

**May 30, 2023**

**To,**

**BSE Limited**

Listing Department

P.J. Tower, Dalal Street,

Mumbai 400001

**Security Name: IL&FS Energy Development Company Limited - Scrip Code: 957953,  
Company Code: 11925 & ISIN No. INE938L08098, INE938L08080 and INE938L08072**

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Dear Sir / Madam,

**Subject- Outcome of the Board Meeting pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, we wish to inform you that the Board of Directors of the Company, at its Meeting held today, inter-alia, approved the following: -

- Statement /Explanation of impact of the Audit Qualification pursuant to SEBI circular no CIR/CFD/CMD/56/2016, dated May 2016, enclosed as **Annexure 1**
- Audited Financial Results along with the Audit Report of the Statutory Auditors, namely, M/s. CNK & Associates LLP, Chartered Accountants, are enclosed herewith as **Annexure 2.**
- Appointment of Mr. Dhawal J. Vora as Company Secretary & Compliance Officer. A brief profile pursuant to SEBI Circular No. CIR/CFD/CMD/4/2015 Dated September 9, 2015. His Brief Profile is enclosed below pursuant to SEBI Circular no. CIR/CFD/CMD/4/2015 Dated September 9, 2015, is enclosed herewith as **Annexure-3.**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (Listing Regulation), this is to inform you that the Board of Directors has approved the appointment of Mr. Dhawal J. Vora as Whole time Company Secretary, KMP and Compliance officer of the company. Based on the recommendations of the Nomination and Remuneration Committee meeting held today, Mr. Dhawal J. Vora is a member of the Institute of Company Secretaries of the company and has ACS No 18646 and the requisite qualification to hold the position of the Whole time Company Secretary, KMP and Compliance officer of the company.

Please note that the extract of aforesaid Audited Financial Results will be published in the Newspapers, within the stipulated time, pursuant to Regulation 52(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For IL&FS Energy Development Company Limited**

**Ritendra Bhattacharjee**  
**Chief Financial Officer**

May 30, 2023

To,  
**BSE Limited**  
Listing Department  
BSE Limited  
P.J. Tower, Dalal Street,  
Mumbai 400001

**Security Name: IL&FS Energy Development Company Limited - Scrip Code: 957953, Company Code: 11925 & ISIN No. INE938L08098, INE938L08080 and INE938L08072**

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Dear Sir,

**Re: Declaration in respect of qualified opinion on Standalone Audited Financial Results for the Quarter and Year ended March 31, 2023**

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare and confirm that the Statutory Auditors of the Company, viz., CNK & Associates LLP, have issued Qualified Audit Report on Standalone Financial Results of the Company for the Quarter and year ended March 31, 2023. Copy of the statement on Impact of Audit Qualifications is enclosed as Annexure – I.

Thanking You

Yours Faithfully,

For **IL&FS Energy Development Company Limited**

**Ritendra Bhattacharjee**  
Chief Financial Officer

**Annexure I**
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 52 of the SEBI (LODR) (Amendment) Regulations 2016]**

S. No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs in millions)	Adjusted figures (as reported before adjusting for qualifications)
1	Turnover/Total Income	554.78	Not determinable
2	Total expenditure	290.46	
3	Net profit (before tax) from continuing operations	264.32	
4	Net Profit after tax from continuing operations	264.63	
5	Net Profit after tax from discontinuing operations	6.41	
6	Other Comprehensive Income	0.59	
7	Net Profit after tax for the year	271.63	
8	Earnings per share	0.20	
9	Total Assets	11,526.64	
10	Total Liabilities	50,467.00	
11	Net worth	(38,940.36)	
12	Any other financial item(s) (as felt appropriate by the management)	None	

**Encl: a. a.**

**II Audit qualifications (each audit qualification separately)**

1	<b>Details of Audit Qualification</b>		<b>Basis for Qualified Opinion</b>
		1	As mentioned in note 10 to the Statement, non-provision of interest expense amounting to Rs.137.30 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability
		2	Note 4 to the Statement, relating to contractual liabilities not accounted for, for the reasons stated in the said note. Pending the final assessment and determination of various claims received as stated in note we are unable to comment on the adjustments that may be required in this regard, to the Statement
		3	We draw attention to Note 20 of the Statement, stating that value of amounts payable in foreign currency has been restricted to the liability in INR as crystalized on October 15, 2018 and not restated as at closing rate on reporting date as per reasons mentioned in the note. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, profit for the year ended March 31, 2023 has been overstated by Rs.320.49 million (previous year by Rs. 115.12 million). As a result, borrowing as on reporting date, is understated by Rs. 411.51 million (previous year Rs. 91.02 million) with corresponding impact on retained earnings
		4	Management Assessment:
		(a)	of financial and other consequences and likely outcome of the litigations and liabilities arising out of the outstanding financial guarantees extended to group companies as mentioned in note 7 and note 9 respectively to the Statement
		(b)	of recoverability of income tax assets of Rs. 1245.68 million (previous year - Rs. 1,198.48 million) as mentioned in note 14 on account of pending assessment of uncertain tax positions as per requirement of Appendix C of Ind AS 12 “Income Taxes”, tax assets arising out of merger of IL&FS Renewable Energy Limited with the Company, on-going tax litigations and pending tax assessments
		(c)	for non-conversion of Compulsorily Convertible Preference Shares having face value of Rs. 346.61 million (December 31,

			2022-Rs. 346.61 million and March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 19 to the Statement
			(d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (December 31, 2022-Rs. 2,470.00 million and March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 6 to the Statement
		5	<p><b>Material Uncertainty Related to Going Concern</b></p> <p>We draw attention to note 10 of the accompanying standalone financial statements which states that:</p> <p>(i) The Company has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs. 48,266.23 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018;</p> <p>(ii) As at March 31, 2023, the current liabilities of the Company exceeds the current assets by Rs.Rs.41,636.95 million.</p> <p>(iii) As at March 31, 2023, the Company has accumulated loss of Rs.92,769.24 million and its net-worth is fully eroded ;</p> <p>These situations indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Consequently, we are unable to determine the Company’s ability to continue as a going concern.</p>
2	Type of Audit Qualification: Qualified Opinion / Disclaimer of opinion / Adverse Opinion		Qualified opinion
3	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing		Change from disclaimer to qualified
4	For Audit Qualification(s) where the		Not applicable

	impact is quantified by the auditor, Management's Views:			
5	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:			Not determinable
	ii) If management is unable to estimate the impact, reasons for the same			As detailed in notes to the financial statements
6	Auditors' Comments on (i) or (ii) above:			Nil

For C N K & Associates LLP  
Chartered Accountants  
ICAI FRN 101961W/W-100036

For and on behalf of the Board of Directors of  
IL&FS Energy Development Company Limited

Vijay Mehta  
Partner  
Membership No. 106533

Priya Prempal Shetty  
Director  
DIN: 08858814

C S Rajan  
Director  
DIN: 0126063

Kaushik Modak  
Director  
DIN: 01266560

Feby Koshy Bin Koshy  
Chief Executive Officer

Ritendra Bhattacharjee  
Chief Financial Officer

Date: 30-05-2023  
Place: Mumbai

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To**

**The Board of Directors of  
IL & FS Energy Development Company Limited**

**Report on Audit of Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of Standalone Financial Results of IL&FS Energy Development Company Limited (the "Company") for the quarter and year ended 31<sup>st</sup> March, 2023 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. except for the possible effects of the matters described in Basis for Qualified Opinion section of our report, gives a true and fair view in conformity with the recognition and measurement principals laid down in the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information for the quarter ended March 31, 2023.

**Basis for Qualified Opinion**

1. As mentioned in note 10 to the Statement, non provision of interest expense amounting to Rs.137.30 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability;
2. Note 4 to the Statement, relating to contractual liabilities not accounted for, for the reasons stated in the said note. Pending the final assessment and determination of various claims received as stated in note we are unable to comment on the adjustments that may be required in this regard, to the Statement;



3. We draw attention to Note 20 of the Statement, stating that value of amounts payable in foreign currency has been restricted to the liability in INR as crystalized on October 15, 2018 and not restated as at closing rate on reporting date as per reasons mentioned in the note. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, profit for the year ended March 31, 2023 has been overstated by Rs.320.49 million (previous year by Rs. 115.12 million). As a result, borrowing as on reporting date, is understated by Rs. 411.51 million (previous year Rs. 91.02 million) with corresponding impact on retained earnings.
4. Management assessment:
  - a) of financial and other consequences and likely outcome of the litigations and liabilities arising out of the outstanding financial guarantees extended to group companies as mentioned in note 7 and note 9 respectively to the Statement;
  - b) of recoverability of income tax assets of Rs. 1245.68 million (previous year - Rs. 1,198.48 million) as mentioned in note 14 on account of pending assessment of uncertain tax positions as per requirement of Appendix C of Ind AS 12 “Income Taxes”, tax assets arising out of merger of IL&FS Renewable Energy Limited with the Company, on-going tax litigations and pending tax assessments;
  - c) for non-conversion of Compulsorily Convertible Preference Shares having face value of Rs. 346.61 million (December 31, 2022-Rs. 346.61 million and March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 19 to the Statement;
  - d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (December 31, 2022-Rs. 2,470.00 million and March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 6 to the Statement.

We are unable to comment on the consequential effects of the above matters on the Statement.

Above matters were also qualified in our report on the standalone financial statements for the year ended March 31, 2022 except point no. 3.

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Results” section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### **Management’s Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the Standalone Financial Statement. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This

responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statement in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors in terms of the requirement specified under Regulation 33 of the Listing Regulations;
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the Statement of the Company to express an opinion on the Statement.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 10 of the Statement which states that:

- i. The Company has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs. 48,266.23 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018;
- ii. As at March 31, 2023, the current liabilities of the Company exceeds the current assets by Rs.41,636.95 million;
- iii. As at March 31, 2023, the Company has accumulated loss of Rs.92,769.24 million and its net-worth is fully eroded;

These situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Consequently, we are unable to determine the Company's ability to continue as a going concern.

Our opinion on the Statement is not modified for the above matters.

### **Emphasis of Matters**

1. We draw attention to our observation in above paragraph of 'Material uncertainty related to Going Concern' whereby, in spite of facts mentioned therein, the Statement are prepared on 'Going Concern' basis;
2. As mentioned in note 2 to the Statement, pursuant to National Company Law Appellate Tribunal (NCLAT) Order dated March 12, 2020 related to crystallization of claims as of cut-off date (i.e. October 15, 2018), no interest, additional interest, default interest, penal charges or other similar charges to be accrued after the cut-off date;

3. As stated in note 6 to the Statement, the Company is not in compliance with certain requirements / provisions of applicable laws and regulations as more fully stated in that note.

Pending final determination by management of the financial and other consequences arising from such non-compliances, no adjustments have been made to the Statement.

Our opinion is not modified in respect of these matters.

#### **Other Matter**

The Statement includes the results for the quarter ended 31<sup>st</sup> March, 2023 being the balancing figure between the audited figures in respect of the full financial year ended 31<sup>st</sup> March, 2023 and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subjected to limited review by us.

Our opinion on the Statement is not modified in respect of above matters.

#### **FOR C N K & ASSOCIATES LLP**

CHARTERED ACCOUNTANTS

Firm Registration Number: 101961W/W-100036

Vijay Mehta

Partner

Membership Number: 106533

UDIN: 23106533BGXNHN1111

Place: Mumbai

Date: May 30, 2023

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**Statement of Financial Results for the period ended March 31, 2023**  
**Balance Sheet as at March 31, 2023**

	As at March 31, 2023 Rs. Million	As at March 31, 2022 Rs. Million	As at April 1, 2021 Rs. Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	21.03	24.25	44.05
b) Intangible assets	0.08	0.16	0.30
c) Right-of-use assets	-	0.17	8.43
d) Financial assets			
i) Investments	1,243.83	1,194.92	2,526.46
ii) Loans	184.18	2.62	2.62
iii) Other financial assets	1.71	23.26	295.77
e) Non-current tax assets (net)	1,245.68	1,198.48	1,129.05
f) Deferred tax assets (net)	-	-	-
g) Other non-current assets	0.08	2.67	0.90
	<b>2,696.59</b>	<b>2,446.53</b>	<b>4,007.58</b>
<b>Current assets</b>			
a) Financial assets			
i) Investments	-	-	-
ii) Trade receivables	67.87	65.76	138.62
iii) Cash and cash equivalents	2,499.75	2,388.04	2,319.21
iv) Bank balances other than (iii) above	4,988.81	4,714.29	2,720.48
v) Loans	994.07	1,070.92	1,084.39
vi) Other financial assets	209.45	300.05	288.90
b) Other current assets	70.10	58.09	59.25
	<b>8,830.05</b>	<b>8,597.15</b>	<b>6,610.85</b>
Assets classified as held for sale	-	741.70	597.74
<b>Total assets</b>	<b>11,526.64</b>	<b>11,785.38</b>	<b>11,216.17</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Share capital	13182.26	13,182.26	13,182.26
b) Other equity	(52,122.62)	(52,394.25)	(52,972.21)
<b>Total equity</b>	<b>(38,940.36)</b>	<b>(39,211.99)</b>	<b>(39,789.95)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	-	-	-
ii) Lease liabilities	-	-	2.73
b) Provisions	3.63	4.79	5.33
	<b>3.63</b>	<b>4.79</b>	<b>8.06</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	45,811.81	45,780.24	45,781.81
ii) Lease liabilities		0.20	6.93
iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	0.13	0.23	0.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,141.89	1,142.00	1,145.63
iv) Other financial liabilities	3,207.64	3,240.55	3,240.83
b) Provisions	3.08	5.18	4.89
c) Other current liabilities	298.82	213.85	217.78
	<b>50,463.37</b>	<b>50,382.25</b>	<b>50,398.06</b>
d) Liabilities directly associated with investments classified as held for sale	-	610.33	600.00
<b>Total liabilities</b>	<b>50,467.00</b>	<b>50,997.37</b>	<b>51,006.12</b>
<b>Total equity and liabilities</b>	<b>11,526.64</b>	<b>11,785.38</b>	<b>11,216.17</b>

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**Statement of Standalone Financial Results for the period ended March 31, 2023**  
**Statement of Profit and Loss Account for the period ended March 31, 2023**

	Quarter Ended March 31, 2023	Quarter Ended December 31, 2022	Year to date figures for current period ended March 31, 2023	For the year ended March 31, 2022
	Rs. Million	Rs. Million	Rs. Million	Rs. Million
<b>I Revenue from operations</b>	0.99	-	4.57	8.94
<b>II Other income</b>	237.13	140.40	550.21	674.85
<b>III Total income (I + II)</b>	<b>238.12</b>	<b>140.40</b>	<b>554.78</b>	<b>683.79</b>
<b>IV Expenses</b>				
i. Employee benefits expense	10.89	10.76	43.46	49.34
ii. Finance costs	0.09	0.22	1.31	0.89
iii. Depreciation and amortisation expense	(0.20)	(0.19)	3.56	15.16
iv. Impairment of financial assets (net)	111.00	-	111.00	3.68
v. Other expenses	76.08	21.97	131.13	100.95
<b>Total expenses (IV)</b>	<b>197.86</b>	<b>32.76</b>	<b>290.46</b>	<b>170.02</b>
<b>V Profit (loss) before tax (III - IV)</b>	<b>40.26</b>	<b>107.64</b>	<b>264.32</b>	<b>513.77</b>
<b>VI Tax expense</b>				
i. Current tax	-	-	-	-
ii. Current tax- pertaining to adjustments of earlier years	-	-	-	1.30
iii. Deferred tax	(0.31)	-	(0.31)	(0.62)
<b>Total tax expense (VI)</b>	<b>(0.31)</b>	<b>-</b>	<b>(0.31)</b>	<b>0.68</b>
<b>VII Profit/(Loss) for the period/year from continuing operations (V - VI)</b>	<b>40.57</b>	<b>107.64</b>	<b>264.63</b>	<b>513.09</b>
<b>VIII Discontinuing Operations</b>				
Profit(loss) for the period /year from discontinuing operations	-	2.05	6.41	63.33
Tax expense of discontinued operations	-	-	-	-
<b>Profit for the period/ year from discontinuing operations</b>	<b>-</b>	<b>2.05</b>	<b>6.41</b>	<b>63.33</b>
<b>Other comprehensive income</b>				
i. Items that will not be reclassified to profit or loss				
a. Remeasurement of defined benefit plans	0.90	-	0.90	2.16
b. Income tax relating to items that will not be reclassified to profit or loss	(0.31)	-	(0.31)	(0.62)
<b>IX Other comprehensive income for the period/ year, net of tax</b>	<b>0.59</b>	<b>-</b>	<b>0.59</b>	<b>1.54</b>
<b>X Total comprehensive income for the period/ year, net of tax (VII+ VIII+IX)</b>	<b>41.16</b>	<b>109.69</b>	<b>271.63</b>	<b>577.96</b>
<b>Earnings per equity share (face value of Rs. 10 per share)</b>				
i. Basic (Rs.)	0.03	0.08	0.20	0.39
ii. Diluted (Rs.)(refer note 33)	0.03	0.08	0.20	0.39

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**  
**Statement of Financial Results for the period ended March 31, 2023**  
**Cash Flow Statement for the period ended March 31, 2023**

	For the period ended March 31, 2023	For the year ended March 31, 2022
	Rs. Million	Rs. Million
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operation	264.32	513.77
Profit before tax from discontinuing operation	6.41	63.33
Adjustments to reconcile loss before tax to net cash flows:	-	-
Depreciation and amortisation expense	3.56	15.16
Loss/(gain) on disposal of property, plant and equipment	(1.51)	(0.11)
Gain on sale of financial assets - investments	(3.90)	-
Impairment on property, plant and equipment	-	13.06
Finance costs	1.21	0.89
Interest income	(350.50)	(189.09)
Impairment on financial assets designated at fair value through profit and loss	-	2.63
Gain arising on financial assets designated at fair value through profit or loss	(48.92)	(144.45)
Impairment on financial assets designated as at amortised cost	111.00	-
Impairment on trade receivables	(1.76)	22.89
Impairment on financial assets designated as at cost	(81.75)	-
Provisions written back	-	(46.48)
Dividend Income	(51.15)	(289.65)
<b>Operating profit before working capital changes</b>	<b>(152.99)</b>	<b>(38.05)</b>
<b>Movement in working capital</b>		
Decrease/(increase) in trade receivables	83.25	12.85
Decrease/(increase) in other financial assets	(66.09)	284.39
Decrease/(increase) in other assets	(9.42)	(0.61)
Increase/(decrease) in trade payables	(15.54)	(2.81)
Increase/(decrease) in other financial liabilities	-	(0.25)
Increase/(decrease) in other current liabilities	84.77	(3.79)
Increase/(decrease) in provisions	(2.36)	1.91
<b>Cash flows from/(used in) operations</b>	<b>(78.38)</b>	<b>253.64</b>
Income tax (paid)/refund received	(47.20)	(70.73)
<b>Net cash flows from/(used in) operating activities</b> (A)	<b>(125.58)</b>	<b>182.91</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property plant and equipment	(0.09)	(0.02)
Proceeds from sale of property plant and equipment	1.51	0.11
Loans received back	0.05	-
Proceeds from sale of investment	4.01	1,475.99
Interest received	394.73	179.36
Dividend received	51.15	289.65
Proceeds from fixed deposit under earmarked accounts (net)	-	(2,179.11)
Deposit in fixed deposit under earmarked accounts	(499.52)	-
Proceeds from other fixed deposit (net)	225.00	185.30
<b>Net cash flows from investing activities</b> (B)	<b>176.84</b>	<b>(48.72)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term borrowings	(1.34)	(1.57)
Interest paid	(1.21)	(0.80)
<b>Net cash flows used in financing activities</b> (C)	<b>(2.55)</b>	<b>(2.37)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>48.71</b>	<b>131.82</b>
Cash and cash equivalents at the beginning of the year	2,451.03	2,319.21
<b>Cash and cash equivalents at the end of the year</b>	<b>2,499.75</b>	<b>2,451.03</b>

**IL&FS ENERGY DEVELOPMENT COMPANY LIMITED**

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at March 31, 2023

This disclosure is pursuant to Regulation 52(4), 52(6), 52(7), 54(2) and 55 of LODR

No	Particulars	Period ended March 31, 2023	Period ended December 31, 2022	Year ended March 31, 2022
1	Capital Redemption Reserve	NIL	NIL	NIL
2	Debenture Redemption Reserve	Rs. 673.61 million	Rs. 673.61 million	Rs. 673.61 million
3	Net worth	Rs. (38940.36) million	Rs. (38981.51) million	Rs. (39211.99) million
4	Net Profit / (Loss) after Tax	Rs. 271.63 million	Rs. 230.47 million	Rs. 577.96 million
5	Earnings/ (Loss) per share	Rs. 0.25	Rs. 0.17	Rs. 0.39
6	Profit / (loss) for the half year and cumulative profit for the period/year	Cumulative profit / (loss) for the period Rs 271.63 million.	Cumulative profit / (loss) for the period Rs 230.47 million.	Cumulative profit / (loss) for the year Rs 577.96 million. Half year results are not available
7	Formulae for computation of ratios			
	a. Debt Equity Ratio (refer note 1 & 12 below)	Not determinable	Not determinable	Not determinable
	b. Debt Service Coverage Ratio (refer note 2 below)	Not applicable	Not applicable	Not applicable
	c. Interest Service Coverage Ratio (refer note 3 below)	Not applicable	Not applicable	Not applicable
	d. Current Ratio(refer note 4 below)	0.17	0.18	0.18
	e. Long term debt/total assets (Refer note 10)	Not applicable	Not applicable	Not applicable
	f. debtors turnover ratio (refer note 5 below)	0.02	0.64	1.94
	g. Operating margin (refer note no 11)	-292.82%	-145.08%	-38.21%
	h. net profit margin (refer note 6 below) (includes discontinued operation)	44.73%	62.43%	63.20%
	i. total debt to total assets (refer note 8 below)	397.44%	402.09%	388.45%
j. Current liability ratio (refer note 9 below)	99.99%	99.99%	99.99%	
8	The end use of the proceeds of issue of NCD has been in line with the objects stated in the respective Offer Documents of the Issue.			

**Notes**

- 1 Debt/Equity Ratio = Total debt- (cash and cash equivalent+Bank balances) ÷ Shareholder's equity
- 2 Debt Service Coverage Ratio: (Earnings before interest and tax) / (Interest Expense + Principal repayments made during the year) - This ratio is not applicable since the
- 3 Interest Service Coverage Ratio = (Earnings before interest and tax) / (Interest Expense) - This ratio is not applicable since the Company has stopped repayment of
- 4 Current Ratio = Current assets/Current liabilities
- 5 Debtors turnover = Revenue from operation/ average debtors
- 6 Net profit ratio = Net profit/Total Income
- 7 Bad debts to accounts receivables = Bad debts/Gross receivables
- 8 Total Debt to Total Assets = Total debt/Total assets
- 9 Current liability ratio = Current liability/total liabilities
- 10 Not applicable as company has no long term debt as on 31st March 2023, 31st December 2022, and March 31, 2022.
- 11 Operating margin = (Profit Before Tax – Other Income + Finance Cost + Impairment Loss) / (Revenue from Operation)
- 12 Denominator negative hence ratio not determinable



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

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**1. General Information**

IL&FS Energy Development Company Limited (“the Company”) is a public limited company, domiciled and incorporated in India having its registered office at unit 101, First Floor, ABW Rectangle – 1, Saket District Centre, Saket, New Delhi - 110017. The Company is engaged in development and operations of power projects and providing advisory services. The Company is a subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS).

**2. Significant developments at the Company, IL&FS Limited (“holding company” or “IL&FS”) and various group companies (“the IL&FS Group”).**

The Company had reported defaults on payment of its borrowing obligations during the financial year 2018-19 which are continuing as on date. Further, the credit rating of the Company and its holding company was downgraded to ‘D’ (lowest grade) on October 5, 2018 and in September 17, 2018 respectively.

Pursuant to a report filed by the Registrar of Companies, Mumbai (“RoC”) under Section 208 of the Companies Act, 2013, the Government of India vide their Order dated September 30, 2018, directed that the affairs of the Company be investigated by the Serious Fraud Investigation Office (“SFIO”). SFIO commenced investigation of affairs of the Company. SFIO submitted an interim report under Section 212(11) of the Companies Act, 2013, on November 30, 2018.

The Union of India on October 1, 2018 filed a petition with the National Company Law Tribunal (“NCLT”) seeking an order under section 242(2) and section 246 read with section 339 of the Companies Act, 2013 on the basis of the interim reports of the RoC and on the following grounds:

- I. The precarious and critical financial condition of IL&FS and its group companies and their inability to service their debt obligations had rattled the money market.
- II. On a careful consideration of the Union of India, it was of the opinion that affairs of IL&FS and its group companies were conducted in a manner contrary to the public interest due to its mis-governance; and
- III. The intervention of the Union of India is necessary to prevent the downfall of IL&FS and its group companies and the financial markets.

It was felt that the governance and management change is required to bring back the IL&FS Group from Financial collapse, which may require, among other things, a change in the existing Board and management and appointment of a new management.

Based on the above petition, the NCLT vide its order dated October 1, 2018 suspended the erstwhile Board and appointed the New Board proposed by the Union of India.

Further, applications were made by the Union of India and others, to the NCLT and the National Company Law Appellate Tribunal (“NCLAT”) on various matters. The NCLAT, on October 15, 2018, ordered a stay until further orders on the following matters:

- I. The institution or continuation of suits or any other proceedings by any party or person or bank or Company against IL&FS and its group companies in any court of law/tribunal/arbitration panel or arbitration authority.
- II. Any action by any party or person or bank or company etc to foreclose, recover, enforce any security interest created over the assets of IL&FS and its group companies including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002.
- III. The acceleration, premature, withdrawal, or other withdrawal, invocation of any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, guarantees, letter of support, commitment or comfort and other financial obligations availed by IL&FS and its group companies.
- IV. Suspension of temporarily any term loan, corporate loan, bridge loan, commercial paper, debentures, fixed deposits, and any financial liability taken by IL&FS and its group companies.
- V. Any and all banks, financial institutions from exercising the right to set off or lien against any amount lying with any creditor against any dues whether principal or interest or otherwise against the balance lying in any the bank account and deposits whether current, savings or otherwise of IL&FS and its group companies.

The NCLAT vide Order dated March 12, 2020, approved October 15, 2018 as the date of initiation of the resolution process of IL&FS Group Companies (including the Company) and Crystallization of claims as of that date i.e. “Cut- Off Date” with No interest, additional interest, default interest, penal charges or other similar charges to accrue after the said Cut-Off Date.

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

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**3. Resolution process proposed by new Board of Directors of the Company**

The New Board of Directors of the Company (hereinafter, "New Board"), as part of the resolution process, has submitted several progress reports to the NCLT. This includes framework for a resolution plan and process, steps undertaken for monetization of assets, appointment of consultants, and classification of group entities based on their abilities to meet various financial and operational obligations, measures for cost optimization and protocol for making payments beyond certain limits.

As discussed earlier, the NCLAT had given a moratorium to IL&FS and its group entities and that no creditors can proceed against it except under article 226 of the Constitution.

The New Board is pursuing vertical level, SPV level and asset level resolution plan. The assessment of the New Board, based on analysis of the current position of and challenges facing the IL&FS group, is that an Asset Level Resolution Approach serves the best interest of all stakeholders to achieve final resolution. Further, the stakeholders' interests will be protected adequately since the framework and asset sale will be subject to NCLAT approval.

The entities in the IL&FS group, have been classified into Indian and offshore entities. Further, the Indian IL&FS entities have been classified by an independent third party, into three categories of entities based on a 12-month cash flow based solvency test viz "Green", "Amber" and "Red", indicating their ability to repay both financial and operating creditors, only operating creditors, or only going concern respectively.

Based on this classification of "Green", "Amber" and "Red", the New Board has put in place a payment protocol for the IL&FS group during the resolution process. The classification of the entities, the payment protocol and the resolution framework has been filed with the NCLAT and the NCLAT has directed the appointment of Justice D K Jain (Retd) to supervise the resolution process for the IL&FS group.

The Company is classified as a "Red" entity, indicating that it is not able to meet all obligations (financial and operational) including the payment obligations to senior secured financial creditors. Accordingly, the Company is permitted to make only those payments necessary to maintain and preserve the going concern status.

The independent entity which had earlier classified the group entities into "Green", "Amber" and "Red" have periodically reclassified in some of the entities based on their restructuring and cash flow based solvency test

The impact of the approved Resolution Framework to the extent it relates to manner of distribution of the proceeds among all the obligations of the entity (Distribution Framework) has not been given in these financial results.

**4 Claim management and reconciliation of claims received**

Pursuant to the "Third Progress Report – Proposed Resolution Framework for the IL&FS Group" dated December 17, 2018 and the "Addendum to the Third Progress Report – Proposed Resolution Framework for IL&FS Group" dated January 15, 2019 ("Resolution Framework Report") submitted by the Company to the Ministry of Corporate Affairs, Government of India which, in turn, was filed with the Hon'ble National Company Law Appellate Tribunal ("NCLAT"), the creditors of the Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before 5 June, 2019 (subsequently extended till June 18, 2020) to a Claims Management Advisor ("CMA") appointed by the IL&FS group. The date has been extended till August 18, 2022. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

The CMA has submitted its report on the status of the claims received and its admission status, indicating a total value of claims admitted of Rs. 63,853.37 million (including contingent claim of Rs. 9,584.50 million) in respect of the Company. The report is subject to update based on additional information / clarification that may be received from the creditors in due course. Further, there is a claim of Rs. 713.70 million made by a party, Himachal Sorang Power Limited, which has not been included in the said report of CMA.

Management of the Company is in the process of reviewing the claims and reconciliation of such claims with the corresponding amounts as per the Company's books of account (as at March 31, 2023, the Company has liabilities and provisions aggregating Rs 50,463.37 million) is going on. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have currently been made in this regard to these standalone Ind-AS financial results, and these claims have been disclosed as part of contingent liabilities (refer note 14).

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

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**5 Investigations by Serious Fraud Investigation Office (“SFIO”) and other regulatory agencies**

The MCA, Government of India, has vide its letter dated October 1, 2018 initiated investigation by the SFIO against IL&FS and its group companies under Section 212 (1) of the Companies Act, 2013. As a part of its investigation, SFIO has been seeking information from the holding company and subsidiaries/fellow subsidiaries on an ongoing basis. The investigation is in progress. Further, various other regulatory and law enforcement agencies including the Enforcement Directorate (ED), Economic Office Wing, Mumbai have initiated investigations against the holding Company and its group companies. The implications if any, arising from the aforesaid developments would be known only after the aforesaid matters are concluded and hence are not determinable at this stage. Further during the year, one of creditor of the Company has filed a complaint to EoW against the Company, IL&FS Solar Power Limited (ISPL) (Subsidiary of the Company) and Embassy Group pertaining to the 100 MW solar project which was sold to Embassy Group in 2019-20 by ISPL and the matter is being investigated by EoW. Management is of the view that there is no impact on standalone IND AS financials as the liability of the creditor is already admitted by the claim management agency and will be dealt with as per the approved resolution framework.

**6 Non-compliance with laws and regulations**

- (a) As a consequence of the matters described in Note 2 above and various other matters discussed in these accompanying standalone Ind-AS financial results, the Company is not in compliance with certain provisions/requirements of applicable laws and regulations, including but not limited to certain requirements of the Companies Act, 2013 with regard to delay in appointment of Chief financial officer and of chief executive officer in earlier years, SEBI Regulations applicable for listed entities, Listing Agreement, Income tax Act, 1961 and Goods and Services tax Act, 2017, FEMA Regulations with regard to External Commercial Borrowings, delay in submission of foreign liabilities and assets return, delay in filing of monthly ECB return etc.
- (b) During the year ended March 31, 2019, the Company had listed its non-convertible debentures on Bombay Stock Exchange on May 29, 2018. Accordingly, the Company is required to submit its half-yearly/quarterly unaudited results in terms of the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequent to the matter discussed in Note 2, the Company has substantially curtailed its normal business operations, and is currently engaged in the various actions described more fully in that note. As a result, and further to the matter stated in Note 3, the Company is in the process of resolving various matters described in that Note. Accordingly, the Company has not submitted its quarterly/half-yearly unaudited results to the stock exchange since September 2019 till FY 21-22 as applicable.

The management is in the process of evaluating the financial impact and other consequences arising from such non-compliance as stated in note (a) and (b) above and of making a comprehensive assessment of other non-compliances, to determine their financial, operating or other consequences, pending which, no adjustments have been made to the accompanying standalone Ind-AS financial results.

- (c) As per Reserve Bank of India Press Release no. 1998-99/1269 dated April 8, 1999 (‘Press Release’), the Company will be treated as NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) (‘Asset Test’) and income from financial assets is more than 50 per cent of the gross income (‘Income Test’) as per the standalone financial results. The Company does not fulfil 50-50 test as on 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022. Accordingly provisions pertaining to registration as Non Banking Finance Company are not applicable to the Company.

**7 Assessment of various legal cases, suits, etc.**

As a result of the events up to September 30, 2018, as more fully described in Note 2, there have been various legal cases and suits filed against the Company following the default of borrowings made by the Company, as described in that note. Further, the Company is undergoing a resolution process (refer Note 3) under the order of the National Company Law Tribunal (“NCLT”). During the previous year ended March 31, 2021, one of the lender banks, named as Yes Bank, of the Company has also appointed Haribhakti & Co. LLP as forensic auditor to undertake the forensic audit of the Company for the period from September 1, 2013 to March 31, 2020. The lender Yes Bank has referred the matter to Economic Office Wing Mumbai (EoW, Mumbai) to investigate the same and preliminary assessment is going on. The Company has submitted its response to the EoW, Mumbai. Pending the conclusion, the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities, as per Ind-AS 37, *Provisions, Contingent Liabilities and Contingent Assets*. Pending final outcome of such process, no adjustments have been made to the standalone Ind-AS financial results in this regard. Also refer Note 14 for contingent liability disclosures.

**8 Impairment/reversal of provisions/gain recognised in respect of loans, receivables and investments to/from/in companies**

As a result of the various events during the financial year 2018-19 which are more fully discussed in Note 2 to these standalone Ind-AS financial results, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various loans given to, receivables from, and investments in, group companies. All group companies in India have been classified as "Red", "Amber" or "Green" categories, based on various factors more fully discussed in note 3 to the accompanying standalone Ind-AS financial results.

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

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Management has, in consultation with the New Board and based on instruction received from IL&FS, assessed and determined that the amounts of investments in and loans to entities classified as "Red" and "Amber" are not recoverable substantially (also refer Note 2). Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety as the Company does not presently have the necessary and/or complete information to support cash flow based tests over its investments, and assumptions and for certain aspects of the expected credit loss model in respect of loans and receivables and in respect of financial statements of 8 subsidiary, 4 joint venture and 4 other investee companies for year ended March 31, 2023.

Further, in respect of the joint ventures, the Company has recognised gain of 48.92 million (Rs. 144.45 million during the year ended March 31, 2022) on the basis of the net assets of one of the joint ventures as at March 31, 2023.

On this basis, provision has been made in respect of the financial assets (comprising of loans, receivables and investments) aggregating to Rs. 170.50 million during the current year (Rs. 31.86 million during the year ended March 31, 2022), of which provision of Rs. 57.69 million (Rs. 7.92 million during the year ended March 31, 2022) is made in relation to various group companies and provision of Rs. 112.81 million (Rs. 24 million during the year ended March 31, 2022) is made in relation to third parties balances and provision of Nil towards property plant and equipment (Rs 13.06 million in year ended March 31, 2022), except in respect of certain entities where certain assets are marketable or there is cash surplus, and management expects realization of those assets.

The management is of the view that the impairment allowance, fair value gain and reversal of provision in respect of bad and doubtful debts as recognized in these standalone Ind-AS financial results is based on the best judgement, internal assessment, current scenarios and change in business position of the investee companies. Accordingly, the same has no impact on the carrying amount of the investments, loans and receivables as at March 31, 2023 and for earlier years and does not require any restatement. The management is of the view that the impairment provision/gains as recognised in the current year and previous year is prudent and represents the economic substance of the amounts recoverable as of March 31, 2023.

#### **9 Accounting for guarantees to group companies**

The Company has issued various financial guarantees to its group companies. Based on information available with management, the total value of such financial guarantees as at March 31, 2023 is Rs. 7,780.55, million (March 31, 2022: Rs. 8,030.55 million). Management is in the process of reconciling the completeness and status of various claims against financial guarantees issued, devolved, claimed and recorded/ to be recorded in the books of accounts, including those guarantees in respect of which claims have been received as part of the claim management process (refer note 4). Pending such reconciliation, management has not accounted for any such liabilities in relation to these guarantees in these standalone Ind AS financial results. Also refer Note 14 for contingent liability disclosures.

#### **10 Accounting for contractual interest income in respect of loans to group companies and finance costs on the borrowings**

In line with the affidavit filed by the Ministry of Corporate Affairs ("MCA") with the Hon'ble NCLAT on May 21, 2019, the cut-off date of October 15, 2018 ("Cut-Off Date") was proposed, on account of inter alia the fact that the Hon'ble NCLAT had passed the Order on October 15, 2018, which inter alia granted certain reliefs to the IL&FS group and also restricted certain coercive actions by the creditors of the IL&FS group.

In terms of the Resolution Framework Reports, the proposal made is that all liabilities relating to the relevant IL&FS Group Entity, whether financial (including interest, default interest, indemnity claims and additional charges), operational debt (including interest, indemnity or other claims) as well as statutory claims (including tax, employment and labour related claims), whether existing at or relating to a period after October 15, 2018 (the Cut-Off Date, as explained in the previous paragraph) should not continue accruing. Hon'ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board of IL&FS Limited along with its amendments. In said order, Hon'ble NCLAT has also approved October 15, 2018 as the Cut Off date for initiation of resolution process of the Group.

Accordingly, with respect to interest expense, the management has not recognized finance costs on borrowings (including from third parties) for the year, except for the specific car loans which was approved by the Board considering the same was required for ongoing operations of the Company. No such finance costs have been recognized for the period from October 16, 2018 to March 31, 2023, which approximates Rs. 35,123.74 million.

Further, with respect to interest income, the management has not recognized interest income on loans given and investments made in the companies which are categorized in the 'Red' and 'Amber' category (refer note 3). The interest income which has not been recognized for the period from October 16, 2018 to March 31, 2023, which approximates Rs. 21,540.84 million. These amounts exclude penal/other interest and charges.

The Company has also not-recognised interest expenses amounting to Rs. 78.69 million and Rs. 58.61 million on account of non-deposit of tax deducted at source and Goods and services tax respectively till March 31, 2023.

While above accounting treatment is not as per the Ind AS applicable to the Company, the management believes that the same is as per the NCLAT order dated October 15, 2018 and accordingly, the management believes that the Company has not made any non-compliance in respect of the accounting for the contractual interest income and interest cost.

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

- 11** Pursuant to section 135(5) of the Companies Act, 2013 and rules made thereunder, the Company needs to ensure that at least 2% of the average net profit of the preceding three financial years is spent on Corporate Social Responsibility (CSR) activities. Since the Company did not have average profits in the preceding three financial years, the management believes that no amount is required to be spent on such CSR activities during the year ended March 31, 2023 accordingly disclosures are not applicable.
- 12** The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- 13** **Going concern assumption used for the preparation of these financial results**

The Company and the IL&FS group in general are undergoing substantial financial stress as at March 31, 2023. The Company has accumulated losses of Rs. 92,769.24 million as at March 31, 2023 (March 31, 2022: Rs 93,040.28 million) for the year ended March 31, 2023 and has net liabilities of Rs 41,636.96 million as at March 31, 2023 (March 31, 2022: Rs. 41,658.52 million). The Company also suffered consistent downgrades in its credit ratings since September 2018, and the same was reduced to 'default grade' subsequent to the defaults in repayment of loans taken by the Company, details of which are discussed in Note 2. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in Note 3, there has been a resolution process run by the holding company's Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is committed to taking necessary steps to meet its financial commitments to the extent possible. The Group has also engaged an independent third party as resolution advisors, to assess the liquidity at the Company and at various group companies in India. As a result, the companies in the IL&FS group have been classified into three categories as more fully discussed and disclosed in Note 3 to these standalone Ind-AS financial results. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal, the last of which have been submitted on January 9, 2020. The ability of the Company to continue as a going concern is predicated upon its ability to monetize its assets, restructure its liabilities and resume its normal operations.

Further pending approval of Committee of Creditors and further approval of NCLT on the distribution of proceeds till date from the sale of subsidiaries and the way forward for the Company, the management is unable to determine the amounts at which the liability of the Company towards its various creditors (operational, financial and other class of creditors) will be settled and the amount of cash that would be available to the Company to continue as going concern. Pending approval/guidance from IL&FS Board, these standalone Ind-AS financial results have been prepared on going concern basis.

The Group has also engaged an independent third party as resolution advisors, to assess the liquidity at the Company and at various group companies in India. As a result, the companies in the IL&FS group have been classified into three categories as more fully discussed and disclosed in Note 3 to these standalone Ind-AS financial statements. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal

**14** **Contingent liabilities and commitments**

	<b>As at March 31, 2023 Rs. Million</b>	<b>As at March 31, 2022 Rs. Million</b>
<b>a. Contingent liabilities</b>		
i. Guarantees given on behalf of the IEDCL's subsidiaries and its associates to their lenders (see note 'i' below)	7,780.55	8,030.55
ii. Claims against the Company not acknowledged as debt towards demand raised by Income Tax authorities (see note 'ii' below)	1,089.08	1,019.28
iii. Other liabilities (see note 'iii' below')	0.15	0.15
iv. Other claims against the Company not acknowledged as debts (see note 'iv' below')	713.70	713.70
<b>b. Capital commitment</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances paid)	-	-

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

**Notes:**

- i. The Company has provided various corporate guarantees as well as bank guarantees on behalf of its subsidiaries and joint venture companies to meet their contractual obligations. The subsidiaries have defaulted in payment of the obligations however no liability is recorded by the Company pending finalization of the claims made as per the claim management report (refer note 4).
- ii. The Income Tax Assessing Officer has disallowed certain expenses, primarily on account of Section 36(i)(iii) of the Income tax Act, 1961 and certain other matters with respect to assessment year 2013-14 to assessment year 2016-17. and the Company has filed appeals before the Tax Authorities at various levels against those orders. Further during the year, Income tax assessing officer has issued the assessment order for assessment years 17-18 and 18-19. The Company has filed appeal for the assessment year 17-18 and for assessment year 18-19. Further during the FY 21-22, Income tax department has attached the bank accounts for recovery of its demand for FY 17-18 and FY 18-19 however the same were made operational by the order of Hon'ble NCLT to meet out the RPC and going concern payments. The Hon'ble NCLT has vacated the attachments and ordered the department to files its claim to claim management agency. Department has filed its claim and same has been admitted by the claim management agency as claim under adjudication as Company had filed the appeals against the said orders.

Summary of tax demands and forum at which these are contested are as below:

Name of Statute	Nature of Dues	Amount (Rs Mn)*	Period	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	4,458.43	A.Y. 2015-16 A.Y. 2016-17 A.Y. 2017-18 A.Y. 2018-19 A.Y. 2021-22	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	471.71	A.Y. 2019-20	Rectification u/154 Filed

\* including interest till 31-03-2023

The management has, based on the view given by an independent tax expert, computed the amount of expected contingent liabilities (excluding the impact of penalties and interest thereon) that may arise. Further, the amount as mentioned above, does not include the expected liabilities that may be arise in the cases where the management believes that the chances to lose the tax litigation is remote in nature. Considering the tax expert's view, the management believes that the outcome of the pending cases will be in favour of the Company and accordingly, the amount of expected liabilities has been shown under the contingent liabilities and no further liabilities have been recognised in these accompanying financial results.

On March 30, 2019, MCA had notified Appendix C to Ind AS 12: *Uncertainty over Income Tax Treatments*, under which the Company has to make an assessment of uncertain tax positions as to whether the tax authority will accept the tax treatment as done by the Company. The management is in process of identification of uncertain tax positions as taken by the Company in earlier years and their assessment on the probability of acceptance of those uncertain tax positions. Pending such formal assessment, the management believes that there should be no adverse impact on the accompanying financial results on completion of the said exercise.

- iii. Company has its debentures listed on the Bombay Stock Exchange. Company had received the notice of penalty towards noncompliance of LoDR. As per the provisions of the notice, the fines will continue to be computed further till the time of rectification of the non-compliance to the satisfaction of the Exchange or till the scrip of the listed entity is suspended from trading for non-compliance with aforesaid provisions.
  - iv. In earlier years, the Company had sold its investment in Himachal Sorang Power Limited (HSPL) to TAQA Jyoti Energy ventures private Limited (TAQA). HSPL has demanded IEDCL to pay Rs 713.70 million towards the obligations and losses incurred by HSPL under the Bulk Power Transmission Agreement. The management believes that the Company has reasonably arguable case and will be able to defend the claim, accordingly, no provision is required at this stage.
- c. **Other commitment**

During the year ended March 31, 2016, the Company and its wholly owned subsidiary, IL&FS Renewable Energy Limited (IREL) (now merged with the Company) had entered into a Share Purchase Agreement ('the agreement') dated March 7, 2016 with Orix Corporation, Japan for sale of shares in its wind power project companies namely Wind Urja India Private Limited ('WUIPL'), Tadas Wind Energy Private Limited ('TWEPL'), Ratedi Wind Energy Private Limited ('RWPPL'), Lalpur Wind Energy Private Limited ('LWEPL'), Khandke Wind Energy Private Limited ('KWEPL') wherein wind power projects are housed.

As per the agreement, the Company had consummated the sale of 49% shares in five of the wind power project companies (namely WUIPL, TWEPL, RWPPL, LWEPL, KWEPL) for a consideration of Rs. 9,201.22 million wherein 775.20 MW of projects are housed.

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Further, during the earlier year ended March 31, 2018, Company has further entered into a Share Purchase Agreement ('the agreement') dated March 30, 2018 with Orix Corporation for sale of 49% shares in two of the wind power project companies i.e. Kaze Energy Limited and Etesian Urja Limited having 98.30 MW of projects, for total consideration of Rs 1,320.00 million. Out of above, Rs. 1,209.00 million were received from Orix Corporation and remaining amount of Rs. 111.00 million is outstanding as at March 31, 2019 as holdback amount.

Further due to delay in commissioning of 32 MW and non-commissioning of 14.4 MW, the Company vide letter dated April 2, 2018 has agreed to pay indemnity amount of Rs. 111.00 million to Orix Corporation and has further agreed that Orix Corporation will release the hold back amount after the payment of indemnity amount by the Company. Accordingly, the Company has provided indemnity amount of Rs. 111.00 million in earlier year statement of profit & loss with corresponding liability. As per letter dated April 2, 2018, holdback amount will be released by Orix Corporation upon receipt of indemnity amount and accordingly, the Company believes that no provision is deemed necessary against carrying value of holdback amount of Rs. 111.00 million.

Further, as per the terms of the agreement, the Company has guaranteed the generation from these wind power projects till March 31, 2022. In case the actual generation varies in comparison to the guaranteed generation by more than 5%, then the Company would receive / pay compensation from / to Orix Corporation, Japan. Till date the Company has not received any demand from Orix Corporation against shortfall in generation, based on actual generation till date and various discussion with Orix Corporation, the management believes that no demand is expected from Orix Corporation and accordingly no provision is required in these financial results.

- 15** As per Sub-section 11 of Section 186 of Companies Act, 2013 read with Schedule VI to Companies Act 2013, the provisions of Section 186 except Sub-section 1 are not applicable on a company engaged in the business of providing infrastructural facilities which includes generation of power through renewable sources. The Company has 1MW rooftop solar power plant which depicts the Company is engaged in the business of generation of power through renewable source. Accordingly, provisions of Section 186 are not applicable on the Company.
- 16** There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**17 Non-cash transaction**

During the year ended March 31, 2023, the Company has divested from its investment in Urjankur Shree Tatyasaheb Kore warna Power Company Limited. The buyer has given the advance of Rs 600 million in earlier years which has been adjusted against the sale consideration to be paid towards said investment.

- 18** Under the Resolution Framework (refer note 3) of the Company, the holding company has invited Expression of Interest ("EoI") for sale/transfer/assignment of its revenue generating contracts related to Energy Efficiency Services Limited, PDCOR Limited, Puducherry Urban Development Agency and Oil and Natural Gas Corporation, of the Company along with all the assets and liabilities related to these contracts. As per the terms of draft Business Transfer Agreement ("BTA") agreed with the PTC India Limited, all the cash flows pertaining to above projects will belong to the final selected bidder i.e. PTC India Limited with effect from April 01, 2020. The bidding process has been completed and after obtaining approval from the Committee of Creditors of the Company and from the New Board of the holding company and Hon'ble Justice D.K. Jain for the transfer of the said contracts, Company has received the approval from Hon'ble NCLAT during FY 2021-22.

Subsequent to the year ended March 31, 2022, the transaction has been consummated and has novated these revenue generating contracts on July 26, 2022.

**19. Other information**

1. The Company has no transactions during the year with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
2. The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
3. As per the records available, No Bank or financial institution or other lender has declared the Corporation as willful defaulter.
4. The Company has not advanced or given loan or invested funds during the year to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
5. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) during the year with the understanding (whether recorded in writing or otherwise) that the Company shall:

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- i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
6. The Company does not have any transaction during the year which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
7. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period except the following:

Rs Mn.				
Charge Holder Name	Registrar Location	As at March 31, 2023	As at March 31, 2022	Remarks
Infrastructure Leasing & Financial Services Limited	Registrar of Company, Delhi	4,250.00	4,250.00	Creation
Yes Bank Limited	Registrar of Company, Delhi	2.30	2.30	Creation
Yes Bank Limited	Registrar of Company, Delhi	1,500	1,500	Satisfaction
Infrastructure Leasing & Financial Services Limited	Registrar of Company, Delhi	14,200	14,200	Satisfaction
IL&FS Financial Services Limited	Registrar of Company, Delhi	600	600	Satisfaction

It may be noted that deed of Hypothecation had been signed in both above cases

**20 Additional Disclosure**

The foreign currency loan availed from Syndicate bank was wrongly restated to year end closing rates however pursuant to resolution plan approved by the Hon'ble NCLT, the liabilities are crystalized as on Oct 15, 2018. As a consequences, the profit and loss of earlier years was over/under stated. During the current year, said error has been rectified by charging it to the retained earnings. Accordingly restated position for the period Oct 18, 2018 to March 31, 2022 is as under

Particular	As on March 31, 2021	Adjustment	Rs Mn
	Previously reported		As on April 01, 2021
Current Borrowing	45,757.71	24.10	45,781.81
Retained Earnings	(93,592.60)	(24.10)	(93,616.70)
Particular	As on March 31, 2022	Adjustment	Rs Mn
	Previously reported		As on March 31, 2022
Current Borrowing	45,871.26	(91.02)	45,780.24
Retained Earnings	(93,131.30)	91.02	(93,040.28)

The profit for the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March, 2022 have been overstated by Rs.320.49 million and 115.12 million respectively with corresponding impact on borrowings.

- 21 These financial results were approved for issue by the Board of directors on May 30, 2023.



**Annexure -3 - Disclosure pursuant to SEBI Circular no. CIR/CFD/CMD/4/2015**  
**Dated September 9, 2015**

Sr no.	Particulars	Details
1.	Reason for change viz. appointment,	Appointment to fill up vacancy due to Resignation of Company Secretary.
2.	Date of Appointment/cessation	Mr. Dhawal J. Vora is an Associate member of the Institute of Company Secretaries of India, ICWA, and Post Graduate Diploma in Finance Management from M/s Welingkar Institute, Mumbai, He has over 21 years of experience in dealing with Secretarial Compliances of Listed and Unlisted Companies.
3.	(as applicable) & terms of appointment	Not applicable.