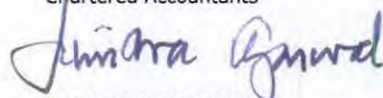
	Note Ref.	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share capital	3	9,187,989,670	5,220,000,000
(b) Reserves and surplus	4	2,782,342,995	61,463,399
		<b>11,970,332,665</b>	<b>5,281,463,399</b>
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	5	-	447,000,000
<b>3. NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	6	4,839,638,562	2,530,038,562
(b) Deferred tax liabilities (net)	7	45,805,743	43,484,972
(c) Long-term provisions	8	6,334,459	6,637,703
		<b>4,891,778,764</b>	<b>2,580,161,237</b>
<b>4. CURRENT LIABILITIES</b>			
(a) Current maturities of long-term debt	9	160,400,000	128,400,000.00
(b) Short-term borrowings	10	1,110,000,000	2,200,000,000
(c) Trade payables	11	60,604,695	54,480,373
(d) Other current liabilities	12	80,010,887	51,599,776
(e) Short-term provisions	13	7,473,322	3,976,863
		<b>1,418,488,904</b>	<b>2,438,457,012</b>
<b>TOTAL</b>		<b>18,280,600,333</b>	<b>10,747,081,648</b>
<b>B ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Fixed assets			
i. Tangible assets	14A	2,483,162,655	2,625,389,096
ii. Intangible assets	14B	88,454,248	93,857,522
iii. Capital work-in-progress		-	1,378,750
		<b>2,571,616,903</b>	<b>2,720,635,368</b>
(b) Non-current investments	15	10,236,410,389	5,293,826,780
(c) Long-term loans and advances	16	1,739,764,104	2,072,831,595
		<b>14,547,791,396</b>	<b>10,087,293,743</b>
<b>2. CURRENT ASSETS</b>			
(a) Current investments	17	2,770,410,000	-
(b) Trade receivables	18	427,977,451	300,969,013
(c) Cash and cash equivalents	19	72,119,156	74,287,456
(d) Short-term loans and advances	20	384,701,243	230,638,342
(e) Other current assets	21	77,601,087	53,893,094
		<b>3,732,808,937</b>	<b>659,787,905</b>
<b>TOTAL</b>		<b>18,280,600,333</b>	<b>10,747,081,648</b>

See accompanying notes forming part of the financial statements

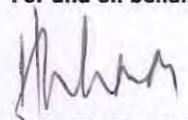
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In terms of our report attached

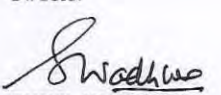
**FOR DELOITTE HASKINS & SELLS**  
Chartered Accountants


  
**JITENDRA AGARWAL**  
Partner

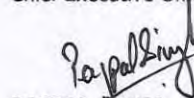
For and on behalf of the board

  
**HARI SANKARAN**  
Director

  
**RAMESH C BAWA**  
Director

  
**SUNIL WADHWA**  
Chief Executive Officer

  
**AVINASH BAPAT**  
Chief Financial Officer

  
**RAJPAL AHUJA**  
Company Secretary

Place: Bengaluru  
Date: 4 May, 2012

Place: Bengaluru  
Date: 4 May, 2012

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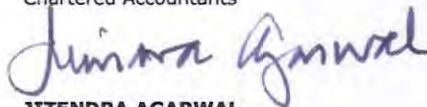
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**

	<b>Note Ref.</b>	<b>Year ended 31.03.2012 (Rupees)</b>	<b>Year ended 31.03.2011 (Rupees)</b>
<b>1 Income</b>			
(a) Revenue from operations	<b>22</b>	986,509,133	611,682,156
(b) Other income	<b>23</b>	114,639,644	87,159,027
<b>Total Revenue</b>		<b>1,101,148,777</b>	<b>698,841,183</b>
<b>2 Expenses</b>			
(a) Employee benefits expense	<b>24</b>	167,524,987	141,450,514
(b) Finance costs	<b>25</b>	451,421,326	290,354,953
(c) Depreciation and amortisation expenses	<b>14</b>	149,585,258	79,880,525
(d) Other expenses	<b>26</b>	132,295,547	134,509,541
<b>Total expenses</b>		<b>900,827,118</b>	<b>646,195,533</b>
<b>3 Profit before tax</b>		<b>200,321,659</b>	<b>52,645,650</b>
<b>Tax expense:</b>			
(a) Current tax expenses for current year		78,387,592	10,492,541
(b) Current tax expenses relating to prior years		-	258,819
(c) Net current tax expenses		78,387,592	10,751,360
(d) Deferred tax		2,320,771	44,524,223
(e) Minimum Alternate Tax (MAT) credit entitlement		-	(10,492,541)
		<b>80,708,363</b>	<b>44,783,042</b>
<b>4 Profit for the year</b>		<b>119,613,296</b>	<b>7,862,608</b>
<b>Earning per share</b>	<b>37</b>		
(Face value of Rs. 10 per share)			
- Basic		0.18	0.05
- Diluted		0.17	0.05
<b>See accompanying notes forming part of the financial statements</b>	<b>1-39</b>		

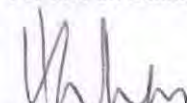
In terms of our report attached

**FOR DELOITTE HASKINS & SELLS**  
Chartered Accountants




**JITENDRA AGARWAL**  
Partner

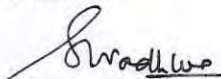
**For and on behalf of the board**



**HARI SANKARAN**  
Director




**RAMESH C BAWA**  
Director



**SUNIL WADHWA**  
Chief Executive Officer



**AVINASH BAPAT**  
Chief Financial Officer



**RAJPAL AHUJA**  
Company Secretary

Place: Bengaluru  
Date: 4 May, 2012

Place: Bengaluru  
Date: 4 May, 2012



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012**

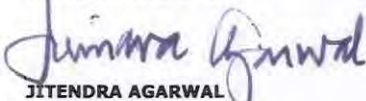
	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	200,321,659	52,645,650
Adjustment for:		
Depreciation and amortisation	149,585,258	79,880,525
Provision for employee benefits	3,193,215	7,308,607
Interest expense	451,421,326	289,763,935
(Profit)/Loss on sale of asset	(41,015)	149,894
Interest income	(114,486,510)	(87,143,674)
<b>Operating profit before working capital changes</b>	<b>689,993,933</b>	<b>342,604,937</b>
Adjustments for changes in:		
(Increase)/decrease in other current, other non-current assets and trade receivables	(18,833,745)	(1,927,302,126)
(Decrease)/increase in other current, other non-current liabilities and trade payables	2,653,288	24,758,878
Cash generated from/ (used in) operations	673,813,476	(1,559,938,311)
Taxes paid (including Tax deducted at source)	(111,627,090)	(72,112,783)
<b>Net Cash from/ (used in) Operating Activities</b>	<b>562,186,386</b>	<b>(1,632,051,094)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	121,874,455	62,836,946
Investments in subsidiaries and associates	(6,180,300,080)	(5,289,328,580)
Purchase of fixed assets	(605,117)	(2,797,100,074)
Proceeds from sale of fixed assets	79,339	122,750
(Increase)/decrease in inter corporate deposits	(150,626,543)	(320,000,000)
Long term loans and advances to related parties	(770,400,000)	
Short term loans and advances	(106,000,000)	
Other long term advances	(400,000,000)	
<b>Net Cash used in Investing Activities</b>	<b>(7,485,977,946)</b>	<b>(8,343,468,958)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loans received	-	2,658,438,562
Issue of Fully convertible debentures	2,470,000,000	-
Short term loans received	1,110,000,000	2,200,000,000
Long term loans repaid	(128,400,000)	-
Short term loans repaid	(2,200,000,000)	-
Interest paid	(452,232,710)	(249,640,554)
Issue of equity share capital including security premium	4,242,255,968	5,000,000,000
Issue of preference share capital including security premium	1,880,000,002	-
Share application money received	-	447,000,000
Dividend paid (including tax)	-	(34,982,625)
<b>Net Cash from Financing Activities</b>	<b>6,921,623,260</b>	<b>10,020,815,383</b>
<b>Net Increase in cash and cash equivalents</b>	<b>(2,168,300)</b>	<b>45,295,331</b>
Cash and cash equivalents at the beginning of the year (see note-19)	74,287,456	28,992,125
Cash and cash equivalents at the end of the year (see note-19)	72,119,156	74,287,456
<b>Net Increase in cash and cash equivalents</b>	<b>(2,168,300)</b>	<b>45,295,331</b>

**Notes:**

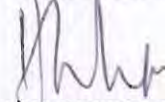
- 1 Cash and cash equivalents include fixed deposits Rs. 245,504 (Previous year Rs. 7,320,600)
- 2 The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006
- 3 Cash and cash equivalents at the year end includes restricted cash of Rs. 220,600 (Previous year Rs. 220,600)
- 4 Figures in brackets indicate cash outflow

In terms of our report attached

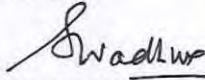
**For DELOITTE HASKINS & SELLS**  
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**For and on behalf of the Board**

  
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**RAJPAL AHUJA**  
Company Secretary

Place: Bengaluru  
Date: 4 May, 2012

Place: Bengaluru  
Date: 4 May, 2012





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

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**1. Background:**

The Company was incorporated on 21 May, 2007 as a subsidiary of Infrastructure Leasing and Financial Services Limited. The Company is engaged in development and operations of Power Projects and providing advisory services. The Company has two operational wind power projects in district Jaisalmer, Rajasthan and district Tirunelveli, Tamil Nadu with capacity of 38.4 MW and 12 MW respectively.

**2. Significant Accounting Policies**

**a. Basis for preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**b. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP 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.

**c. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**d. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**e. Depreciation and amortisation**

- i. The Company has adopted the Straight Line Method of depreciation so as to write off 100% of the cost of the following type of assets at rates higher than those prescribed in Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Office equipment	3 years
Furniture and fixtures	3 Years
Software	License period or 4 years whichever is less.



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

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- ii. Intangible asset comprising development rights for wind energy plants are being amortised over its useful period of 20 years.
- iii. In respect of Wind energy converters, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV to the Companies Act, 1956
- iv. All categories of assets costing less than Rs. 5,000 each and mobile phones are written off in the year of capitalisation.
- v. All assets provided to employees amortised over a period of 3 years.
- vi. Depreciation on fixed assets, other than on assets specified in Note 2 (e) (ii) to (v) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956.

**f. Revenue Recognition**

- i. Income is recognised on an accrual basis.
- ii. Consultancy fee income including management fees on infrastructure projects is recognised when specified project progress milestones are achieved as defined in the Project Contract Mandates.
- iii. Revenue from Sale of power produced on generation of electricity is accounted when energy is delivered at the metering point in terms of the Power Purchase Agreements.

**g. Other income**

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

**h. Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**i. Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure





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

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can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**j. Foreign currency transactions and translations**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions are settled during the year and recognised in the statement of profit and loss.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date, the resultant exchange differences are recognised in the statement of profit and loss.

In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of transaction are recognised over the life of the contract.

**k. Investments**

- i. Investments are capitalised at actual cost including cost incidental to acquisition.
- ii. Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Cost of investments include acquisition charges such as brokerage, fees and fair value.
- iii. Current investments are carried at lower of cost or fair value.

**l. Employee Benefits**

The Company has both defined-contribution and defined-benefit plans.

**i. Defined-contribution plans**

These are plans in which the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise contributions to the Employees' Provident Fund, Family Pension Fund and Superannuation Fund. The Company's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

**ii. Defined-benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.





**iii. 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 such 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.

**iv. 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 defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

**v. Accounting policy for recognising actuarial gains and losses**

Actuarial gains and losses arising from experience adjustment and effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss account as income or expense

**m. Borrowing Costs**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**n. Segment Reporting**

The accounting policies adopted for segment reporting are in line with the Accounting Standard 17. Revenue, expenses and assets have been identified to segments on the basis of their relationship to the operating activities to the segment. Revenue, expenses and assets which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "unallocable income/expenses".

**o. Leases**

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company 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 Statement of Profit and Loss on a straight-line basis.





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

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**p. Earnings Per Share**

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 'Earnings per share'. Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of equity shares during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

**q. Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**r. Impairment of Assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**s. 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.

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

	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares	(Rupees)	Number of shares	(Rupees)
<b>NOTE 3</b>				
<b>SHARE CAPITAL</b>				
<b>AUTHORISED</b>				
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	1,900,000,000	19,000,000,000	1,000,000,000	10,000,000,000
Preference shares of Rs. 10 each	100,000,000	1,000,000,000	-	-
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights	884,138,200	8,841,382,000	522,000,000	5,220,000,000
0.0001% Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each	34,660,767	346,607,670	-	-
	<b>918,798,967</b>	<b>9,187,989,670</b>	<b>522,000,000</b>	<b>5,220,000,000</b>

See notes (i) to (iv) below

**Notes:**

(i) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.

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

	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity Shares</b>				
Infrastructure Leasing & Financial Services Limited, India, the ultimate holding company	774,000,000	87.54%	470,000,000	90.04%
Mr. Vibhav Ramprakash Kapoor, Mr. Karunakaran Ramchand and Mr. Ramesh Chander Bawa, trustees of IL&FS Employee Welfare Trust	86,000,000	9.73%	52,000,000	9.96%
<b>Preference Shares (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%	-	-
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%	-	-

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
<b>(a) Equity shares with voting rights</b>			
Year ended 31 March, 2012			
- Number of shares	522,000,000	362,138,200	884,138,200
- Amount (Rupees)	5,220,000,000	3,621,382,000	8,841,382,000
Year ended 31 March, 2011			
- Number of shares	2,000,000	520,000,000	522,000,000
- Amount (Rupees)	20,000,000	5,200,000,000	5,220,000,000
<b>(b) 0.0001% Compulsorily Convertible Preference shares</b>			
Year ended 31 March, 2012			
- Number of shares	-	34,660,767	34,660,767
- Amount (Rupees)	-	346,607,670	346,607,670
Year ended 31 March, 2011			
- Number of shares	-	-	-
- Amount (Rupees)	-	-	-

(iv) Details of shares held by the ultimate holding company

Particulars	Aggregate number of shares	
	As at 31 March, 2012	As at 31 March, 2011
Fully paid up equity shares with voting rights		
Infrastructure Leasing & Financial Services Limited, India, the ultimate holding company	774,000,000	470,000,000

(v) Subject to 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 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, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity



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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 4</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities premium account</b>		
Opening balance	-	-
Add: Premium on shares issued during the year	2,601,266,300	-
	<u>2,601,266,300</u>	<u>-</u>
<b>General reserve</b>		
Opening balance	7,600,000	7,600,000
Add: Transferred from surplus in Statement of Profit and Loss	-	-
	<u>7,600,000</u>	<u>7,600,000</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	53,863,399	46,000,791
Add: Profit for the year	119,613,296	7,862,608
	<u>173,476,695</u>	<u>53,863,399</u>
	<u>2,782,342,995</u>	<u>61,463,399</u>

**NOTE 5**

**SHARE APPLICATION MONEY PENDING ALLOTMENT**

Share application money pending allotment	-	<u>447,000,000</u>
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Share application money was received from Infrastructure Leasing & Financial Services Limited, the holding Company for equity shares (face value of Rs. 10 each) during the previous year. In respect of the same 44,700,000 shares were allotted on 28 September, 2011 at a face value Rs 10 per share

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 6</b>		
<b>LONG - TERM BORROWINGS</b>		
(a) Debentures issued to related party - Unsecured 1% Fully Compulsorily Convertible debentures (see note (i) below)	2,470,000,000	-
(b) Term loans from banks - Secured (see note (ii) below)	1,849,200,000	2,009,600,000
(c) From related parties - Secured (see note (iii) below) Infrastructure Leasing & Financial Services Limited	520,438,562	520,438,562
	<u>4,839,638,562</u>	<u>2,530,038,562</u>

**Note**

**(i) Debentures issued to related party - Unsecured**

a. Rate of interest - 1.00% (Previous year Nil)

b. Terms and conditions

The Company has issued 247,000, 1% Fully Compulsorily Convertible Debenture (FCCDs) of Rs 10,000 each at face value to Infrastructure Leasing & Financial Services Limited. Unless previously converted, the entire FCCDs, on Maturity Date shall be compulsorily converted into fully paid-up equity shares of the Issuer on the Maturity Date, at a at pre-agreed price of Rs 54.24 per share increased by an IRR of 20.00% pa, such IRR being computed from 4 November, 2011 till Deemed Allotment Date on fully diluted basis. Net Present Value of the interest paid (including default interest, if any, paid) by the Company discounted @ 20% p.a. will be deducted from the FCCDs amount in computing the number of shares to be issued to the Subscriber

c. Maturity date - 28 March, 2021

**(ii) Term loans from banks - Secured**

a. The Company has availed term loan from banks for its 50.40 MW wind power projects (Project) in the State of Rajasthan and Tamil Nadu.

b. Rate of interest - Indian bank base rate + 2.75% (Previous year Indian bank base rate + 2.75%) [effective rate at year end 13.5% (Previous year 12.25%)]

c. Security

Term loans of Rs. 2,009,600,000 (Previous year Rs. 2,138,000,000) (including Rs. 160,400,000 (Previous year Rs. 128,400,000) classified as current maturities of Long Term Debt) from consortium of seven banks, Indian Bank being the lead banker together with interest, additional interest, default interest, upfront fees, costs, charges, expenses are secured in favour of the lenders/security trustees by way of first pari passu charge without any lender having priority/preference over the other lender and include the following:

- (i) A mortgage on the rights of the sub-leased land in the state of Rajasthan for the project,
- (ii) A Mortgage on the land acquired for the project in the state of Tamilnadu,
- (iii) A first charge by way of hypothecation on all moveable assets including but not limited to plant and machinery, machinery spares and accessories for the project,
- (iv) A first ranking hypothecation/assignment of all the contracts, including Power Purchase Agreement/off take contracts, documents, Insurance policies, policies relating to the wind farm, rights, titles, permits/approvals clearances and interest of the project,
- (v) A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising (present and future), intangibles, goodwill, uncalled capital (Present and future),
- (vi) A first charge on the entire project's bank accounts including but not limited to escrow account opened in a designated bank, where all the cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the lenders,
- (vii) Assignment of all rights and interests of the Company relating to the project under letter of credit, guarantee or performance bond provided by any party for any contract related to the project in favour of the Company.

2



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

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d. Repayment terms

The loan is repayable in 50 unequal quarterly installments by the end of financial year 2023-24. The repayment of the loan has commenced from 30 September, 2011. Detail repayment schedule as under:

<b>Period</b>	<b>Amount (Rupees)</b>
2013-2014	171,000,000
2014-2015	171,000,000
2015-2016	160,400,000
2016-2017	160,400,000
2017-2018	160,400,000
2018-2019	171,000,000
2019-2020	171,000,000
2020-2021	171,000,000
2021-2022	171,000,000
2022-2023	171,000,000
2023-2024	171,000,000
<b>Total</b>	<b>1,849,200,000</b>

(iii) From related parties - Secured

a. Rate of interest - 12.50% (Previous year 12.50%)

b. Security

Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses secured by an exclusive first hypothecation and charge on specific receivables of the Company, present and future, arising out of advisory services and loans made to IL&FS Employee Welfare Trust

c. Repayment terms

The loan is repayable within 60 months from the date of disbursement (15 December, 2010)



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

**NOTE 7**

**DEFERRED TAX ASSETS/ (LIABILITIES)**

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. The break up of deferred tax assets/(liabilities) is as follows

	<b>As at 31.03.2012 (Rupees)</b>	<b>As at 31.03.2011 (Rupees)</b>
<b>i. Deferred tax assets</b>		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
(a) Provision for employee benefits	4,479,935	3,443,896
(b) Expenditure covered by section 35D of the Income Tax Act, 1961	-	3,556
(c) Tax losses adjustable in future years	-	2,850,885
	<b>4,479,935</b>	<b>6,298,337</b>
<b>ii. Deferred tax liabilities</b>		
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(50,285,678)	(49,783,309)
	<b>(50,285,678)</b>	<b>(49,783,309)</b>
<b>Net Deferred tax asset/ (liability)</b>	<b>(45,805,743)</b>	<b>(43,484,972)</b>



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

	<u>As at 31.03.2012 (Rupees)</u>	<u>As at 31.03.2011 (Rupees)</u>
<b>NOTE 8</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
(a) Provision for gratuity (net) (also see note 34 )	1,503,023	1,061,399
(b) Provision for compensated absences	4,831,436	5,576,304
	<u><b>6,334,459</b></u>	<u><b>6,637,703</b></u>

**NOTE 9**

**CURRENT MATURITIES OF LONG-TERM DEBT**

Current maturities of long-term debt (for security clause and other terms see note 6)	<u><b>160,400,000</b></u>	<u><b>128,400,000</b></u>
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**NOTE 10**

**SHORT-TERM BORROWINGS**

(a) Loans short term - Unsecured - from other parties	1,000,000,000	-
(b) Loan from related parties - Secured		
(i) Infrastructure Leasing & Financial Services Limited (see note (i) below)	110,000,000	-
(ii) IL&FS Financial Services Limited (see note (ii) below)	-	2,200,000,000
	<u><b>1,110,000,000</b></u>	<u><b>2,200,000,000</b></u>

**Note**

- i. Loan from related parties - Secured (Infrastructure Leasing & Financial Services Limited)

a. Rate of interest - 15.00% (Previous year Nil)

b. Security

Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses secured by an exclusive first hypothecation and charge on specific receivables of the Company, present and future, arising out of advisory services.

- ii. Loan from related parties - Secured (IL&FS Financial Services Limited)

a. Rate of interest - Nil (Previous year 10%)

b. Security

Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses is to be secured by pledge of Pass Through Certificates held by the Company in Maytas Investment Trust.

Jh

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 11</b>		
<b>TRADE PAYABLES</b>		
(a) Acceptances	-	-
(b) Other than Acceptances (see note below)	60,604,695	54,480,373
	<u>60,604,695</u>	<u>54,480,373</u>
<b>Note:</b>		
Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006.		
<b>NOTE 12</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	39,311,997	40,123,381
(b) Other payables - Statutory dues (TDS, VAT, Contributions to PF and ESIC, etc.)	8,005,361	11,476,395
(c) For purchase of investments	32,693,529	-
	<u>80,010,887</u>	<u>51,599,776</u>
<b>NOTE 13</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
(a) Provision for compensated absences	5,150,835	2,248,948
(b) Provision for gratuity (net) ( also see note 34 )	2,322,487	1,727,915
	<u>7,473,322</u>	<u>3,976,863</u>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 14**

**FIXED ASSETS (OWNED)**

Particulars	GROSS BLOCK				DEPRECIATION				(All amounts in Rupees) NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>A-Tangible Assets</b>										
Land	4,050,000	-	-	4,050,000	-	-	-	-	4,050,000	4,050,000
Plant and Equipment:										
-Wind Energy Converters (WECs)	2,692,878,264	-	-	2,692,878,264	73,618,946	142,430,203	-	216,049,149	2,476,829,115	2,619,259,318
-Computers	2,727,604	1,321,789	149,788	3,899,605	1,484,342	834,733	111,464	2,207,611	1,691,994	1,243,262
Furniture and Fixtures	696,518	133,223	-	829,741	180,194	263,857	-	444,051	385,690	516,324
Office Equipment	1,400,453	425,913	63,740	1,762,626	1,080,261	540,249	63,740	1,556,770	205,856	320,192
<b>Sub total- Tangible (A)</b>	<b>2,701,752,839</b>	<b>1,880,925</b>	<b>213,528</b>	<b>2,703,420,236</b>	<b>76,363,743</b>	<b>144,069,042</b>	<b>175,204</b>	<b>220,257,581</b>	<b>2,483,162,655</b>	<b>2,625,389,096</b>
Previous year	3,469,788	2,698,833,964	550,913	2,701,752,839	1,751,831	74,890,181	278,269	76,363,743	2,625,389,096	
<b>B-Intangible Assets:</b>										
-Software	2,420,703	102,942	-	2,523,645	690,989	665,463	-	1,356,452	1,167,193	1,729,714
-Development Rights for WECs	96,750,000	-	-	96,750,000	4,612,192	4,850,753	-	9,462,945	87,287,055	92,137,808
<b>Sub total- Intangible (B)</b>	<b>99,170,703</b>	<b>102,942</b>	<b>-</b>	<b>99,273,645</b>	<b>5,303,181</b>	<b>5,516,216</b>	<b>-</b>	<b>10,819,397</b>	<b>88,454,248</b>	<b>93,867,522</b>
Previous year	904,593	98,266,110	-	99,170,703	312,837	4,990,344	-	5,303,181	93,867,522	
<b>Total (A+B)</b>	<b>2,800,923,542</b>	<b>1,983,867</b>	<b>213,528</b>	<b>2,802,693,881</b>	<b>81,666,924</b>	<b>149,585,258</b>	<b>175,204</b>	<b>231,076,978</b>	<b>2,571,616,903</b>	<b>2,719,256,618</b>
Previous year	4,374,381	2,797,100,074	550,913	2,800,923,542	2,064,668	79,880,525	278,269	81,666,924	2,719,256,618	

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 15</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>TRADE (at cost)</b>		
<b>(a) Investment in equity instruments</b>		
<b>(i) of subsidiaries</b>		
A. IL&FS Hydro Energy Limited (50,000 (Previous year 50,000) fully paid Equity Shares of Rs. 10 each)	500,000	500,000
B. Cross Border Power Transmission Company Limited (50,000 (Previous year 50,000) fully paid Equity Shares of Rs. 10 each)	500,000	500,000
C. IL&FS Renewable Energy Limited (157,181,000 (Previous year Nil) fully paid Equity Shares of Rs. 10 each)	5,639,000,000	-
D. Nana Layja Power Company Limited (20,050,000 (Previous year Nil) fully paid Equity Shares of Rs. 10 each)	200,500,000	-
<b>(ii) of fellow subsidiaries</b>		
A. Nana Layja Power Company Limited (Nil (Previous year 50,000) fully paid Equity Shares of Rs. 10 each)	-	500,000
B. IL&FS Renewable Energy Limited (Nil (Previous year 49,940) fully paid Equity Shares of Rs. 10 each)	-	499,400
C. IL&FS Wind Power Limited (Nil (Previous year 1,720,940) Equity Shares of Rs. 10 each)	-	17,209,400
<b>(ii) of associates</b>		
A. IL&FS Tamilnadu Power Company Limited (10,440,000 (Previous year 10,440,000 ) Equity Shares of Rs. 10 each)	104,400,000	104,400,000
B. ONGC Tripura Power Company Limited [(100,002 (Previous year 100,000) Equity Shares of Rs. 10 each fully paid up) (267,390,000 (Previous year 267,390,000) Equity Shares of Rs. 10 each, paid up of Rs. 5 each)]	4,023,218,000	4,023,217,980
C. SV Power Private Limited (see note 17) (Nil (Previous year 3,861,775) Equity Shares of Rs. 10 each)	-	789,960,000
<b>(iii) of Joint venture companies</b>		
A. Bihar Power Infrastructure Company Private Limited (25,000 (Previous year Nil) Equity Shares of Rs 10 each) (see note below)	62,693,529	-
B. Power Transmission Company Nepal Limited (25,000 (Previous year Nil) Equity Shares of Rs 10 each)	1,562,500	-
C. Assam Power Project Development Company Limited (25,000 (Previous year Nil) Equity Shares of Rs 10 each) (see note below)	2,036,360	-
<b>(b) Investment in preference shares of subsidiaries</b>		
IL&FS Renewable Energy Limited (20,200,000 (Previous year Nil) Preference Shares of Rs. 10 each)	202,000,000	-
<b>(c) Investment in debentures or bonds of other entities</b>		
Himanchal Sorang Power Limited (see note 17) (Nil (Previous year 3,184,997) Fully convertible Debentures of Rs. 10 each)	-	357,040,000
	<b>10,236,410,389</b>	<b>5,293,826,780</b>
Aggregate amount of unquoted investments	10,236,410,389	5,293,826,780

**Note**

The Company is in the process of transferring the equity shares in its name for the following investments made:

	No of equity shares	No of equity shares
i. Bihar Power Infrastructure Company Private Limited	25,000	-
ii. Assam Power Project Development Company Limited	25,000	-



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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 16</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good)		
(a) Capital advances	400,000,000	-
(b) Security deposit	428,544	470,244
(c) Loans and advances to related parties (see note 36)	523,000,000	-
(d) Advance towards investments		
(i) to related parties (see note 36)	261,000,000	13,600,000
(ii) to others (see note 17)	-	1,500,000,000
(e) Prepaid expenses	25,508,004	28,268,810
(f) MAT credit entitlement	-	10,492,541
(g) Other loans and advances		
(i) Loan and advances	529,827,556	520,000,000
	<b>1,739,764,104</b>	<b>2,072,831,595</b>

**NOTE 17**

**CURRENT INVESTMENTS (see note a and b below)**

**AT LOWER OF COST OR FAIR VALUE**

**(a) Investment in equity instruments**

**(i) of associates**

A. SV Power Private Limited (3,861,775 (Previous year Nil) Equity Shares of Rs. 10 each)	789,960,000	-
B. KVK Nilanchal Power Private Limited (5,180,000 (Previous year Nil) Equity Shares of Rs. 10 each)	970,000,000	-

**(ii) of other entities**

Himanchal Sorang Power Limited (218,300 (Previous year Nil) Equity Shares of Rs 10 each)	62,739,279	-
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**(b) Investment in debentures or bonds of other entities**

Himanchal Sorang Power Limited (5,784,100 (Previous year Nil) Fully convertible Debentures of Rs. 10 each)	947,710,721	-
	<b>2,770,410,000</b>	<b>-</b>

Aggregate amount of unquoted investments

2,770,410,000      -

**Note:**

- a. The Company is in the process of transferring the equity shares in its name for the following investments made:

	No of equity shares	No of equity shares
i. SV Power Private Limited *	3,195,509	3,195,509
ii. KVK Nilanchal Power Private Limited *	5,180,000	-
iii. Himanchal Sorang Power Limited *	218,300	-

- b. During the previous year the Company had purchased 2,016,009.535 Pass Through Certificates - Series II (PTCs) of Rs. 1000 each at a premium of Rs. 183,990,465 from the lenders of Maytas Investment Trust (MIT). The PTCs were redeemable by transfer of investments of 3 Companies namely KVK Nilanchal Power Private Limited, SV Power Private Limited and Himanchal Sorang Power Limited. MIT through its Trustee viz IL&FS Trust Company Limited had transferred 3,195,509 shares of SV Power Private Limited and redeemed 641,457.579 PTCs leaving a balance of 1,374,551.956 PTCs as on 31 March 2011. These PTCs were fully redeemed as on 7 July, 2011 against 5,180,000 shares of KVK Nilanchal Power Private Limited, 218,300 equity shares of Himanchal Sorang Power Limited and 1,765,003 fully Convertible debentures of Himanchal Sorang Power Limited. The Company has issued an undertaking to repledge the shares in favour of the lenders of the respective companies on transfer of shares in its name.

During the current year the Board has resolved to sell / transfer the Company's investments in equity and other securities of KVK Nilanchal Power Private Limited, SV Power Private Limited and Himanchal Sorang Power Limited. Accordingly, the Company has initiated steps to dispose off the said investments and disclosed it as current investments.

A

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>As at 31.03.2012 (Rupees)</b>	<b>As at 31.03.2011 (Rupees)</b>
<b>NOTE 18</b>		
<b>TRADE RECEIVABLES</b>		
(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	76,370,880	34,509,886
(ii) Doubtful	<u>1,868,721</u>	<u>-</u>
	78,239,601	34,509,886
Less: Provision for doubtful trade receivables	<u>1,868,721</u>	<u>-</u>
	76,370,880	34,509,886
(b) Other trade receivables (Unsecured, considered good)	<u>351,606,571</u>	<u>266,459,127</u>
	<b><u>427,977,451</u></b>	<b><u>300,969,013</u></b>
<b>NOTE 19</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(a) Cheques on hand	59,905	-
(b) Balance with scheduled banks		
(i) in current accounts	71,813,747	66,966,856
(ii) in fixed deposits for less than 3 months (see note below)	<u>245,504</u>	<u>7,320,600</u>
	<b><u>72,119,156</u></b>	<b><u>74,287,456</u></b>
<b>Note</b>		
Fixed deposits held as margin money with banks	220,600	220,600
<b>NOTE 20</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
(a) Loans and advances to related parties (see note 36)	8,830	153,135,527
(b) Loans and advances to employee's	797,439	125,069
(c) Prepaid expenses	9,794,310	2,777,873
(d) Balances with government authorities - Service tax credit receivable	3,513,530	547,156
(e) Inter-corporate deposits to related parties (see note 36)	150,626,543	-
(f) Advance income tax (Net of provision Rs. 137,068,951 Previous year Rs. 58,681,360)	111,892,623	68,160,584
(g) Others	108,067,968	5,892,133
	<b><u>384,701,243</u></b>	<b><u>230,638,342</u></b>
<b>NOTE 21</b>		
<b>OTHER CURRENT ASSETS</b>		
(a) Unbilled revenue	56,332,707	25,236,769
(b) Interest accrued on advances to related parties (see note 36)	14,694,245	-
(c) Interest accrued on advances to others	<u>6,574,135</u>	<u>28,656,325</u>
	<b><u>77,601,087</u></b>	<b><u>53,893,094</u></b>



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

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
<b>NOTE 22</b>		
<b>REVENUE FROM OPERATIONS</b>		
(a) Consultancy income	660,011,309	529,922,801
(b) Income from sale of power	326,497,824	81,759,355
	<u>986,509,133</u>	<u>611,682,156</u>
<b>NOTE 23</b>		
<b>OTHER INCOME</b>		
(a) Interest income on		
i. Fixed deposits	710,500	1,449,372
ii. Others	80,071,078	57,915,589
(b) Interest income from related parties (see note 36)	33,704,932	27,778,713
(c) Profit on sale of assets	41,015	-
(d) Miscellaneous income	112,119	15,353
	<u>114,639,644</u>	<u>87,159,027</u>
<b>NOTE 24</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries, wages and incentives	151,969,114	131,004,649
(b) Contribution to provident and other funds	11,242,652	7,972,614
(c) Staff welfare expenses	4,313,221	2,473,251
	<u>167,524,987</u>	<u>141,450,514</u>
<b>NOTE 25</b>		
<b>FINANCE COSTS</b>		
(a) Interest expenses on borrowing	447,604,789	289,763,935
(b) Other borrowing costs	3,816,537	591,018
	<u>451,421,326</u>	<u>290,354,953</u>
<b>NOTE 26</b>		
<b>OTHER EXPENSES</b>		
(a) Power and fuel	730,084	665,544
(b) Rent	21,458,478	27,533,630
(c) Repairs and maintenance		
i. Plant and machinery	84,350	116,356
ii. Others	7,474,065	5,009,784
(d) Insurance	2,710,742	1,876,507
(e) Rates and taxes	7,902,001	27,331,823
(f) Communication	2,765,842	2,482,206
(g) Travelling and conveyance	20,239,983	19,023,964
(h) Printing and stationery	1,446,840	1,138,667
(i) Advertisement and business promotion	4,471,252	2,090,113
(j) Brand subscription fees	2,632,284	2,378,991
(k) Operation and maintenance	4,161,934	-
(l) Office maintenance expenses	1,247,941	3,168,178
(m) Legal and professional	39,347,963	37,581,255
(n) Payments to auditors (see note below)	2,134,520	1,200,000
(o) Director sitting fees	960,000	510,000
(p) Rebate on sale of power	3,803,697	921,439
(q) Provision for doubtful trade receivables	1,868,721	-
(r) Loss on sale/retirement of assets (net)	-	149,894
(s) Miscellaneous expenses	6,854,850	1,331,190
	<u>132,295,547</u>	<u>134,509,541</u>
<b>Note</b>		
Payments to the auditors comprises (net of service tax input credit)		
(a) Audit Fees	1,400,000	1,200,000
(b) Other services	650,000	-
(c) Reimbursement of expenses	84,520	-
	<u>2,134,520</u>	<u>1,200,000</u>

A

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

27. For the wind power projects commissioned in Rajasthan and Tamilnadu, the Company had entered into Power Purchase Agreements (PPA) with Jaipur Vidyut Vitran Nigam Ltd. (JVVNL) and Tamil Nadu Electricity Board (TNEB) respectively for the supply of power and has commenced supply of power from the above projects in September, 2010.
28. During the financial year 2010-2011, the Company had secured the rights for development and operation of 48 Wind Energy Converters at Jaisalmer district, Rajasthan and of 15 wind energy converters at Triuneveli district, Tamilnadu. These rights include all necessary clearances/approvals/right of way etc. from the respective state Governments/Departments/Boards/ Authorities. These development rights are being amortised over its useful period of 20 years.

**29. Contingent liabilities**

	<b>As at 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
Bank Guarantee provided to Uttarakhand Power Corporation Limited	220,600	220,600
Corporate guarantee given to IL&FS Fiancial Services Limited on behalf of East Delhi Waste Management Company Private Limited	700,000,000	-
Claims against the Company not acknowledged as debt towards demand raised by Income Tax authorities	92,419	-

**Commitments**

Uncalled liability on shares partly paid

Rs. 5 per share uncalled money on 267,390,000 partly paid shares of ONGC Tripura Power Company Limited	1,336,950,000	1,336,950,000
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**30. Earning and Expenses in foreign currency**

	<b>Year ended 31.03.2012 Rupees</b>	<b>Year ended 31.03.2011 Rupees</b>
<b>Earning in foreign currency</b>		
Consultancy Income	98,687,798	-
<b>Expenses in foreign currency</b>		
Travelling Expenses	1,124,092	1,558,609

**31. Foreign currency exposure**

**Receivable in foreign currency**

	<b>As at 31.03.2012</b>	<b>As at 31.03.2011</b>
US Dollar	1,940,000	-
Rupees	98,687,798	-





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

**32. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. The Company has taken property on non-cancellable operating lease and has recognised rent of Rs. 6,285,252 during the current year (Previous year Rs. 15,159,900). The future minimum lease payments under these operating leases as of 31 March, 2012 are as follows:

	<b>As at 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
i. Not later than one year	16,112,808	16,112,808
ii. Later than one year but not later than five years	69,908,796	68,089,608
iii. Later than five years	3,436,966	21,368,962

33. 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 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
i. Not later than one year	3,815,198	2,561,150
ii. Later than one year but not later than five years	5,532,363	2,669,396
iii. Later than five years	Nil	Nil

Lease expenses incurred during the year Rs. 2,965,555 ( Previous year 3,702,322)

**34. Employee benefits**

In accordance with the revised Accounting Standard 15 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. 7,098,918 (Previous year Rs. 5,076,611) has been charged to statement of profit and loss.



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

**b. Defined Benefit Plan**

(i) Gratuity Plan

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

(ii) Compensated Absences Plan

As per stipulation of AS-15 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 Accounting Standard -15 (Revised) on "Employee Benefits" for Gratuity are as under:**

<b>Particulars</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
<b>i. Assumptions</b>		
Discount rate	8.50%	8.25%
Rate of return on plan assets	8.60%	8.00%
Salary Escalation	6.50%	6.00%
<b>ii. Change in benefit obligation</b>		
Liability at the beginning of the year	6,023,825	3,021,888
Interest cost	496,966	241,751
Current service cost	1,514,320	991,171
Benefits paid	(2,603,023)	-
Actuarial (gain) / loss on obligations	2,261,639	1,769,015
Liability at the end of the year	<b>7,693,727</b>	<b>6,023,825</b>
<b>iii. Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	3,234,511	2,870,275
Expected return on plan assets	258,761	246,235
Contributions	3,163,219	207,664
( Benefit Paid )	(2,603,023)	-
Actuarial gain/ (loss) on plan assets	(185,251)	(89,663)
Fair value of plan assets at the year end	<b>3,868,217</b>	<b>3,234,511</b>





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

<b>Particulars</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
iv. Actual return on plan assets		
Expected return on plan assets	258,761	246,235
Actuarial gain/ (loss) on plan assets	(185,251)	(89,663)
Actual return on plan assets	<b>73,510</b>	<b>156,572</b>

v. Amount Recognised in the balance sheet

Liability at the end of the year	7,693,727	6,023,825
Fair Value of plan assets at the end of the year	(3,868,217)	(3,234,511)
Amount recognised in the balance sheet	<b>3,825,510</b>	<b>2,789,314</b>

vi. Expenses recognised in the statement of profit and loss

Current service cost	1,514,320	991,171
Interest cost	496,966	241,751
Expected return on plan assets	(258,761)	(246,235)
Actuarial (gain) / loss	2,446,890	1,858,678
Expenses charged to the statement of profit and loss	<b>4,199,415</b>	<b>2,845,365</b>

vii. Balance sheet reconciliation

Opening net liability	2,789,314	151,613
Expense as above	4,199,415	2,845,365
Employer contribution	(3,163,219)	(207,664)
Amount recognised in the balance sheet	<b>3,825,510</b>	<b>2,789,314</b>

viii. Category of Assets

Insurer managed funds	3,868,217	3,234,511
Amount recognised in the balance sheet	<b>3,868,217</b>	<b>3,234,511</b>

ix. Experience adjustment

<b>Particulars</b>	<b>(All amount in Rupees)</b>				
	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
On plan liability (gains)/losses	2,051,727	914,319	201,380	(1,611,109)	Note iii
On Plan assets losses/ ( gains)	(185,251)	(89,663)	(185,270)	-	Note iii



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

x. Additional information

Particulars	(All amount in Rupees)				
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
Present value of benefit obligation	7,693,727	6,023,825	3,021,888	1,611,109	Note iii
Fair value of plan assets	3,868,217	3,234,511	2,870,275	2,814,481	Note iii
Obligation in excess of plan assets	3,825,510	2,789,314	151,613	(1,203,372)	Note iii

Note:

- 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. The details of experience adjustments arising on account of plan assets and liabilities as required by Accounting Standard (AS) - 15 (Revised) "Employee Benefits" were not applicable.
- iv. The estimate of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

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

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Discount rate	8.50%	8.25%
Salary escalation	6.50%	6.00%
Attrition	2.00%	2.00%





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

**35. Segment Reporting**

**a. Segment information for primary segment reporting (by business segment)**

The Company has two business segments:

- i. Generation and sale of power
- ii. Advisory services

Particulars	Sale of power	Consulancy	All amount in Rupees Total
<b>Segment Revenue</b>			
Revenue from operations	326,497,824 (81,759,355)	660,011,309 (529,922,801)	986,509,133 (611,682,156)
<b>Segment Profit / (Loss)</b>	-119,689,446 (-135,729,460)	412,664,908 (318,155,315)	292,975,462 (182,425,855)
Unallocable Expenses			207,293,447 (216,939,232)
Operating Profit			85,682,015 (34,513,377)
Unallocable Interest Income			114,639,644 (87,159,027)
Income Taxes			80,708,363 (44,783,042)
<b>Net Profit After Tax</b>			<b>119,613,296</b> <b>(7,862,608)</b>
<b>Segment Assets</b>	2,763,661,880 (2,780,881,950)	324,293,163 (298,613,385)	3,087,955,043 (3,079,495,335)
Unallocable Assets			15,192,645,290 (7,667,586,313)
<b>Total Assets</b>			<b>18,280,600,333</b> <b>(10,747,081,648)</b>
<b>Segment Liabilities</b>	2,043,340,665 (2,162,887,781)	30,238,728 (41,833,282)	2,073,579,393 (2,204,721,063)
Unallocable Liabilities			4,190,882,532 (2,770,412,214)
<b>Total Liabilities</b>			<b>6,264,461,925</b> <b>(4,975,133,277)</b>
<b>Capital Expenditure</b>	- (2,793,678,264)	1,424,731 (2,067,157)	1,424,731 (2,795,745,421)
Unallocable Capital Expenditure			559,136 (1,354,653)
<b>Total Capital Expenditure</b>			<b>1,983,867</b> <b>(2,797,100,074)</b>
<b>Depreciation</b>	147,280,956 (78,231,138)	1,500,197 (1,020,853)	148,781,153 (79,251,991)
Unallocable Depreciation			804,106 (628,534)
<b>Total Depreciation</b>			<b>149,585,259</b> <b>(79,880,525)</b>

Note: Figures in brackets pertains to previous year



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

**b. Geographic segments**

The geographical segment individually contributing 10% or more of the Company's revenue and segment assets are shown separately.

<b>Geographical segment</b>	<b>Revenues</b>	<b>All amount in Rupees Segment Assets</b>
Singapore	98,687,798	98,687,798
India	1,002,460,979	18,181,912,535
<b>Total</b>	<b>1,101,148,777</b>	<b>18,280,600,333</b>

Note:

1. Unallocated assets include balance fixed assets, investments, cash and cash equivalents, advance tax and interest accrued but not due and advance recoverable.
2. Unallocated liabilities include secured/unsecured borrowings and other liabilities.
3. Unallocated income and expenses includes income/expenses which are not directly related to business segments shown as unallocated income/expenses.

**36. Related Party Transactions:**

- a) List of related parties (With whom the Company had transactions):

**A HOLDING COMPANY**

Infrastructure Leasing & Financial Services Limited (IL&FS)

**B SUBSIDIARIES – DIRECT/INDIRECT**

- i. IL&FS Hydro Energy Limited
- ii. Cross Border Power Transmission Company Limited
- iii. Nana Layja Power Company Limited (w.e.f. 25 October, 2011)
- iv. IL&FS Renewable Energy Limited (w.e.f. 25 October, 2011)
- v. IL&FS Wind Power Limited (w.e.f. 1 November, 2011)
- vi. Nakhatrana Biomass Energy Limited (w.e.f. 25 October, 2011)
- vii. GAPS Power & Infrastructure Private Limited (w.e.f. 25 October, 2011)
- viii. Tadas Wind Energy Limited (w.e.f. 25 October, 2011)
- ix. Lalpur Wind Energy Private Limited (w.e.f. 25 October, 2011)
- x. East Delhi Waste Processing Company Ltd (EDWPCL) (w.e.f. 25 October, 2011)
- xi. IL&FS Tamil Nadu Power Company Ltd (upto 23 November, 2011)

**C FELLOW SUBSIDIARIES**

- i. Gaps Power & Infrastructure Private Ltd (up to 24 October, 2011)
- ii. IL&FS Education & Technology Services Limited
- iii. IL&FS Environmental Infrastructure & Service Limited
- iv. IL&FS Financial Services Limited
- v. IL&FS Infrastructure Development Corporation Limited
- vi. IL&FS Investment Advisors LLC
- vii. IL&FS Nepal Infrastructure Development Co Pvt Ltd
- viii. IL&FS Securities Services Limited
- ix. IL&FS Transportation Networks Limited
- x. IL&FS Trust Company Limited
- xi. IL&FS Wind Power Limited (up to 31 October, 2011)
- xii. Nakhatrana Biomass Energy Limited (up to 24 October, 2011)
- xiii. Tadas Wind Energy Limited (up to 24 October, 2011)
- xiv. IL&FS Renewable Energy Limited (up to 24 October, 2011)
- xv. Nana Layja Power Company Limited (up to 24 October, 2011)
- xvi. Lalpur Wind Energy Private Limited (up to 24 October, 2011)
- xvii. IL&FS Property Management and Services Limited (up to October 1, 2010)



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

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**D AFFILIATES/ASSOCIATES**

- i. ONGC Tripura Power Company Ltd
- ii. SV Power Private Limited
- iii. KVK Nilachal Power Private Limited (w.e.f. 7 July 2011)
- iv. IL&FS Tamil Nadu Power Company Limited
- v. Assam Power Projects Development Company Limited (up to 29 March, 2012)
- vi. Bihar Power Infrastructure Company Pvt Limited (up to 29 March, 2012)
- vii. IL&FS Technologies Limited
- viii. Indraprastha Energy & Waste Management Company Limited
- ix. ORIX Auto Infrastructure Services Limited (upto Dec 15, 2011)
- x. Power Transmission Company Nepal Limited (upto 19 March, 2012)
- xi. Manglore SEZ Limited

**E JOINT VENTURES**

- i. Power Transmission Company Nepal Limited (w.e.f. 20 March, 2012)
- ii. Bihar Power Infrastructure Company Private Limited (w.e.f. March 30, 2012)
- iii. Assam Power Project Development Company Limited (w.ef. March 30, 2012)

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

- I IL&FS IIDC Fund
- Ii IL&FS Infrastructure Equity Fund 1

**G INDIVIDUALS HAVING CONTROL OR SIGNIFICANT INFLUENCE** (from 10 August, 2010 to 2 December, 2010)

- I Mr. Arun K Saha (Trustees of IL&FS Employee Welfare Trust)
- Ii Mr. Vibhav Kapoor (Trustees of IL&FS Employee Welfare Trust)

**H KEY MANAGEMENT PERSONNEL**

Mr. Hari Sankaran



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

b) The nature and volume of transactions during the year with the above related parties are as follows:

Particulars	All amounts in Rupees					
	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Transactions during the year</b>						
<b>Consultancy Income:</b>						
Nana Layja Power Company Limited	- (-)	80,000,000 (-)	20,000,000 (30,000,000)	- (-)	- (-)	- (-)
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	33,814,393 (51,302,083)	- (-)	- (-)
IL&FS Infrastructure Development Corporation Limited	- (-)	- (-)	26,560,000 (39,000,000)	- (-)	- (-)	- (-)
IL&FS Tamilnadu Power Company Limited	- (-)	- (90,000,000)	- (-)	206,000,000 (231,000,000)	- (-)	- (-)
IL&FS Renewable Energy Limited	- (-)	7,500,000 (7,500,000)	- (1,500,000)	- (-)	- (-)	- (-)
Tadas Wind Energy Limited	- (-)	25,000,000 (-)	25,200,000 (-)	- (-)	- (-)	- (-)
Cross Border Power Transmission Co Limited	- (-)	31,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Lalpur Wind Energy Pvt. Limited.	- (-)	55,440,000 (-)	- (-)	- (-)	- (-)	- (-)
KSIIDC-IL&FS Project Development Co Limited	- (-)	- (-)	- (-)	- (570,000)	- (-)	- (-)
Jharkhand Infrastructure Development Corporation Limited	- (-)	- (-)	- (-)	- (750,000)	- (-)	- (-)
Assam Power Project Development Company Limited	- (-)	- (-)	- (-)	1,100,000 (1,850,295)	- (-)	- (-)
IL&FS IIDC Fund	- (-)	- (-)	- (-)	- (-)	- (-)	7,117,970 (-)
<b>Total Consultancy Income</b>	- (-)	<b>198,940,000</b> <b>(97,500,000)</b>	<b>71,760,000</b> <b>(70,500,000)</b>	<b>240,914,393</b> <b>(285,472,378)</b>	- (-)	<b>7,117,970</b> <b>(-)</b>
<b>Interest Income</b>						
Infrastructure Leasing & Financial Services Limited	17,845,122 (8,029,002)	- (-)	- (-)	- (-)	- (-)	- (-)
GAPS Power and Infrastructure Pvt Limited	- (-)	10,263,561 (2,974,027)	2,517,482 (-)	- (-)	- (-)	- (-)



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

Particulars	All amounts in Rupees					
	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
IL&FS Employee Welfare Trust	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(16,775,684)
S V Power (P) Limited	-	-	-	3,078,768	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total Interest Income</b>	<b>17,845,122</b>	<b>10,263,561</b>	<b>2,517,481</b>	<b>3,078,768</b>	<b>-</b>	<b>-</b>
	<b>(8,029,002)</b>	<b>(2,974,027)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(16,775,684)</b>
<b>Rent</b>						
Infrastructure Leasing & Financial Services Limited	<b>36,457,836</b>	-	-	-	-	-
	<b>(21,107,977)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Finance cost</b>						
Infrastructure Leasing & Financial Services Limited	65,571,808	-	-	-	-	-
	(61,292,803)	(-)	(-)	(-)	(-)	(-)
IL&FS Financial Services Limited	-	-	102,288,347	-	-	-
	(-)	(-)	(71,726,027)	(-)	(-)	(-)
<b>Total</b>	<b>65,571,808</b>	<b>-</b>	<b>102,288,347</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(61,292,803)</b>	<b>(-)</b>	<b>(71,726,027)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Business promotion</b>						
Infrastructure Leasing & Financial Services Limited	<b>2,632,284</b>	-	-	-	-	-
	<b>(1,366,041)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Other Expenses:</b>						
Infrastructure Leasing & Financial Services Limited	1,872,951	-	-	-	-	-
	(243,733)	(-)	(-)	(-)	(-)	(-)
IL&FS Infrastructure Development Corporation Limited	-	-	582,443	-	-	-
	(-)	(-)	(490,084)	(-)	(-)	(-)
IL&FS Technologies Limited	-	-	-	1,839,219	-	-
	(-)	(-)	(-)	(723,979)	(-)	(-)
IL&FS Investment Advisors LLC	-	-	85,250	-	-	-
	(-)	(-)	(181,606)	(-)	(-)	(-)
IL&FS Nepal Infrastructure Development Company Private Limited	-	-	-	-	-	-
	(-)	(-)	(600,000)	(-)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	-	-	-	-
	(-)	(-)	(2,238,791)	(-)	(-)	(-)
IL&FS Environment Infrastructure & Services Limited	-	-	300,000	-	-	-
	(-)	(-)	(195,000)	(-)	(-)	(-)
Orix Auto Infrastructure Services Limited	-	-	-	392,102	-	-
	(-)	(-)	(-)	(2,516,163)	(-)	(-)

12

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

Particulars	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	All amounts in Rupees	
					Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
IL&FS Trust Company Limited	-	-	330,900	-	-	-
	(-)	(-)	-	(-)	(-)	(-)
IL&FS Securities Services Limited	-	-	39,283	-	-	-
	(-)	(-)	(111,675)	(-)	(-)	(-)
IL&FS Transportation Networks Limited	-	-	47,272	-	-	-
	(-)	(-)	(20,000)	(-)	(-)	(-)
IL&FS Property Management & Services Limited	-	-	-	-	-	-
	(-)	(-)	(318,685)	(-)	(-)	(-)
<b>Total</b>	<b>1,872,951</b>	<b>-</b>	<b>1,385,148</b>	<b>2,231,321</b>	<b>-</b>	<b>-</b>
	<b>(243,733)</b>	<b>(-)</b>	<b>(4,155,841)</b>	<b>(3,240,142)</b>	<b>(-)</b>	<b>(-)</b>
<b>Reimbursement of expenses received:</b>						
IL&FS Tamilnadu Power Company Limited	-	-	-	2,386,154	-	-
	(-)	(99,946)	(-)	(53,979)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	-	-	-	-
	(-)	(619,432)	(55,471)	(-)	(-)	(-)
IL&FS Wind Power Limited	-	374,963	5,663,545	-	-	-
	(-)	(-)	(4,116,877)	(-)	(-)	(-)
IL&FS Infrastructure Development Corporation Limited	-	-	459,792	-	-	-
	(-)	(-)	(249,744)	(-)	(-)	(-)
GAPS Power and Infrastructure Pvt Limited	-	1,169,065	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Tadas Wind Energy Limited.	-	359,446	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>1,903,474</b>	<b>6,123,337</b>	<b>2,386,154</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(719,378)</b>	<b>(4,422,092)</b>	<b>(53,979)</b>	<b>(-)</b>	<b>(-)</b>
<b>Purchase of fixed assets:</b>						
Infrastructure Leasing & Financial Services Limited	-	-	-	-	-	-
	(91,215)	(-)	(-)	(-)	(-)	(-)
IL&FS Infrastructure Development Corporation Limited	-	-	45,724	-	-	-
	(-)	(-)	(239,652)	(-)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	-	-	-	-
	(-)	(-)	(39,749)	(-)	(-)	(-)
IL&FS Technologies Limited	-	-	-	88,189	-	-
	(-)	(-)	(-)	(1,320,383)	(-)	(-)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>45,724</b>	<b>88,189</b>	<b>-</b>	<b>-</b>
	<b>(91,215)</b>	<b>(-)</b>	<b>(279,401)</b>	<b>(1,320,383)</b>	<b>(-)</b>	<b>(-)</b>





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

Particulars	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	All amounts in Rupees	
					Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Advances paid</b>						
Cross Border Power Transmission Co. Limited.	- (-)	1,000,000 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Renewable Energy Limited	- (-)	4,519,100,000 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Wind Power Limited	- (-)	37,700,000 (30,310,000)	- (-)	- (-)	- (-)	- (-)
Nana Layja Power Co. Limited.	- (-)	260,000,000 (500,000)	- (-)	- (-)	- (-)	- (-)
Bihar Power Infrastructure Co. Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	100,000,000 (-)	- (-)
<b>Total</b>	- (-)	<b>4,817,800,000</b> <b>(30,810,000)</b>	- (-)	- (-)	<b>100,000,000</b> <b>(-)</b>	- (-)
<b>Investment made – Equity (including premium)</b>						
IL&FS Renewable Energy Limited	- (-)	4,519,100,000 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Wind Power Limited	- (-)	51,300,000 (16,710,000)	- (-)	- (-)	- (-)	- (-)
Nana Layja Power Co. Ltd.	- (-)	- (500,000)	- (-)	- (-)	- (-)	- (-)
IL&FS Tamilnadu Power Development Company Limited	- (-)	- (-)	- (-)	- (101,900,000)	- (-)	- (-)
<b>Total</b>	-	<b>4,570,400,000</b> <b>(17,210,000)</b>	- (-)	- (101,900,000)	- (-)	- (-)
<b>Purchase of investment Equity instruments</b>						
Infrastructure Leasing & Financial Services Limited	1,319,400,600 (89,960,000)	- (-)	- (-)	- (-)	- (-)	- (-)
IL&FS IIDC Fund	- (-)	- (-)	- (-)	- (-)	- (-)	64,729,889 (-)
IL&FS Infrastructure Development Corporation Limited	- (-)	- (-)	1,562,500 (-)	- (-)	- (-)	- (-)
<b>Total</b>	<b>1,319,400,600</b> <b>(89,960,000)</b>	- (-)	<b>1,562,500</b> <b>(-)</b>	- (-)	- (-)	<b>64,729,889</b> <b>(-)</b>
<b>Preference shares of subsidiaries</b>						
Infrastructure Leasing & Financial Services Limited	<b>202,000,000</b> <b>(-)</b>	- (-)	- (-)	- (-)	- (-)	- (-)

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

Particulars	All amounts in Rupees					
	Holding Company (A)	Subsidiary Companies (B)	Fellow Subsidiaries (C)	Affiliates (D)	Joint Ventures (E)	Significant Influence (F&G)
<b>Investment in debentures or bonds</b>						
Infrastructure Leasing & Financial Services Limited	- (357,040,000)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Sale of investment</b>						
<b>Equity instruments</b>						
IL&FS Renewable Energy Limited	- (-)	68,509,400 (-)	- (-)	- (-)	- (-)	- (-)
<b>Loan given</b>						
GAPS Power & Infrastructure Pvt. Limited	- (-)	233,000,000 (166,000,000)	- (-)	- (-)	- (-)	- (-)
SV Power Pvt. Limited.	- (-)	- (-)	- (-)	190,000,000 (-)	- (-)	- (-)
<b>Total</b>	- -	233,000,000 (166,000,000)	- (-)	190,000,000 (-)	- (-)	- (-)
<b>Loans traferred</b>						
<b>GAPS loan transferred to IL&amp;FS Renewable Energy Limited</b>	-	- (166,000,000)		-	-	-
<b>Loans received</b>						
Infrastructure Leasing & Financial Services Limited	110,000,000 (2,830,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Loan Repaid</b>						
Infrastructure Leasing & Financial Services Limited	- (2,309,561,438)	- (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Financial Services Limited	- (-)	- (-)	2,200,000,000 (-)	- (-)	- (-)	- (-)
<b>Total</b>	- (2,309,561,438)	- (-)	2,200,000,000 (-)	- (-)	- (-)	- (-)
<b>Share application money received</b>						
Infrastructure Leasing & Financial Services Limited	2,593,000,000 (5,128,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Infrastructure Equity Fund - 1	- (-)	- (-)	- (-)	- (-)	- (-)	669,382,891 (-)
<b>Total</b>	2,593,000,000 (5,128,000,000)	- (-)	- (-)	- (-)	- (-)	669,382,891 (-)



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

Particulars	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	All amounts in Rupees	
					Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Issue of shares</b>						
Infrastructure	3,040,000,000	-	-	-	-	-
Leasing & Financial Services Limited	(4681,000,000)	(-)	(-)	(-)	(-)	(-)
IL&FS Infrastructure Equity Fund - 1	-	-	-	-	-	669,382,891
	(-)	(-)	(-)	(-)	(-)	(-)
<b>Total</b>	<b>3,040,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>669,382,891</b>
	<b>(4681,000,000)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>Balance outstanding as on 31 March, 2012</b>						
<b>Trade Payables</b>						
IL&FS Financial Services Limited	-	-	-	-	-	-
	(-)	(-)	(457,884)	(-)	(-)	(-)
Infrastructure Leasing & Financial Services Limited	1,801,068	-	-	-	-	-
	(2,950,426)	(-)	(-)	(-)	(-)	(-)
IL&FS Technologies Limited	-	-	-	46,666	-	-
	(-)	(-)	(-)	(88,204)	(-)	(-)
IL&FS Investment Advisors LLC	-	-	85,250	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
IL&FS Environmental Infrastructure & Services Limited	-	-	-	-	-	-
	(-)	(-)	(422,869)	(-)	(-)	(-)
IL&FS Securities Services Limited	-	-	35,355	-	-	-
	(-)	(-)	(111,675)	(-)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	-	-	-	-
	(-)	(-)	(2,222,448)	(-)	(-)	(-)
IL&FS Nepal Infrastructure Development Company Private Limited	-	-	-	-	-	-
	(-)	(-)	(327,500)	(-)	(-)	(-)
IL&FS IIDC Fund	-	-	-	-	-	32,693,529
	(-)	(-)	(-)	(-)	(-)	-
<b>Total</b>	<b>1,801,068</b>	<b>-</b>	<b>120,605</b>	<b>46,666</b>	<b>-</b>	<b>32,693,529</b>
	<b>(2,950,426)</b>	<b>(-)</b>	<b>(3,542,376)</b>	<b>(88,204)</b>	<b>(-)</b>	<b>(-)</b>
<b>Loan Payable</b>						
Infrastructure Leasing & Financial Services Limited	630,438,562	-	-	-	-	-
	(520,438,562)	(-)	(-)	(-)	(-)	(-)
IL&FS Financial Services Limited	-	-	-	-	-	-
	(-)	(-)	(2,200,000,000)	(-)	(-)	(-)
<b>Total</b>	<b>630,438,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(520,438,562)</b>	<b>(-)</b>	<b>(2,200,000,000)</b>	<b>(-)</b>	<b>(-)</b>	<b>(-)</b>
<b>1% Fully Compulsorily Convertible Debentures</b>						
Infrastructure Leasing & Financial Services Limited	2,470,000,000	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

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

Particulars	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	All amounts in Rupees	
					Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Receivables:</b>						
IL&FS Wind Power Limited	- (-)	- (-)	372,226 (4,086,824)	- (-)	- (-)	- (-)
IL&FS Tamilnadu Power Company Limited	- (-)	- (-)	- (-)	36,038,426 (224,576,737)	- (-)	- (-)
IL&FS Technologies Limited	- (-)	- (-)	- (-)	108,389 (-)	- (-)	- (-)
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	(745,728)	17,358,585 (-)	- (-)
IL&FS Renewable Energy Limited	- (-)	12,279 (-)	(153,045,670)	- (-)	- (-)	- (-)
Indraprastha Energy & Waste Mgmt Co Limited	- (-)	- (-)	- (-)	144,539 (144,539)	- (-)	- (-)
IL&FS Infrastructure Development Corporation Limited	- (-)	- (-)	16,110,729 (35,143,419)	- (-)	- (-)	- (-)
GAPS Power and Infrastructure Pvt Limited	- (-)	987,232 (-)	- (-)	- (-)	- (-)	- (-)
Mangalore SEZ Limited	- (-)	- (-)	- (-)	- (502,950)	- (-)	- (-)
Cross Border Power Transmission Co. Limited	- (-)	30,773,700 (-)	- (-)	- (-)	- (-)	- (-)
IL&FS Education & Technology Services Limited	- (-)	- (-)	96,406 (-)	- (-)	- (-)	- (-)
Nana Layja Power Company Limited	- (-)	39,708,000 (-)	- (-)	- (-)	- (-)	- (-)
Nakhatrana Biomass Energy Limited	- (-)	167,872 (-)	- (-)	- (-)	- (-)	- (-)
Lalpur Wind Energy Pvt. Limited.	- (-)	55,035,288 (-)	- (-)	- (-)	- (-)	- (-)
Others	- (-)	- (-)	1,000 (137,059)	156,649 (1,362)	- (-)	- (-)
<b>Total</b>	- (-)	<b>126,684,371</b> (-)	<b>16,580,361</b> (192,412,972)	<b>36,448,003</b> (225,971,316)	<b>17,358,585</b> (-)	- (-)
<b>Prepaid expense</b>						
IL&FS Technologies Limited	- (-)	- (-)	- (-)	70,176 (-)	- (-)	- (-)





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

Particulars	All amounts in Rupees					
	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Loans and advances</b>						
GAPS Power and Infrastructure Pvt Limited	- (-)	233,000,000 (-)	- (-)	- (-)	- (-)	- (-)
S V Power (P) Limited	- (-)	- (-)	- (-)	190,000,000 (-)	- (-)	- (-)
Bihar Power Infrastructure Company Private Limited	- (-)	- (-)	- (-)	- (-)	100,000,000 (-)	- (-)
<b>Total</b>	- (-)	<b>233,000,000</b> (-)	- (-)	<b>190,000,000</b> (-)	<b>100,000,000</b> (-)	- (-)
<b>Inter Corporate Deposits</b>						
Infrastructure Leasing & Financial Services Limited	<b>150,626,543</b> (-)	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Interest accrued on loans and advances</b>						
Infrastructure Leasing & Financial Services Limited	112,539 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
GAPS Power and Infrastructure Pvt Limited	- (-)	11,502,939 (-)	- (-)	- (-)	- (-)	- (-)
S V Power (P) Limited	- (-)	- (-)	- (-)	3,078,767 (-)	- (-)	- (-)
<b>Total</b>	<b>112,539</b> (-)	<b>11,502,939</b> (-)	- (-)	<b>3,078,767</b> (-)	- (-)	- (-)
<b>Interest accrued on loans</b>						
Infrastructure Leasing & Financial Services Limited	<b>14,902,113</b> <b>(16,912,596)</b>	- (-)	- (-)	- (-)	- (-)	- (-)
<b>Advance towards investments</b>						
IL&FS Wind Power Limited	- (-)	- (-)	- (13,600,000)	- (-)	- (-)	- (-)
IL&FS Renewable Energy Limited	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Cross Border Power Transmission Co Limited	- (-)	1,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Nana Layja Power Company Limited	- (-)	260,000,000 (-)	- (-)	- (-)	- (-)	- (-)
<b>Total</b>	- (-)	<b>261,000,000</b> (-)	- (13,600,000)	- (-)	- (-)	- (-)



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

Particulars	Holding Company	Subsidiary Companies	Fellow Subsidiaries	Affiliates	All amounts in Rupees	
					Joint Ventures	Significant Influence
	(A)	(B)	(C)	(D)	(E)	(F&G)
<b>Investment in Subsidiaries &amp; Associates</b>						
<b>Equity instruments</b>						
S V Power (P) Limited	- (-)	- (-)	- (-)	789,960,000 (789,960,000)	- (-)	- (-)
Nana Layja Power Company Limited	- (-)	200,500,000 (-)	- (500,000)	- (-)	- (-)	- (-)
IL&FS Tamil Nadu Power Company Limited	- (-)	- (-)	- (-)	104,400,000 (104,400,000)	- (-)	- (-)
IL&FS Renewable Energy Limited	- (-)	5,639,000,000 (-)	- (499,400)	- (-)	- (-)	- (-)
IL&FS Hydro Energy Limited	- (-)	500,000 (500,000)	- (-)	- (-)	- (-)	- (-)
IL&FS Wind Power Limited	- (-)	- (-)	- (17,209,400)	- (-)	- (-)	- (-)
Cross Border Power Transmission Co Limited	- (-)	500,000 (500,000)	- (-)	- (-)	- (-)	- (-)
KVK Nilachal Power Pvt Limited	- (-)	- (-)	- (-)	970,000,000 (-)	- (-)	- (-)
ONGC Tripura Power Company Limited	- (-)	- (-)	- (-)	4,023,218,000 (4,023,217,980)	- (-)	- (-)
Bihar Power Infrastructure Co. Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	62,693,529 (-)	- (-)
Assam Power Project Development Co. Ltd.	- (-)	- (-)	- (-)	- (-)	2,036,360 (-)	- (-)
Power Transmission Company Nepal Ltd.	- (-)	- (-)	- (-)	- (-)	1,562,500 (-)	- (-)
<b>Preference shares</b>						
IL&FS Renewable Energy Limited	- (-)	202,000,000 (-)	- (-)	- (-)	- (-)	- (-)
<b>Total</b>	- (-)	6,042,500,000 (1,000,000)	- (18,208,800)	5,887,578,000 (4,917,577,980)	66,292,389 (-)	- (-)



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

**37. 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.

<b>S.no</b>	<b>Particulars</b>	<b>Unit</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
a.	Net Profit After Tax	Rupees	119,613,296	7,862,608
b.	Weighted Average of Number of Equity Shares	Number of Shares	676,277,234	169,928,767
c.	Basic Earnings per share (a/b)	Rupees	0.18	0.05
d.	Potential dilutive equity shares on share application money, compulsorily convertible debentures and compulsorily convertible Preference shares	Number of Shares	733,042,996	44,700,000
e.	Weighted average of number of equity shares used in computing diluted earnings per share.	Number of Shares	692,401,936	170,051,233
f.	Diluted earnings per share (a/e)	Rupees	0.17	0.05

38. The Company has exercised the option as per the Companies (Accounting Standards) Amendments Rules, 2011. As per the option, exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of a depreciable capital assets are capitalized and depreciated the same over the useful life of the assets and in other cases, have transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities. There were no long term assets/liabilities outstanding during the year ended March 31, 2012

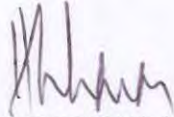


**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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39. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

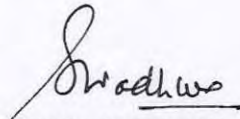
**For and on behalf of the Board**



**HARI SANKARAN**  
Director



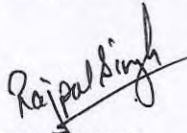
**RAMESH C BAWA**  
Director



**SUNIL WADHWA**  
Chief Executive Officer



**AVINASH BAPAT**  
Chief Financial Officer



**RAJPAL AHUJA**  
Company Secretary

Date - 4 May, 2012  
Place - Bengaluru





## AUDITORS' REPORT

### **TO THE BOARD OF DIRECTORS OF IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

1. We have audited the attached Consolidated Balance Sheet of **IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**, ("the Company"), its subsidiaries, associates and jointly controlled entities (the Company, its subsidiaries, associates and jointly controlled entities constitute "the Group") as at 31 March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, joint ventures whose financial statements reflect total assets of Rs. 1,232,365,926 as at 31 March, 2012, total revenues of Rs. 104,533,922 and net cash outflows amounting to Rs. 832,393 for the period/year ended on that date as considered in the Consolidated Financial Statements. We also did not audit the financial statements of some associates and associates of subsidiary company which reflects Company's share of loss in associates aggregating to Rs. 49,343,702. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of interest in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.



5. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries, associates and joint ventures and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2012;
  - ii. in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and
  - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Registration No. 015125N)



**JITENDRA AGARWAL**

Partner  
(Membership No. 87104)

**GURGAON, 20 July, 2012**



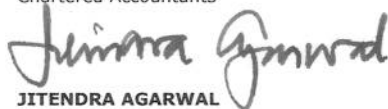
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2012**

	Note Ref.	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>A EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share capital	3	9,187,989,670	5,220,000,000
(b) Reserves and surplus	4	2,290,588,757	49,816,728
		<b>11,478,578,427</b>	<b>5,269,816,728</b>
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>	5	-	447,000,000
<b>3. NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	6	13,973,742,394	2,530,038,562
(b) Deferred tax liabilities (net)	7	49,845,315	43,484,972
(c) Other long term liabilities	8	85,557,889	30,000,000
(d) Long-term provisions	9	7,844,426	6,637,703
		<b>14,116,990,024</b>	<b>2,610,161,237</b>
<b>4. CURRENT LIABILITIES</b>			
(a) Short-term borrowings	10	3,616,943,875	2,200,000,000
(b) Trade payables	11	133,716,935	54,527,250
(c) Other current liabilities	12	1,465,396,675	51,617,425
(d) Current maturities of long-term borrowing	13	380,412,000	128,400,000
(e) Short-term provisions	14	21,496,902	3,976,863
		<b>5,617,966,387</b>	<b>2,438,521,538</b>
<b>TOTAL</b>		<b>31,213,534,838</b>	<b>10,765,499,503</b>
<b>B ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Goodwill on consolidation		225,009,397	-
(b) Fixed assets			
i. Tangible assets	15A	9,180,852,720	2,625,389,096
ii. Intangible assets	15B	100,572,104	93,867,522
iii. Capital work-in-progress	16	8,970,355,475	25,273,602
		<b>18,476,789,696</b>	<b>2,744,530,220</b>
(c) Non-current investments	17	5,827,615,612	5,283,931,185
(d) Deferred tax assets (net)	7	728,000	-
(e) Long-term loans and advances	18	2,383,400,941	2,072,831,595
(f) Other non current assets	19	205,398,161	-
		<b>26,893,932,410</b>	<b>10,101,293,000</b>
<b>2. CURRENT ASSETS</b>			
(a) Current investments	20	2,770,410,000	-
(b) Inventories	21	45,895,409	-
(c) Trade receivables	22	428,151,742	300,969,013
(d) Cash and cash equivalents	23	221,500,332	78,504,428
(e) Short-term loans and advances	24	699,882,546	230,839,968
(f) Other current assets	25	153,762,399	53,893,094
		<b>4,319,602,428</b>	<b>664,206,503</b>
<b>TOTAL</b>		<b>31,213,534,838</b>	<b>10,765,499,503</b>

See accompanying notes forming part of the financial statements 1-43

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

For and on behalf of the Board of Directors

  
Director **HARI SANIKARAN**

  
Director **K G RAMESH**

  
Chief Executive Officer **SUNIL WADHWA**

  
Chief Financial Officer **AVINASH BAPAT**

  
Company Secretary **RAJPAL AHUJA**

Place: **Bengaluru**  
Date: **20 JUL 2012**

**20 JUL 2012**

Place: **Bengaluru**  
Date: **20 July, 2012**

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012**

	<b>Note Ref.</b>	<b>Year ended 31.03.2012 (Rupees)</b>	<b>Year ended 31.03.2011 (Rupees)</b>
<b>1 Income</b>			
(a) Revenue from operations	<b>26</b>	1,021,361,425	682,390,595
(b) Other income	<b>27</b>	126,899,372	93,589,242
<b>Total Revenue</b>		<b>1,148,260,797</b>	<b>775,979,837</b>
<b>2 Expenses</b>			
(a) Cost of material consumed	<b>28</b>	96,377,578	9,758,110
(b) Employee benefits expense	<b>29</b>	131,202,154	161,510,867
(c) Finance costs	<b>30</b>	674,084,569	309,723,557
(d) Depreciation and amortisation expenses	<b>15</b>	240,217,360	88,749,994
(e) Other expenses	<b>31</b>	174,610,006	205,706,861
<b>Total expenses</b>		<b>1,316,491,667</b>	<b>775,449,389</b>
<b>3 Profit/(Loss) before tax</b>		<b>(168,230,870)</b>	<b>530,448</b>
<b>Tax expense:</b>			
(a) Current tax expenses for current year		82,785,515	14,898,505
(b) Excess provision for earlier year written back		(73,734)	-
(c) Net current tax expenses		82,711,781	14,898,505
(d) Deferred tax		2,149,053	44,524,223
(e) Minimum Alternate Tax (MAT) credit entitlement		-	(10,492,541)
		<b>84,860,834</b>	<b>48,930,187</b>
<b>4 Profit/(Loss) for the year</b>		<b>(253,091,704)</b>	<b>(48,399,739)</b>
Share of loss from associate		(117,353,525)	(4,896,795)
Gain on dilution of stake in subsidiaries (see note 17)		-	164,068,352
		<b>(370,445,229)</b>	<b>110,771,818</b>
<b>Earning per share</b>	<b>40</b>		
(Face value of Rs. 10 per share)			
- Basic		(0.37)	(0.28)
- Diluted		(0.37)	(0.28)

**See accompanying notes forming part of the financial statements 1-43**

In terms of our report attached


For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

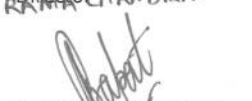
  
**JITENDRA AGARWAL**  
Partner

For and on behalf of the Board of Directors

  
**HARI SANKARAN**  
Director

  
**K G RAMA CHANDRAN**  
Director

  
**SONIL WADHWHA**  
Chief Executive Officer

  
**AVINASH BAPAT**  
Chief Financial Officer

  
**RAJPAL AHUJA**  
Company Secretary

Place: *Gurgaon*  
Date: **20 JUL 2012**

Place: Bengaluru  
Date: 20 July, 2012



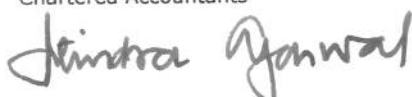
**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012**

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	(16,82,30,870)	5,30,448
Adjustment for:		
Depreciation and amortisation	24,02,17,360	8,87,49,994
Provision for employee benefits	1,87,26,762	59,76,855
Interest expense	67,40,84,569	30,97,23,557
(Profit)/Loss on sale of asset	(36,323)	1,45,865
Interest income	(12,62,15,614)	(9,31,02,701)
<b>Operating profit before working capital changes</b>	63,85,45,884	31,20,24,018
Adjustments for changes in:		
(Increase)/decrease in other current, other non-current assets and trade receivables	(52,77,69,005)	(39,04,94,464)
(Decrease)/increase in other current, other non-current liabilities and trade payables	21,21,81,048	(1,00,00,65,316)
Increase in inventory	(4,58,95,409)	-
Cash generated from/ (used in) operations	27,70,62,518	(1,07,85,35,762)
Taxes paid (including Tax deducted at source)	(15,41,99,876)	(6,48,80,832)
<b>Net Cash from/(used) in operating activities</b>	<b>12,28,62,642</b>	<b>(1,14,34,16,594)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	3,38,33,079	6,88,12,064
Investments in subsidiaries, joint ventures and associates	(2,09,67,29,572)	(6,78,88,27,980)
Purchase of fixed assets	(14,44,49,43,636)	(1,94,73,17,021)
Decrease in pre-operative expenses	-	1,68,54,60,611
Proceeds from sale of fixed assets	74,647	1,26,779
Long term loans and advances to related parties	(72,40,90,139)	(1,36,00,000)
(Increase)/decrease in inter corporate deposits	(15,47,20,858)	(19,24,69,345)
(Increase)/Decrease in short term loans and advances	(10,60,00,000)	-
(Increase)/Decrease in other long term advances	(94,33,96,000)	-
Gain on dilution of stake in subsidiaries	-	16,40,68,352
(Increase)/Decrease in project development expenses	(10,06,72,990)	-
Fixed deposits with bank (maturity more than twelve months)	(51,42,497)	-
<b>Net Cash used in Investing Activities</b>	<b>(18,54,17,87,966)</b>	<b>(7,02,37,46,540)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase/(decrease) in long term borrowings	9,22,57,15,832	2,65,84,38,562
Issue of Fully convertible debentures	2,47,00,00,000	-
Net increase/(decrease) in short term borrowings	1,41,69,43,875	2,20,00,00,000
Interest paid	(67,29,94,449)	(26,96,00,175)
Issue of equity share capital including share premium	4,24,22,55,968	3,19,22,00,000
Issue of preference share capital including share premium	1,88,00,00,002	-
Share application money received	-	44,70,00,000
Dividend paid (including tax)	-	(3,49,82,625)
<b>Net Cash from Financing Activities</b>	<b>18,56,19,21,228</b>	<b>8,19,30,55,762</b>
<b>Net Increase in cash and cash equivalents</b>	<b>14,29,95,904</b>	<b>2,58,92,628</b>
Cash and cash equivalents at the beginning of the year (see note-23)	7,85,04,428	5,26,11,800
Cash and cash equivalents at the end of the year (see note-23)	22,15,00,332	7,85,04,428
<b>Net Increase in cash and cash equivalents</b>	<b>14,29,95,904</b>	<b>2,58,92,628</b>

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants



**JITENDRA AGARWAL**  
Partner

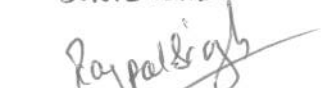
Place: Gurgaon  
Date: 20 JUL 2012

For and on behalf of the Board of Directors

  
Director      Director

  
Chief Executive Officer  
**SUNIL WADHWA**

  
Chief Financial Officer  
**AVINASH BAPAT**

  
Company Secretary  
**RAJPAL AHUJA**  
Place: Bengaluru  
Date: 20 July, 2012

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

**1. Basis of Consolidation**

The Consolidated Financial Statements (CFS) relates to IL&FS Energy Development Company Limited ("the Parent/Company"), its subsidiaries, jointly controlled entities / joint venture companies and its associates collectively referred to as the 'Group'.

In accordance with AS 21 on 'Consolidated Financial Statements' and AS 27 on 'Financial Reporting of Interests in Joint Ventures' notified by the Companies (Accounting Standards) Rules, 2006, the CFS incorporate the financial statements of subsidiaries of the Company, jointly controlled entities / joint venture companies respectively

The Financial Statements of the Company, the financial statements of subsidiaries and Group's proportionate share in jointly controlled entities have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

In accordance with AS 23 on 'Accounting for Investments' in associates in CFS, the investments in associates are accounted using the equity method and are carried in the CFS at cost as adjusted by post acquisition changes in the Group's share of the associates' reserves and surplus.

The subsidiaries and associates considered in the preparation of these consolidated financial statements are:

	<b>Interest (%) as on 31 March, 2012*</b>	<b>Interest (%) as on 31 March, 2011*</b>
<b>A. Subsidiaries - (Incorporated in India)</b>		
a. IL&FS Hydro Energy Limited	100%	100%
b. IL&FS Renewable Energy Limited (upto 1 March, 2011 and w.e.f. 25 October, 2011)	100%	0.04%
c. Cross Border Power Transmission Company Ltd	100%	100%
d. Nana Layja Power Company Limited (upto 29 March, 2011 and w.e.f. 25 October, 2011)	100%	0.01%
e. IL&FS Tamil Nadu Power Company Limited (upto 23 November, 2010)	-	26%
f. IL&FS Wind Power Limited (upto 28 February, 2011 )	-	0.02%
<b>B. Step down subsidiaries - [Subsidiaries of IL&amp;FS Renewable Energy Limited (w.e.f. 25 October, 2011)]</b>		
a. IL&FS Solar Power Limited	100%	-
b. Bhojpur Biomass Power Company Limited	100%	-
c. Patiala Bio Power Company Limited	100%	-
d. Nakhatrana Biomass Energy Limited	100%	-
e. IL&FS Wind Power Limited	100%	-
f. GAPS Power & Infrastructure Private Limited	100%	-



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

	Interest (%) as on 31 March, 2012*	Interest (%) as on 31 March, 2011*
g. Tadas Wind Energy Limited	100%	-
h. Rohtas Bio Energy Private Limited	100%	-
i. IL&FS Wind Farms Limited	100%	-
j. Lalpur Wind Energy Private Limited	100%	-
k. East Delhi Waste Processing Company Private Limited (EDWPCPL) (see note (i) below)	100%	-
<b>C. Jointly controlled entities/Joint venture companies</b>		
a. Bihar Power Infrastructure Company Private Limited, India (w.e.f. March 30, 2012) (see note (ii) below)	50%	-
b. Assam Power Project Development Company Limited, India (w.e.f. March 30, 2012) (see note (ii) below)	50%	-
c. Power Transmission Company Nepal Limited, Nepal (w.e.f. 20 March, 2012)	50%	-
<b>D. Subsidiary Companies of Jointly Controlled Entity - Bihar Power Infrastructure Company Private Limited, BPIC (Ownership interest of BPIC)</b>		
a. Pirpainti Bijlee Company Private Limited	100%	
b. Buxar Bijlee Company Private Limited	100%	
c. Lakhisarai Bijlee Company Private Limited	100%	
<b>E. Associates (All incorporated in India)</b>		
a. ONGC Tripura Power Company Limited (w.e.f. 27 September, 2010)	49.52%	49.52%
b. IL&FS Tamil Nadu Power Company Limited (w.e.f. 24 November, 2010)	26.00%	26.00%
c. S V Power Private Limited	-	36.75%
<b>F. Associates of IL&amp;FS Renewable Energy Limited</b>		
a. Punjab Biomass Power Limited (w.e.f. 25 October, 2011)	50.00%	-
b. Urjankur Shree Datta Power Company Limited (w.e.f. 26 October, 2011)	33.33%	-
c. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (w.e.f. 26 October, 2011)	32.10%	-

\* Subsidiary / Jointly controlled entity for part of the year considered for that part for which IL&FS Energy Development Company Limited is the holding company.

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

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**Note**

- (i) The Group held 49% equity stake in EDWPCPL through its investments. During the year Power of Attorney is executed in the name of the Group for 8,161 equity shares representing 51% stake in EDWPCPL. The Group now holds beneficial interest in 16,000 equity shares representing 100% equity stake in EDWPCPL.

EDWPCPL had made an application for availing loan from Pool Municipal Debt Obligation Fund (PMDO). For the said purpose the Company has entered into indenture of pledge dated 29 June, 2011, and has pledged 7,839 shares of EDPWPCPL in favour of Security Trustee i.e. IL&FS Trust Company Limited.

- (ii) The Company is in the process of transferring the equity shares of these companies in its name.
- (iii) Shalivahana Green Energy Limited, an associate, has not been considered for consolidation since the investment was acquired and held exclusively with a view to its subsequent disposal in the near future, when an appropriate return through divestment is available. Hence investment therein is not accounted for under equity method.
- a) The excess of cost of investments in each Subsidiary over the Group's portion of net asset value in such entities, at the date on which such investment is made, is recognised as Goodwill and included as an asset in the Consolidated Balance Sheet. Excess of the Group's portion of net asset value in each Subsidiary at the date on which the investment is made, over the cost of investment is recognised as Capital Reserve and included as Reserves and Surplus under Shareholders' Equity.
- b) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- c) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company.
- d) In accordance with AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements', the investments in Associates are accounted using the equity method and are carried in the Consolidated Balance Sheet at cost as adjusted by post acquisition changes in the Group's share of the Associates' Reserves and Surplus.





## **2. Significant Accounting Policies**

### **a. Basis for preparation of Financial Statements**

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### **b. Use of estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management of the Group 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.

### **c. Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.




### **d. Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **e. Depreciation and amortisation**

- i. Depreciation is charged on Straight Line Method so as to write off 100% of the cost of the following type of assets at rates higher than those prescribed in Schedule XIV to the Companies Act, 1956, based on the Management's estimate of useful life of such assets:

Asset Type	Useful Life
Computers	4 years
Office equipment	3 years
Furniture and fixtures	3 Years
Software	License period or 4 years whichever is less.

- ii. Intangible asset comprising development rights for wind energy plants are being amortised over its useful period of 20 years.
- iii. In respect of Wind Energy Converters, depreciation is computed on the Straight Line Method at the rates provided under Schedule XIV to the Companies Act, 1956
- iv. All categories of assets costing less than Rs. 5,000 each and mobile phones are written off in the year of capitalisation.
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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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- v. The expenditure on renovation / improvement to Leasehold properties is capitalized at Cost and amortised over the primary period of the lease.
- vi. All assets provided to employees amortised over a period of 3 years.
- vii. Depreciation on fixed assets, other than on assets specified in Note 2 (e) (ii) to (v) above, is provided for on the Written Down Value Method at the rates provided under Schedule XIV of the Companies Act, 1956.

**f. Revenue Recognition**

- i. Income is recognised on an accrual basis.
- ii. Consultancy fee income including management fees on infrastructure projects is recognised when specified project progress milestones are achieved as defined in the Project Contract Mandates.
- iii. Revenue from Sale of power produced on generation of electricity is accounted when energy is delivered at the metering point in terms of the Power Purchase Agreements.
- iv. Income from sale of Certified Emission Reductions (CER) is recognised upon execution of a firm sale contract for the eligible credits, as prior to that there is no certainty of the amount to be realised.

**g. Other income**

Interest income is accounted on accrual basis. Dividend income is accounted when the right to receive it is established.

**h. Tangible fixed assets**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress - Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**i. Intangible Assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

**j. Foreign currency transactions and translations**

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

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Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions are settled during the year and recognised in the statement of profit and loss.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date, the resultant exchange differences are recognised in the statement of profit and loss.

In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of transaction are recognised over the life of the contract.

**k. Investments**

- i. Investments are capitalised at actual cost including cost incidental to acquisition.
- ii. Long-term investments are stated at cost, less provision for other than temporary diminution in the carrying value of each investment. Cost of investments include acquisition charges such as brokerage, fees and fair value.
- iii. Current investments are carried at lower of cost or fair value.

**l. Inventories**

Inventory is valued at cost or net realisable value whichever is lower, as certified by the Management. The formula used in determination of cost is 'Weighted Average Method

**m. Employee Benefits**

The Group has both defined-contribution and defined-benefit plans.

**i. Defined-contribution plans**

These are plans in which the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. These comprise contributions to the Employees' Provident Fund, Family Pension Fund and Superannuation Fund. The Group's payments to the defined contribution plans are reported as expenses in the period in which the employees perform the services that the payment covers.

**ii. Defined-benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

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**iii. 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 such 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.

**iv. 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 defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled.

**v. Accounting policy for recognising actuarial gains and losses**

Actuarial gains and losses arising from experience adjustment and effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss account as income or expense

**n. Borrowing Costs**

Borrowing costs include interest; amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**o. Segment Reporting**

The accounting policies adopted for segment reporting are in line with the Accounting Standard 17. Revenue, expenses and assets have been identified to segments on the basis of their relationship to the operating activities to the segment. Revenue, expenses and assets which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "unallocable income/expenses".

**p. 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 Statement of Profit and Loss on a straight-line basis.



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

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**q. Taxes on income**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax in future. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

**r. Earnings Per Share**

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard 20 'Earnings per share'. Basic earnings per equity share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of equity shares during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

**s. Impairment of Assets**

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

**t. Pre-operative Expenses**

Pre-operative expenses comprises incidental expenditure during construction period, which includes payment to and provision for employees, professional fees and other administrative expenses pending adjustment/allocation to fixed assets on completion of the project.

**u. Project Development Expenses**

Expenses relating to the projects, which are recoverable from the Project Implementing Agency are shown under the head 'Project Development Expenses' and reflected under current assets.

**v. Preliminary Expenses**

Miscellaneous Expenditure comprises preliminary expenses incurred in relation to incorporation of the Company. In respect of a subsidiary, IL&FS Tamilnadu Power Company Limited, preliminary expenses are amortised over a period of 5 years and in respect of other Companies, these are charged off as and when incurred.

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

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**w. Government Grants :**

Grants (including grants from Governments Ministries, Government agencies and similar bodies which include local, national or international) are recognised only when it is reasonably certain that the Group will comply with the attached conditions and the ultimate collection is not in doubt.

Government grants in nature of reimbursement of expenses which are incurred towards purchased or construction of fixed assets to be reduced from cost of fixed assets

**x. 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.





IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3

SHARE CAPITAL

AUTHORISED

Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights

1,900,000,000 19,000,000,000

1,000,000,000 10,000,000,000

Preference shares of Rs. 10 each

100,000,000 1,000,000,000

- -

ISSUED, SUBSCRIBED AND FULLY PAID UP

Equity shares of Rs. 10 (Previous year Rs. 10) each with voting rights

884,138,200 8,841,382,000

522,000,000 5,220,000,000

0.0001% Compulsorily Convertible Preference shares (CCPS) of Rs. 10 each

34,660,767 346,607,670

- -

918,798,967 9,187,989,670

522,000,000 5,220,000,000

See notes (i) to (iv) below

Notes:

(i) The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.

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

	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity Shares</b>				
Infrastructure Leasing & Financial Services Limited, India, the ultimate holding company	774,000,000	87.54%	470,000,000	90.04%
Mr. Vibhav Ramprakash Kapoor, Mr. Karunakaran Ramchand and Mr. Ramesh Chander Bawa, trustees of IL&FS Employee Welfare Trust	86,000,000	9.73%	52,000,000	9.96%
<b>Preference Shares (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%	-	-
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%	-	-

(iii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
(a) Equity shares with voting rights			
Year ended 31 March, 2012			
- Number of shares	522,000,000	362,138,200	884,138,200
- Amount (Rupees)	5,220,000,000	3,621,382,000	8,841,382,000
Year ended 31 March, 2011			
- Number of shares	2,000,000	520,000,000	522,000,000
- Amount (Rupees)	20,000,000	5,200,000,000	5,220,000,000
(b) 0.0001% Compulsorily Convertible Preference shares			
Year ended 31 March, 2012			
- Number of shares	-	34,660,767	34,660,767
- Amount (Rupees)	-	346,607,670	346,607,670
Year ended 31 March, 2011			
- Number of shares	-	-	-
- Amount (Rupees)	-	-	-

(iv) Details of shares held by the ultimate holding company

Particulars	Aggregate number of shares	
	As at 31 March, 2012	As at 31 March, 2011
Fully paid up equity shares with voting rights		
Infrastructure Leasing & Financial Services Limited, India, the ultimate holding company	774,000,000	470,000,000

(v) Subject to 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 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, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

**NOTE 4**

**RESERVES AND SURPLUS**

**Securities premium account**

Opening balance

Add: Premium on shares issued during the year

As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
-	-
2,601,266,300	-
<b>2,601,266,300</b>	<b>-</b>

**General reserve**

Opening balance

Add: Transferred from surplus in Statement of Profit and Loss

7,600,000	7,600,000
-	-
<b>7,600,000</b>	<b>7,600,000</b>

**Capital reserve created on consolidation**

Opening Balance

Add: Additions during the year

688,760	688,760
9,950,958	-
<b>10,639,718</b>	<b>688,760</b>

**Surplus in Statement of Profit and Loss**

Opening Balance

Add: Profit for the year

41,527,968	(69,243,850)
(370,445,229)	110,771,818
<b>(328,917,261)</b>	<b>41,527,968</b>
<b>2,290,588,757</b>	<b>49,816,728</b>

**NOTE 5**

**SHARE APPLICATION MONEY PENDING ALLOTMENT**

Share application money pending allotment

-	<b>447,000,000</b>
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Share application money was received from Infrastructure Leasing & Financial Services Limited, the holding Company for equity shares (face value of Rs. 10 each) during the previous year. In respect of the same 44,700,000 shares were allotted on 28 September, 2011 at a face value Rs 10 per share



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

		<b>As at 31.03.2012 (Rupees)</b>	<b>As at 31.03.2011 (Rupees)</b>
<b>NOTE 6</b>			
<b>LONG - TERM BORROWINGS</b>			
(a) Debentures issued to related party - Unsecured 1% Fully Compulsorily Convertible Debentures (FCCD)		2,470,000,000	-
(b) Term loans from banks - Secured		7,156,183,955	2,009,600,000
(c) Term loans from financial institutions - Secured		3,781,669,877	-
(d) From related parties - Secured Infrastructure Leasing & Financial Services Limited IL&FS Financial Services Limited		520,438,562 45,450,000	520,438,562 -
		<b>13,973,742,394</b>	<b>2,530,038,562</b>
<b>Note:</b>			
	<b>Note reference</b>		
(a) Debentures issued to related party - Unsecured 1% Fully Compulsorily Convertible debentures	(i)	2,470,000,000	-
(b) Term loans from banks - Secured			
i. Term loan from banks - Secured -I	(ii)	1,849,200,000	2,009,600,000
ii. Term loan from banks - Secured -II	(iii)	4,909,800,000	-
iii. Term loan from banks - Secured -III	(iv)	172,800,000	-
iv. Term loan from banks - Secured -IV	(v)	224,383,955	-
(c) Term loans from financial institutions - Secured			
i. Term loan from financial institutions - Secured -I	(vi)	2,694,419,877	-
ii. Term loan from financial institutions - Secured -II	(iii)	1,060,000,000	-
iii. Term loan from financial institutions - Secured -III	(iv)	27,250,000	
(d) From related parties - Secured Infrastructure Leasing & Financial Services Limited IL&FS Financial Services Limited	(vii) (iv)	520,438,562 45,450,000	520,438,562 -
		<b>13,973,742,394</b>	<b>2,530,038,562</b>

## Note

## (i) Debentures issued to related party - Unsecured

- a. Rate of interest - 1.00% (Previous year Nil)
- b. Terms and conditions  
247,000, 1% Fully Compulsorily Convertible Debenture (FCCDs) of Rs 10,000 each issued at face value to Infrastructure Leasing & Financial Services Limited. Unless previously converted, the entire FCCDs, shall be compulsorily converted into fully paid-up equity shares of the Issuer on the Maturity Date, at a at pre-agreed price of Rs 54.24 per share increased by an IRR of 20.00% pa, such IRR being computed from 4 November 2011 till Deemed Allotment Date on fully diluted basis. Net Present Value of the interest paid (including default interest, if any, paid) by the Company discounted @ 20% p.a. will be deducted from the FCCDs amount in computing the number of shares to be issued to the Subscriber
- c. Maturity date - 28 March, 2021

## (ii) Term loan from banks: Rs. 1,849,200,000 (Previous year Rs. 2,009,600,000)

- a. The term loan from banks obtained for 50.40 MW wind power projects in the State of Rajasthan and Tamil Nadu.
- b. Rate of interest - Indian bank base rate + 2.75% (Previous year Indian bank base rate + 2.75%) [effective rate at year end 13.5% (Previous year 12.25%)]
- c. Security

Term loans of Rs. 2,009,600,000 (Previous year Rs. 2,138,000,000) (including Rs. 160,400,000 (Previous year Rs. 128,400,000) classified as current maturities of Long Term Debt) from consortium of seven banks, Indian Bank being the lead banker together with interest, additional interest, default interest, upfront fees, costs, charges, expenses are secured in favour of the lenders/security trustees by way of first pari passu charge without any lender having priority/preference over the other lender and include the following:

- (i) A mortgage on the rights of the sub-leased land in the state of Rajasthan for the project,
- (ii) A Mortgage on the land acquired for the project in the state of Tamilnadu,
- (iii) A first charge by way of hypothecation on all moveable assets including but not limited to plant and machinery, machinery spares and accessories for the project,
- (iv) A first ranking hypothecation/assignment of all the contracts, including Power Purchase Agreement/off take contracts, documents, insurance policies, policies relating to the wind farm, rights, titles, permits/approvals clearances and interest of the project,
- (v) A first charge on the project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising (present and future), intangibles, goodwill, uncalled capital (Present and future),
- (vi) A first charge on the entire project's bank accounts including but not limited to escrow account opened in a designated bank, where all the cash inflows from the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the lenders,
- (vii) Assignment of all rights and interests relating to the project under letter of credit, guarantee or performance bond provided by any party for any contract related to the project in favour of the Company.

## d. Repayment terms

The loan is repayable in 50 unequal quarterly instalments by the end of financial year 2023-24 commencing from 30 September, 2011.



IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) **Term loan from banks: Rs. 4,909,800,000**  
**Term loan from financial institutions: Rs. 1,060,000,000**

- a. Term loan for 200.80 MW wind power projects in the State of Gujarat, Andhra Pradesh and Karnataka.
- b. Rate of interest - The above loans carries an interest rate of 12.25% as on March 31, 2012
- c. Security  
Term loan of Rs. 4,909,800,000 drawn from consortium of seven banks and of Rs. 1,060,000,000 from a financial institution, Canara Bank being the lead banker together with interest, additional interest, default interest, upfront fees, costs, charges, expenses and other monies whatsoever stipulated and due to the Secured Parties shall be secured in favour of Lenders / Security Trustee by way of by a first pari passu charge without any Lender having priority / preference over the other Lender through
- (i) A first mortgage on the private land acquired for the Project in the State of Karnataka and Gujarat;
  - (ii) A first mortgage on the rights on the sub-leased government land in the State of Andhra Pradesh and Gujarat for the Project;
  - (iii) A first charge by way of hypothecation on all movable assets including but not limited to plant & machinery, machinery spares, tools, spares and accessories for the Project;
  - (iv) A first ranking hypothecation/assignment of all contracts, including Power Purchase Agreement/off-take contracts, documents, insurance policies (Lenders to be named as loss payees), policies relating to the proposed wind farm, rights, titles, permits / approvals clearances and interest of the Project;
  - (v) A first charge on the Project's book debts, operating cash-flows, receivables, commissions, revenues of whatsoever nature and wherever arising (present and future), intangibles, goodwill, uncalled capital (present and future);
  - (vi) A first charge on the entire Project's bank accounts including but not limited to Escrow Account opened in a designated bank, where all the cash inflows from the Project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by the Lenders;
  - (vii) Assignment of all rights and interests of the Borrower relating to the Project under Letter of Credit, Guarantee or performance bond provided by any party for any contract related to the Project in favour of the Borrower.
- d. Repayment terms  
70% of the above loan is repayable in 50 quarterly unequal installments commencing from the quarter following the end of Principal Moratorium Period. The balance 30% is to be repaid in single bulled installment along with the last quarterly installment.  
The total loan amount sanctioned is Rs. 8,760,000,000 and loan disbursed till March 31, 2012 is Rs. 5,969,800,000.

(iv) **Term loan from banks: Rs. 172,800,000**  
**Term loan from financial institutions: Rs. 27,250,000**  
**Term loan from related party: Rs. 45,450,000**

- a. Term loan for 12 MW waste processing plant in New Delhi.
- b. Rate of interest - 11%
- c. Security  
Term loans of Rs. 172,800,000 drawn from consortium of banks, Rs. 27,250,000 drawn from financial institution and Rs. 45,450,000 drawn from related parties are secured by way of hypothecation/mortgage of all movable assets, receivables, bank balances and Intangible assets of the project.
- d. Repayment terms  
The above loans are repayable in 40 equal quarterly installments of Rs. 26,355,500 payable in arrears commencing from 9th quarter from the date of first disbursement ie 12 July, 2011.  
The total loan amount sanctioned is Rs. 1,054,220,000 and loan disbursed till 31 March, 2012 is Rs. 245,500,000.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

**(v) Term loan from banks: Rs. 224,383,955**

- a. The term loan availed from banks for 13 MW Biomass based power projects in the State of Maharashtra.
- b. Rate of interest - Lenders base rate + 5% in respect of loan for Rs. 117,450,000 and lenders base rate + 4.50% in respect of loan for Rs. 106,933,955
- c. Security  
The term loan of Rs. 283,205,955 (including Rs. 58,822,000 classified as current maturity of Long Term Debt) is secured against pari-pasu charge of project's movable and immovable fixed assets. The first charge is created on all movable and immovable fixed assets both existing and future
- d. Repayment terms  
Rs. 201,717,000 of the above loan is repayable in 44 quarterly installments and balance Rs. 22,667,000 of the above loan is repayable in 36 quarterly installments.

**(vi) Term loan from financial institutions: Rs. 2,694,419,877**

- a. Term loan availed from financial institution for its 74.40 MW wind power projects in the State of Rajasthan, Tamil Nadu, Gujarat and Madhya Pradesh
- b. Rate of interest  
The above loan carries an interest rate of 12.71% as on March 31, 2012 which is inclusive of additional 1% interest charged from September 15, 2011 due to non creation of charge over immovable assets.
- c. Security  
The term loan of Rs. 2,855,609,877 (including Rs. 161,900,000 classified as current maturities of Long Term Debt) together with the interest, interest tax, liquidated damages, commitment fee, up front fee premia on repayment or on redemption, costs, charges, expenses and other monies are secured by
  - i. Exclusive First Charge by way of mortgage on all the immovable properties/assets both existing and future pertaining to 74.40 MW Wind Farm Project. The said charge is yet to be created.
  - ii. Exclusive First Charge by way of Hypothecation on all the movable assets/properties both existing and future pertaining to 74.40 MW Wind Farm Project.
- d. Repayment terms  
The loan is repayable in 52 unequal quarterly installments commencing from 30 June, 2012 and terminating on 30 June, 2025.

The total loan amount sanctioned is Rs. 3,172,900,000 and loan disbursed till 31 March, 2012 is Rs. 2,855,609,877.

**(vii) Term loan from related party: Rs. 520,438,562 (Previous year Rs. 520,438,562)**

- a. Rate of interest - 12.50% (Previous year 12.50%)
- b. Security  
Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses secured by an exclusive first hypothecation and charge on specific receivables of the Company, present and future, arising out of advisory services and loans made to IL&FS Employee Welfare Trust
- c. Repayment terms  
The loan is repayable within 60 months from the date of disbursement (15 December, 2010)

**(viii) Age-wise analysis of Long-term Borrowings is as follows**

Period	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
More than 1 year and less than 3 years	1,403,513,355	331,400,000
More than 3 years and less than 5 years	1,901,530,062	851,838,562
More than 5 years	10,668,698,977	1,346,800,000
	<b>13,973,742,394</b>	<b>2,530,038,562</b>



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

**NOTE 7**

**DEFERRED TAX ASSETS/ (LIABILITIES)**

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. The break up of deferred tax liability (net) recognised is as follows

	<b>As at 31.03.2012 (Rupees)</b>	<b>As at 31.03.2011 (Rupees)</b>
<b>i. Deferred tax assets</b>		
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:		
(a) Provision for employee benefits	4,479,935	3,443,896
(b) Expenditure covered by section 35D of the Income Tax Act, 1961	-	3,556
(c) Tax losses (including unabsorbed depreciation) adjustable in future years	58,742,057	2,850,885
	<b>63,221,992</b>	<b>6,298,337</b>
<b>ii. Deferred tax liabilities</b>		
(a) Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	109,206,352	49,783,309
(b) Technical know-how amortised	3,860,955	-
	<b>113,067,307</b>	<b>49,783,309</b>
<b>Net Deferred tax liability</b>	<b>49,845,315</b>	<b>43,484,972</b>

- c. The break up of deferred tax asset (net) recognised is as follows

**Deferred tax assets**

Tax impact of expenses charged in the financial statements but allowable as deductions in future years under income tax:

(a) Expenditure covered by section 35D of the Income Tax Act, 1961	234,500	-
(b) Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	493,500	-
<b>Net Deferred tax asset</b>	<b>728,000</b>	<b>-</b>

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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 8</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
(a) Project development fund	85,537,889	30,000,000
(b) Others	20,000	-
	<u><b>85,557,889</b></u>	<u><b>30,000,000</b></u>
<b>NOTE 9</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for employee benefits (net) (see note 37)	7,844,426	6,637,703
	<u><b>7,844,426</b></u>	<u><b>6,637,703</b></u>
<b>NOTE 10</b>		
<b>SHORT-TERM BORROWINGS</b>		
(a) Short term loans		
(i) From banks - Secured (see note (i) below)	36,808,275	-
(ii) From other parties- Unsecured	1,000,000,000	-
(b) Loans from related parties (see note 39)		
(i) Secured		
- Infrastructure Leasing & Financial Services Limited (see note (ii) below)	110,000,000	
- IL&FS Financial Services Limited (see note (iii) below)	-	2,200,000,000
(ii) Unsecured		
- Infrastructure Leasing & Financial Services Limited	800,135,600	-
- IL&FS Financial Services Limited	300,000,000	-
(c) Deposits- Unsecured	1,370,000,000	
	<u><b>3,616,943,875</b></u>	<u><b>2,200,000,000</b></u>

**Note**

- i. Loans from banks for the group's 13 MW biomass project in the state of Maharashtra is secured by first charge on entire current assets of the project (both present and future) and extension of first charge on movable/immovable assets of the project situated at Aurangabad.
- ii. Loans from related parties - Secured (Infrastructure Leasing & Financial Services Limited)
  - a. Rate of interest - 15.00%
  - b. Security  
Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses secured by an exclusive first hypothecation and charge on specific receivables of the Company, present and future, arising out of advisory services.
- iii. Loans from related parties - Secured (IL&FS Financial Services Limited)
  - a. Rate of interest - Nil (Previous year 10%)
  - b. Security  
Term loan together with interest, additional interest, default interest, upfront fees, costs, charges, expenses is to be secured by pledge of Pass Through Certificates held by the Company in Maytas Investment Trust.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 11</b>		
<b>TRADE PAYABLES</b>		
(a) Acceptances	-	-
(b) Other than Acceptances (see note below)	133,716,935	54,527,250
	<u>133,716,935</u>	<u>54,527,250</u>
<b>Note:</b>		
Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the MSMED Act, 2006 is Rs. Nil and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006. The information provided by the Company has been relied upon by the auditors.		
<b>NOTE 12</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on borrowings	39,311,997	40,123,381
(b) Interest accrued and due on borrowings	1,901,504	-
(c) Other payables - Statutory dues (TDS, VAT, Contributions to PF and ESIC, etc.)	88,880,685	11,494,044
(d) For purchase of investments	32,693,529	-
(e) Payable towards capital expenditure	1,302,562,127	-
(f) Others	46,833	-
	<u>1,465,396,675</u>	<u>51,617,425</u>
<b>NOTE 13</b>		
<b>CURRENT MATURITIES OF LONG-TERM BORROWING</b>		
Secured (for security clause and other terms see note 6)		
(a) Term loan from banks	219,222,000	128,400,000
(b) Term loans from financial institution	161,190,000	-
	<u>380,412,000</u>	<u>128,400,000</u>
<b>NOTE 14</b>		
<b>SHORT-TERM PROVISIONS</b>		
Provision for employee benefits		
(a) Provision for employee benefits (net) (see note 37)	17,256,759	3,976,863
(b) Provision for tax (net of advance tax)	4,240,143	-
	<u>21,496,902</u>	<u>3,976,863</u>

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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

**NOTE 15**

**FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				(All amounts in Rupees)				
	As at 01.04.2011	Adjustment for acquisition	Additions	Deductions	Adjustment for dilution	As at 31.03.2012	As at 01.04.2011	Adjustment for acquisition	Additions	Deductions	Adjustment for dilution	As at 31.03.2012	As at 31.03.2011
<b>A-Tangible Assets</b>													
Land (Owned)	4,050,000	-	55,217,628	-	-	59,267,628	-	-	-	-	-	59,267,628	4,050,000
Lease hold land	-	7,261,620	-	-	-	7,261,620	-	371,682	33,140	-	-	6,856,798	-
Building	-	163,964,567	-	-	-	163,964,567	-	15,919,047	2,356,632	-	-	145,688,888	-
Plant and Equipment:													
-Wind Energy Converters (WECs)	2,692,878,264	2,660,320,636	3,710,636,589	-	-	9,063,835,489	73,618,946	206,390,417	218,535,956	-	-	8,565,290,170	2,619,259,318
-Plant and machinery	464,954,886	4,916,577	4,916,577	-	-	4,698,714,653	1,061,504	72,267,951	10,615,404	-	-	386,988,098	-
-Computers	2,727,604	1,305,315	1,810,058	149,788	-	5,693,189	1,484,342	513,476	992,796	111,464	-	2,879,150	1,243,262
-Office Equipment	1,400,453	574,113	986,712	63,740	-	2,897,338	1,080,261	264,491	670,951	63,740	-	1,951,963	320,192
-Electrical equipment	-	9,112,114	-	-	-	9,112,114	-	1,400,421	207,037	-	-	7,504,656	-
Vehicles	-	4,057,342	-	-	-	4,057,342	-	2,069,930	225,268	-	-	1,762,144	-
Tractor and Loader	-	2,425,861	-	-	-	2,425,861	-	545,186	118,065	-	-	663,251	-
Furniture and Fixtures	696,518	1,680,588	607,528	-	-	2,984,634	180,194	468,182	364,144	-	-	1,762,610	516,324
<b>Sub total- Tangible (A)</b>	<b>2,701,752,839</b>	<b>3,315,657,042</b>	<b>3,774,175,092</b>	<b>213,528</b>	<b>526,592,630</b>	<b>9,791,371,445</b>	<b>76,363,743</b>	<b>300,210,793</b>	<b>234,119,393</b>	<b>175,204</b>	<b>9,132,401</b>	<b>9,180,852,726</b>	<b>2,625,389,096</b>
Previous year	530,062,418	-	2,698,833,964	550,913	-	2,701,752,839	10,944,232	-	74,890,181	278,269	-	2,625,389,096	-
<b>B-Intangible Assets:</b>													
Software	2,420,703	183,686	278,417	-	-	2,882,806	690,989	78,908	727,860	-	-	1,497,757	1,729,714
Technical know how	-	30,000,000	-	-	-	30,000,000	-	17,580,646	519,354	-	-	11,900,000	-
Development Rights for WECs	96,750,000	-	-	-	-	96,750,000	4,612,192	-	4,850,753	-	-	9,462,945	92,137,808
<b>Sub total- Intangible (B)</b>	<b>99,170,703</b>	<b>30,183,686</b>	<b>278,417</b>	<b>-</b>	<b>-</b>	<b>129,632,806</b>	<b>5,303,181</b>	<b>17,659,554</b>	<b>6,097,967</b>	<b>-</b>	<b>-</b>	<b>100,572,104</b>	<b>93,867,522</b>
Previous year	1,245,658	-	98,285,110	-	341,065	99,170,703	513,272	-	4,990,344	-	200,435	93,867,522	-
<b>Total (A+B)</b>	<b>2,800,923,542</b>	<b>3,345,840,728</b>	<b>3,774,453,509</b>	<b>213,528</b>	<b>526,933,685</b>	<b>9,921,004,251</b>	<b>81,666,924</b>	<b>317,870,347</b>	<b>240,217,350</b>	<b>175,204</b>	<b>9,332,836</b>	<b>9,281,424,834</b>	<b>2,719,256,618</b>
Previous year	531,308,076	-	2,797,100,074	550,913	-	2,800,923,542	11,457,504	-	79,890,525	278,269	-	2,719,256,618	-

Depreciation of subsidiaries for part during the previous year  
 - IL&FS Tamilnadu Power Development Company Ltd  
 - IL&FS Renewable Energy Limited

Total depreciation for previous year

**88,749,994**

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**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

	<b>As at 31.03.2011 (Rupees)</b>	<b>Opening adjustment (Rupees)</b>	<b>Movement during the year (Rupees)</b>	<b>As at 31.03.2012 (Rupees)</b>
<b>NOTE 16</b>				
<b>CAPITAL WORK-IN-PROGRESS</b>				
(a) Travelling Expenditure	2,245,591	3,283,119	274,450	5,803,160
(b) Legal & Professional	19,781,895	288,727,283	134,395,195	442,904,373
(c) Supply, erection and transportation	-	2,941,300,000	4,918,686,225	7,859,986,225
(d) Project Consultancy Fees (net of grant received) (see note below)	-	287,499,239	103,869,932	391,369,171
(e) Premium for signing of Memorandum of Understanding	-	4,500,000	-	4,500,000
(f) Processing Fees	1,378,750	1,865,875	(1,550,875)	1,693,750
(g) Other Expenses	493,780	7,651,956	1,092,572	9,238,308
(h) Employee cost	-	7,234,244	1,929,596	9,163,840
(i) Rent	-	297,000	-	297,000
(j) Rates & Taxes	-	1,871,568	-	1,871,568
(k) Printing & Stationery	-	53,316	-	53,316
(l) Salary	-	-	691,717	691,717
(m) Borrowing cost	1,373,586	7,335,475	125,696,149	134,405,210
(n) Civil work	-	-	108,377,837	108,377,837
	<b>25,273,602</b>	<b>3,551,619,075</b>	<b>5,393,462,798</b>	<b>8,970,355,475</b>

**Note :**

Grant of Rs. 14,799,820 (Previous year nil) received against the expenses incurred towards Tipang and Gujarat Bio Mass project has been adjusted from the project consultancy fees incurred for the said project

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

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 17</b>		
<b>NON CURRENT INVESTMENTS</b>		
<b>TRADE (at cost)</b>		
<b>(a) Investment in equity instruments</b>		
<b>I. of associates</b>		
A. IL&FS Tamilnadu Power Company Limited (10,440,000 (Previous year 10,440,000 ) Equity Shares of Rs. 10 each)	-	97,003,205
B. ONGC Tripura Power Company Limited [(100,002 (Previous year 100,000) Equity Shares of Rs. 10 each fully paid up) (267,390,000 (Previous year 267,390,000) Equity Shares of Rs. 10 each, paid up of Rs. 5 each)]	4,023,218,000	4,023,217,980
C. SV Power Private Limited (Nil (Previous year 3,861,775) Equity Shares of Rs. 10 each)	-	789,960,000
D. Urjankur Shree Datta Power Company Limited (22,520,000 (Previous Year NIL) Equity Shares of Rs 10 Each )	254,709,339	-
E. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (26,580,000 (Previous Year NIL) Equity Shares of Rs 10 Each )	266,511,543	-
F. Punjab Biomass Power Limited (see note "vi" below) (75,000,000 (Previous Year NIL) Equity shares of Rs 1 each)	28,794,272	-
G. Shalivahana Green Energy Limited (20,244,480 (Previous Year nil) Equity Shares of Rs 10 Each )	515,042,458	-
<b>II. of other entities</b>		
A. Nana Layja Power Company Limited (see note "ii, iii & iv" below) (Nil (Previous year 50,000) fully paid Equity Shares of Rs. 10 each)	-	-
B. IL&FS Renewable Energy Limited (see note "ii, iii & iv" below) (Nil (Previous year 49,940) fully paid Equity Shares of Rs. 10 each)	-	-
C. IL&FS Wind Power Limited (see note "iii & iv" below) (Nil (Previous year 1,720,940) Equity Shares of Rs. 10 each)	-	16,710,000
<b>(b) Investment in debentures or bonds of other entities</b>		
A. 7.5% Non convertible debentures (NCD) of Infrastructure Leasing & Financial Se (68,540 (Previous Year nil) NCD of Rs 1,000 Each)	68,540,000	-
B. Himanchal Sorang Power Limited (Nil (Previous year 3,184,997) Fully convertible Debentures of Rs. 10 each)	-	357,040,000
<b>(c) Investment in units of other fund</b>		
Urjankur Nidhi Trust (see note "v" below) (55,900 units (Previous Year Nil) of Rs 10,000 Each)	670,800,000	-
	<b>5,827,615,612</b>	<b>5,283,931,185</b>
Aggregate amount of unquoted investments	5,827,615,612	5,283,931,185

**Note:**

- i. Investment in Associates includes goodwill Rs. 2,742,427,541 (Previous year Rs. 3,124,346,463) recognised on consolidation of associate.
- ii. As on 31 March, 2011 the Parent holds shares in these companies. IL&FS Renewable Energy Limited and Nana Layja Power Company Limited were subsidiaries of the Parent upto 1 March, 2011 and 29 March, 2011 respectively and ceased to be so subsequent to the dilution in the Parent's stake in these subsidiaries. The amounts invested have been set off against the gain on dilution of the Parent's stake in these companies.
- iii. During the previous year four subsidiaries viz. IL&FS Tamil Nadu Power Company Limited, IL&FS Wind Power Limited, IL&FS Renewable Energy Limited and Nana Layja Power Company Limited have issued further shares to Infrastructure Leasing and Financial Services Limited, the holding company and accordingly they have ceased to be the subsidiary of the Company. As a result, the Company had accounted for a gain of Rs. 164,068,352, being gain on dilution of its stake in the subsidiaries net of carrying value of Rs. 3,998,800 of the investments. This gain on dilution was primarily arising out of reversal of eliminations of income/expenses earned/incurred from transactions with these subsidiaries in earlier years.
- iv. The Company acquired the controlling interest in IL&FS Wind Power Limited, IL&FS Renewable Energy Limited and Nana Layja Power Company Limited during the current year and accordingly the dilution gain Rs. 1,498,800 adjusted with cost of investment in previous year has been recognised in goodwill/capital reserve.
- v. The investments purchased during the year namely of Urjankur Nidhi Trust is under process for registration in the name of the Company
- vi. 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, consequent to this 22,500,000 shares of PBPL are under pledge in favour of UBI

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
<b>NOTE 18</b>		
<b>LONG-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
(a) Capital advances		
(i) to related parties (see note 39)	299,290,139	-
(ii) to others	943,396,000	-
(b) Security deposit	2,905,044	470,244
(c) Loans and advances to related parties (see note 39)	374,800,000	-
(d) Advance towards investments		
(i) to related parties (see note 39)	-	13,600,000
(ii) to others	-	1,500,000,000
(e) Prepaid expenses	181,809,408	28,268,810
(f) MAT credit entitlement	-	10,492,541
(g) Other loans and advances		
(i) Loan and advances	581,200,350	520,000,000
	<b>2,383,400,941</b>	<b>2,072,831,595</b>

**NOTE 19**

**OTHER NON CURRENT ASSETS**

(a) Interest accrued but not due on investment with related parties	97,557,774	-
(b) Subsidy receivable	2,024,900	-
(c) Project development expenses	100,672,990	-
(d) Fixed deposits with bank (maturity more than twelve months)	5,142,497	-
	<b>205,398,161</b>	<b>-</b>

**NOTE 20**

**CURRENT INVESTMENTS**

**AT LOWER OF COST OR FAIR VALUE**

**(a) Investment in equity instruments**

**(i) of associates**

A. SV Power Private Limited (3,861,775 (Previous year Nil) Equity Shares of Rs. 10 each)	789,960,000	-
B. KVK Nilanchal Power Private Limited (5,180,000 (Previous year Nil) Equity Shares of Rs. 10 each)	970,000,000	-

**(ii) of other entities**

Himanchal Sorang Power Limited (218,300 (Previous year Nil) Equity Shares of Rs 10 each)	62,739,279	-
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**(b) Investment in debentures or bonds of other entities**

Himanchal Sorang Power Limited (5,784,100 (Previous year Nil) Fully convertible Debentures of Rs. 10 each)	947,710,721	-
	<b>2,770,410,000</b>	<b>-</b>

Aggregate amount of unquoted investments	2,770,410,000	-
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**Note:**

- a. The Company is in the process of transferring the equity shares in its name for the following investments made:

	No of equity shares	No of equity shares
i. SV Power Private Limited *	3,195,509	3,195,509
ii. KVK Nilanchal Power Private Limited *	5,180,000	-
iii. Himanchal Sorang Power Limited *	218,300	-

- b. During the previous year the Company had purchased 2,016,009.535 Pass Through Certificates - Series II (PTCs) of Rs. 1000 each at a premium of Rs. 183,990,465 from the lenders of Maytas Investment Trust (MIT). The PTCs were redeemable by transfer of investments of 3 Companies namely KVK Nilanchal Power Private Limited, SV Power Private Limited and Himanchal Sorang Power Limited. MIT through its Trustee viz IL&FS Trust Company Limited had transferred 3,195,509 shares of SV Power Private Limited and redeemed 641,457.579 PTCs leaving a balance of 1,374,551.956 PTCs as on 31 March 2011. These PTCs were fully redeemed as on 7 July, 2011 against 5,180,000 shares of KVK Nilanchal Power Private Limited, 218,300 equity shares of Himanchal Sorang Power Limited and 1,765,003 fully Convertible debentures of Himanchal Sorang Power Limited. The Company has issued an undertaking to repledge the shares in favour of the lenders of the respective companies on transfer of shares in its name.

During the current year the Board has resolved to sell / transfer the Company's investments in equity and other securities of KVK Nilanchal Power Private Limited, SV Power Private Limited and Himanchal Sorang Power Limited. Accordingly, the Company has initiated steps to dispose off the said investments and disclosed it as current investments.



**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

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

**NOTE 21**

**INVENTORIES**

	As at 31.03.2012 (Rupees)	As at 31.03.2011 (Rupees)
Raw material		
(a) Cotton stalk	21,800,726	-
(b) Maize bhutta	2,044,736	-
(c) Coal	3,752,347	-
(d) Baggase	17,711,548	-
(e) Others	447,512	-
(f) Stores & spare parts and consumables	138,540	-
	<b>45,895,409</b>	<b>-</b>

**NOTE 22**

**TRADE RECEIVABLES**

(a) Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
(i) Unsecured, considered good	59,267,169	34,509,886
(ii) Doubtful	1,868,721	-
	61,135,890	34,509,886
Less: Provision for doubtful trade receivables	1,868,721	-
	59,267,169	34,509,886
(b) Other trade receivables (Unsecured, considered good)	368,884,573	266,459,127
	<b>428,151,742</b>	<b>300,969,013</b>

**NOTE 23**

**CASH AND CASH EQUIVALENTS**

(a) Cash in hand	89,672	
(b) Cheques on hand	59,905	-
(c) Balance with banks		
(i) in current accounts	193,221,448	67,528,576
(ii) in deposits accounts (see note below)	28,129,307	10,975,852
	<b>221,500,332</b>	<b>78,504,428</b>

**Note**

Fixed deposits held as margin money with banks	220,600	220,600
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**NOTE 24**

**SHORT TERM LOANS AND ADVANCES**

(Unsecured, Considered good)

(a) Loans and advances to related parties (see note 39)	104,294	153,326,454
(b) Security deposits to related parties (see note 39)	200,000,000	-
(c) Loans and advances to employee's	797,439	125,069
(d) Advance to suppliers	14,468,275	-
(e) Prepaid expenses	25,604,750	2,777,873
(f) Balances with government authorities - Input tax credit receivable	14,815,619	547,156
(g) Inter-corporate deposits to related parties (see note 39)	154,720,858	-
(h) Advance income tax (Net of provision)	150,151,919	68,171,283
(i) Deposits	2,798,016	-
(j) Others	136,421,376	5,892,133
	<b>699,882,546</b>	<b>230,839,968</b>

**NOTE 25**

**OTHER CURRENT ASSETS**

(a) Unbilled revenue	106,183,090	25,236,769
(b) Interest accrued on advances to related parties (see note 39)	3,224,772	-
(c) Interest accrued on advances to others	20,256,314	28,656,325
(d) Income accrued but not due	258,504	-
(e) Project development expenses	13,369,860	-
(f) Other receivables	10,469,859	-
	<b>153,762,399</b>	<b>53,893,094</b>

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IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
<b>NOTE 26</b>		
<b>REVENUE FROM OPERATIONS</b>		
(a) Consultancy income	477,580,785	585,819,001
(b) Income from sale of power	530,446,437	93,462,683
(c) Income from sale of Certified Emission Reductions (CERs)	13,334,203	3,108,911
	<b>1,021,361,425</b>	<b>682,390,595</b>
<b>NOTE 27</b>		
<b>OTHER INCOME</b>		
(a) Interest income on		
i. Fixed deposits	15,951,731	1,767,477
ii. Others	80,071,078	61,824,565
(b) Interest income from related parties (see note 39)	30,192,805	29,510,659
(c) Profit on sale of assets	36,323	-
(d) Miscellaneous income	647,435	486,541
	<b>126,899,372</b>	<b>93,589,242</b>
<b>NOTE 28</b>		
<b>COST OF MATERIAL CONSUMED</b>		
(a) Cotton stalk	1,312,653	1,009,666
(b) Maize bhutta	14,865,702	2,644,361
(c) Coal	12,262,457	1,649,437
(d) Baggase	51,466,718	2,723,048
(e) Others	1,836,090	1,456,968
(f) Direct expenses	14,633,958	274,630
	<b>96,377,578</b>	<b>9,758,110</b>
<b>NOTE 29</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries, wages and incentives	117,979,532	148,823,454
(b) Contribution to provident and other funds	8,639,969	9,344,391
(c) Staff welfare expenses	4,582,653	3,343,022
	<b>131,202,154</b>	<b>161,510,867</b>
<b>NOTE 30</b>		
<b>FINANCE COSTS</b>		
(a) Interest expenses on borrowing	667,501,167	309,132,539
(b) Other borrowing costs	6,583,402	591,018
	<b>674,084,569</b>	<b>309,723,557</b>

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IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	Year ended 31.03.2012 (Rupees)	Year ended 31.03.2011 (Rupees)
<b>NOTE 31</b>		
<b>OTHER EXPENSES</b>		
(a) Power and fuel	3,336,004	695,599
(b) Rent	17,385,673	34,285,075
(c) Repairs and maintenance		
i. Building	352,254	-
ii. Plant and machinery	3,369,398	116,356
iii. Others	7,516,056	5,811,322
(d) Insurance	4,475,194	2,009,290
(e) Rates and taxes	20,785,237	50,057,299
(f) Communication	1,955,400	2,592,357
(g) Travelling and conveyance	17,297,150	21,994,095
(h) Printing and stationery	1,011,185	1,213,287
(i) Brand subscription fees	11,515,142	2,143,497
(j) Operation and maintenance	6,621,065	-
(k) Reactive power charges and import of energy	692,851	-
(l) Office maintenance expenses	871,788	3,168,178
(m) Legal and professional	45,291,033	55,108,837
(n) Payments to auditors (see note below)	3,874,236	2,060,000
(o) Director sitting fees	960,000	510,000
(p) Rebate on sale of power	4,096,675	921,439
(q) Provision for doubtful trade receivables	1,868,721	-
(r) Loss on sale/retirement of assets (net)	-	145,865
(s) Interest on late payment of taxes	-	55,295
(t) Foreign Exchange Loss	70,710	-
(u) Bank guarantee charges	3,529,026	-
(v) Miscellaneous expenses	17,735,208	8,496,310
(w) Prior period expenses	-	14,322,760
	<b>174,610,006</b>	<b>205,706,861</b>

**Note**

Payments to the auditors comprises (net of service tax input credit)

i. To Statutory Auditor		
(a) Audit Fees	1,400,000	1,200,000
(b) Other services	650,000	-
(c) Tax audit fees	-	-
(d) Reimbursement of expenses	84,520	-
ii. To Group Auditor		
(a) Audit Fees	1,052,117	45,000
(b) Other services	603,755	725,000
(c) Tax audit fees	72,758	90,000
(d) Reimbursement of expenses	11,086	-
	<b>3,874,236</b>	<b>2,060,000</b>

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

**32. Contingent liabilities**

	<b>As at 31.03.2012 Rupees</b>	<b>As at 31.03.2011 Rupees</b>
Bank Guarantee provided	390,600	220,600
Guarantee given	977,000,000	-
Claims against the Group not acknowledged as debt:		-
(a) Demand raised by Income Tax authorities	15,716,726	
(b) Other Claims	23,576,917	
Arrears of dividend payable on Cumulative Compulsory Convertible Preference shares	14,240,535	-

**Capital commitments**

Estimated amount of contracts remaining to be executed on capital account not provided (net of advances)	7,364,388,750	-
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**Other commitments**

Uncalled liability on shares partly paid - Rs. 5 per share uncalled money on 267,390,000 partly paid shares of ONGC Tripura Power Company Limited	1,336,950,000	1,336,950,000
Estimated amount of contractual commitment for procuring services	2,191,520	-
Estimated amount of contractual commitment for procuring Investment	1,500,000	-

**33. Earning and Expenses in foreign currency**

	<b>Year ended 31.03.2012 Rupees</b>	<b>Year ended 31.03.2011 Rupees</b>
<b>Earning in foreign currency</b>		
Consultancy Income	98,687,798	-
<b>Expenses in foreign currency</b>		
Travelling Expenses	1,124,092	1,558,609

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

**34. Foreign currency exposure**

Receivable in foreign currency	As at 31.03.2012	As at 31.03.2011
US Dollar	1,940,000	-
Rupees	98,687,798	-

**35. Operating Lease**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. The Group has taken property on non-cancellable operating lease and has recognised rent of Rs. 7,497,807 during the current year (Previous year Rs. 15,159,900). The future minimum lease payments under these operating leases as of 31 March, 2012 are as follows:

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
i. Not later than one year	20,963,028	16,112,808
ii. Later than one year but not later than five years	78,396,681	68,089,608
iii. Later than five years	3,436,966	21,368,962

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

	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
i. Not later than one year	3,815,198	2,561,150
ii. Later than one year but not later than five years	5,532,363	2,669,396
iii. Later than five years	Nil	Nil

Lease expenses incurred during the year Rs. 2,965,555 ( Previous year 3,702,322)

**37. Employee benefits**

In accordance with the revised Accounting Standard 15 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. On account of Defined Contribution Plans, a sum of Rs. 7,538,995 (Previous year Rs. 6,259,576) has been charged to statement of profit and loss.

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

**b. Defined Benefit Plan**

(i) Gratuity Plan

The Group operates funded defined benefit plan for Gratuity Plan. The gratuity liability arises on retirement, withdrawal, resignation and death of an employee.

(ii) Compensated Absences Plan

As per stipulation of AS-15 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 Accounting Standard -15 (Revised) on "Employee Benefits" for Gratuity are as under:**

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
<b>i. Assumptions</b>		
Discount rate	8.50%	8.25%
Rate of return on plan assets	8.60%	8.00%
Salary Escalation	6.50%	6.00%
<b>ii. Change in benefit obligation</b>		
Liability at the beginning of the year	6,023,825	4,924,251
Dilution in stake of subsidiaries	-	(1,902,363)
Interest cost	610,773	241,751
Current service cost	1,728,842	991,171
Benefits paid	(2,603,023)	-
Actuarial (gain) / loss on obligations	1,967,406	1,769,015
Liability transferred in	4,125,858	
Liability at the end of the year	<b>11,853,681</b>	<b>6,023,825</b>
<b>iii. Fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	3,234,511	4,543,281
Dilution in stake of subsidiaries		(1,673,006)
Expected return on plan assets	331,383	246,235
Contributions	3,748,679	207,664
Assets transfer in	3,693,723	-
( Benefit Paid )	(2,603,023)	-
Actuarial gain/ (loss) on plan assets	(50,056)	(89,663)
Fair value of plan assets at the year end	<b>8,355,217</b>	<b>3,234,511</b>

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

<b>Particulars</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
iv. Actual return on plan assets		
Expected return on plan assets	331,383	246,235
Actuarial gain/ (loss) on plan assets	(50,056)	(89,663)
Actual return on plan assets	<b>281,327</b>	<b>156,572</b>
v. Amount Recognised in the balance sheet		
Liability at the end of the year	11,853,681	6,023,825
Fair Value of plan assets at the end of the year	(8,355,217)	(3,234,511)
Amount recognised in the balance sheet	<b>3,498,464</b>	<b>2,789,314</b>
vi. Expenses recognised in the statement of profit and loss		
Current service cost	1,728,842	991,171
Interest cost	610,773	241,751
Expected return on plan assets	(331,383)	(246,235)
Actuarial (gain) / loss	2,017,462	1,858,678
Expenses charged to the statement of profit and loss	<b>4,025,694</b>	<b>2,845,365</b>
vii. Balance sheet reconciliation		
Opening net liability	2,789,314	380,970
Dilution in stake of subsidiaries		(229,357)
Expense as above	4,025,694	2,845,365
Net transferred in	432,135	-
Employer contribution	(3,748,679)	(207,664)
Amount recognised in the balance sheet	<b>3,498,464</b>	<b>2,789,314</b>
viii. Category of Assets		
Insurer managed funds	8,355,217	3,234,511
Amount recognised in the balance sheet	<b>8,355,217</b>	<b>3,234,511</b>
ix. Experience adjustment		

(All amount in Rupees)					
<b>Particulars</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>	<b>Year ended 31.03.2010</b>	<b>Year ended 31.03.2009</b>	<b>Year ended 31.03.2008</b>
On plan liability (gains)/losses	1,735,996	914,319	201,380	(1,611,109)	Note iii
On Plan assets losses/ ( gains)	(175,204)	(89,663)	(185,270)	-	Note iii

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

x. Additional information

Particulars	(All amount in Rupees)				
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
Present value of benefit obligation	11,853,681	6,023,825	3,021,888	1,611,109	Note iii
Fair value of plan assets	8,355,217	3,234,511	2,870,275	2,814,481	Note iii
Obligation in excess of plan assets	3,498,464	2,789,314	151,613	(1,203,372)	Note iii

Note:

- 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. The details of experience adjustments arising on account of plan assets and liabilities as required by Accounting Standard (AS) - 15 (Revised) "Employee Benefits" were not applicable.
- iv. The estimate of future salary increase considered takes into account the inflation, seniority, promotion and other relevant factors.

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

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Discount rate	8.50%	8.25%
Salary escalation	6.50%	6.00%
Attrition	2.00%	2.00%

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

**38. Segment Reporting**

**a. Segment information for primary segment reporting (by business segment)**

The Group has two business segments:

- i. Generation and sale of power
- ii. Advisory services

Particulars	Sale of power	Consultancy	All amount in Rs. Total
<b>Segment Revenue</b>			
Revenue from operations	560,290,116	461,071,309	1,021,361,425
	(96,571,594)	(585,819,001)	(682,390,595)
<b>Segment Profit /(Loss)</b>	(121,970,145)	285,065,062	163,094,917
	(-130,675,331)	(374,051,514)	(243,376,183)
Unallocable Expenses			457,181,050
			(336,434,977)
Operating loss			<b>(294,086,133)</b>
			<b>(-93,058,794)</b>
Unallocable Income			125,855,263
			(93,589,242)
Income Taxes			84,860,834
			(48,930,187)
<b>Profit/(loss)after tax</b>			<b>(253,091,704)</b>
			<b>(-48,399,739)</b>
<b>Share of result of associate</b>			(117,353,525)
			(-)
<b>Net profit/(loss) after tax</b>			<b>(370,445,229)</b>
			<b>(-48,399,739)</b>
<b>Segment Assets</b>	21,304,633,396	188,557,274	21,493,190,670
	(2,804,776,802)	(298,613,385)	(3,103,390,187)
Unallocable Assets			9,720,344,168
			(7,662,109,316)
<b>Total Assets</b>			<b>31,213,534,838</b>
			<b>(10,765,499,503)</b>
<b>Segment Liabilities</b>	3,590,670,102	30,238,728	3,620,908,830
	(2,192,887,781)	(41,833,282)	(2,234,721,063)
Unallocable Liabilities			16,064,202,266
			(2,770,476,740)
<b>Total Liabilities</b>			<b>19,685,111,096</b>
			<b>(5,005,197,803)</b>
<b>Capital Expenditure (including opening adjustment)</b>	9,165,458,135	1,424,731	9,166,882,866
	(2,794,040,759)	(2,067,157)	(2,796,107,916)
Unallocable Capital Expenditure			1,033,441
			(1,354,653)
<b>Total Capital Expenditure</b>			<b>9,167,916,307</b>
			<b>(2,797,462,569)</b>
<b>Depreciation</b>	237,913,031	1,500,196	239,413,227
	(78,231,138)	(1,020,853)	(79,251,991)
Unallocable Depreciation			804,133
			(9,498,003)
<b>Total Depreciation</b>			<b>240,217,360</b>
			<b>(88,749,994)</b>

Note: Figures in brackets pertains to previous year

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

**b. Geographic segments**

The geographical segment individually contributing 10% or more of the Group's revenue and segment assets are shown separately.

<b>Geographical segment</b>	<b>Revenues</b>	<b>All amount in Rupees Segment Assets</b>
India	922,673,627	31,112,665,312
Others	98,687,798	100,869,526
<b>Total</b>	<b>1,021,361,425</b>	<b>31,213,534,838</b>

Note:

1. Unallocated assets include balance fixed assets, investments, cash and cash equivalents, advance tax and interest accrued but not due and advance recoverable.
2. Unallocated liabilities include secured/unsecured borrowings and other liabilities.
3. Unallocated income and expenses includes income/expenses which are not directly related to business segments shown as unallocated income/expenses.

**39. Related Party Transactions:**

- a) List of related parties (With whom the Group had transactions):

**A HOLDING COMPANY**

Infrastructure Leasing & Financial Services Limited (IL&FS)

**B FELLOW SUBSIDIARIES**

- i. Gaps Power & Infrastructure Private Ltd (upto 24 October, 2011)
- ii. IL&FS Education & Technology Services Limited
- iii. IL&FS Environmental Infrastructure & Service Limited
- iv. IL&FS Financial Services Limited
- v. IL&FS Infrastructure Development Corporationn Limited
- vi. IL&FS Investment Advisors LLC
- vii. IL&FS Nepal Infrastructure Development Co Pvt Ltd
- viii. IL&FS Securities Services Limited
- ix. IL&FS Transportation Networks Limited
- x. IL&FS Trust Company Limited
- xi. IL&FS Wind Power Limited (upto 31 October, 2011)
- xii. Nakhatrana Biomass Energy Limited (upto 24 October, 2011)
- xiii. Tadas Wind Energy Limited (upto 24 October, 2011)
- xiv. IL&FS Renewable Energy Limited (upto 24 October, 2011)
- xv. Nana Layja Power Company Limited (upto 24 October, 2011)
- xvi. Lalpur Wind Energy Private Limited (upto 24 October, 2011)
- xvii. IL&FS Property Management and Services Limited (upto 1 October, 2010)
- xviii. IL&FS Maritime Infrastructure Company Limited
- xix. IL&FS Urban Infrastructure Services Limited

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**C AFFILIATES/ASSOCIATES**

- i. ONGC Tripura Power Company Ltd
- ii. SV Power Private Limited
- iii. KVK Nilachal Power Private Limited (w.e.f. 7 July, 2011)
- iv. IL&FS Tamil Nadu Power Company Limited
- v. Assam Power Projects Development Company Limited (upto 29 March, 2012)
- vi. Bihar Power Infrastructure Company Pvt Limited (upto 29 March, 2012)
- vii. IL&FS Technologies Limited
- viii. Indraprastha Energy & Waste Management Company Limited
- ix. ORIX Auto Infrastructure Services Limited (upto 15 December, 2011)
- X Power Transmission Company Nepal Limited (upto 19 March, 2012)
- xi. Manglore SEZ Limited
- xii. KSIIDC-IL&FS Project Development Co Limited
- xiii. Jharkhand Infrastructure Development Corporation Limited
- xiv. Avash Logistic Park Private Limited
- xv. Sealand Ports Private Limited
- xvi. Urjankur Shree Datta Power Company Limited (w.e.f. 26 October, 2011)
- xvii. Urjankur Shree Tatyasaheb Kore Warana Power Company Limited (w.e.f. 26 October, 2011)
- xviii. Punjab Biomass Power Limited w.e.f. (25 October, 2011)

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

- i. IL&FS IIDC Fund
- ii. IL&FS Infrastructure Equity Fund 1 (IIEF - 1)

**E INDIVIDUALS HAVING CONTROL OR SIGNIFICANT INFLUENCE** (from 10 August, 2010 to 2 December, 2010)

- i. Mr. Arun K Saha (Trustees of IL&FS Employee Welfare Trust, EWT)
- ii. Mr. Vibhav Kapoor (Trustees of IL&FS Employee Welfare Trust, EWT)

**F KEY MANAGEMENT PERSONNEL**

Mr. Hari Sankaran



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

b) The nature and volume of transactions during the year with the above related parties are as follows:

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
<b>Transactions during the year</b>					
<b>Consultancy Income:</b>					
Nana Layja Power Company Limited	-	-	20,000,000	-	-
	-	-	(30,000,000)	-	-
Bihar Power Infrastructure Company Private Limited	-	-	-	33,814,393	-
	-	-	-	(51,302,083)	-
IL&FS Infrastructure Development Corporation Limited	-	-	26,560,000	-	-
	-	-	(39,000,000)	-	-
IL&FS Tamilnadu Power Company Limited	-	-	-	206,000,000	-
	-	(90,000,000)	-	(231,000,000)	-
IL&FS Renewable Energy Limited	-	-	-	-	-
	-	(7,500,000)	(1,500,000)	-	-
Tadas Wind Energy Limited	-	-	25,200,000	-	-
	-	-	(-)	-	-
KSIIDC-IL&FS Project Development Co Limited	-	-	-	-	-
	-	-	-	(570,000)	-
Jharkhand Infrastructure Development Corporation Limited	-	-	-	-	-
	-	-	-	(750,000)	-
Assam Power Project Development Company Limited	-	-	-	1,100,000	-
	-	-	-	(1,850,295)	-
IL&FS IIDC Fund	-	-	-	-	7,117,970
	-	-	-	-	(-)
<b>Total</b>	-	-	<b>71,760,000</b>	<b>240,914,393</b>	<b>7,117,970</b>
	-	<b>(97,500,000)</b>	<b>(70,500,000)</b>	<b>(285,472,378)</b>	<b>(-)</b>
<b>Interest Income</b>					
Infrastructure Leasing & Financial Services Limited	23,552,446	-	-	-	-
	(9,760,947)	-	-	-	-
GAPS Power and Infrastructure Pvt Limited	-	-	3,561,591	-	-
	-	(2,974,027)	(-)	-	-
IL&FS Employee Welfare Trust	-	-	-	-	-
	-	-	-	-	(16,775,685)
S V Power (P) Limited	-	-	-	3,078,768	-
	-	-	-	(-)	-
<b>Total</b>	<b>23,552,446</b>	-	<b>3,561,591</b>	<b>3,078,768</b>	-
	<b>(9,760,947)</b>	<b>(2,974,027)</b>	<b>(-)</b>	<b>(-)</b>	<b>(16,775,685)</b>
<b>Rent</b>					
Infrastructure Leasing & Financial Services Limited	41,176,322	-	-	-	-
	(21,107,977)	-	-	-	-
Urjankur Shree Datta Power Company Limited	-	-	-	385,583	-
	-	-	-	(-)	-
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	-	194,121	-
	-	-	-	(-)	-
<b>Total</b>	<b>41,176,322</b>	-	-	<b>579,704</b>	-
	<b>(21,107,977)</b>	-	-	<b>(-)</b>	-

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

Particulars	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	All amounts in Rupees	
				Affiliates	Significant Influence
<b>Borrowing Cost</b>					
Infrastructure Leasing & Financial Services Limited	21,403,624 (-)	- -	- -	- -	- -
IL&FS Financial Services Limited	- -	- -	28,392,109 (-)	- -	- -
IL&FS Trust Company Limited	- -	- -	2,233,575 (-)	- -	- -
<b>Total</b>	<b>21,403,624 (-)</b>	<b>- -</b>	<b>30,625,684 (-)</b>	<b>- -</b>	<b>- -</b>
<b>Finance cost</b>					
Infrastructure Leasing & Financial Services Limited	65,571,808 (61,292,803)	- -	- -	- -	- -
IL&FS Financial Services Limited	- -	- -	190,180,753 (71,726,027)	- -	- -
<b>Total</b>	<b>65,571,808 (61,292,803)</b>	<b>- -</b>	<b>190,180,753 (71,726,027)</b>	<b>- -</b>	<b>- -</b>
<b>Brand fees</b>					
Infrastructure Leasing & Financial Services Limited	12,037,768 (2,143,497)	- -	- -	- -	- -
<b>Project consultancy fees</b>					
IL&FS Environment Infrastructure & Services Limited	- -	- -	1,158,150 (-)	- -	- -
Urjankur Shree Datta Power Company Limited	- -	- -	- -	2,000,000 (-)	- -
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	- -	- -	- -	14,509,476 (-)	- -
<b>Total</b>	<b>- -</b>	<b>- -</b>	<b>1,158,150 (-)</b>	<b>16,509,476 (-)</b>	<b>- -</b>
<b>Other Expenses:</b>					
Infrastructure Leasing & Financial Services Limited	5,954,995 (287,735)	- -	- -	- -	- -
IL&FS Infrastructure Development Corporation Limited	- -	- -	582,443 (490,084)	- -	- -
IL&FS Technologies Limited	- -	- -	- -	1,943,649 (723,979)	- -
IL&FS Investment Advisors LLC	- -	- -	85,250 (181,606)	- -	- -
IL&FS Nepal Infrastructure Development Company Private Limited	- -	- -	- (600,000)	- -	- -
IL&FS Renewable Energy Limited	- -	- -	- (2,238,791)	- -	- -
IL&FS Environment Infrastructure & Services Limited	- -	- -	300,000 (195,000)	- -	- -

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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
Orix Auto Infrastructure Services Limited	-	-	-	470,776	-
	-	-	-	(2,516,163)	-
IL&FS Trust Company Limited	-	-	330,900	-	-
	-	-	(-)	-	-
IL&FS Securities Services Limited	-	-	39,283	-	-
	-	-	(111,675)	-	-
IL&FS Transportation Networks Limited	-	-	47,272	-	-
	-	-	(108,004)	-	-
IL&FS Property Management & Services Limited	-	-	-	-	-
	-	-	(613,223)	-	-
IL&FS Financial Services Limited	-	-	11,768	-	-
	-	-	(-)	-	-
<b>Total</b>	<b>5,954,995</b>	<b>-</b>	<b>1,396,916</b>	<b>2,414,425</b>	<b>-</b>
	<b>(287,735)</b>	<b>-</b>	<b>(4,538,383)</b>	<b>(3,240,142)</b>	<b>-</b>
<b>Reimbursement of expenses received:</b>					
IL&FS Tamilnadu Power Company Limited	-	-	-	2,386,154	-
	-	(99,946)	-	(53,979)	-
IL&FS Renewable Energy Limited	-	-	-	-	-
	-	(619,432)	(55,471)	-	-
IL&FS Wind Power Limited	-	-	5,663,545	-	-
	-	-	(4,116,877)	-	-
IL&FS Infrastructure Development Corporation Limited	-	-	459,792	-	-
	-	-	(249,744)	-	-
IL&FS Property Management and Services Limited	-	-	-	-	-
	-	-	(427,047)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6,123,337</b>	<b>2,386,154</b>	<b>-</b>
	<b>-</b>	<b>(719,378)</b>	<b>(4,849,139)</b>	<b>(53,979)</b>	<b>-</b>
<b>Purchase of fixed assets:</b>					
Infrastructure Leasing & Financial Services Limited	-	-	-	-	-
	(91,215)	-	-	-	-
IL&FS Infrastructure Development Corporation Limited	-	-	45,724	-	-
	-	-	(239,652)	-	-
IL&FS Renewable Energy Limited	-	-	-	-	-
	-	-	(39,749)	-	-
IL&FS Technologies Limited	-	-	-	202,725	-
	-	-	-	(1,320,383)	-
IL&FS Maritime Infrastructure Company Limited	-	-	68,484	-	-
	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>114,208</b>	<b>202,725</b>	<b>-</b>
	<b>(91,215)</b>	<b>-</b>	<b>(279,401)</b>	<b>(1,320,383)</b>	<b>-</b>
<b>Grant receivable</b>					
Infrastructure Leasing & Financial Services Limited	2,371,500	-	-	-	-
	(-)	-	-	-	-
<b>Capital work in progress</b>					
IL&FS Urban Infrastructure Services Limited	-	-	657,512	-	-
	-	-	(-)	-	-

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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
IL&FS Financial Services Limited	-	-	6,958,813 (-)	-	-
IL&FS Maritime Infrastructure Company Limited	-	-	14,504,450 (-)	-	-
IL&FS Environmental Infrastructure & Services Limited	-	-	429,294,798 (-)	-	-
IL&FS Trust Company Limited	-	-	459,310 (-)	-	-
<b>Total</b>	-	-	<b>451,874,883 (-)</b>	-	-
<b>Security deposit given</b>					
Avash Logistic Park Private Limited	-	-	-	72,400,000 (-)	-
Sealand Ports Private Limited	-	-	-	27,600,000 (-)	-
<b>Total</b>	-	-	-	<b>100,000,000 (-)</b>	-
<b>Purchase of investment Equity instruments</b>					
Infrastructure Leasing & Financial Services Limited	2,819,190,600 (89,960,000)	-	-	-	-
IL&FS IIDC Fund	-	-	-	-	64,729,889 (-)
IL&FS Infrastructure Development Corporation Limited	-	-	1,562,500 (-)	-	-
<b>Total</b>	<b>2,819,190,600 (89,960,000)</b>	-	<b>1,562,500 (-)</b>	-	<b>64,729,889 (-)</b>
<b>Preference shares of subsidiaries</b>					
Infrastructure Leasing & Financial Services Limited	202,000,000 (-)	-	-	-	-
<b>Loan given</b>					
SV Power Pvt. Limited.	-	-	-	190,000,000 (-)	-
<b>Guarantees issued on behalf of the Company</b>					
Infrastructure Leasing & Financial Services Limited	100,000,000 (-)	-	-	-	-
<b>Loans received</b>					
Infrastructure Leasing & Financial Services Limited	910,135,600 (2,830,000,000)	-	-	-	-
IL&FS Financial Services Limited	-	-	345,450,000 (-)	-	-
<b>Total</b>	<b>910,135,600 (2,830,000,000)</b>	-	<b>345,450,000 (-)</b>	-	-

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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
<b>Loan Repaid</b>					
Infrastructure Leasing & Financial Services Limited	(2,309,561,438)	-	-	-	-
IL&FS Financial Services Limited	-	-	2,200,000,000	-	-
			(-)	-	-
<b>Total</b>	<b>(2,309,561,438)</b>	<b>-</b>	<b>2,200,000,000</b>	<b>-</b>	<b>-</b>
			(-)	-	-
<b>Share application money received</b>					
Infrastructure Leasing & Financial Services Limited	2,593,000,000	-	-	-	-
	(5,128,000,000)	-	-	-	-
IL&FS Infrastructure Equity Fund – 1	-	-	-	-	669,382,891
					(-)
<b>Total</b>	<b>2,593,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>669,382,891</b>
	<b>(5,128,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(-)</b>
<b>Issue of shares</b>					
Infrastructure Leasing & Financial Services Limited	3,040,000,000	-	-	-	-
	(4,681,000,000)	-	-	-	-
IL&FS Infrastructure Equity Fund – 1	-	-	-	-	669,382,891
					(-)
<b>Total</b>	<b>3,040,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>669,382,891</b>
	<b>(4,681,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(-)</b>
<b>Prepaid expense</b>					
IL&FS Technologies Limited	-	-	-	70,176	-
				(-)	-
IL&FS Financial Services Limited	-	-	96,622,800	-	-
			(-)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>96,622,800</b>	<b>70,176</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>(-)</b>	<b>(-)</b>	<b>-</b>
<b>Balance outstanding as on 31 March, 2012</b>					
<b>Trade Payables</b>					
IL&FS Financial Services Limited	-	-	-	-	-
			(457,884)	-	-
Infrastructure Leasing & Financial Services Limited	9,171,880	-	-	-	-
	(2,950,426)	-	-	-	-
IL&FS Technologies Limited	-	-	-	46,666	-
				(88,204)	-
IL&FS Investment Advisors LLC	-	-	85,250	-	-
			(-)	-	-
IL&FS Environmental Infrastructure & Services Limited	-	-	-	-	-
			(422,869)	-	-
IL&FS Securities Services Limited	-	-	35,355	-	-
			(111,675)	-	-
IL&FS Renewable Energy Limited	-	-	-	-	-
			(2,222,448)	-	-

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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
IL&FS Nepal Infrastructure Development Company Private Limited	-	-	(327,500)	-	-
IL&FS IIDC Fund	-	-	-	-	32,693,529
IL&FS Trust Company Limited	-	-	24,411	-	(-)
<b>Total</b>	<b>9,171,880</b> <b>(2,950,426)</b>	<b>-</b> <b>-</b>	<b>145,016</b> <b>(3,542,376)</b>	<b>46,666</b> <b>(88,204)</b>	<b>32,693,529</b> <b>(-)</b>
<b>Payable towards purchase of fixed assets/ capital expenditure</b>					
Infrastructure Leasing & Financial Services Limited	2,226,012 (-)	-	-	-	-
IL&FS Financial Services Limited	-	-	92,098,715 (-)	-	-
IL&FS Maritime Infrastructure Company Limited	-	-	110,000,000 (-)	-	-
IL&FS Environment Infrastructure & Services Limited	-	-	144,037,780 (-)	-	-
IL&FS Urban Infrastructure Services Limited	-	-	137,983 (-)	-	-
<b>Total</b>	<b>2,226,012</b> <b>(-)</b>	<b>-</b> <b>-</b>	<b>346,274,478</b> <b>(-)</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>
<b>Loan Payable</b>					
Infrastructure Leasing & Financial Services Limited	1,430,574,162 (520,438,562)	-	-	-	-
IL&FS Financial Services Limited	-	-	345,450,000 (2,200,000,000)	-	-
<b>Total</b>	<b>1,430,574,162</b> <b>(520,438,562)</b>	<b>-</b> <b>-</b>	<b>345,450,000</b> <b>(2,200,000,000)</b>	<b>-</b> <b>-</b>	<b>-</b> <b>-</b>
<b>1% Fully Compulsorily Convertible Debentures</b>					
Infrastructure Leasing & Financial Services Limited	2,470,000,000 (-)	-	-	-	-
<b>Receivables:</b>					
IL&FS Wind Power Limited	-	-	-	-	-
IL&FS Tamilnadu Power Company Limited	-	-	(4,086,824)	36,038,426 (224,576,737)	-
IL&FS Technologies Limited	-	-	-	108,389 (-)	-
Bihar Power Infrastructure Company Private Limited	-	-	-	(745,728)	-
IL&FS Renewable Energy Limited	-	-	(153,045,670)	-	-
Indraprastha Energy & Waste Mgmt Co Limited	-	-	-	144,539 (144,539)	-

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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
IL&FS Infrastructure Development Corporation Limited	-	-	16,110,729 (35,143,419)	-	-
Mangalore SEZ Limited	-	-	-	-	-
Cross Border Power Transmission Co. Limited	-	-	-	(502,950)	-
IL&FS Education & Technology Services Limited	-	-	96,406 (-)	-	-
Power Transmission Company Nepal Ltd.	-	-	-	-	-
Urjankur Shree Datta Power Company Limited	-	-	-	2,368,169 (-)	-
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	-	3,122,709 (-)	-
Others	-	-	1,000 (137,059)	-	-
<b>Total</b>	-	-	<b>16,208,135</b> <b>(192,412,972)</b>	<b>41,782,232</b> <b>(226,162,243)</b>	-
<b>7.5% Non convertible debentures</b>					
Infrastructure Leasing & Financial Services Limited	68,540,000 (-)	-	-	-	-
<b>Guarantees issued on behalf of the Company</b>					
Infrastructure Leasing & Financial Services Limited	100,000,000 (-)	-	-	-	-
<b>Security deposit receivable</b>					
Avash Logistic Park Private Limited	-	-	-	144,800,000 (-)	-
Sealand Ports Private Limited	-	-	-	55,200,000 (-)	-
<b>Total</b>	-	-	-	<b>200,000,000</b> <b>(-)</b>	-
<b>Capital advance</b>					
IL&FS Environment Infrastructure & Services Limited	-	-	299,290,139 (-)	-	-
<b>Loans and advances</b>					
S V Power (P) Limited	-	-	-	190,000,000 (-)	-
Punjab Biomass Power Limited	-	-	-	184,800,000 (-)	-
<b>Total</b>	-	-	-	<b>374,800,000</b> <b>(-)</b>	-
<b>Project Development Fund</b>					
Infrastructure Leasing & Financial Services Limited	30,000,000 (30,000,000)	-	-	-	-

12




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

Particulars	All amounts in Rupees				
	Holding Company	Subsidiary Companies See note below	Fellow Subsidiaries	Affiliates	Significant Influence
<b>Inter Corporate Deposits</b>					
Infrastructure Leasing & Financial Services Limited	154,720,858 (-)	-	-	-	-
<b>Interest accrued on loans and advances</b>					
Infrastructure Leasing & Financial Services Limited	97,703,779 (-)	-	-	-	-
S V Power (P) Limited	-	-	-	3,078,767	-
	-	-	-	(-)	-
<b>Total</b>	<b>97,703,779</b>	<b>-</b>	<b>-</b>	<b>3,078,767</b>	<b>-</b>
<b>Interest accrued on loans</b>					
Infrastructure Leasing & Financial Services Limited	14,902,113 (16,912,596)	-	-	-	-
<b>Advance towards investments</b>					
IL&FS Wind Power Limited	-	-	-	-	-
	-	-	(13,600,000)	-	-
<b>Equity instruments</b>					
S V Power (P) Limited	-	-	-	789,960,000	-
	-	-	-	(789,960,000)	-
Nana Layja Power Company Limited	-	-	-	-	-
IL&FS Tamil Nadu Power Company Limited	-	-	-	(97,003,205)	-
IL&FS Renewable Energy Limited	-	-	-	-	-
IL&FS Wind Power Limited	-	-	(16,710,000)	-	-
Urjankur Shree Tatyasaheb Kore Warana Power Company Limited	-	-	-	266,511,543 (-)	-
KVK Nilachal Power Pvt Limited	-	-	-	970,000,000 (-)	-
ONGC Tripura Power Company Limited	-	-	-	4,023,218,000 (4,023,217,980)	-
Punjab Biomass Power Limited	-	-	-	28,794,272 (-)	-
Shalivahana Green Energy Limited	-	-	-	515,042,458 (-)	-
Urjankur Shree Datta Power Company Limited	-	-	-	254,709,339 (-)	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,848,235,612</b> <b>(4,910,181,185)</b>	<b>-</b>

Note: Figures under subsidiary represents transactions with subsidiaries which will be eliminated at the level of ultimate holding company.

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

**40. 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.

<b>S.no</b>	<b>Particulars</b>	<b>Unit</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
a.	Net Profit After Tax	Rupees	(253,091,704)	(48,399,739)
b.	Weighted Average of Number of Equity Shares	Number of Shares	676,277,234	169,928,767
c.	Basic Earnings per share (a/b)	Rupees	(0.37)	(0.28)
d.	Potential dilutive equity shares on share application money, compulsorily convertible debentures and compulsorily convertible Preference shares	Number of Shares	733,042,996	44,700,000
e.	Weighted average of number of equity shares used in computing diluted earnings per share.	Number of Shares	692,401,936	170,051,233
f.	Diluted earnings per share (a/e)	Rupees	(0.37)	(0.28)

**41. Joint Venture**

Details of Company's share in Joint Ventures included in the Consolidated Financial Statements are

<b>Particulars</b>	<b>As on 31.03.2012</b>	<b>As on 31.03.2011</b>
Assets	124,069,207	-
Liabilities	56,423,758	-

<b>Particulars</b>	<b>Year ended 31.03.2012</b>	<b>Year ended 31.03.2011</b>
Income*	27,730	-
Expenditure*	262	-
Tax*	8,979	-

\*From the date of acquisition till 31 March, 2012

42. The Group has exercised the option as per the Companies (Accounting Standards) Amendments Rules, 2011. As per the option, exchange differences related to long term foreign currency monetary items so far as they relate to the acquisition of a depreciable capital assets are capitalized and depreciated the same over the useful life of the assets and in other cases, have transferred to Foreign Currency Monetary Item Translation Difference Account and amortized over the balance period of such long term assets/liabilities. There were no long term assets/liabilities outstanding during the year ended March 31, 2012

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

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43. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board**

  
HARI SANKARAN  
Director

  
Director  
KG RAMACHANDRAN

  
Chief Executive Officer  
SUNIL WADHWA

  
Chief Financial Officer  
AVINASH BAPAT

  
Company Secretary  
RAJPAL AHUJA

Place: Bengaluru

Date: 20 July, 2012





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