

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IL&FS SOLAR POWER LIMITED

Report on the Financial Statements

1. We have audited the accompanying Ind AS financial statements of **IL&FS SOLAR POWER LIMITED** (the "Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company, in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued thereunder.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

4. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including Ind AS, of the financial position of the Company as at 31 March 2018, and its financial performance, including other comprehensive income, its cash flows and the changes in equity, for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143 (3) of the Act, based on our audit the financial statements we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.



- c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity, dealt with by this Report, are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term construction contracts in its financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
10. As required by the Companies (Auditor's Report) Order, 2016 (the "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No – 108296W


Vinay D Balse
Partner
Membership No: 39434



Place: Mumbai

Date: May 31, 2018

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. We have audited the internal financial controls over financial reporting of **IL&FS SOLAR POWER LIMITED** (the "Company") as of 31 March 2018, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No – 108296W**


**Vinay D Balse
Partner
Membership No: 39434**



Place: Mumbai

Date: May 31, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF IL&FS SOLAR POWER LIMITED

(Referred to in paragraph 6 (II) of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of paragraph 3 the Order is not applicable to the Company.
- (ii) The Company does not have any inventory. Consequently, the requirement of clause (ii) of paragraph 3 of the Order is not applicable to the Company.
- iii) The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Subsidiaries listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- iv) In our opinion and according to information and explanation given to us, the company has granted loans of Rs. 69,44,27,636 (Rs. 162,98,12,709 for previous year), secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year. Therefore, reporting under clause (v) of paragraph 3 of the Order is not required.
- vi) In our opinion and according to the information and explanations given to us, the Company is not required to maintain cost records under section 148(1) of the Companies Act, 2013; consequently, clause (vi) of paragraph 3 the Order is not applicable to the Company.



- vii) Based on our examination of the books of account and according to the information and explanations given to us,
- a) the Company is regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, income-tax, sales-tax, wealth tax, service tax, Goods & Services Tax, custom duty, excise duty, value added tax, cess and any other statutory dues applicable. No undisputed amounts payable were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - b) As at the Balance Sheet date, the Company has no dues in respect of sales tax, income tax, service tax, Goods & Services Tax, excise duty, custom duty, wealth tax, value added tax, cess, which have not been deposited with the appropriate authorities on account of any dispute with the related authorities
- viii) To the best of our knowledge and belief and according to the information and explanations given to us, there is no default in repayment in relation to loans from financial institutions or banks or debenture holders.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has not paid any Managerial Remuneration during the year and hence reporting under clause (xi) of paragraph 3 the Order is not applicable.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Consequently, the requirements of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv) To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.



- xvi) To the best of our knowledge and belief, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For N. M. Raiji & Co.
Chartered Accountants
Firm Registration No – 108296W**



**Vinay D Balse
Partner**

Membership No: 39434



Place: Mumbai

Date: May 31, 2018

IL&FS SOLAR POWER LIMITED
BALANCE SHEET AS AT MARCH 31 2018

	Note No.	As at March 31, 2018 (Rs. Millions)	As at March 31, 2017 (Rs. Millions)
ASSETS			
Non-current assets			
a. Property, plant and equipment	4	0.53	-
b. Intangible assets	4	0.04	-
c. Other non-current assets	7	610.90	16.20
d. Non-current tax assets (net)	8	61.04	44.88
Total non-current assets		672.51	61.08
Current assets			
a. Inventories	9	311.06	204.44
b. Financial assets			
i. Trade receivables	10	6,062.93	167.45
ii. Cash and cash equivalents	10A	259.58	5.31
iii. Bank balances other than cash and cash equivalents	10B	85.39	-
iv. Loans	5	-	1,629.81
v. Other financial assets	6	201.60	-
c. Other current assets	7	60.70	-
Total current assets		6,981.26	2,007.01
Total assets		7,653.77	2,068.10
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	12	0.50	0.50
b. Other equity	13	45.77	9.54
Total equity		46.27	10.04
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	14	6,157.50	29.10
b. Other financial liabilities	15	63.62	-
c. Deferred tax liabilities		0.02	-
Total non-current liabilities		6,221.14	29.10
Current liabilities			
a. Financial liabilities			
i. Borrowings	14	-	-
ii. Current maturities of long term borrowings	16	35.10	1,820.11
iii. Trade payables	17	1,245.83	187.65
iv. Other financial liabilities	15	60.53	2.07
b. Other current liabilities	18	44.89	19.13
Total current liabilities		1,386.35	2,028.96
Total equity and liabilities		7,653.77	2,068.10

See accompanying notes to the Ind AS financial statements 1-29

In terms of our report attached

FOR N M Raiji & Co.
Chartered Accountants
Firm Reg No: 108296W


Vinay D Balse
Partner
Membership No : 39434



For and on behalf of the Board of Directors


Director


Director

Place: Mumbai
Date: 31st May 2018

Place: Mumbai
Date: 31st May 2018

IL&FS SOLAR POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	Note Ref.	Year ended March 31, 2018 (Rs. Millions)	Year ended March 31, 2017 (Rs. Millions)
1 INCOME			
a. Revenue from operation	19	5,699.68	141.37
Total Revenue		5,699.68	141.37
2. EXPENSES			
a. Project expenses	20	5,660.85	141.37
b. Depreciation & Amortisation Expenses	4	0.14	-
c. Other Expenses	21	2.44	0.47
Total Expenses		5,663.43	141.83
3. Profit/(loss) before tax		36.25	(0.47)
4. Tax Expense			
Current Tax		-	-
Deferred Tax		0.02	-
5. Net Profit after Tax		36.23	(0.47)
6. Other Comprehensive Income			
Items that will not be reclassified to profit or loss:		-	-
Items that will be reclassified to profit or loss		-	-
7. Total Comprehensive income for the year		36.23	(0.47)
Earnings per equity share			
Basic	22	724.63	(9.37)
Diluted	22	724.63	(9.37)

See accompanying notes to the Ind AS financial statements 1-29

In terms of our report attached

FOR N M Raiji & Co.
Chartered Accountants
Firm Reg No: 108296W

Vinay D Balse
Partner
Membership No : 39434



For and on behalf of the Board of Directors


Director


Director

Place: Mumbai
Date: 31st May 2018

Place: Mumbai
Date: 31st May 2018

Statement of changes in Equity attributable to owners of the Company

(Rs. Millions)

Statement of changes in equity for the year ended		
a. Equity share capital	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Balance as at the beginning of the year	0.50	0.50
Changes in equity share capital during the year		
Balance as at end of the year	0.50	0.50

March 2018

(Rs. Millions)

Statement of changes in equity for the year ended March 31, 2018							
b. Other equity	Reserves and surplus				Attributable to owners of the parent	Non-controlling interests	Total
	Equity component of compound financial instruments	Debenture Redemption Reserve	Retained earnings	Total			
Balance as at April 1, 2017	16.54	-	(7.00)	(7.00)	9.54	-	9.54
Profit/(Loss) for the year			36.23	36.23	36.23	-	36.23
Other comprehensive income for the year, net of income tax			-	-	-	-	-
Total comprehensive income for the year	-	-	36.23	36.23	36.23	-	36.23
Payment of dividends				-	-	-	-
Transfer to retained earnings				-	-	-	-
Transferred to Debenture Redemption Reserve		29.23	(29.23)	-	-	-	-
Income tax relating to transactions with owners				-	-	-	-
Balance as at March 31, 2018	16.54	29.23	0.00	29.23	45.77	-	45.77

March 2017

(Rs. Millions)

Statement of changes in equity for the year March 31, 2017							
b. Other equity	Reserves and surplus				Attributable to owners of the parent	Non-controlling interests	Total
	Equity component of compound financial instruments	Debenture Redemption Reserve	Retained earnings	Total			
Balance as at April 1, 2016	9.27	-	(6.53)	(6.53)	2.74	-	2.74
Profit/(Loss) for the year	-	-	(0.47)	(0.47)	(0.47)	-	(0.47)
Equity component of loan	7.27	-	-	-	7.27	-	7.27
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-
Total comprehensive income for the period	7.27	-	(0.47)	(0.47)	6.80	-	6.80
Payment of dividends	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Income tax relating to transactions with owners	-	-	-	-	-	-	-
Balance as at March 31, 2017	16.54	-	(7.00)	(7.00)	9.54	-	9.54

In terms of our report attached.

For N M Raiji & Co.
Chartered Accountants
Firm Regn. No.: 108296W

Vinay D Balse
Partner
Membership No : 39434

Place : Mumbai
Date : May 31, 2018



For and on behalf of the Board of Directors

[Signature]
Director

[Signature]
Director

Place : Mumbai
Date : May 31, 2018

IL&FS SOLAR POWER LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2018

	Year ended 31.03.18 (Rs. Millions)	Year ended 31.03.17 (Rs. Millions)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	36.23	(0.47)
Adjustments for :		
Capital work in progress written off	-	113
Operating profit before working capital changes	36.23	112.72
Adjustments for (increase) / decrease in operating assets:		
Inventories	(106.62)	(199)
Trade receivables	(5,895.48)	(167)
Long-term loans and advances	-	(0.10)
Other financial assets (Current)	(201.60)	-
Other Non - Current Assets	(60.70)	-
Short-term loans and advances	1,629.81	0.00
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	1,058.18	187.54
Other current liabilities	25.76	7.63
Other financial liabilities (Non Current)	63.62	-
Other financial liabilities (Current)	58.47	-
Cash generated from operations	(3,392.32)	(58.78)
Taxes paid (including tax deducted at source)	(16.14)	(37.76)
Net cash flow from / (used in) operating activities	(3,408.46)	(96.54)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(595.27)	(16.10)
Loan and advances to related parties (net)	-	789.61
Bank balance other than cash and cash equivalents - placed	(85.39)	-
Net cash flow from investing activities	(680.66)	773.5
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	6,128.40	29.10
Repayment of long term borrowings	(1,785.01)	(719.89)
Net cash flow used in financing activities	4,343.39	(690.79)
Net decrease in Cash and cash equivalents	254.27	(13.83)
Cash and cash equivalents at the beginning of the year	5.31	19.13
Cash and cash equivalents at the end of the year (see note 10)	259.58	5.31
	254.27	(13.83)

See accompanying notes forming part of the financial statements

1-29

In terms of our report attached.

FOR N M Raiji & Co.
Chartered Accountants
Firm Reg No: 108296W


Vinay D Balse
Partner
Membership No : 39434



Place: Mumbai
Date: 31st May 2018

For and on behalf of the Board of Directors


Director


Director

Place: Mumbai
Date: 31st May 2018

Note 1 Corporate Information

The Company was incorporated under the Companies Act, 1956 on August 26, 2010 vide Registration No U40300MH2010PLC207073 with the primary objective of engaging in the business of procurers, generators, suppliers, distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, storers, carriers, importers and exporters of, and dealers in, electricity, and any products or by-products derived from any such business and any products derived from, or connected with any other form of energy, including without limitation heat, solar, wind, hydro, wave, tidal, bagasse, bio-mass, waste, geothermal and biological; to engage in the business of procurers, suppliers, distributors, converters, producers, processors, developers, storers, carriers, importers and exporters of, and dealers in, hydrocarbon fuels, fuel handling equipment and machinery and fuel handling facilities thereto and any product or by products derived from any such business (including without limitation distillate); and to carry on the business of a General Electric Power Supply Company in all its branches and to construct, lay down, establish fix and carry out all necessary power stations, cables, wires, lines, accumulators, lamps and works and to generate, accumulate distribute and supply electricity and to light cities, towns, streets, docks, markets, theatres, building and places, both public and private.

Note 2 Significant accounting policies

2.1 Basis of preparation/ Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (referred to as IND AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). These IND AS have been adopted w.e.f. April 1, 2016, as notified by the Ministry of Corporate Affairs, under the Companies (Indian Accounting Standards) Rules, 2015. Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of the previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These were Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2.16 for the details of first-time adoption exemptions availed by the Company. Further, in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", the Company has presented a reconciliation from the presentation of financial statements notified under the Companies (Accounting Standard) Rules 2006 ("Previous GAAP"), to Ind AS of Shareholder's equity as at March 31, 2016 and April 1, 2015.

2.2 Revenue recognition

- i. Income on Project Management Consultancy Services is recognised on accrual basis as per the Deferred Payment Agreement (DPA)
- ii. The Company recognises revenue in proportion to the actual project cost incurred (including land cost), as against the total estimated project cost (including land cost), subject to achieving the threshold level of project cost (excluding land cost), in line with the Guidance Note issued by ICAI and depending on the type of project. Revenue is recognised net of indirect taxes and on execution of an agreement.
- iii. The estimates relating to percentage of completion, costs to completion etc. being of a technical nature are reviewed and revised periodically by the management and are considered as change in estimates and accordingly, the effect of such changes in estimates is recognised prospectively, in the period in which such changes are determined.

2.3 Property, Plant and Equipment (PPE)

- i. PPE are carried at cost less accumulated depreciation and impairment losses, if any.
- ii. The cost of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, present value of decommissioning costs (where there is a legal or constructive obligation to decommission) and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.
- iii. Machinery spares, which can be used only in connection with an item of fixed asset and whose use is expected to be irregular, are capitalised and depreciated over the useful life of the principal item of the relevant assets.
- iv. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- v. Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that an asset may be impaired. If an impairment loss is determined, the remaining useful life of the asset is also subject to adjustment. If the reasons for previously recognised impairment losses no longer exists, such impairment losses are reversed and recognised in income. Such reversal shall not cause the carrying amount to exceed the amount that would have resulted had no impairment taken place during the preceding periods.
- vi. The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 under the previous GAAP as its deemed cost on the date of transition to Ind AS

Depreciation

- i. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.
- ii. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

The estimated useful life are mentioned below

Assets Type	Useful Life
Plant & Machinery	15 years
Vehicles i.e. cars used by employees	5 years
Assets provided to employees	3 years
Assets costing less than Rs. 5000 and mobile phones, Tablets	Written off in the year of purchase

Derecognition of PPE

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

2.4 Intangible assets

Ind AS 38, "Intangible Assets" requires that intangible assets be amortised over their expected useful lives, unless their lives are considered to be indefinite. 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.

The carrying amount of intangible asset is tested for impairment by comparing the carrying value with the asset's recoverable amount, which is higher of its value in use and its fair value, less costs to sell. Should the carrying amount exceed the corresponding recoverable amount, an impairment charge equal to the difference between the carrying amount and the recoverable amount is recognised and reported in income under "Depreciation, amortisation and impairment charges."

Intangible assets are amortised on a straight line basis.



Intangible Asset	Useful life
Rights under licensing agreement and software licenses	Over the license period

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

Derecognition of Intangible assets

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

2.5 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value, that are denominated in foreign currencies, are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency, are not retranslated.

2.6 Borrowing costs

Borrowing costs are recognised in the period to which they relate, regardless of how the funds have been utilised, except where it relates to the financing of construction or development of assets requiring a substantial period of time to prepare for their intended future use. Interest is capitalised up to the date when the asset is ready for its intended use. The amount of interest capitalised (gross of tax) for the period is determined by applying the interest rate applicable to appropriate borrowings outstanding during the period to the average amount of accumulated expenditure for the assets during the period.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.7 Taxation

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets (including unused tax credits such as MAT credit and unused tax losses such as carried forward business loss and unabsorbed depreciation) are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

Current and deferred tax for the year

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

2.8 Inventories

a) Inventories are valued at the lower of cost and the net realisable value, as certified by the Management. Net realisable value represents the estimated selling price for inventories, less all estimated costs of completion and costs necessary to make the sale.

b) Construction materials and consumables are valued at lower of cost or net realisable value. Construction materials and consumables purchased for construction work issued to the construction work in progress, are treated as consumed.

c) The construction work in progress is valued at lower of cost or net realisable value. Cost includes cost of land, development rights, rates and taxes, construction costs, borrowing costs, other direct expenditure, allocated overheads and other incidental expenses.

2.9 Provisions

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

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

2.10 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in the statement of profit and loss.

2.11 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification of financial assets – debt instruments

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVOCI") (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other debt instruments are subsequently measured at fair value.



Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

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

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in value in FVOCI for equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost or FVOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost or FVOCI criteria but are designated as FVTPL are measured at FVTPL.

A debt instrument that meets the amortised cost or FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "Other income" line item.

Impairment of financial assets

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. In cases where the amounts are expected to be realized up to one year from the date of the invoice, loss for the time value of money is not recognised, since the same is not considered to be material.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g., when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those

2.12 Financial liabilities and equity instruments

Classification as debt or equity

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.13 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 Consolidated Statement of Profit and Loss on a straight-line basis unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

At present, All leases of the Company's have been classified as operating leases.

2.14 Impairment

The carrying values of assets of each cash-generating unit at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment loss is recognised if the carrying amount of those 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 discounting the estimated future cash flows to their present value based on an appropriate discount factor.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby net profits / loss before tax are adjusted for the effect of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating; investing and financing activities are segregated.

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the parent company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the parent as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.



Note 3 Critical accounting judgements and key sources of estimation uncertainty

3.1 Use of estimates

The preparation of Financial Statement requires the Management to make certain estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of financial statements and the reported income and expenses during the reporting period. The Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Actual results could differ from these estimates. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

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

3.2 Key Source of estimation uncertainty

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

Useful lives and residual values of property, plant and equipment

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

Valuation of Deferred tax assets

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Any change in the estimates of future taxable income may impact the recoverability of deferred tax assets.

Decommissioning provisions

Decommissioning provisions are uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. Therefore significant estimates and assumptions are made in determining the provision for decommissioning

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. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.



IL&FS SOLAR POWER LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

4. Property, Plant & Equipment

March 2018

Particulars	Cost or Deemed cost		Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2017	Balance at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Others	Balance at March 31, 2018	Balance at March 31, 2018	As at April 1, 2017
Property plant and equipment								
Furniture and fixtures	-	0.03	-	0.03	-	0.03	-	-
Office equipment	-	0.31	-	0.04	-	0.04	0.27	-
Data processing equipments	-	0.32	-	0.06	-	0.06	0.26	-
Subtotal	-	0.66	-	0.13	-	0.13	0.53	-
Capital work-in-progress (Refer Note)	-	-	-	-	-	-	-	-
Total	-	0.66	-	0.13	-	0.13	0.53	-

March 2017

Particulars	Cost or Deemed cost		Accumulated depreciation and impairment				Carrying Amount	
	Balance as at April 1, 2016	Balance at March 31, 2017	Balance as at April 1, 2016	Depreciation expense	Others	Balance at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Property plant and equipment								
Furniture and fixtures	-	-	-	-	-	-	-	-
Office equipment	-	-	-	-	-	-	-	-
Data processing equipments	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Capital work-in-progress (Refer Note)	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-



IL&FS SOLAR POWER LIMITED
Notes forming part of the Financial Statements for the year ended March 31, 2018

4. Intangible Assets

March 2018

Particulars	Cost or deemed cost				Accumulated depreciation and impairment			(Rs. Millions)	
	Balance as at April 1, 2017	Additions from separate acquisitions	Balance as at March 31, 2018	Balance as at April 1, 2017	Depreciation expense	Balance as at March 31, 2018	Balance as at March 31, 2018	As at April 1, 2017	
Software / Licences acquired	-	0.05	0.05	-	0.01	0.01	0.04	-	
Subtotal (a)	-	0.05	0.05	-	0.01	0.01	0.04	-	
Rights under service concession arrangements (b)	-	-	-	-	-	-	-	-	
Intangible assets under development (c)	-	-	-	-	-	-	-	-	
Total (a+b+c)	-	0.05	0.05	-	0.01	0.01	0.04	-	

March 2017

Particulars	Cost or deemed cost			Accumulated depreciation and impairment			(Rs. Millions)	
	Balance as at April 1, 2016	Additions from separate acquisitions	Balance as at March 31, 2017	Balance as at April 1, 2016	Amortisation expense	Balance as at March 31, 2017	Balance as at March 31, 2017	As at April 1, 2016
Software / Licences acquired	-	-	-	-	-	-	-	-
Subtotal (a)	-	-	-	-	-	-	-	-
Rights under service concession arrangements (b)	-	-	-	-	-	-	-	-
Intangible assets under development (c)	-	-	-	-	-	-	-	-
Total (a+b+c)	-	-	-	-	-	-	-	-



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2018 (Rs. Millions)	As at 31-03-2017 (Rs. Millions)
Note 5 - Loans		
(Unsecured, considered good)		
Current		
a. Loans to Related parties *	-	1,629.81
	-	1,629.81
Note 6 - Other financial assets		
(Unsecured, considered good)		
Current		
a. Interest accrued on loan	51.03	-
b. Interest accrued on fixed deposit	1.31	-
c. Unbilled revenue	149.26	-
	201.60	-
Note 7 - Other assets		
(Unsecured, considered good)		
Non Current		
a. Capital advance to others	607.27	16.10
b. Security Deposit	3.63	0.10
	610.90	16.20
Current		
a. Goods & Service tax credit receivable	60.52	-
b. Prepaid expenses	0.18	-
	60.70	-
Note 8 - Current tax assets (net)		
a. Non current tax assets		
Income tax assets (net)		
(i) Advance Tax (including tax deducted at source)	61.04	44.88
	61.04	44.88
Note 9 - Inventories		
(lower of cost and net realisable value)		
a. Contract work in progress (Value of work done on incomplete contract)	311.06	204.44
	311.06	204.44



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31-03-2018 (Rs. Millions)	As at 31-03-2017 (Rs. Millions)
Note 10 - Trade receivable (Unsecured, considered good)		
Current		
a. Trade receivables	6,062.93	167.45
	6,062.93	167.45
Note :		
The Company closely monitors the credit quality of its trade receivables. Accordingly, there is no significant credit risk pertaining to the trade receivables.		
Trade receivables are due from the date of completion of the project. Dues are receivable in equated monthly installment (EMI) with interest.		
Age of receivables		
Within the credit period	6,062.93	167.45
1-30 days past due	-	-
31-90 days past due	-	-
91-180 days past due	-	-
More than 180 days past due	-	-
	6,062.93	167.45
Note 11 - Cash and cash equivalents		
A. Cash and cash equivalents		
a. Cash on hand	0.01	0.02
b. Balance with Banks		
- In current accounts	59.57	5.29
- In deposit accounts	200.00	-
	259.58	5.31
Cash and cash equivalents as per statement of cash flows		
B. Bank balance other than cash and cash equivalents		
Earmarked balance with bank (held as margin money against borrowings)	85.39	-
	85.39	-



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 - Equity Share Capital

	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>	
	Number of shares	(Rs. Millions)	Number of shares	(Rs. Millions)
SHARE CAPITAL				
a. AUTHORISED				
Equity shares of Rs. 10 each with voting rights	50,000	0.50	50,000	0.50
b. ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity shares of Rs. 10 each with voting rights	50,000	0.50	50,000	0.50

See notes (i) to (iii) below

(i) Terms / Rights attached to the Equity Shares

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

(ii) Details of shares held by the holding company

	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>	
	Number. of shares held	% of holding	Number. of shares held	% of holding
IL & FS Renewable Energy Limited & nominee	-	-	50,000	100.00
IL & FS Energy Development Company Limited	50,000	100.00	-	-

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

	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>	
	Number. of shares held	(Rs. Millions)	Number. of shares held	(Rs. Millions)
Shares Outstanding at the beginning of the year	50,000	0.50	50,000	0.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares Outstanding at the end of the year	50,000	0.50	50,000	0.50

(iv) During the year i.e on 18th October 2017 , Shares held by IL&FS Renewable Energy Company limited are transfer to IL&FS Energy Development Company Limited



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2018 (Rs. Millions)	As at 31 March 2017 (Rs. Millions)
Note 13 - Other Equity		
a. Retained earning		
i. Opening balance	(7.00)	(6.53)
ii. Add / (Less) : Profit / (Loss) for the year	36.23	(0.47)
iii. Transfer to Debenture Redemption Reserve	(29.23)	-
	<u>0.00</u>	<u>(7.00)</u>
b. Debenture Redemption Reserve		
i. Opening balance	-	-
ii. Add / (Less) during the year	29.23	-
	<u>29.23</u>	<u>-</u>
c. Other Items of OCI:		
i. Opening balance	-	-
ii. Add / (Less) : Profit / (Loss) for the year	-	-
iii. Balance at the end of the year	-	-
d. Equity component of loan:		
i. Opening balance	16.54	9.27
ii. Add / (Less) : Adjustment for the year	-	7.27
iii. Balance at the end of the year	<u>16.54</u>	<u>16.54</u>
	<u>45.77</u>	<u>9.54</u>
Note 14 - Financial Liabilities		
Non current borrowing (at amortised cost)		
[A] Term Loan		
(a) Loan from bank (Secured) - Dhanlaxmi Bank Limited	444.88	-
(b) Loan from Financial Institution (Secured) - Aditya Birla Financial Limited	1,116.65	-
(c) Unsecured (see note (i) below) - IL&FS Energy Development Company Limited	1,058.46	29.10
[B] Debentures		
(a) Debentures issued to others (Secured)	1,459.42	-
(b) Debentures issued to IL&FS infrastructure Debt Fund (unsecured)	2,078.09	-
	<u>6,157.50</u>	<u>29.10</u>



Notes:**Detail of terms of repayment and security provided in respect of the long term borrowings :****(i) From related parties - unsecured**

Particulars	Rate of interest and terms of repayment	31 March 2018	31 March 2017
a. Loan from IL&FS Financial Services Limited ('IFIN')			
i.	15.50%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 09-12-2015	-	530.11
ii.	15.50%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 28-01-2016	-	90.00
iii.	15.50%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 11-03-2016	-	1,200.00
b. Loan from IL&FS Energy Development Company Limited ('IEDCL')			
i.	15.50%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 02-09-2016.	-	29.10
ii.	16.00%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 08-01-2018.	58.46	-
iii.	16.00%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 30-01-2018	1,000.00	-
c. Loan from IL&FS Renewable Energy Limited ('IREL')			
i.	0%, loan is repayable at the end of 24 months from the date of first disbursement, i.e. 31-03-2016	-	31.00
ii.	0%, loan is repayable at the end of 24 months from the date of first disbursement	-	22.41

(ii) From Bank - Dhanlaxmi Bank Limited

Particulars	Rate of interest and terms of repayment	31 March 2018	31 March 2017
i.	The Company has entered into a term loan agreement during the year for Rs. 450,000,000 at an interest rate of 10.50% per annum.		
ii.	The loan is repayable as bullet payment at the end of 36 Months from the date of first draw down (i.e. 27 October, 2017)	444.88	-
iii.	The loan of Rs. 450,000,000/- is secured by corporate guarantee given by the holding Company, IL&FS Energy Development Company Limited. 10% of the loan amount i.e. Rs. 45,000,000/- is secured by earmarked fixed deposit as security on the loan amount.		

(iii) From Financial Institution

Particulars	Rate of interest and terms of repayment	31 March 2018	31 March 2017
i.	The Company has entered into a term loan agreement during the year for Rs. 1,750,000,000 at an interest rate of 10.40% (floating)per annum.		
ii.	The total loan is repayable in 51 every quarterly instalment starts from 2nd quarter from Schedule Commercial operation date. i.e. from 30th Sept 2018	1,151.75	-
iii.	The loan is secured by first ranking parri pasu charges on current assets, book debts, cash flows, receivables & movable fixed assets, Immovable properties & unconditional and irrevocable corporate guarantee from prompter subject to some condition.		



(iv) Debentures issued to others

Particulars	Rate of interest and terms of repayment	31 March 2018	31 March 2017
(a) Debentures issued to Investec bank plc (Investec)			
i. The Company has issued Non Convertible Debenture (NCD) to investec Bank Plc (investec) amounted Rs 150 Cr at the rate 10.5% p.a payable at quarterly . The repayment will be bullet payment at the end of 3 Year from first date of issue. The NCD is secured pari passu first charge over all assets including title deed of land of EEPL		1,459.42	-
(b) Debentures issued to IL&FS Infrastructure Debt Fund (IL&FS IDF)			
i. The NCDs shall be redeemed with a redemption premium such that the overall yield to the subscriber is equivalent to 11.0% p.a. Redemption premium is payable at the time of each redemption payment. No coupon amount is payable in the interim period . Bullet repayment on December 27,2020 along with redemption premium		2,078.09	-
Note 15 - Other financial liabilities			
Non Current			
a. Debenture Sub. Fees Accrued But Not Due on 210 IDF		5.30	-
b. NCD Premium Accrued But Not Due on 210 Cr.-IDF		58.32	-
		63.62	-
Current			
a. Interest accrued-Loan		60.53	2.07
		60.53	2.07



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31 March 2018 (Rs. Millions)	As at 31 March 2017 (Rs. Millions)
Note 16 - Current maturities of long term debt		
a. Loan from related parties - unsecured (for securities clause and other details see note 14)	-	1,820.11
b. Loan from Financial Institution (Secured)	35.10	-
	35.10	1,820.11

Note 17 - Trade Payables

Other than acceptances

a. Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	1,245.83	187.65
	1,245.83	187.65

Note :

Based on the information available with the Company, the balance due to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is Rs. Nil (Previous year 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.

Note 18 - Other liabilities

Current

a. Statutory dues	44.89	19.13
	44.89	19.13



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the year ended 31 March 2018 (Rs. Millions)	For the year ended 31 March 2017 (Rs. Millions)
Note 19 - Revenue from operation		
a. Sale of services		
i. Revenue from operations	5,699.68	141.37
	5,699.68	141.37

Note 20 - Project expenses

Opening balance of Work in progress	204.4	-
Add: Expenses incurred during the year		
a. Construction cost	5,134.2	174.78
b. Legal and professional charges	214.79	32.47
c. General and miscellaneous expenses	80.07	1.98
d. Finance cost allocated for project expenses	338.39	23.39
	5,767.47	232.62
e. Capital work in progress written off		113.19
	5,971.91	345.81
Less: Closing balance of Work in progress	311.06	204.45
	5,660.85	141.37

Note 21 - Other Expenses

a. Legal & Professional fees	0.46	0.07
b. Miscellaneous Expenses	1.38	0.05
c. Auditors Remuneration	0.60	0.35
	2.44	0.47

Note:

Payments to the auditors comprises (inclusive of service tax/
- For audit

0.60	0.23
-	0.12

Disclosures pursuant to Indian Accounting Standard (Ind AS) 11 "Construction Contracts":

	31 March 2018 (Rs. Millions)	31 March 2017 (Rs. Millions)
a. Contract revenue recognised during the year	5,699.68	141.37
b. Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	5,971.91	345.81
c. Gross amount due from customer for contract work	272.23	204.45
d. Gross amount due to customer for contract work	-	-



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31.03.2018 (Rs. Million)	Year ended 31.03.2017 (Rs. Million)
Note 22A - Tax expense		
a. Income tax recognised in profit or loss		
i. Current tax		
In respect of current year	-	-
In respect of prior year	-	-
ii. Deferred tax		
In respect of the current year	(0.02)	-
Total Income tax expense recognised in the current year	<u><u>- 0.02</u></u>	<u><u>-</u></u>
b. Income tax recognised in other comprehensive income		
i. Remeasurement of defined benefit plans	-	-
	<u><u>-</u></u>	<u><u>-</u></u>
	<u><u>(0.02)</u></u>	<u><u>-</u></u>



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note - 22B Deferred tax balances

The Company has carried out its tax computation in accordance with the Ind AS - 12 "Income Taxes". In view of absence of reasonable certainty of realisation of unabsorbed tax losses, deferred tax assets have been recognised only to the extent of deferred tax liabilities. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

	As at 31.03.2018 (Rs. Million)	As at 31.03.2017 (Rs. Million)
a. Deferred tax assets	26.71	-
b. Deferred tax liabilities	(26.73)	-
Deferred Tax Liabilities	<u>(0.02)</u>	<u>-</u>

Note:

- i. The tax rate used in the reconciliation is the Corporate tax rate of 30.90% (Previous year 30.90%) payable by corporate entities on taxable profit under the Indian Tax laws.

A. Deferred tax assets / (liabilities)

	Opening balance (Rs. Million)	Recognised in Statement of profit or loss (Rs. Million)	Closing balance (Rs. Million)
i. Financial year 2017-18			
Deferred tax liabilities in relation to:			
Property, plant and equipment	-	(0.02)	(0.02)
Borrowings	-	(26.53)	(26.53)
Other financial liabilities	-	(0.18)	(0.18)
Total (I)	<u>-</u>	<u>(26.73)</u>	<u>(26.73)</u>
Deferred tax assets in relation to:			
Other Equity	-	26.71	26.71
Total (II)	<u>-</u>	<u>26.71</u>	<u>26.71</u>
Total (I - II)	<u>-</u>	<u>(0.02)</u>	<u>(0.02)</u>



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23 - Earnings per share

Particulars	Units	As at 31-03-2018	As at 31-03-2017
a. Net profit/(Loss) after tax	Rs. Millions	36.23	(0.47)
b. Weighted average number of equity shares used in computing basic earnings per equity share	No. of shares	50,000	50,000
c. Basic and diluted earnings per equity share (a/b)	Rs.	724.63	(9.37)
d. Face Value per equity share	Rs.	10.00	10.00



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 24 - Contingent liabilities and Commitments

Particulars	As at 31-03-2018 (Rs. Millions)	As at 31-03-2017 (Rs. Millions)
a. Contingent liabilities		
Contingent liabilities	-	-
b. Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for in these accounts (net of advances)	721.23	5,380.00

Note 25 - Segment Information

The Company is engaged in the business of generation of power. As the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary segment disclosures prescribed by paragraphs 21 to 30 of Indian Accounting Standard 108 – Operating segment have not been provided in these financial statements.



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sr No	Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
v. The nature of transactions during the year with above-related parties were as follows :				
A. Transactions during the year ended 31 March 2018				
1	Long term loans and advances given	-	-	1,364.43
		(-)	(-)	(422.50)
	IL&FS Renewable Energy Limited	-	-	694.43
		(-)	(-)	(422.50)
	Rohtas Bio Energy Ltd	-	-	670.00
		(-)	(-)	(-)
2	Advance to creditor	-	320.62	-
		(-)	(-)	(-)
	IL&FS Energy Development Company Limited	-	320.62	-
		(-)	(-)	(-)
3	Long term loans and advances repaid (from above)	-	-	1,127.65
		(-)	(-)	(1,189.27)
	IL&FS Renewable Energy Limited	-	-	1,127.65
		(-)	(-)	(1,189.27)
	Vejas Power Project Limited (Formerly IL&FS Wind Project Development Limited (VPPL)	-	-	1,250.00
		(-)	(-)	(-)
	Rohtas Bio Energy Ltd	-	-	670.00
		(-)	(-)	(-)
4	Long term borrowings taken	-	4,223.65	22.50
		(-)	(29.10)	(40.27)
	IL&FS Financial Services Limited	-	-	-
		(-)	(-)	(-)
	IL&FS Renewable Energy Limited	-	-	22.50
		(-)	(-)	(40.27)
	IL&FS Energy Development Company Limited	-	4,223.65	-
		(-)	(29.10)	(-)
5	Long term borrowing repaid	-	3,194.29	1,905.11
		(-)	(-)	(737.33)
	IL&FS Renewable Energy Limited	-	-	85.00
		(-)	(-)	(17.44)
	IL&FS Financial Services Limited	-	-	1,820.11
		(-)	(-)	(719.89)
	IL&FS Energy Development Company Limited	-	3,194.29	-
		(-)	(-)	(-)
5	Project management fees	150.00	-	50.00
		(-)	(173.91)	(-)
	Infrsstructure Leasing & Financial Service ltd	150.00	-	-
		(-)	(-)	(-)
	IL&FS Energy Development Company Limited	-	-	-
		(-)	(173.91)	(-)



IL& FS Environment infrastructure & Service Limited	-	-	50.00
	(-)	(-)	(-)
6 Miscellaneous Expenses	0.16	-	0.03
	(-)	(-)	(-)
Infrastructure Leasing and Financial Service Limited	0.06	-	-
	(-)	(-)	(-)
IL&FS Energy Development Company Limited	0.10	-	-
	(-)	(-)	(-)
IL&FS Financial Services Limited	-	-	0.03
	(-)	(-)	(-)
7 GST Purchase / Service	-	5,070.04	-
	(-)	(-)	(-)
IL&FS Energy Development Company Limited	-	5,070.04	-
	(-)	(-)	(-)
8 Syndication Fees	-	-	60.50
	(-)	(-)	(-)
IL&FS Financial Services Limited	-	-	60.50
	(-)	(-)	(-)
9 Corporate Gurantee Fees	-	62.57	-
	(-)	(-)	(-)
IL&FS Energy Development Company Limited	-	62.57	-
	(-)	(-)	(-)
10 Interest Income	-	-	159.18
	(-)	(-)	(-)
Vejas Power Project Limited (Formerly IL&FS Wind Project Development Limited (VPPL)	-	-	98.80
	(-)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	5.64
	(-)	(-)	(-)
Rohtas Bio Energy Limited	-	-	54.74
	(-)	(-)	(-)
11 Interest Expense	-	301.55	34.41
	(-)	(-)	(-)
IL&FS Energy Development Company Limited	-	301.55	-
	(-)	(-)	(-)
IL&FS Financial Services Limited	-	-	28.44
	(-)	(-)	(-)
IL&FS Renewable Energy Limited	-	-	5.97
	(-)	(-)	(-)
12 Rent Expenses	0.21	-	-
	(-)	(-)	(-)
Infrastructure Leasing and Financial Service Limited	0.21	-	-
	(-)	(-)	(-)
12 Brand Fees Expenses	1.00	-	-
	(-)	(-)	(-)
Infrastructure Leasing and Financial Service Limited	1.00	-	-
	(-)	(-)	(-)



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sr No	Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiary
v. Balance outstanding as at period end 31 March 2018				
1	Long term loans and advances	-	320.62	-
		(-)	(-)	(-)
	IL&FS Energy Development Company Limited	-	320.62	-
		(-)	(-)	(-)
2	Short term loans and advances	-	-	-
		(-)	(379.81)	(1,250.00)
	IL&FS Renewable Energy Limited	-	-	-
		(-)	(379.81)	(-)
	Vejas Power Project Limited (Formerly IL&FS Wind Project Development Limited (VPPL)	-	-	-
		(-)	(-)	(1,250.00)
3	Financial Assets- Other (Current) Interest accrued but not due on Loan	-	-	51.03
		(-)	(-)	(-)
	IL&FS Renewable Energy Limited	-	-	1.76
		(-)	(-)	(-)
	Rohtas Bio Energy Limited	-	-	49.26
		(-)	(-)	(-)
4	Long term borrowing	-	1,058.46	-
		(-)	(29.10)	(-)
	IL&FS Energy Development Company Limited	-	1,058.46	-
		(-)	(29.10)	(-)
5	Current maturity of Long Term Borrowing	-	-	-
		(-)	(-)	(1,820.11)
	IL&FS Financial Services Limited	-	-	-
		(-)	(-)	(1,820.11)
6	Short term borrowing taken	-	-	-
		(-)	-	(-)
	IL&FS Renewable Energy Limited	-	-	-
		(-)	-	(-)
7	Trade payable	163.08	758.24	-
		(1.51)	(182.61)	(-)
	IL&FS Energy Development Company Limited	-	758.24	-
		(-)	(182.61)	(-)
	Infrastructure Leasing and Financial Service Limited	163.08	-	-
		(1.51)	(-)	(-)
	IL&FS Financial Services Limited	-	-	65.36
		(-)	(-)	(-)
8	Interest accrued but not due on borrowings	-	60.23	-
		(-)	(2.07)	(-)
	IL&FS Energy Development Company Limited	-	60.23	-
		(-)	(2.07)	(-)



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27 - Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 28 - Financial Instruments

28.1 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using debt equity ratio. For this purpose of debt, external term loan borrowings are considered whereas for the purpose of equity, equity share capital is considered.

28.1.1 Gearing ratio

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

	As at 31-Mar-18	As at 31-Mar-17
A. Debt	6,192.60	1,849.21
B. Cash and bank balance	259.58	5.31
C. Net debt (A-B)	<u>5,933.01</u>	<u>1,843.90</u>
D. Total Equity	46.27	10.04
E. Net Debt to equity ratio (C/D)	<u>128.22</u>	<u>183.68</u>

28.2 Categories of financial instruments

	As at 31.03.2018	As at 31.03.2017
--	-----------------------------	-----------------------------

Financial Assets

Measured at fair value through profit or loss (FVTPL)

(a) Mandatorily measured	-	-
(b) Designated as at FVTPL	-	-

Measured at Amortised cost

(a) Trade and other receivables	6,062.93	167.45
(b) Cash and cash equivalents	259.58	5.31
(c) Bank balances other than cash and cash equivalents	85.39	
(c) Loans	-	1,629.81
(d) Others financial assets	201.60	-

Financial Liabilities

Measured at fair value through profit or loss (FVTPL)

(a) Mandatorily measured	-	-
(b) Designated as at FVTPL	-	-

Measured at Amortised cost (including trade payables)

(a) Borrowings (including current maturities of long term borrowings)	6,192.60	1,849.21
(b) Trade and other payables	1,245.83	187.65
(c) Other financial liabilities	124.16	2.07



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial instruments – Financial risk management (continued)

28.3 Interest rate risk Management

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The company's interest rate risk arises from borrowings in the form of term loans taken from the banks, financial institution and related parties. The Company does not account for any fixed rate financial assets or liabilities at fair value through profit or loss.

The company has borrowing on account of term facility from banks and financial institutions, working capital loans from bank, FI, related parties. The borrowings are based on applicable floating rates as stated in Note 14. The sensitivity analysis is based on a reasonably possible change in the market interest rates computed from historical data.

28.4 Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	As at 31-03-2018	As at 31-03-2017
Variable-rate instruments		
Financial liabilities- Borrowings	1,596.62	1,849.21
	1,596.62	1,849.21

Interest rate sensitivity analysis

The Company does not account any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Further, the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2018				
Floating rate instrument				
Interest rate sensitivity (net)	(8)	8	(5)	5

The Company's sensitivity to interest rates has decreased during the current year mainly due to the reduction in variable rate debt instruments.



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial instruments – Financial risk management (continued)

28.5 Credit risk

The maximum exposure to credit risk for trade and other receivables by geographic region was as

	<u>Carrying amount</u> <u>31-Mar-18</u>	<u>Carrying amount</u> <u>31-Mar-17</u>
India	6,062.93	167.45
Other regions	-	-
	<u>6,062.93</u>	<u>167.45</u>

The maximum exposure to credit risk for trade and other receivables by type of counterparty was

	<u>Carrying amount</u> <u>31-Mar-18</u>	<u>Carrying amount</u> <u>31-Mar-17</u>
a) EPC Revenue	6,062.93	167.45
	<u>6,062.93</u>	<u>167.45</u>

The maximum exposure to credit risk for unbilled revenue by geographic regions is as follows.

	<u>Carrying 31-Mar-18</u>	<u>Carrying 31-Mar-17</u>
India	149.26	-
Other regions	-	-
	<u>149.26</u>	<u>-</u>

The maximum exposure to credit risk for unbilled revenue by type of counterparty is as follows:

	<u>Carrying amount</u> <u>31-Mar-18</u>	<u>Carrying amount</u> <u>31-Mar-17</u>
a) EPC Revenue	149.26	-
	<u>149.26</u>	<u>-</u>



IL&S SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Financial instruments – Financial risk management (continued)

28.6 Liquidity risk

The Company maintains the following lines of credit.

The following tables detail the remaining contractual maturities at the end of the reporting period of the Company, which are based on contractual and undiscounted cash flows and the earliest date the Company can be required to pay. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables

This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

31 March 2018	<i>Contractual cash flows</i>				
	Carrying amount	Contractual amount	0-1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loan/ICD's from Related Parties (Unsecured)					
IL&S Energy Development Limited	1,058.46	1,058.46	-	1,058.46	-
Loan from bank (Secured)					
Dhanlaxmi Bank Limited	444.88	450.00	-	450.00	-
Loan from Financial Institution (Secured)					
Aditya Birla Financial Limited	1,151.75	1,170.00	35.10	397.80	737.10
Debentures					
Debentures issued to others	1,459.42	1,500.00	-	1,500.00	-
Debentures issued to IL&S infrastructure Debt Fund	2,078.09	2,100.00	-	2,100.00	-
Trade and other payables	1,245.83	1,245.83	1,245.83	-	-
Interest accrued	124.16	124.16	60.53	63.62	-
Statutory dues (withholding taxes etc.)	44.89	44.89	44.89	-	-
	7,607.47	7,693.34	1,386.36	5,569.88	737.10

0.02

31 March 2017	<i>Contractual cash flows</i>				
	Carrying amount	Contractual amount	0-1 year	1-5 years	More than 5 years
Non-derivative financial liabilities					
Term loan from Related Parties (Unsecured)					
IL&S Energy Development Limited	29.10	29.10		29.10	
IL&S Financial Services Limited	1,820.11	1,820.11		1,820.11	
Interest accrued but not due on borrowings	2.07	2.07	2.07		
Payables for purchase of Property, plant and equipment	-	-	-		
Statutory dues (withholding taxes etc.)	19.13	19.13	19.13		
Trade and other payables	187.65	187.65	187.65		
	2,058.06	2,058.06	208.85	1,849.21	-



IL&FS SOLAR POWER LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 29 - Approval of financial statement

FOR N M Raiji & Co.
Chartered Accountants
Firm Reg No: 108296W

For and on behalf of the Board of Directors


Vinay D Balse
Partner
Membership No : 39434



Place: Mumbai
Date: 31st May 2018


Director


Director

Place: Mumbai
Date: 31st May 2018