IL&FS Energy

IL&FS Energy Development Company Limited
Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India
W www.ilfsindia.com

September 22, 2022

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

Dear Sir,

Subject- Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We wish to inform you that the Board of Directors of the Company, at its Meeting held September 22, 2022, inter-alia, approved;

(1) Consolidated Audited Financial Results for the year ended 31st March, 2020, pursuant to Regulation 52(2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
(2) Stand-alone Audited Financial Results for the year ended 31st March, 2022, pursuant to Regulation 52(2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Accordingly, the said Financial Results along with Report of the Statutory Auditors, namely, M/s. CNK & Associates LLP, Chartered Accountants, are enclosed.

Statement on Impact of Audit Qualifications in the Audit Report under regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also enclosed for;

(1) Consolidated Audited Financial Results for the year ended 31st March, 2020, and
(2) Stand-alone Audited Financial Results for the year ended 31st March, 2022,

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Please note that the extract of aforesaid both the 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.

Thanking You

Yours Faithfully,

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

Ritendra Bhattacharjee Digitally signed by Ritendra Bhattacharjee Date: 2022.09.22 17:02:49 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Encl: a. a.

Independent Auditor's Report on the Audited Standalone Financial Results of IL & FS Energy Development Company Limited for the year ended March 31, 2022, pursuant to the Regulation 52 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 the Audit of the Standalone Financial Results

Qualified Opinion

We were engaged to audit the accompanying statement of standalone financial results of IL&FS Energy Development Company Limited Limited (the "Company"), for the year-to-date results for the year from April 1, 2021 to March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "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 52 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 year ended March 31, 2022.

Basis for Qualified Opinion

1. As mentioned in note 10 to the Statement, the Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs.31.86 million (previous year - Rs.83.14 million) (net of reversal). Further, the Company has also recognised gain of Rs.144.45 million (previous year - Rs.108.03 million) on the investments made in the joint ventures based on the net worth;

   In the absence of audited financial statements of 1 subsidiary, 2 joint ventures and 4 other investee companies for the year ended March 31, 2022, necessary and/or complete information to support cash flow based tests over its investments and assumptions to determine the recoverable amount of loans and receivables, the management has recorded provisions/gain during the current year and the earlier years basis their internal assessment, which does not consider the requirements of the relevant Ind AS in its entirety;

2. As mentioned in note 12 to the Statement, non provision of interest expense amounting to Rs.101.01 million (previous year - Rs.69.46 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability;

3. Note 6 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;

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 9 and note 11 respectively to the Statement;
   b) of recoverability of income tax assets of Rs.1,198.48 million (previous year – Rs.1,129.05 million) as mentioned in note 23 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 (previous year – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 24 to the Statement;
   d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (previous year – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 22 to the Statement.

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

Above matters were disclaimed in previous statutory auditor's report as at and for the year ended March 31, 2021.

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 Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 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.48,324.35 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, 2022, the current liabilities of the Company aggregating to Rs.41,744.75 million exceed the current assets;

iii. As at March 31, 2022, the Company has accumulated loss of Rs.93,131.30 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. Note 4, relating to the regulatory order for re-opening of books of accounts and re-casting of financial statements of certain groups companies, and note 5, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, possible consequential effects on the Statement cannot be determined as of even date;

4. As stated in note 8 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 comparative financial information included in the Statement are on the basis of the Statement for the year ended March 31, 2021 on which predecessor auditor had issued a disclaimer of opinion vide Auditor's Report dated November 19, 2021.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the annual Financial Statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit, other comprehensive income of the Company 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 52 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 judgment 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 Financial Statements are 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 Board of Directors;

- Conclude on the appropriateness of 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 represent the underlying transactions and events in a manner that achieves fair presentation;

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.

FOR C N K & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 101961W/W-100036

VIJAY HARSUKHLAL MEHTA

Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:02:19 +05'30'

Vijay Mehta
Partner
Membership Number: 106533
UDIN: 22106533ATUOYB2053

Place: Mumbai
Date: September 22, 2022

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Assets and Liabilities as at March 31, 2022

	As at March 31, 2022	As at March 31, 2021
ASSETS	**Rs. Million**	**Rs. Million**
Non-current assets		
a) Property, plant and equipment	24.25	44.05
b) Intangible assets	0.16	0.30
c) Right-of-use assets	0.17	8.43
d) Financial assets		
i) Investments	1,194.92	2,526.46
ii) Loans	2.62	2.62
iii) Other financial assets	23.26	295.77
e) Non-current tax assets (net)	1,198.48	1,129.05
f) Deferred tax assets (net)	-	-
g) Other non-current assets	2.67	0.90
	2,446.53	**4,007.58**
Current assets		
a) Financial assets		
i) Investments	-	-
ii) Trade receivables	87.06	159.92
iii) Cash and cash equivalents	2,388.04	2,319.21
iv) Bank balances other than (iii) above	4,714.29	2,720.48
v) Loans	1,070.92	1,084.39
vi) Other financial assets	278.75	267.60
b) Other current assets	58.09	59.25
	8,597.15	**6,610.85**
c) Assets classified as held for sale	741.70	597.74
Total assets	**11,785.38**	**11,216.17**
EQUITY AND LIABILITIES		
EQUITY		
a) Equity Share capital	12,835.65	12,835.65
b) Instruments entirely equity in nature	346.61	346.61
c) Other equity	(52,485.27)	(52,948.11)
Total equity	**(39,303.01)**	**(39,765.85)**
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	-	-
ii) Lease liabilities	-	2.73
b) Provisions	4.79	5.33
	4.79	**8.06**
Current liabilities		
a) Financial liabilities		
i) Borrowings	45,871.26	45,757.71
ii) Lease liabilities	0.20	6.93
iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	0.23	0.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,142.52	1,146.15
iv) Other financial liabilities	3,240.03	3,240.31
b) Provisions	5.18	4.89
c) Other current liabilities	213.85	217.78
	50,473.27	**50,373.96**
d) Liabilities directly associated with investments classified as held for sale	610.33	600.00
Total liabilities	**51,088.39**	**50,982.02**
Total equity and liabilities	**11,785.38**	**11,216.17**

See accompanying notes to standalone financial results 1-25

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Standalone Financial Results for the year ended March 31, 2022

		For the year ended March 31, 2022	For the year ended
		Rs. Million	**Rs. Million**
I	Revenue from operations	8.94	9.28
II	Other income	674.85	651.80
III	**Total income (I + II)**	**683.79**	**661.08**
IV	**Expenses**		
	i. Employee benefits expense	49.34	73.57
	ii. Finance costs	0.89	5.61
	iii. Depreciation and amortisation expense	15.16	13.37
	iv. Impairment of financial assets (net)	3.68	38.00
	v. Other expenses	216.07	202.60
	Total expenses (IV)	**285.14**	**333.15**
V	**Profit before tax (III - IV)**	**398.65**	**327.93**
VI	**Tax expense**		
	i. Current tax	-	-
	ii. Current tax- pertaining to adjustments of earlier years	1.30	-
	ii. Deferred tax	(0.62)	(0.69)
	Total tax expense (VI)	**0.68**	**(0.69)**
VII	**Profit for the year from continuing operations(V - VI)**	**397.97**	**328.62**
VIII	**Discontinuing Operations**		
	Profit for the year from discontinuing operations	63.33	45.62
	Tax expense of discontinued operations	-	
	Profit for the year from discontinuing operations	63.33	45.62
	Other comprehensive income		
	i. Items that will not be reclassified to profit or loss		
	a. Remeasurement of defined benefit plans	2.16	1.98
	b. Income tax relating to items that will not be reclassified to profit or loss	(0.62)	(0.69)
	ii. Items that will be reclassified to profit or loss		
	a. Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge	-	-
	b. Income tax relating to items that will be reclassified to profit or loss	-	-
IX	**Other comprehensive income for the year, net of tax**	**1.54**	**1.29**
X	**Total comprehensive income for the year, net of tax (VII+ VIII+IX)**	**462.84**	**375.53**
	Earnings per equity share (face value of Rs. 10 per share)		
	i. Basic (Rs.)	0.30	0.28
	ii. Diluted (Rs.)	0.30	0.28

See accompanying notes to standalone financial results 1-25

		For the year ended March 31, 2022 Rs. Million	For the year ended March 31, 2021 Rs. Million
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax from continuing operation		398.65	327.93
Profit before tax from discontinuing operation		63.33	45.62
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation and amortisation expense		15.16	13.37
Loss/(gain) on disposal of property, plant and equipment		(0.11)	0.47
Gain on sale of financial assets - investments		-	(40.56)
Impairment on property, plant and equipment		13.06	(0.34)
Finance costs		0.89	3.16
Interest income		(189.09)	(139.95)
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		(144.45)	(108.03)
Impairment on financial assets designated as at amortised cost		-	38.00
Impairment on trade receivables		22.89	45.14
Impairment on financial assets designated as at cost		-	(0.50)
Provisions written back		(46.48)	-
Profit/(loss) on foreign currency transactions and translation		115.12	(94.06)
Dividend Income		(289.65)	(156.62)
Operating profit before working capital changes		(38.05)	(66.37)
Movement in working capital			
Decrease/(increase) in trade receivables		12.85	169.37
Decrease/(increase) in other financial assets		284.40	(154.56)
Decrease/(increase) in other assets		(0.61)	103.29
Increase/(decrease) in trade payables		(2.81)	(13.19)
Increase/(decrease) in other financial liabilities		(0.25)	(0.90)
Increase/(decrease) in other current liabilities		(3.80)	(32.64)
Increase/(decrease) in provisions		1.91	0.09
Cash flows from/(used in) operations		**253.64**	**5.09**
Income tax (paid)/refund received		(70.73)	243.27
Net cash flows from/(used in) operating activities	**(A)**	**182.91**	**248.36**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property plant and equipment		(0.02)	(1.19)
Proceeds from sale of property plant and equipment		0.11	0.03
Loans received back		-	1,112.46
Proceeds from sale of investment		1,475.99	60.56
Interest received		179.36	567.29
Dividend received		289.65	156.62
Proceeds from fixed deposit under earmarked accounts (net)		(2,179.11)	30.72
Proceeds from other fixed deposit (net)		185.30	(1.70)
Net cash flows from investing activities	**(B)**	**(48.72)**	**1,924.79**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long-term borrowings		(1.57)	(0.84)
Payment of principal portion of lease liabilities		-	(6.75)
Interest paid		(0.80)	(2.83)
Net cash flows used in financing activities	**(C)**	**(2.37)**	**(10.42)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**131.82**	**2,162.73**
Cash and cash equivalents at the beginning of the year	10	2,319.21	156.48
Cash and cash equivalents at the end of the year	**10**	**2,451.03**	**2,319.21**

See accompanying notes to standalone financial results 1-25

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, 2022

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

No	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Capital Redemption Reserve	NIL	NIL
2	Debenture Redemption Reserve	Rs. 673.61 million	Rs. 673.61 million
3	Net worth	Rs. (39303.01) million	Rs. (39765.85) million
4	Net Profit / (Loss) after Tax	Rs. 462.84 million	Rs. 375.53 million
5	Earnings/ (Loss) per share	Rs. 0.30	Rs. 0.28
6	Profit / (loss) for the half year and cumulative profit for the year	Cumulative profit / (loss) for the year Rs 462.84 million. Half year results are not available	Cumulative profit / (loss) for the year Rs 375.53 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
	b. Debt Service Coverage Ratio (refer note 2 below)	Not applicable	Not applicable
	c. Interest Service Coverage Ratio (refer note 3 below)	Not applicable	Not applicable
	d. Current Ratio(refer note 4 below)	0.18	0.14
	e. Long term debt/total assets (Refer note 10)	Not applicable	Not applicable
	f. debtors turnover ratio (refer note 5 below)	1.94	0.84
	g. Operating margin (refer note no 11)	-86.25%	-103.86%
	h. net profit margin (refer note 6 below) (includes discontinued operation)	50.61%	42.88%
	i. total debt to total assets (refer note 8 below)	389.22%	407.96%
	j. Current liability ratio (refer note 9 below)	99.99%	99.98%
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 Company has stopped repayment of borrowing due to moratorium period (refer note 3 of financial results)

3 Interest Service Coverage Ratio = (Earnings before interest and tax) / (Interest Expense) - This ratio is not applicable since the Company has stopped repayment of borrowing due to moratorium period (refer note 3 of financial results)

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 March 31, 2022 and March 31, 2021

11 Operating margin = (Profit Before Tax – Other Income + Finance Cost + Impairment Loss) / (Revenue from Operation)

12 Denominator negative hence ratio not determinable

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.

3. 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 resolution plan seeks a fair and transparent resolution for the Company while keeping in mind larger public interest, financial stability, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The Company being a holding company of energy vertical of IL&FS, having projects through various group entities, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well as exits are planned. The plan of the management is to sell/exit from assets at the group entity as a going concern.

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 New Board of IL&FS has submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019 and Strategic actions taken include:

a) Appointing Legal, Transaction and Resolution Advisors
b) Securing a moratorium order from third party actions
c) Setting up 'Operating Committee' of senior executives for managing daily operations
d) Developing solution framework for managing unprecedented group insolvency using an umbrella resolution approach
e) Active recovery actions on external lending portfolio of IL&FS Financial Services ("IFIN")
f) Working with central and state government authorities to resolve outstanding claims

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.

As discussed above, the New Board has submitted various progress reports to the NCLT on the resolution plans from time to time.

The New Board has been following a three- prolonged strategy- Resolve, Restructure and Recover- while adopting approach of equitable distribution and balancing interest of stakeholders across the IL&FS Group under IBC and Corporate Finance principles to resolve the debt.

Hon'ble NCLAT vide its judgement dated March 12, 2020, has approved the revised Resolution Framework submitted by New Board along with its amendments and also directed IL&FS and the Union of India to conclude the resolution process for all IL&FS Group entities preferably within 90 days. Subsequently, vide its order date March 30, 2020, the NCLAT clarified that lock down/shut down period as ordered by the Central Government and State Government will be excluded for the calculation of aforementioned 90 days.

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 statements.

4 Order of NCLT for re-opening and re-casting of financial statements

The NCLT, vide order dated January 1, 2019, has allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18, of IL&FS Limited (holding company) and two of the fellow subsidiaries, IL&FS Financial Services Limited ("IFIN") and IL&FS Transportation Network Limited ("ITNL").

The Company had entered into transactions with IL&FS and other group companies during the above-mentioned years. The process of such re-opening and re-casting of financial statements is currently in progress, pending which, it is not possible to determine the consequential effects arising therefrom, including their effects on the financial statements, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2021 (comparative period end date) and the current year ended March 31, 2022; and (c) the Statement of Profit and Loss for the years ended March 31, 2021 and March 31, 2022.

5 Status of New Board of Directors initiated investigations

As a consequence of the matter described in Note 2 above and various other matters discussed in these standalone Ind-AS financial statements, the Board of Directors of the holding company, in January 2019, have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the IL&FS Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the Board of Directors of the holding company.

Pending completion of such examination, no adjustments have been recorded in these standalone Ind-AS financial statements for any consequential effects / matters that may arise in this regard.

6 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 received of Rs. 61,117.45 million (including contingent claim of Rs. 6,962.96 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, 2022, the Company has liabilities and provisions aggregating Rs 51,088.39 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 statements, and these claims have been disclosed as part of contingent liabilities (refer note 47).

7 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.

8 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 statements, 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, 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 as applicable.

(c) The Company has been facing capacity issues due to loss of key employees while meeting the need for servicing information requirements and providing clarifications to multiple investigating agencies, providing information to enable the ongoing asset monetization and restructuring activities and meeting 'going concern' requirements. Further, challenges are being faced by the respective Subsidiaries in terms of valuation of underlying assets, inadequate number of Directors on the Boards of a few companies, dealing with casual vacancy of Statutory Auditors and extended timelines for finalizing and adopting audited financial statements. Accordingly, the Company is unable to provide its consolidated financial results and consolidated financial statements for the year ended March 31, 2021 and year ended March 31, 2022 till date.

The management is in the process of evaluating the financial impact and other consequences arising from such non-compliance as stated in note (a) to (c) 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 statements.

(d) The holding company, vide application dated December 17, 2019, requested Hon'ble NCLT to grant extension of time to certain specified group companies as mentioned in that application to hold Annual General Meeting (AGM) and also made additional application dated December 30, 2019, requesting Hon'ble NCLT to either grant exemption from preparing the consolidated financial statements for the year ended March 31, 2019 for certain companies (including the Company), as mentioned in that application or to allow those said companies to present their respective consolidated financial statements for the year ended March 31, 2019 before June 30, 2020. Vide application dated June 30, 2020, the holding company again requested Hon'ble NCLT to allow the companies as mentioned in the said application to present their respective financial statements in the EGM of those respective companies before November 30, 2020. Till date, no such approval has been granted by the Hon'ble NCLT. and the IL&FS Group is of the view that this would have no material impact in terms of fines/penalties.

In response of the above said applications, Ministry of Corporate Affairs (MCA) has filed an Affidavit dated December 4, 2020 with Hon'ble NCLT and submitted that it has no objection to the applications filed by IL&FS Limited for extension of time for holding Annual General Meeting (AGM) subject to following conditions:

- "The financial statements (standalone and/or consolidated) being proposed to be presented before the shareholders in the AGM/EGM, shall not be uploaded or published and further subject to any modifications or qualifications in the recasted financial statements of FY 2013-14 to FY 2017-18 for IL&FS, ITNL and IFIN, whenever the same are finalized. It shall further be subject to approval of the recasted financial statements by the NCLT in terms of the provisions of Section 130 of the Companies Act, 2013 and the order dated January 1, 2019 passed by NCLT.

- The financial statements (standalone and consolidated) being proposed to be presented before the shareholders at the AGM/EGM, shall not be published or uploaded unless consolidated financial statements of IL&FS is ready for publication and same is reflecting recasted accounts with auditors report and directors report including qualifications in the recasted financial statements of FY 2013-14 to FY 2017-18 for IL&FS, ITNL and IFIN, whenever the same are finalized."

The management believes that the above said Affidavit as filed by MCA is not applicable to the Company and is applicable only to its holding company i.e. IL&FS Limited and its two fellow subsidiary companies i.e. ITNL and IFIN, as the financial statements of only the said companies are subject to be re-opening and re-casting as per the order of Hon'ble NCLT and will not have any impact on the financial statements of the Company. Accordingly, these financial statements are not subject to the approval of Hon'ble NCLT or other authority and can be approved and adopted by the Board of Directors of the Company and can be presented to the shareholders in the next AGM. Further, these financial statements can also be published or uploaded as and when required to comply with requirements of listing agreement with SEBI. The said position has already been approved by Board of the Directors in their meeting for adoption of accounts and publication of results as at and for the year ended March 31, 2020.

(e) 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 statements. The Company does not fulfil 50-50 test as on 31st March, 2022 and 31st March, 2021. Accordingly provisions pertaining to registration as Non Banking Finance Company are not applicable to the Company.

9 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 tits 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 statements in this regard. Also refer Note 47 for contingent liability disclosures.

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

(a) 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 statements, 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 statements.

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 1 subsidiary, 2 joint venture and 4 other investee companies for year ended March 31, 2022.

Further, in respect of the joint ventures, the Company has recognised gain of 144.45 million (Rs. 108.03 million during the year ended March 31, 2021) on the basis of the net assets of those joint ventures as at March 31, 2022.

On this basis, provision has been made in respect of the financial assets (comprising of loans, receivables and investments) aggregating to Rs. 31.86 million during the current year (Rs. 83.14 million during the year ended March 31, 2021), of which provision of Rs. 7.92 million (Rs. 38.30 million during the year ended March 31, 2021) is made in relation to various group companies and provision of Rs. 24.00 million (Rs. 44.84 million during the year ended March 31, 2021 and Rs. 10.90 million during the year ended March 31, 2020) is made in relation to third parties balances and provision of Rs 13.06 million towards property plant and equipment, except in respect of certain entities where certain assets are marketable or there is cash surplus, and management expects realization of those assets.

(b) 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 statements 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, 2022 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, 2022.

11 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, 2022 is Rs. 8,030.55 million (March 31, 2021: 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 36). Pending such reconciliation, management has not accounted for any such liabilities in relation to these guarantees in these standalone Ind AS financial statements. Also refer Note 47 for contingent liability disclosures.

12 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, 2022, which approximates Rs. 25,577.73 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, 2022, which approximates Rs. 15,825.17 million. These amounts exclude penal/other interest and charges.

During the previous year ended March 31, 2021, with respect to one of the subsidiaries classified as "Green" category (refer note 3) named IL&FS Solar Power Limited (ISPL), the Company has received its dues in respect of loans given and interest accrued on that loan till December 31, 2019 only and has not recognised interest income after December 31, 2019. The management is of the view that the Company had recognised interest income i.e. till December 31, 2019 in respect of ISPL based on an expert legal opinion and overall terms of the voluntary prepayment proposal finalized with the one of the customers of ISPL who has bought over the assets of the ISPL during the year ended March 31, 2021. As principal value of loan given and interest accrued on loan till December 31, 2019 has been received during the year ended March 2021, accordingly, the management is of the view that no further adjustments are required to be made in these financial statements.

The Company has also not-recognised interest expenses amounting to Rs. 59.42 million and Rs. 41.59 million on account of non-deposit of tax deducted at source and Goods and services tax respectively till March 31, 2022.

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.

13 Assessment under Ind AS 115 Revenue from Contract with customer

Ind AS 115 was issued on March 28, 2018 and superseded Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. In addition, the new standard results into the change in accounting policy related to revenue recognition and requires extensive disclosures.

The Company is in business of providing consultancy services, sale of power and revenue from construction contracts. The Company is still under the process of evaluating the impact of the new revenue recognition standard and a reliable estimate of the quantitative impact and disclosures of Ind AS 115 on the Ind AS financial statements will only be possible once the Company completes its assessment and accordingly impact of adoption of Ind AS 115 has not been given in these standalone Ind-AS financial statements.

14 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

15 Going concern assumption used for the preparation of these financial statements

The Company and the IL&FS group in general are undergoing substantial financial stress as at March 31, 2022. The Company has accumulated losses of Rs. 93,131.30 million as at March 31, 2022 (March 31, 2021: Rs 93,592.60 million) for the year ended March 31, 2022 and has net liabilities of Rs 41,749.54 million (March 31, 2021: Rs. 43,773.43 million) as at March 31, 2021. 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 a 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 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, 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 statements 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.

16 IL&FS Renewable Energy Limited, now merged with IL&FS Energy Development Company Limited (collectively referred as “the Company”) had entered into a Power Purchase Agreement (PPA) with Amity University (“Amity”) dated October 16, 2014. Per the terms of the PPA, the Company had installed 1 MW of Solar Rooftop Plant (“the Plant”) at Amity University, Noida. The Plant was commissioned on March 7, 2015. The Company has issued notice to Amity vide letter dated March 11, 2019 and April 10, 2019 for payment of outstanding dues till March 31, 2019 amounting to Rs. 3.83 million. As no response from Amity is received by the Company, the Company sent legal notices dated July 1, 2019 and has terminated the PPA as per the terms of the said PPA and has also demanded Buy Out Price as per the clause 12.2 (a) of the PPA. After an exchange of various letters between both the parties, the Company invoked its right for resolution by arbitration to arbitral tribunal in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and appointed Hon’ble Justice Ajit Prakash Shah (retd.) as nominee arbitrator. As Amity failed to nominate and appoint its arbitrator, the Company filed a petition in accordance with the provisions of the Arbitration and Conciliation Act, 1996 before the High Court, Delhi for the appointment of arbitrator on behalf of Amity.

Despite terminating PPA, the Company has continued to supply electricity to Amity and has invoiced an amount of Rs. 8.94 million during the current year ended March 31, 2022. As at March 31, 2022, the Company has total receivable of Rs. 31.32 million and has also claimed Rs. 46.00 million from Amity as Buy Out Price against the solar plant having net block of Rs. 35.17 million as at March 31, 2022 as per the books of the Company. The Amity has submitted its proposal to settle the matter which is under approval process. Based on the said proposal, the required impairment provision has been considered in this IND AS financial statements.. The management believes that the amount as recognised in these Ind AS financial statements are based on the appropriate assumptions/best and reasonable estimates, accordingly, no further adjustments are required to be made in this regard.

17 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.

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

19 Segment reporting

The Company had three operating segments i.e. Consultancy services, Construction contract and Generation and sale of power. Consequent to the various matters mentioned in Note 2 and 3 to these financial statements, the normal business operations of the Company as they existed until September 30, 2018 have ceased. The new Board, which has been identified as being the Chief Operating Decision Maker (CODM), has been overseeing and focusing on the realizability of investments in each of the Group entities. However, as the Company has already surrendered the power trading license, has no income from construction contracts post September 30, 2018 and has no or very limited income from loans post October 15, 2018, the new Board does not evaluate/ monitor the income recognized during the year as separate segments. Accordingly, the management believes that there are no reportable operating segments which require disclosure under Ind AS 108 “Operating Segments”.

20 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.

21. 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 loaned 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:

    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).

22 The Company issued 247,000 Fully Compulsorily Convertible Debentures (FCCD) of Rs. 10,000 each to its Holding Company, Infrastructure Leasing & Financial Services Limited ("holder") during the year ended March 31, 2012. Terms of the FCCD were changed in the financial year ended March 31, 2017. Per the revised terms of FCCD, the Company agreed to pay an option premium of Rs. 744.00 million to holder on account of early conversion option (as per the original terms) foregone by the holder. Further, as per the revised terms, the Company had an option to convert these FCCD along with the option premium and interest accrued from April 1, 2016 till the date of maturity into fixed number of equity shares. Vide memorandum dated February 8, 2017, the Company has opted for the conversion option. The said FCCD were due for conversion into 41,215,847 fully paid equity share on March 29, 2021, however the same has not been converted into equity shares till date. The management is of the view that no further adjustments are required to be made in these financial statements in this regard.

23. 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 current year, 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 (issued subsequent to year end) to meet out the RPC and going concern payments. The matter is subjudice in Hon'ble NCLT.

Summary of tax demands and forum at which theose 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	31.00	A.Y. 2013-14 A.Y. 2014-15	Income Tax Appellate Tribunal (Appeal)
The Income Tax Act, 1961	Income Tax	3,510.84	A.Y. 2015-16 A.Y. 2016-17 A.Y. 2017-18* A.Y. 2018-19*	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	409.28	A.Y. 2019-20*	Rectification u/154 Filed

* including interest

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 statements.

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 statements on completion of the said exercise.

24. Subject to the applicable law, each holder of Compulsorily Convertible Preference Share Capital ('CCPS') shall be entitled to receive notice of, and to attend, any meeting of the shareholder of the Company and shall be entitled to vote together with the holders of equity shares of the Company as if such holder of CCPS held the maximum numbers of equity shares in to which the CCPS can be converted. Each CCPS is convertible into one equity share.

These CCPS shall be converted to equity shares on the earlier of (i) the last permissible date on which conversion is required under applicable laws, (ii) the date falling on the 10th anniversary being 2 December, 2021, (iii) receipt of notice in writing by the holder to convert any or all the CCPS into equity shares.

CCPS holders will be entitled to non-cumulative dividend of 0.0001% of face value of shares or dividend given to equity shareholder whichever is higher.

The same are not converted into equity shares during the year.

25. These financial results were approved for issue by the Board of directors on September 22, 2022.

For C N K & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101961W/W-100036

VIJAY HARSUKHLAL MEHTA
Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:03:48 +05'30'

Vijay Mehta
Partner
Membership Number: 106533

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

GIRISH CHANDRA CHATURVEDI
Digitally signed by GIRISH CHANDRA CHATURVEDI
Date: 2022.09.22 17:37:38 +05'30'

G C Chaturvedi
Director
DIN: 00110996

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.09.22 18:38:41 +05'30'

C S Rajan
Director
DIN: 00126063

Kaushik Modak
Digitally signed by Kaushik Modak
Date: 2022.09.22 20:47:25 +05'30'

Kaushik Modik
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.09.22 17:08:03 +05'30'

Feby Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:03:53 +05'30'

Ritendra Bhattacharjee
Chief Finance Officer

Dinesh Suryakant Ladwa
Digitally signed by Dinesh Suryakant Ladwa
Date: 2022.09.22 19:15:13 +05'30'

Dinesh Ladwa
Company Secretary
Membership Number: A-17210

Place: Mumbai
Date: September 22, 2022

Place: Mumbai
Date: September 22, 2022

IL&FS | Energy

IL&FS Energy Development Company Limited
Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India
W www.ilfsindia.com

September 22, 2022

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

Dear Sir,

Re: Declaration in respect of qualified opinion on Standalone Audited Financial Results for the Financial Year ended March 31, 2022

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 year ended March 31, 2022. 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
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:04:12 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

IL&FS Energy

IL&FS Energy Development Company Limited

Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India

W www.ilfsindia.com

Annexure I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [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	683.79	Not determinable
2	Total expenditure	285.14	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	398.65	
4	Net Profit after tax from continuing operations	397.97	
5	Net Profit after tax from discontinuing operations	63.33	
6	Other Comprehensive Income	1.54	
7	Net Profit after tax for the year	462.84	
8	Earnings per share	0.30	
9	Total Assets	11,785.38	
10	Total Liabilities	51,088.39	
11	Net worth	(39,303.01)	
12	Any other financial item(s) (as felt appropriate by the management)	None	

Encl: a. a.

II Audit qualifications (each audit qualification separately)

1	**Details of Audit Qualification**		**Basis for Qualified Opinion**	
		1	As mentioned in Note 41(a) to the accompanying standalone financial statements, the Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs. 31.86 million (previous year Rs.83.14 million) (net of reversal). Further, the Company has also recognised gain of Rs.144.45 million (previous year Rs.108.03 million) on the investments made in the joint ventures based on the net worth. As mentioned in Note 41(a) to the accompanying standalone financial statements, in the absence of audited financial statements of 1 subsidiary, 2 joint ventures and 4 other investee companies for the year ended March 31, 2022, necessary and/or complete information to support cash flow based tests over its investments and assumptions to determine the recoverable amount of loans and receivables, the management has recorded provisions/gain during the current year and the earlier years basis their internal assessment, which does not consider the requirements of the relevant Ind AS in its entirety.	
		2	As mentioned in Note 43 to the standalone financial statements, non-provision of interest expense amounting to Rs.101.01 million (Previous year Rs. 69.46 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability;	
		3	Note 37 to the standalone financial statements, 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 standalone financial statements	
		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 40 and note 42 respectively to the accompanying standalone financial statements;

			(b)	of recoverability of income tax assets of Rs.1,198.48 million (Previous Year Rs.1,129.05 million) as mentioned in note 13 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 (previous year Rs. 346.61 million) into equity shares on due date of conversion as referred to in note 16.
			(d)	for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (previous year Rs.2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 17
		5		**Material Uncertainty Related to Going Concern** We draw attention to note 2 of the accompanying standalone financial statements 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. 48,324.35 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, 2022, the current liabilities of the Company aggregating to Rs 41,744.75 million exceed the current assets. (iii) As at March 31, 2022, the Company has accumulated loss of Rs.93,131.30 million and its net-worth is fully eroded; 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.
2	Type of Audit Qualification: Qualified Opinion / Disclaimer of			Qualified opinion

	opinion / Adverse 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 impact is quantified by the auditor, Management's Views:			Not applicable
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

VIJAY HARSUKHLAL MEHTA
Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:05:09 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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

GIRISH CHANDRA CHATURVEDI
Digitally signed by GIRISH CHANDRA CHATURVEDI
Date: 2022.09.22 17:38:22 +05'30'

G C Chaturvedi
Director
DIN: 0110996

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.09.22 18:39:35 +05'30'

C S Rajan
Director
DIN: 0126063

Kaushik Modak
Digitally signed by Kaushik Modak
Date: 2022.09.22 20:48:12 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.09.22 17:08:30 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:05:06 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Date:22-09-2022
Place: Mumbai

Independent Auditor's Report on Year to date audited Consolidated Financial Results of the IL&FS Energy Development Company Limited pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

Report on Audit of Consolidated Financial Results

We have audited the accompanying statement of year to date Consolidated Financial Results of IL&FS Energy Development Company Limited ("the Holding Company") and its subsidiaries listed in Annexure A (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

The previous statutory auditors had issued their report on Standalone Financial Results of the Holding Company for the financial year 2019-20, but not on the Consolidated Financial Results before tendering their resignation. We have therefore not audited the Standalone Financial Results of the Holding Company. We have verified process followed and the applicability of the relevant provisions of the Companies Act, 2013 ("the Act") for the preparation of the Consolidated Financial Results based on which the Statement has been prepared. Financial information of the subsidiaries included in the Statement, audited by its respective auditors have been provided to us by the management except for Maritime International Offshore Pte Ltd, whose audited accounts are not available and unaudited financial information has been provided by the management of the subsidiary for the preparation of these Consolidated Financial Results. We have also been provided audited financial statements of joint ventures except Bihar Power Infrastructure Company Limited whose information has been provided by management of respective joint venture and relied upon by management of the Holding Company for the preparation of Consolidated Financial Results.

Qualified Opinion

As mentioned above, Standalone Financial Statements of the Holding Company were audited by previous statutory auditors who had issued a 'Disclaimer of Opinion' vide their audit report dated December 21, 2020. The said opinion is reproduced in Annexure B.

Auditor of IL&FS Tamil Nadu Power Company Limited (ITPCL) had issued 'Qualified Opinion' vide their audit report dated December 5, 2020 and that of IL&FS Wind Energy Limited (IWEL) had issued its opinion vide their audit report dated August 11, 2022 on Consolidated Financial Statements of respective material subsidiaries. The said opinions are reproduced in Annexure C.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of such subsidiaries and joint ventures, the Statement :

i. Includes the results of the entities as mentioned in Annexure A

ii. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and

iii. except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, gives a true and fair view in conformity with the applicable Indian Accounting Standards and other accounting principles generally accepted in India, of the Consolidated Profit including Other Comprehensive Loss and other financial information of the Group for the year ended March 31, 2020.

Basis for Qualified Opinion

1. As mentioned in note 10 to the Statement, the Group has made total provision for impairment of assets of Rs. 391.52 million during the year, of which provision of Rs. 47.00 million is made in relation to third parties balances. Further, the Holding Company has also reversed provision of Rs. 11.86 million in respect of trade receivables as earlier recognised by the Holding Company.

   The management has recorded provisions during the current year and the previous year basis their internal assessment, which does not consider the requirements of the relevant Ind-AS Standards in its entirety. Thus, we are unable to comment on the possible effects of the aforesaid on the Statement as at and for the year ended March 31, 2020. Certain of the above matter was also modified in our report as at and for the year ended March 31, 2019.

2. Holding Company's auditor did not receive sufficient appropriate audit evidence in respect of:

A. Reconciliations/confirmations/agreements /share & debenture certificates:

i. response to request for direct balance confirmations towards borrowings (including interest accrued) of Rs. 5,417.12 million, bank balances (including fixed deposits) of Rs. 394.20 million, trade receivable balances aggregating to Rs. 280.46 million, loans and advances (including interest accrued) aggregating to Rs. 787.33 million and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees etc.;

ii. differences between books balances and confirmations received of Rs. 325.46 million with respect to borrowings (including interest accrued), Rs. 22.77 million towards trade receivable balances (excluding subsidiaries) and Rs. 33.94 million towards trade payable balances;

iii. loan agreements in respect of 19 loans extended to various group companies (Other than Subsidiaries) and third parties aggregating to Rs. 761.85 million and Rs. 1,462.00 million respectively and fixed deposit certificates amounting to Rs. 383.34 million as referred to in note 29 to the Statement;.

iv. physical certificates in relation to 3,533,500 equity shares, and 31,030 units having cost of Rs. 661.68 million, and Rs.372.36 million respectively and carrying value of units (post impairment) of Rs 316.08 million as at March 31, 2020 as held by the Holding Company in its investee companies and trust as referred to in note 30 to the Statement.

B. Holding Company's Management assessment:

i. of recoverability of income tax assets of Rs. 1,372.32 million as mentioned in note 31 on account of pending assessment of uncertain tax positions as per requirement of Appendix C of Ind AS 12, tax assets arising out of merger of IL&FS Renewable Energy Limited with the Holding Company, on-going tax litigations and pending tax assessments and impact of matters related to qualified opinion;

ii. of Goods and Service Tax credit amounting to Rs. 147.82 million considered as good of recovery as at March 31, 2020 as referred to in note 32 to the Statement;

iii. of disclosure/impact of revenue recognition standard Ind AS 115 'Revenue from contracts with Customers and new Leases Standard, Ind AS 116 'Leases' as more fully discussed in note 12 and note 33 and compliance with the requirement of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations'.

C. Commercial substance and rationale:

i. for recognition of liability of Rs. 641.04 million in respect of Infrastructure Leasing & Financial Services Limited (IL&FS), which is also claimed by one of the vendors (including overdue interest of Rs. 22.72 million) as mentioned in note 34 to the Statement;

ii. for non-allocation of legal & professional expenses of Rs. 60.78 million to various subsidiaries and joint ventures based on the debt ratio as approved by the board of IL&FS and recording the entire expense as has been allocated to the Holding Company by IL&FS, as mentioned in the note 25 to the Statement;

iii. for accounting and disclosure in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, against which the Holding Company has disclosed Rs.17.61 million as advance from customers after adjusting expenses of Rs.7.39 million (including Rs.3.29 million pertaining to previous year), pending formal communication in respect of the current project status with the said customer as mentioned in note 23 to the Statement;

iv. With respect to following transactions of earlier years:

- for considering sale of shares of a subsidiary and an associate to be consummated for a consideration of Rs. 1,480.00 million pending share transfer and collection of sale consideration recording of profit on sale of Rs. 181.85 million in those years and impairment of said sale consideration during the previous year as mentioned in note 16 to the Statement;
- for recording certain transactions of funds movement in form of loans taken from IL&FS and loans given back to IL&FS.

Holding Company auditor was unable to comment on the consequential effects of the above matters on the Standalone Financial Statements of Holding Company which may impact the accompanying Statement. Certain of the above matters were also modified included in the Emphasis of Matter paragraph of our audit report for the year ended March 31, 2019.

3. As mentioned in note 24 to the Statement, during the year, the Holding Company has reversed Rs.29.21 million (excluding taxes) in the revenue from operations on account of changes in the basis of computation of revenue as advised by its customer subsequent to the year ended March 31, 2020. Further the said reversal is also not confirmed by the customer in its balance confirmation. Accordingly, the Holding Company's auditor was unable to comment on the measurement of the revenue of Rs. 175.61 million (previous year - Rs. 189.03 million) as recognized by the Holding Company and related receivable of Rs. 62.08 million (previous year - Rs 94.89 million) as recorded in the Standalone Financial Statements which may impact the Statement.

4. As mentioned in note 15 to the Statement regarding gross trade receivables and unbilled revenues of ITPCL amounting to Rs 18,200.62 million and Rs 2,205.24 million, respectively (previous year - Rs 7,004.53 million and Rs 1,783.94 million respectively), that remain uncollected as of even date. ITPCL has made provisions of Rs 1,944.76 million (previous year -- Rs 1,134.31 million) in respect of the aforesaid trade receivables. The Auditor of ITPCL was unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.

5. As mentioned in note 18 to the Statement, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In the opinion of auditor of ITPCL, ITPCL may be required to account for the liabilities in note 18 (i) to (v) aggregating to Rs 15,176.83 million, in the financial statements of ITPCL, as at March 31, 2020 (previous year Rs 5,021.98 million).

6. Note 21 to the Statement. For the reasons stated in that note, ITPCL has not recorded the net difference of Rs. 5,949.28 million (previous year - Rs. 256.00 million) between book balances and bank & institution balances, in respect of loans from banks and financial institutions. These include borrowings of Rs. 6,982.54 million, in respect of which, Auditor of ITPCL have sought but not obtained direct confirmation from the respective lenders, and have instead relied on confirmations/ statements from lenders obtained and provided to them by the management of ITPCL. Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements of ITPCL.

As stated in the earlier paragraphs, we conducted our audit of the Consolidated Financial Results 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 Consolidated Financial Results' section of our report. We are independent of the Group 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 Consolidated Financial Statements under the provisions of the Act and the Rules made 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on these Consolidated Financial Results.

Material Uncertainty Related to Going Concern

On the basis of audit reports on Standalone Financial Statements of the Holding Company and Consolidated Financial Statements of its material subsidiaries i.e. ITPCL and IWEL, we report as under:

1. Holding Company has net current liabilities of Rs. 44,003.08 million as at March 31,2020 (previous year - Rs. 44,428.64 million), has reported accumulated losses of Rs. 93,967.98 million as at March 31, 2020 (previous year - Rs. 94,454.65 million) and its net worth is fully eroded. The Holding Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Holding Company's ability to raise funds has been substantially impaired with normal business operations being substantially curtailed;

2. ITPCL has accumulated losses of Rs. 37,396.44 million as at March 31, 2020 (previous year – Rs. 46,339.81 million). It has incurred a net profit of Rs. 8,464.83 million for the year ended March 31, 2020 (net loss of Rs. 40,930.26 million during the previous year). Also, its current liabilities exceeded its current assets by Rs. 5,324.77 million as at March 31, 2020;

3. As at March 31, 2020 current liabilities of IWEL aggregates to Rs.8,371.40 million and current assets amounts to Rs.5,984.21 million. Accordingly, current liabilities of IWEL exceeds current assets by Rs. 2,387.19 million;

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a 'going concern'.

Emphasis of Matters

1. We draw attention to our observation in 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:
   i. Note 9 to the Statement, one of the lenders of the Holding Company has initiated forensic audit of the Holding Company for the period from September 1, 2013 to March 31, 2020;

   ii. Note 5 to the Statement, the Board of Directors of IL&FS have initiated third-party forensic examination of various matters of IL&FS and certain subsidiaries of the IL&FS Group for the period from April 2013 to September 2018, which are currently ongoing;

   iii. Note 4 to the Statement, on January 1, 2019, IL&FS and two of its fellow subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from NCLT for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Act. During the period mentioned above, the Holding Company has entered into various transactions with the above-mentioned companies and such reopening and recasting may have impact on the financial statements of the Holding Company. Such process of reopening and recasting of prior years accounts is currently in progress;

   iv. Note 6 to the Statement, management of the Holding Company and respective subsidiaries is in the process of compiling, reconciling and finalizing claims with its books of account in accordance with the Resolution Framework;

   v. Note 7 to the Statement, there are ongoing investigations by various regulatory authorities and agencies on IL&FS and its subsidiaries/fellow subsidiaries.

   Consequently, the Statement do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.

3. As mentioned in note 8 to the Statement, the Holding Company is not in compliance with certain requirements/ provisions of applicable laws and regulations, including but not limited to SEBI Regulations applicable for Listed companies, Listing Agreement, Goods & Service Tax Act, 2017, Reserve Bank of India Act, 1934, Foreign Exchange

Management Act, 1999, Income Tax Act, 1961 and Companies Act, 2013 with respect to non-filing of the half yearly financial results, non-appointment of Chief Financial Officer and internal auditors, non-preparation of Consolidated Financial Statements within the timeframe as required under the Companies Act, 2013, non-payment of GST liability, non-registration as non-banking finance company under Section 45-IA of Reserve Bank of India Act, 1934, etc.

Pending final determination by management of the financial and other consequences arising from such non-compliances, auditor of the Holding Company is unable to determine the impact of possible adjustments/disclosures that may be required to be made to its Standalone Financial Statements which may impact the accompanying Statement.

As mentioned in auditor's report of ITPCL, ITPCL is not in compliance of laws and regulations (including certain requirements of the Act and non-compliance of certain loan covenants).

4. As mentioned in note 11 to the Statement, the group has not accounted for contractually payable finance cost on borrowings (excluding penal/other interest and charges) as well as interest income on lending for the period from October 16, 2018 to March 31, 2020 pursuant to an order passed by NCLAT specifying October 15, 2018 as cut-off date for initiation of resolution process and for distribution of assets. Further, the Holding company has also not recognized interest expense on account of non-payment of TDS liability and non-payment of GST liability respectively for the period from April 1, 2019 to March 31, 2020 pursuant to the above-mentioned order of NCLAT. This regulatory order overrides the Indian Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, which require accrual of these expenses.

5. Attention is drawn to:
   a. Note 19 to the Statement regarding determination of recoverable value, and provision for impairment of property, plant & equipment in the previous year by ITPCL. As discussed in that note, any future changes to the estimates, assumptions, and dependencies on external factors, including inter alia the extension of Power Purchase Agreement (PPA) with the state electricity distribution company / entering into new revenue arrangements, continued validity of the various assumptions made, considered by management of ITPCL, may affect the recoverable value of the related assets and, consequently, the provision for impairment recorded by ITPCL;

b. Note 17 to the Statement regarding capital work in progress (CWIP) of approximately Rs. 331.82 million (previous year- Rs. 555.79 million), the recoverability of which, by ITPCL, is dependent on the successful funding and completion of the construction of relevant asset;

c. Note 20 to the Statement regarding classification of borrowings by ITPCL, in view of the reasons more fully discussed in that note.

Our opinion is not qualified in respect of the above matters.

Management and Board of Director's Responsibilities for the Consolidated Financial Results

The First Board Meeting of the Holding Company under new management took place on November 01, 2018. Accordingly I n respect of the period prior to November 01, 2018, the Directors are unable to and do not confirm the compliance with the requirements of the provisions of the Act.

The Statement has been prepared on the basis of the Consolidated financial statements. The Holding Company's Board of Directors 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 of the Group, in accordance with the applicable 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 52 of the Listing Regulations. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 judgment 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 Group has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls as applicable;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- 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 ability of the Group 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 Group 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 financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion;

We communicate with those charged with governance of the Holding Company, 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.

Other Matters

1. We did not audit Standalone Financial Statements of the Holding Company included in the Consolidated Financial Statement, whose financial statements reflect total assets of Rs. 10,985.23 million, total liabilities of Rs. 51,126.61 million as at March 31, 2020, total revenue of Rs. 1,356.70 million and total comprehensive profit of Rs. 487.62 million for the year ended March 31, 2020 as considered in the Consolidated Financial Statement. These financial statements have been audited by previous statutory auditor whose report has been furnished to us, and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of the Standalone Financial Statements and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to the Standalone Financial Statements, is based solely on the report of previous statutory auditor;

2. We did not audit financial statements of 14 subsidiaries included in the Consolidated Financial Statement, whose Standalone/Consolidated Financial Statements reflect total assets of Rs. 1,15,274.91 million, total liabilities of Rs. 1,37,031.34 million as at March 31, 2020, total revenue of Rs. 35,631.08 million and total comprehensive income of Rs. 8,149.50 million for the year ended March 31, 2020 as considered in the Consolidated Financial Statement. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to these subsidiaries, is based solely on the reports of other auditors;

3. Financial information of 1 foreign subsidiary included in the Consolidated Financial Statements, whose financial statements reflect total assets of Rs. 0.45 million, total liabilities of Rs. 3.41 million as at March 31, 2020, total revenue of Rs. Nil and total comprehensive loss of Rs. 0.73 million for the year ended March 31, 2020, is based on unaudited financial statements. Financial information of this subsidiary has been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information;

4. Consolidated Financial Statement include Group's share of net profit (and other comprehensive income) of Rs.1,289.37 million for the year ended March 31, 2020, in respect of 4 joint ventures, whose financial statements have been audited by other auditors whose reports have been furnished to us by the management of the Holding Company and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures is based solely on the reports of the other auditors;

5. Consolidated Financial Statement include Group's share of net loss (and other comprehensive loss) of Rs. 2.73 million for the year ended March 31, 2020, in respect of 1 joint venture, whose financial statements have not been subjected to audit. Financial information of these joint venture has been provided by the management of respective joint venture which have been relied upon by the management of the Holding Company and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of these joint venture is based solely on such unaudited information;

6. The comparative financial information included in Statement are basis the Consolidated Financial Results for the year ended March 31, 2019 on which we had issued modified opinion dated September 2, 2022.

7. The Holding Company has not presented the information for the six months ended March 31,2020 and related comparatives for the six months ended March 31,2019 along with certain other disclosures as required by Regulations 52 read with the Circular.

Our opinion is not modified in respect of these matters.

FOR C N K & ASSOCIATES LLP
CHARTERED ACCOUNTANTS
Firm Registration Number: 101961W/W-100036

VIJAY HARSUKHLAL MEHTA

Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:06:10 +05'30'

Vijay Mehta
Partner
Membership Number: 106533
UDIN: 22106533ATUMKY4736

Place: Mumbai
Date: September 22, 2022

Annexure A: List of Subsidiaries and Joint Ventures consolidated

I. <u>List of Subsidiaries (Direct/ Indirect):</u>

1. Cuddalore Solar Power Private Limited
2. IL&FS Solar Power Limited
3. IL&FS Tamil Nadu Power Company Limited
    a) IL&FS Maritime Offshore Pte Limited
    b) IL&FS Offshore Natural Resources Pte Limited
    c) Se7en Factor Corporation
    d) PT Bangun Asia Persada
    e) PT Mantimin Coal Mining
4. IL&FS Wind Energy Limited (Its Subsidiaries Consolidated Till October 15,2019)
    a) Lalpur Wind Energy Private Limited
    b) Khandke Wind Energy Private Limited
    c) Ratedi Wind Power Private Limited (Formerly IL&FS Wind Power Limited)
    d) Tadas Wind Energy Private Limited
    e) Wind Urja India Private Limited
    f) Ethisian Urja Limited
    g) Kaze Energy Limited
5. IL&FS Wind Power Services Limited
6. Jogihali Wind Energy Private Limited
7. Mota Layja Gas Power Company Limited
8. Mahidad Wind Energy Private Limited
9. Nana Layja Power Company Limited
10. Patiala Bio Power Company Limited
11. Rohtas Bio Energy Limited
12. Ramagiri Renewable Energy Limited
13. Shendra Green Energy Limited
14. Sipla Wind Energy Limited
15. Vejas Power Projects Limited
16. Maritime International Offshore Pte Ltd

II. <u>List of Joint Ventures:</u>

1. Bihar Power Infrastructure Company Private Limited
2. Asaam Power Project Development Company Limited
3. Saurya Urja Company of Rajasthan Limited
4. Cross Border Power Transmission Company Limited
5. ONGC Tripura Power Company Limited

Annexure B: Extracts from the Audit Report on Standalone Financial Statements of the Holding Company

Disclaimer of Opinion

We were engaged to audit the accompanying standalone Ind AS financial statements of IL&FS Energy Development Company Limited (the Company) which comprise the standalone balance sheet as at March 31, 2020, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income, the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended. and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone Ind AS financial statements of the Company. Because of the significance of the matters described in the Basis for Disclaimer of Opinion and Material Uncertainty Related to Going Concern sections of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying standalone Ind AS financial statements.

Basis for Disclaimer of Opinion

(a) As mentioned in Note 40 (a) to the accompanying standalone Ind-AS financial statements. the Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs. 129.66 million during the year (March 31, 2019, Rs. 87,242.09 million). Further, the Company has also recognised gain of Rs. 193.02 million on the investments made in the joint ventures based on the net worth and has also reversed provision of Rs. 11.86 million in respect of trade receivables as earlier recognised by the Company and is carrying financial assets of Rs. 5,884.15 million as at March 31, 2020.

In the absence of audited financial statements of 7 subsidiaries, 2 joint ventures and 6 other investee companies for the year ended March 31, 2020, and 3 subsidiaries. 1 joint venture and 4 other investee companies for the year ended March 31, 2019, necessary and/or complete information to support cash flow-based tests over its investments and assumptions to determine the recoverable amount of loans and receivables, the management has recorded provisions/gain during the current year and the previous year basis their internal assessment, which does not consider the requirements of the relevant Ind-AS Standards in its entirety. Thus, we are unable to comment on the possible effects of the aforesaid on the accompanying Ind AS financial statements as at and for the year ended March 31, 2020. The above matter was also disclaimed in our report as at and for the year ended March 31, 2019.

(b) *We have not received sufficient appropriate audit evidence in respect of:*

A. *Reconciliations/confirmations/agreements /share & debenture certificates:*

- *response to our request for direct balance confirmations towards borrowings (including interest accrued) of Rs. 5,417.12 million, bank balances (including fixed deposits) of Rs. 394.20 million, certain trade receivable balances aggregating to Rs. 280.46 million, certain loans and advances (including interest accrued) aggregating to Rs. 787.33 million and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees etc;*

- *differences between books balances and confirmations received of Rs. 325.45 million with respect to borrowings (including interest accrued). Rs. 7.10 million towards loans and advances (including interest accrued) Rs.23.42 million towards certain trade receivables balances and Rs. 33.91 million towards certain trade payable balances;*

- *loan agreements in respect of 84 loans extended to various group companies and third parties aggregating to Rs. 7,342.57 million and Rs. 1,462.00 million respectively, as referred to in note 11 and fixed deposit certificates against the fixed deposits made amounting to Rs.383.34 million as referred to in note10 to the accompanying standalone Ind-AS financial statements.*

- *completeness of inter-company balances pending completion of audit of financial statements of holding company, fellow subsidiaries, various subsidiaries, associates and joint ventures as at and for the year ended March 31, 2020/March 31, 2019;*

- *physical certificates in relation to 3,533,500 equity shares,106,152,930 debentures and 31,030 units having cost of Rs. 661.68 million, Rs.1,061.53 million and Rs.372.36 million respectively and carrying value (post impairment) of Rs 316.08 million as at March 31, 2020 as held by the Company in its investee companies and trust as referred to in note 8 to the accompanying standalone IND-AS financial statements.*

B. *Management assessment:*

- *of financial and other consequences and likely outcome of the litigations and liabilities arising out of the outstanding financial guaranties extended to group companies as mentioned in note 39, note 48 and note 41 respectively to the accompanying standalone Ind -AS financial statements;*

- *of recoverability of income tax assets of Rs 1,372.32 million as mentioned in note 13 on account of pending assessment of uncertain tax positions as per requirement of Appendix C of Ind AS 12, tax assets arising out of merger of IL&FS Renewable Energy Limited with the Company on-going tax litigations and pending tax assessments and impact of matters related to disclaimer of opinion.*

- *of Goods and Service Tax credit amounting to Rs 147.82 million considered as good of recovery as at March 31, 2020 as referred to in note 14;*

- *of disclosure/impact of revenue recognition standard Ind AS 115 'Revenue from contracts with Customers and new Leases Standard, Ind AS 116 'Leases' as more fully discussed in note 44 and 58 and compliance with the requirement of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations' in respect of classification of investments in group companies as Held for Sale.*

C. *Commercial substance and rationale:*

- *for recognition of liability of Rs 641.04 million in respect of the holding company, which is also claimed by one of the vendors (including overdue interest of Rs. 22. 72 million) as mentioned in note 23 to the accompanying Standalone Ind-AS financial statements;*

- *for non-allocation of legal & professional expenses of Rs. 60.78 million to various subsidiaries and joint ventures based on the debt ratio as approved by the board of the holding company and recording the entire expense as has been allocated to the Company by the holding company, as mentioned in the note 51 to the accompanying, standalone Ind -AS financial statements;*

- *for accounting and disclosure in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, against which the Company has disclosed Rs 17.61 million as advance from customers after adjusting expenses of Rs. 7.39 million (including Rs.3.29 million pertaining to previous year), pending formal communication in respect of the current project status with the said customer as mentioned in note 49 to the accompanying standalone Ind-AS financial statements*

- *With respect to following transactions of earlier years:*
    - *for considering sale of shares of a subsidiary and an associate to be consummated for a consideration of Rs. 1,480.00 million pending share transfer and collection of sale consideration recording of profit on sale of Rs. 181.85 million in those years and impairment of said sale consideration during the previous year as mentioned in note 8(III).*

    - *for recording certain transactions of funds movement in form of loans taken from its holding company and loans given back to holding company on same day onward lending to subsidiaries (including those which had no business) and refund thereof from said subsidiaries on the same or next day, new loans taken from same group companies to repay their old outstanding loans. Loans taken by subsidiaries (having no business) from group companies and lent to the Company, loans given to/taken from certain subsidiaries of which loans given were provided for while loans taken were not settled, during the period as mentioned in note 45:*

Accordingly, we are unable to comment on the consequential effects of the above matters on the accompanying standalone Ind-AS financial statements. Certain or the above matters were also disclaimed in our report at and for the year ended March 31, 2019.

(c) As mentioned in:

h) note 39 of the accompanying standalone Ind-AS financial statements, during the year, one of the lenders of the Company has initiated forensic audit of the Company for the period from September 1, 2013 to March 31, 2020 and as mentioned in note 35, the Board of Directors of the holding company have initiated third-party forensic examination of various matters of the holding company and certain subsidiaries of the IL&FS Group for the period from April 2013 to September 2018, which are currently ongoing.

i) note 34 to the accompanying standalone Ind-AS financial statements, on January 1, 2019, the holding company and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from NCLT for the reopening and recasting of their accounts in respect of financial years 2013-14 to 2017-18, under Section 130 of the Companies Act, 2013. During the period mentioned above, the Company has entered various *transactions with the above- mentioned companies and such reopening and recasting may have impact on the financial statements of the Company. Such process of reopening and recasting of prior years' accounts is currently in progress.*

j) note 36 to the accompanying standalone Ind-AS financial statements. management is in the process of compiling, reconciling and finalizing claims with its books of account in accordance with the Resolution Framework.

k) note 37 lo the accompanying standalone Ind-AS financial statements, there are ongoing investigations by various regulatory authorities and agencies on the holding company and its subsidiaries.

Consequently, the accompanying standalone Ind-AS financial statements do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein. Certain of the above matters were also disclaimed in our report as at and for the year ended March 31, 2019.

(d) As mentioned in Note 38 to the accompanying standalone Ind-AS financial statements, the Company is not in compliance with certain requirements/provisions of applicable laws and regulations, including but not limited to SEBI Regulations applicable for listed companies, Listing Agreement, Goods & Service Tax Act 2017, Reserve Bank of India Act 1934, Foreign Exchange Management Act 1999, Income Tax Act 1961 and Companies Act 2013 with respect to non-filing of the half yearly financial results, non-appointment of Chief Financial Officer and internal auditors, non-preparation of consolidated financial statements, non-payment of GST liability, non-registration as non-banking finance company under Section 45-1A of RBI Act etc.

Pending final determination by management of the financial and other consequences arising from such non-compliances we are unable to determine the impact of possible adjustments/disclosures that may be required to be made to the accompanying standalone Ind-AS financial statements. The above matter was also disclaimed in our report as at and for the year ended March 31, 2019.

As mentioned in note 50 to the accompanying standalone Ind-AS financial statements during the year, the Company has reversed Rs.29.21 million (excluding taxes) in the revenue from operations on account of changes in the basis of computation of revenue as advised by its customer subsequent to the year ended March 31, 2020. Further, the said reversal is also not confirmed by the customer in its balance confirmation. Accordingly, we are unable to *comment on the measurement of the revenue of Rs. 175.61 million (Rs. 189.03 million for March 31 ,2019) as recognised by the Company and related receivable of Rs. 62.08 million (Rs 94.89 million as at March 31, 2019) as recorded in these accompanying financial statements.*

Annexure C: Extracts from the Consolidated Audit Reports of material subsidiaries

1. *ITPCL*

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of IL&FS Tamil Nadu Power Company Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of' our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act'') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, its consolidated loss including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to the matters more fully discussed in the following notes to the financial statements:

(a) Note 41 to the financial statements. The accompanying Ind-AS consolidated financial statements include Rs 1,923.19 million, Rs 0.42 million, Rs 164.75 million and Rs 18.84 million (previous year Rs 1,938.36 million, Rs 2.20 million, Rs 79.89 million, and Rs 2.13 million respectively), of total assets, total revenue, total losses and net cash flows, respectively, pertaining to the Company's subsidiary, whose consolidated financial statements under Ind-AS have been prepared by management but have not been audited. We are unable to comment on the consequential effects, had such consolidated financial statements been audited.

(b) *Note 42 to the financial statements regarding gross trade receivables and unbilled revenues, of Rs 18,200.62. million and Rs 2,205.24 million, respectively (previous year - Rs 7,004.53 million and Rs 1,783.94 million respectively), that remain uncollected as of even date. The Company has made provisions of Rs 1,944.76 million (previous year -- Rs l, 134.31 million) in respect of the aforesaid trade receivables. We are unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.*

(c) *Note 45(a) to the financial statements, relating to contractual liabilities not accounted for, for the reasons stated in the said note. In our opinion, the Company may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 15, 176.83 million, in the financial statements, as at March 31, 2020 (previous year Rs 5,021.98 million). Further, pending the final assessment and determination of various claims received as stated in note 45(b), we are unable to comment on the adjustments that may be required in this regard, to the financial statements.*

(d) *Note 46 to the financial statements. For the reasons stated in that note, the Company has not recorded the net difference of Rs 5,949.28 million (previous year - Rs 256 million) between book balances and bank & institution balances, in respect of loans from banks and financial institutions. These include borrowings of Rs 6,982.54 million, in respect of which, we have sought but not obtained direct confirmations from the respective lenders, and have instead relied on confirmations/statements from lenders obtained and provided to us by the Company. We are unable to comment on the consequential effects of' the above, on the financial statements.*

(e) *Note 47, relating to the regulatory order for re-opening of' books of accounts and re-casting of financial statements of certain group companies, and Note 48, relating to the forensic investigation process initiated but not yet concluded in respect of entities in the group, including the Company, whose possible consequential effects on the financial statements cannot be determined as of even date.*

Our audit opinion on the consolidated Ind AS financial statements for the year ended March 31, 2019 was qualified for the above matters.

2. *IWEL*

Opinion

As mentioned above, Standalone Financial Statements of Holding Company were audited by previous statutory auditors who had issued a 'Disclaimer of Opinion' vide their audit report dated December 4, 2020. The said opinion is reproduced as under:

Disclaimer of Opinion

We were engaged to audit the accompanying standalone Ind AS financial statements of IL&FS Wind Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone Ind AS financial statements of the Company. Because of the significance of matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The matters in paragraphs 1 to 3 below should be read with Note 2.1 to the accompanying standalone Ind AS
financial statements which discusses certain key events of the year; Note 2(1)(b) to the accompanying standalone Ind AS financial statements regarding the resolution process followed by the board of directors in relation to the Company's operations, and other notes referred herein below:

1) *Going Concern*

   We draw attention to note 2 of the accompanying standalone Ind AS financial statements which states that during the period under audit:

   i. *The Company has defaulted in repayment of interest and principal on the debt taken from related parties aggregating to Rs. 43,500.60 lakhs and the said defaults are continuing till the date of this report.*

   ii. *At the Balance Sheet date, current liabilities of the Company, due to financial, operational, other class of creditors and group companies aggregates to Rs. 83,713.97 lakhs and current assets aggregate to Rs. 59,842.10 lakhs. Accordingly, current liabilities of the Company exceed current assets by Rs. 23,871.87 lakhs.*

As stated in note 2 of the accompanying standalone Ind AS financial statements, the manner of settlement of liabilities is subject to approval of the Committee of Creditors and further approval of National Company Law Tribunal or National Company Law Appellate Tribunal, pending which the management is unable to determine the final amounts payable to financial, operational and other class of creditors including group companies and determine the amount of cash that would be available to the Company to continue as a going concern and discharge its liabilities.

Consequently, we are unable to determine the Company's ability to continue as a going concern.

2) (a) As stated in Note 2.1(d) to the accompanying standalone Ind-AS financial statements, on January 1, 2019, the Infrastructure Leasing & Financial Services Limited and two of its subsidiaries (IL&FS Transportation Networks Limited and IL&FS Financial Services Limited) received orders from the National Company Law Tribunal for the reopening and recasting of their accounts in respect of financial years 2013- 14 to 2017-18, under Section 130 of the Companies Act 2013. Such process of reopening and recasting of prior years' accounts is currently in progress. The Company have entered into various transactions with these companies including placement of ICD's, ICD's taken during the period for which the books of accounts have been ordered to be re-opened and re-casted,

(b) As mentioned in Note 2.1(e) to the accompanying standalone Ind-AS financial statements, the claim management process is ongoing and has not been concluded,

(c) As mentioned in Note 2.1(h) to the accompanying standalone Ind-AS financial statements, there are ongoing investigations by various regulatory authorities and agencies on the Company,

Consequently, the accompanying standalone Ind-AS financial statements do not include any possible adjustments arising from the aforesaid matters, including to the extent these may affect prior period comparatives presented therein.

3) *As stated in Note 2.1(g) to the accompanying standalone Ind-AS financial statements, 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 (including disclosure applicable to NBFC Companies) have been made to the accompanying standalone Ind-AS financial statements.*

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
STATEMENT OF CONSOLIDATED FINANCIAL RESULTS AS AT 31 MARCH, 2020
Consolidated Balance Sheet as at March 31, 2020

	As at 31.03.2020	As at 31.03.2019
	Audited	Audited
	Rs. Million	Rs. Million
ASSETS		
I. NON-CURRENT ASSETS		
(a) Property, plant and equipment	70,986.96	73,018.85
(b) Right-of-use assets	42.28	-
(c) Capital work-in-progress	1,761.19	2,131.50
(d) Goodwill	-	0.00
(e) Other intangible assets	1,344.47	1,345.31
(f) Financial assets		
i) Investments	2,369.86	2,254.86
ii) Trade receivables	2,220.95	8,663.12
iii) Loans	1,000.98	1,315.14
iv) Other financial assets	1,432.33	1,121.60
(g) Deferred tax assets (net)	51.88	60.78
(h) Non-current tax assets (net)	1,727.28	1,682.86
(i) Other non current assets	493.47	565.70
Total non-current assets (A)	**83,431.65**	**92,159.72**
II. CURRENT ASSETS		
(a) Inventories	3,168.93	1,446.04
(b) Financial assets		
i) Trade receivables	22,241.87	10,955.56
ii) Cash and cash equivalents	3,658.86	657.85
iii) Bank balances other than (ii) above	10,322.20	1,361.14
iv) Loans	259.72	259.86
v) Other financial assets	4,920.01	3,074.43
(c) Current tax assets (net)	16.16	5.66
(d) Other current assets	634.31	1,091.10
	45,222.06	**18,851.64**
Assets classified as held for sale	710.58	49,749.28
Total Current Assets (B)	**45,932.64**	**68,600.92**
TOTAL ASSETS (A) + (B)	**1,29,364.29**	**1,60,760.64**
EQUITY AND LIABILITIES		
III. EQUITY		
(a) Share capital	13,182.26	13,182.26
(b) Other equity	(57,002.33)	(65,902.04)
Equity attributable to owners of the Company	**(43,820.07)**	**(52,719.78)**
Non-controlling interests	13,014.71	17,538.61
Total equity (C)	**(30,805.36)**	**(35,181.17)**
LIABILITIES		
IV. NON-CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	56,099.26	64,218.45
ii) Other financial liabilities	1.36	343.14
iii) Lease liabilities	6.60	-
(b) Provisions	40.30	45.96
(c) Deferred tax liabilities (net)	147.65	103.45
(d) Other non-current liabilities	8,752.94	9,002.98
Total non-current liabilities (D)	**65,048.11**	**73,713.98**
V. CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	11,694.61	11,784.09
ii) Trade payables	5,397.53	4,791.17
iii) Lease liabilities	3.91	-
iv) Other financial liabilities	76,613.64	67,120.36
(b) Provisions	7.46	47.69
(c) Current tax liabilities (net)	30.07	2.09
(d) Other current liabilities	722.04	713.17
	94,469.26	**84,458.57**
Liabilities associated with assets classified as held for sale	652.28	37,769.26
Total current liabilities (E)	**95,121.54**	**1,22,227.83**
TOTAL LIABILITIES (F) = (D) + (E)	**1,60,169.65**	**1,95,941.81**
TOTAL EQUITY AND LIABILITIES (C) + (F)	**1,29,364.29**	**1,60,760.64**

See accompanying notes to the financial results

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

		Year ended 31.03.2020 Audited Rs. Million	Year ended 31.03.2019 Audited Rs. Million
I.	**Income**		
	Revenue from operations	35,206.55	30,378.17
	Other income	750.25	882.79
	Total Income (A)	**35,956.80**	**31,260.96**
II.	**Expenses**		
	Cost of fuel consumed	20,081.36	18,186.72
	Other direct expenses	670.84	1,696.21
	Employee benefits expense	346.50	607.20
	Finance costs	933.81	10,965.65
	Depreciation and amortisation expense	2,027.03	3,099.65
	Impairment expense	391.52	65,714.39
	Other expenses	2,981.29	6,800.50
	Total expenses (B)	**27,432.35**	**1,07,070.33**
	Profit/(Loss) before tax and share from Associates and Joint Ventures (A) - (B)	**8,524.45**	**(75,809.37)**
III.	**Share of profit/(loss) of Joint Venture and Associates (C)**		
	Share of profit/ (loss) of Joint Ventures	352.63	(258.16)
IV.	**Profit/(Loss) before tax (D) = (A) - (B) + (C)**	**8,877.08**	**(76,067.53)**
V.	**Tax expense: (E)**		
	(a) Current tax	83.20	225.98
	(b) Deferred tax	44.00	744.04
		127.20	**970.02**
VI.	**Profit/(Loss) for the year (F) = (D) - (E)**	**8,749.88**	**(77,037.55)**
	Profit / (loss) for the Year from Continuing Operations	8,749.88	(77,037.55)
	Discontinued Operation (Refer note on discontinuing operation)		
	Profit / (Loss) from Discontinued Operations before tax (F)	**3,362.62**	**703.29**
	Tax Expenses of Discontinued Operations	**238.11**	**133.78**
	Profit / (Loss) from Discontined Operation after tax	**3,124.51**	**569.51**
	Profit / (loss) for the Year	**11,874.39**	**(76,468.04)**
			-
	Profit / (Loss) for the Year	**11,874.39**	**(76,468.04)**
VII.	**Other comprehensive income (OCI)**		
	A) i) Items that will not be reclassified to profit or loss		
	a. Remeasurement of defined benefit plans	3.13	3.04
	b. Share of OCI in Joint Ventures and Associates	(0.09)	0.05
	ii) Income tax related to item that will not be reclassified to profit and loss	(0.27)	(1.16)
		2.77	1.93
	B) i) Items that will be reclassified to profit or loss		
	a. Effective portion of gains and loss on designated portion of hedging instruments in cash flow hedge	-	34.59
	b. Exchange differences in translating financial statements of foreign operations	(478.77)	(345.64)
	ii) Income tax relating to items that will be reclassified to profit or loss	-	(11.97)
		(478.77)	(323.02)
	Total other comprehensive income / (loss) (G)	**(476.00)**	**(321.09)**
VIII.	**Total comprehensive income/ (loss) for the year (F) + (G)**	**11,398.39**	**(76,789.13)**
	Profit / (loss) for the year from continuing operations attributable to:		
	- Owners of the Company	7,092.93	(80,562.95)
	- Non-controlling interests	1,656.95	3,525.40
		8,749.88	(77,037.55)
	Profit / (loss) for the year from discontinuing operations attributable to:		
	- Owners of the Company	2,283.73	385.24
	- Non-controlling interests	840.78	184.27
		3,124.51	569.51
	Other comprehensive income / (loss) for the year from continuing operations		
	- Owners of the Company	(476.20)	(320.20)
	- Non-controlling interests	-	-
		(476.20)	(320.20)
	Other comprehensive income / (loss) for the year from discontinuing operations		
	- Owners of the Company	0.20	(0.89)
	- Non-controlling interests		
		0.20	(0.89)
	Total comprehensive income / (loss) for the year		
	- Owners of the Company	8,900.66	(80,498.80)
	- Non-controlling interests	2,497.73	3,709.67
		11,398.39	(76,789.13)
	Earning per equity share		
	Earning per equity share (for continuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	5.15	(63.01)
	- Diluted (in Rs.)	5.15	(63.01)
	Earning per equity share (for discontinuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	1.78	0.30
	- Diluted (in Rs.)	1.78	0.30
	Earning per equity share (for continuing Operations & discontinuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	6.93	(62.72)
	- Diluted (in Rs.)	6.93	(62.72)

See accompanying notes to the Financial Results

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For the year ended March 31, 2020	For the year ended March 31, 2019 *
	Audited	Audited
	Rs. Million	Rs. Million
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) after tax from Continuing Operations	8,749.88	(77,037.55)
Profit / (Loss) after tax from Dis-Continuing Operations	3,124.51	569.51
Adjustment for:		
Share of profits in Joint Ventures	(352.63)	258.16
Depreciation and amortisation expense	2,925.82	5,051.89
Gain/ (Loss) on sale of property, plant and equipment	1.95	0.00
Finance costs	1,947.67	13,880.83
Interest income	(519.18)	(621.05)
Net (gain)/loss on derecognition of financial liability	153.08	249.52
Impairment Expenses	391.52	67,826.43
Provision for doubtful trade receivables/(payable)	(0.71)	(58.45)
Capital advances / Interest Receivable w/off	179.84	2,640.38
Provisions written back	(0.15)	(35.25)
Bad debts written off	10.96	(48.05)
Net gain/(loss) on foreign currency transactions and translation	312.14	58.46
Rent paid	(3.64)	-
Gain/(Loss) on disposal of subsidiaries	(1,339.10)	-
Provision for employee benefits and operation & maintainance expenses	893.26	50.99
Provision for Unbilled amount	-	32.29
Reversal of provision of accrued interest	(8.29)	-
Dividend Income	-	(10.25)
Operating profit before working capital changes	16,466.93	12,807.88
Movement in working capital		
Adjustments for increase / (decrease) in operating Assets:		
Inventories	(1,729.16)	2,179.42
Trade receivables	(7,533.60)	(4,392.83)
Other financial assets	(2,092.08)	856.44
Other assets	38.50	764.90
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	559.83	(2,316.19)
Other financial liabilities	(846.64)	(483.37)
Provision for employee benefits	0.04	(2.67)
Other Liabilities	1,241.46	(421.06)
Cash generated from operations	**6,105.29**	**8,992.52**
Taxes (paid)/refund received	179.21	1,206.71
Net cash flow from operating activities	**6,284.50**	**10,199.23**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(68.18)	(3,552.29)
Payment for purchase of other intangible assets		
Proceeds from sale of property plant and equipment	5.89	0.80
(Increase)/decrease in fixed deposits not considered as cash and cash equivalents	(7,988.75)	373.03
(Increase)/decrease in escrow account with security agent	(559.99)	773.14
Payment towards purchase of investment	-	(1,113.73)
Proceeds from sale of investments	4,718.47	2,407.88
(Increase)/decrease in loans and advances	1,563.72	(9,313.52)
Deposit in other fixed deposit	(38.00)	-
Interest received	1,549.92	1,648.36
Dividend received	139.69	263.41
Net cash flow from investing activities	**(677.24)**	**(8,512.95)**
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceed from long term borrowings(net)	(1,956.27)	5,064.00
Proceed from Short term borrowings(net)	(104.27)	(5,796.86)
Finance costs paid	(2,019.67)	(11,823.20)
Net cash flow used in financing activities	**(4,080.21)**	**(12,556.06)**
Net increase/(decrease) in cash and cash equivalents	**1,527.05**	**(10,869.78)**
Cash and cash equivalents at the beginning of the year	2,160.34	13,030.12
Cash and cash equivalents at the end of the year	3,687.39	2,160.34
Net increase/(decrease) in cash and cash equivalents	**1,527.05**	**(10,869.78)**

See accompanying notes to the financial results

1 General Information

IL&FS Energy Development Company Limited ("the Holding 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 110057. The Holding Company is engaged in development and operations of power projects and providing advisory services. The Holding Company is a subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS). These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on September 22, 2022

2 Significant developments at the Holding Company, IL&FS and various group companies ('the IL&FS Group') during the year ended March 31, 2020 and subsequent to the year end.

The Holding Company reported defaults on its borrowing obligations during the financial year 2018-19. Further, the credit rating of the Holding Company and IL&FS was downgraded to 'D' (lowest grade) on October 5, 2018 and 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 IL&FS and its subsidiaries be investigated by the Serious Fraud Investigation Office ("SFIO"). SFIO commenced investigation of affairs of the IL&FS/Group Companies. 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 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 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 governance and management change were 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 of the IL&FS 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. Temporary suspension of the acceleration of 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 of the bank accounts 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 resolution process of IL&FS Group Companies including the Holding Company and crystallizing the claims as of that date i.e. cut off date (October 15, 2018) with no interest, additional interest, default interest, penal charges or other similar charges to accrue after the said cut off date.

3 Resolution process proposed by new Board of Directors of the IL&FS Company

The New Board of Directors of the IL&FS (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.

The resolution plan seeks a fair and transparent resolution for the Group while keeping in mind larger public interest, financial stability, legality, various stakeholders' interest, compliance with legal framework and commercial feasibility. It is proposed to have a timely resolution process which in turn mitigate the fallout on the financial markets of the country and restore investor confidence in the financial markets thereby serving larger public interest. The IL&FS Energy Development Company Limited, being a holding company of energy vertical of IL&FS, having projects through various group entities, depends on its group entities to continue operating as a going concern. The resolution plan and processes for various verticals are under way and options of restructuring business, as well exits are planned. The plan of the management is to sell/exit from assets of the group entities as a going concern. Pending such sale, the New Board has decided to prepare these accounts on going concern.

The New Board of IL&FS 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 agreed resolution plan would be made public for the knowledge of all concerned stakeholders through an affidavit filed by the Union of India before Hon'ble NCLAT.

The New Board of IL&FS has submitted five progress reports to the NCLT on the resolution plans and latest of which were submitted on August 9, 2019 and Strategic actions taken include:

a) Appointing Legal, Transaction and Resolution Advisors
b) Securing a moratorium order from third party actions
c) Setting up 'Operating Committee' of senior executives for managing daily operations
d) Developing solution framework for managing unprecedented group insolvency using an umbrella resolution approach
e) Active recovery actions on external lending portfolio of IL&FS Financial Services (IFIN)
f) Working with central and state government authorities to resolve outstanding claims

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 Holding 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 Holding 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.

As discussed above, the New Board has submitted various progress reports to the NCLT on the resolution plans from time to time.

The New Board has been following a three- prolonged strategy- Resolve, Restructure and Recover- while adopting approach of equitable distribution and balancing interest of stakeholders across the IL&FS Group under IBC and Corporate Finance principles to resolve the debt.

Hon’ble NCLAT vide its judgement dated March 12, 2020 has approved revised Resolution Framework submitted by the New Board along with the amendments and also directed IL&FS and the Union of India to conclude the resolution process for all the IL&FS Group entities preferably within 90 days. Subsequently vide its order dated March 31, 2020 the NCLAT clarified that lock down/shut down period as ordered by Central Government of India and State Government will be excluded for calculation of the aforesaid 90 days.

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 statements.

Subsequent to the year end, Holding company has divested investment in the IL&FS wind power services limited, ONGC Tripura Power Company Limited, Advisory business of holding Company and Urjankur Shree Tatyasaheb Kore Warana Power Company Limited.

4 Order of NCLT for re-opening and re-casting of financial statements

The NCLT, vide order dated January 1, 2019, has allowed a petition filed by the Union of India, for re-opening of the books of accounts and re-casting the financial statements under the provisions of Section 130 of the Companies Act, 2013 for the financial years from 2013-14 to 2017-18, of IL&FS Limited , IL&FS Financial Services Limited (“IFIN”) and IL&FS Transportation Network Limited (“ITNL”) (both are collectively referred to as “fellow subsidiaries”).

The Group had entered into transactions with IL&FS and other group companies during the above-mentioned years. The process of such re-opening and re-casting of financial statements is currently in progress, pending which, it is not possible to determine the consequential effects arising therefrom, including their effects on the financial statements, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2019 (comparative period end date) and the current year ended March 31, 2020; and (c) the Statement of Profit and Loss for the years ended March 31, 2019 and March 31, 2020.

5 Status of New Board of Directors initiated investigations

As a consequence of the matter described in Note 2 above and various other matters discussed in these consolidated financial statements, the Board of Directors of the IL&FS Limited, in January 2019, have initiated a forensic examination for the period from April 2013 to September 2018, in relation to certain companies of the IL&FS Group, and has appointed an independent third party for performing the forensic audit and to report their findings to the Board of Directors of the IL&FS Limited. Pending completion of such examination, no adjustments have been recorded in these consolidated financial statements for any consequential effects / matters that may arise in this regard.

6 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 holding 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 Holding Company were invited (via advertisement(s) dated May 22, 2019) to submit their claims as at October 15, 2018 with proof, on or before June 5, 2019 (subsequently extended till June 18, 2020) to a Claims Management Advisor ("CMA") appointed by the IL&FS Group. The amounts claimed by the financial and operational creditors are assessed for admission by the CMA.

Management of the Group is in the process of reviewing the claims and reconciliation of such claims with the corresponding amounts as per the Group's books of account .Accordingly, no adjustments have currently been made in this regard to this consolidated financial statements, and these claims have been disclosed as part of contingent liabilities .

7 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 IL&FS Limited 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) have initiated investigations against the IL&FS Limited 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.

8 (a) Non-compliance with laws and regulations

(a) The Group is not in compliance with certain provisions/requirements of applicable laws and regulations. These include, but not limited to, certain requirement of the Companies Act, 2013, SEBI Regulations applicable for listed entities, Listing Agreement, Income tax Act and Goods and Services tax Act, FEMA Regulations with regard to External Commercial Borrowings etc.
(b) Management of the Group is in the process of evaluating the financial impact and other consequences arising from such non-compliance 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 consolidated financial statements.

(c) The IL&FS Limited has, vide application dated December 17, 2019, requested Hon'ble NCLT to grant extension of time to certain specified group companies as mentioned in that application to hold Annual General Meeting (AGM) and has also made additional application dated December 30, 2019, requesting Hon'ble NCLT to either grant exemption from preparing the consolidated financial statements for the year ended March 31, 2019 for certain companies (including the Holding Company), as mentioned in that application or to allow those said companies to present their respective consolidated financial statements for the year ended March 31, 2019 before June 30, 2020. Vide application dated June 30, 2020, the IL&FS Limited has again requested Hon'ble NCLT to allow the companies as mentioned in the said application to present their respective financial statements in the EGM of those respective companies before November 30, 2020. Till date, no such approval has been granted by the Hon'ble NCLT and the management is in the process of seeking further extension for the preparation and presentation of the consolidated financial statements for the year ended March 31, 2019 and is of the view that this would have no material impact terms of fines/penalties.

- In response of the above said applications, Ministry of Corporate Affairs (MCA) has filed an Affidavit dated December 4, 2020 with Hon'ble NCLT and submitted that it has no objection to the applications filed by IL&FS Limited for extension of time for holding Annual General Meeting (AGM) subject to following conditions:

- The financial statements (standalone and/or consolidated) being proposed to be presented before the shareholders in the AGM/EGM, shall not be uploaded or published and further subject to any modifications or qualifications in the recasted financial statements of FY 2013-14 to FY 2017-18 for IL&FS, ITNL and IFIN, whenever the same are finalized. It shall further be subject to approval of the recasted financial statements by the NCLT in terms of the provisions of Section 130 of the Companies Act, 2013 and the order dated January 1, 2019 passed by NCLT.

- The financial statements (standalone and consolidated) being proposed to be presented before the shareholders at the AGM/EGM, shall not be published or uploaded unless consolidated financial statements of IL&FS is ready for publication and same is reflecting recasted accounts with auditors report and directors report including qualifications in the recasted financial statements of FY 2013-14 to FY 2017-18 for IL&FS. ITNL and IFIN. whenever the same are finalized.

The management of the holding company believes that the above said Affidavit as filed by MCA is not applicable to the Holding Company and is applicable only to IL&FS Limited and its two fellow subsidiary companies i.c. ITNL and IFIN. as the financial statements of only the said companies are subject to be re-opening and re-casting as per the order of Hon'ble NCLT and will not have any impact on the financial statements of the Holding Company. Accordingly, these consolidated financial statements are not subject to the approval of Hon'ble NCLT or other authority and can be approved and adopted by the Board of Directors of the Holding Company and can be presented to the shareholders in the next AGM. Further, these consolidated financial statements can also be published or uploaded as and when required to comply with requirements of listing agreement with SEBI. The said position has been approved by Board of the Directors in their meeting for adoption of accounts and publication of results as at and for the year ended March 31, 2020.

(d) Per RBI Press Release no. 1998-99/1269 dated April 8, 1999 (Press Release), the holding 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 consolidated financial statements. The holding company has made significant investments and has given loans to its subsidiaries and accordingly, satisfies the "Asset Test" and "Income Test" per the requirements of Press Release. The holding company was required to seek registration under section 45-IA of the Reserve Bank of India Act, 1934 based on the audited financial statements of March 31, 2019. The holding company has sought clarifications from the RBI vide its request letter dated February 25, 2020 however no response has received till date. Further, the holding company also satisfies the above-mentioned tests based on the accompanying consolidated financial statements but has not yet obtained the registration under the said section till date. The management of the holding company believes that pending clarification from RBI, there would not be any material impact on account of this and accordingly, no adjustments have been made in these consolidated financial statements in this regard.

(e) The Board of IL&FS has initiated a forensic examination for the period from April 2013 to September 2018 for certain companies of the Group including ITPCL, and has appointed an external agency to perform the forensic audit and report to the Board of IL&FS. Pending completion of such audit insofar as it is related to the ITPCL, management does not expect any additional liability/exposure beyond those already accrued in its books of account as at March 31, 2020.

(f) As a result of the forensic audit referred to in Note 40(e) above, non-compliances in the period up to October 15, 2018, of certain covenants in respect of loans taken by ITPCL, have been identified. Having regard to the ITPCL's ongoing discussions with lenders, no further adjustments have been considered necessary to these consolidated financial statements, in that regard.

9 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 holding company following the default of borrowings made by the holding company, as described in that note. Further, the holding company is undergoing a resolution process (refer note 3)under the order of the National Company Law Tribunal ("NCLT").Further subsequent to the year ended March 31, 2020, one of the lender banks, named as Yes Bank , of the holding company has also appointed Hari Bhakti & Company LLP as forensic auditor to undertake the forensic audit of the holding company for the periof from September 01, 2013 to March 31, 2020 for which no draft report or findings or observations have been received till date, pending which 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 consolidated financial statements in this regard.

10 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 of the consolidated financial statements, 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, IL&FS group companies. All companies of IL&FS Group in India have been classified as "Red", "Amber" or "Green" categories based on the capacity of each company to meet its obligations.

Management of the Group 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. Management's approach in this regard does not consider the requirements of the relevant Ind-AS standards in entirety.

The management of the Group is of the view that the impairment allowance as recognized in these consolidated financial statement is based on the best judgement internal assessment and 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, 2019 and does not require any restatement. In the view of the management, the impairment provision made is prudent and represents the economic substance of the amounts recoverable as of March 31, 2020.

11 **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 aling 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 of the group 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 Group.

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

12 **Assessment under Ind AS 115 Revenue from Contract with customer**

Ind AS 115 was issued on March 28, 2018 and superseded Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue to be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. In addition, the new standard results into the change in accounting policy related to revenue recognition and requires extensive disclosures.

The Group is in business of providing consultancy services, sale of power, trading of power and revenue from construction contracts. The Group is still under the process of evaluating the impact of the new revenue recognition standard and a reliable estimate of the quantitative impact and disclosures of Ind AS 115 on the Ind AS financial statements will only be possible once the Group completes its assessment and accordingly impact of adoption of Ind AS 115 has not been given in the consolidated financial statements .

13 Consequent to the various matters mentioned in note 2 and 3 to this consolidated financial statements, the normal business operations of the Group as they existed until previous year ending March, 2018, seized on September 30, 2018, and the New Board had undertaken certain steps as mentioned in that note, to continue the current operations of the Group. While the Group has not disbursed/ not borrowed any fresh new loan during the year, however, during the previous year ended March 31, 2019, from the period from April 1, 2018 to September 30, 2018, the management has identified certain inter-company fund movements, wherein:

- receipt of funds of Rs. 7,270.00 million from IL&FS Limited, which were used by the holding company to repay old outstanding loans due to the said IL&FS Limited, on the same date.
- funds inflows of Rs. 4,043.86 million from IL&FS Limited, used for onward lending to certain subsidiaries and thereafter, received back from the said subsidiaries on the next day towards settlement of outstanding loans due to the holding company.

- transactions related to loans given by the holding company to subsidiaries and loan given by the group companies (subsidiary/holding company) to the holding company, of which the loans given by the holding company to these subsidiaries has been fully provided for;

- the holding company has borrowed loans from certain subsidiaries having no business therein, who have borrowed loans from other group companies and lent them to the holding company.

While these transactions were approved by the erstwhile Board of Directors, however, the management of the holding company is in the process of examining these transactions in greater details and identifying commercial substance, nature and business rationale for the said transactions. Pending such assessment, management believes that this will not have any material impact on carrying value of these loans.

14 Going concern assumption used for the preparation of these financial statements

As indicated in Note 3, there has been a resolution process run by the IL&FS Limited Company 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 Holding Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Holding Company is committed to taking necessary steps to meet its financial commitments to the extent possible. During the year IL&FS Wind Energy Limited one of the subsidiaries, has divested from 7 operationals wind SPV's and the holding company has received dues of Rs. 2,164.50 million during the year in respect of those 7 wind SPV's.The holding company has also invited expression of interest to sell/ assign/ transfer certain revenue generating contracts subsequent to the year ended March 31, 2020.

The Group has also engaged an independent third party as resolution advisors, to assess the liquidity at the holding 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 consolidated 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, the last of which have been submitted on January 9, 2020. The ability of the holding company to continue as the going concern is predicated upon its ability to monetize its assets, restructured its liability and resume its normal operations .Accordingly, the Board of Directors has considered it prudent to get these consolidated financial statements prepared on a going concern basis.

15 Trade Receivables

a. Amount receivable for Tamil Nadu Generation and Distribution Corporation Limited (‘TANGEDCO’)

'In terms of the Power Purchase Agreement dated December 12, 2013 (the "PPA") entered into between the ITPCL and TANGEDCO, the ITPCL carries the following in its financial statements:

a. Trade receivables of Rs 9,970.97 million in respect of invoices for the months of January to July 2019 and for the months of December and February 2020 (net of collections received subsequent to Year-end, which have been adjusted against the respective invoices), and unbilled revenues of Rs 1,323.72 million as at March 2020 (net of collections received subsequent to year-end till even date), towards supply of electricity (previous year – Trade receivable Rs.2,514.96 million and unbilled revenue Rs 1,783.94 million);

b. Trade receivables towards change in law claims of Rs 2,220.95 million as allowed by the PPA (previous year – Rs 2,220.95 million); and

c. Trade receivables towards interest on overdue payments up to March 31, 2019 of Rs 3,889.52 million (previous year – Rs 2,268.62 million).

'In respect of (a) above, Management of ITPCL is of the view that delays on the part of TANGEDCO are due to cash flows constraints of TANGEDCO, which are believed to be temporary in nature. Accordingly, Management of ITPCL is of the view that such dues will be recovered in due course, and no provision is required there against.

In respect of (b) above, the ITPCL has submitted its claims with the Central Energy Regulatory Commission (CERC) and is confident of a positive outcome in its favour. Accordingly, management of ITPCL believes that these dues are fully recoverable, and no provision is required to be made in this regard. However, no claims and receivables towards change in law claims in respect of the year March 31, 2020 have been recognised.

In respect of (c) above, based on its assessment of recoverability of these amounts, management of ITPCL is of the view that a provision of Rs 1,944.76 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements (previous year – Rs 1,134.31 million).

'b) Amounts receivable from PTC India Limited ("PTC")

'In terms of the Power Purchase Agreement dated December 12, 2013 entered into between the ITPCL and PTC, the ITPCL has recorded the following in its financial statements:'

a) Trade receivables of Rs 2,119.18 million in respect of invoices for the month of April 2019 and February 2020 (net of collections received subsequent to year-end, which have been adjusted against to the respective invoice), and

b) Unbilled revenues of Rs 881.52 million in respect of March 2020 (net of collections received subsequent to year-end till even date), towards supply of electricity

Management of ITPCL is of the view that delays on the part of PTC are due to cash flows constraints of PTC, which are believed to be temporary in nature. Accordingly, Management of ITPCL is of the view that such dues will be recovered in due course, and no provision is required there against.

16 Investments held by the holding Company on behalf of third parties

(i) The Holding Company vide Agreement dated April 22, 2016 with Bermaco Energy Systems Limited ('the buyer') has sold as investment in one of the associates namely Punjab Biomass Power Limited (PBPL) for a consideration of Rs. 100.00 Million and accordingly, has recognised loss on tale of Investment of Rs. 102.34 million during the year ended March 31, 2017. However, till date the Holding Company has not received the purchase consideration of Rs. 100 million from the buyer, accordingly the Holding Company has created provision against the said receivables in this consolidated financial statements. Therefore the Holding Company has not transferred the shares of the said subsidiary in the name of the buyer and 197,344,174 number of equity shares of the said associate are still registered in the name of the Holding Company

Per the terms of the loan agreement executed between PBPL and United Bank of India Limited (UBI), shares of PBPL are still pledged in the favour of UBI.

(ii) The Holding Company vide Agreement dated December 31, 2016 with IL&FS Environment Infrastructure and Services Limited (the buyer) has sold its investment in one of the subsidiary namely East Delhi Waste Processing Holding Company Limited for a consideration of Rs. 1380 million and accordingly, has recognised profit on sale of Investment of Rs. 284 19 million during the year ended March 31, 2017 However, till date the Holding Company has not received the purchase consideration from the buyer, accordingly, the Holding Company has created provision against the said receivables in this consolidated financial statements. The Holding Company has transferred unpledged shares of the said subsidiary in the name of the buyer. However, 7,833 number of equity share and 3,048,400 number of preference shares are pledged with lender therefore these are still registered in the name of the Holding Company.

17 Capital work in progress ("CWIP") relating to construction of jetty

'CWIP of Rs 331.82 million (March 31, 2019 – Rs 555.79 million) in the financial statements represents costs incurred towards construction of a jetty near the ITPCL's power plant in Tamil Nadu. During the year, management of ITPCL has identified the margin charged by the contractor for the jetty, aggregating Rs 223.74 million, and has made provision for the same on grounds that such margin is not additive to the value of the CWIP. Based on its estimates of proposed costs of completion and the basis of funding of the remainder of the project cost (based on indicative discussions with lenders), management of ITPCL has assessed that the savings from the use of jetty post completion of its construction, will be higher than the total cost of the jetty, including future costs to come. Accordingly, no provision for impairment of such CWIP has been recorded in its financial statements.

18 Commercial arrangements and claims received

(i) The ITPCL had raised funds by way of private placement of two Secured, Unlisted, Redeemable Non-Convertible Debentures ("NCD") having face value of Rs.10,00,000 each, aggregating Rs.5,000 Million, backed by corporate guarantee and/or undertakings by IL&FS and IEDCL. Pursuant to an arrangement with IL&FS, the Company was required to pay monitoring fees to IL&FS in respect of the above-mentioned private placement of NCDs. Subsequent to the downgrading cf credit rating of IL&FS after October 2018, holders of NCDs of the ITPCL have increased interest rates on NCDs issued by ITPCL. As result of the foregoing, management concluded that the arrangement with IL&FS and IEDCL became infructuous from October 15, 2018 and April 1, 2019, respectively. Accordingly, no expenses in this regard have been accounted for by the ITPCL in the current year (Rs 22.13 million for the period from October 1, 2018 to March 31, 2019).

(ii) The ITPCL entered into an agreement dated May 25, 2017 with IMICL, an IL&FS group company, for providing coal handling services to ITPCL. As per the said agreement, ITPCL is required to pay fixed charges on yearly basis to IMICI in addition to variable charges per tonne of coal handled. Such charges for the previous year had been waived by IMICL. In addition, ITPCL was liable to pay interest on delayed payment of dues pertaining to the period from July 1, 2017 to March 31, 2018, aggregating Rs 386.30 million till March 31, 2019. Against the above, an amount of Rs 278.86 million has been claimed by IMICL on the ITPCL, including as part of the claims process . The ITPCL has not admitted these claims, and hence has not accounted for such costs in these financial statements. No such claims have been made on ITPCL, or been recorded by ITPCL, in respect of the current financial year. This contract with IMICL has been terminated by the ITPCL effective April 1, 2019.

(iii) As at March 31, 2020, the ITPCL had borrowings from IEDCL, its holding company, represented by debentures and term loans , in respect of which interest expenses for the previous year was recognised till October 15, 2018. For the period from that date till March 31, 2019, interest aggregating Rs 773.66 million was not recognised in the previous year, and continues to remain unrecognised for the year ended March 31, 2020. Further, interest amounting to Rs 1,761.23 million has not been recognised in respect of the current financial year.

(iv) The ITPCL had entered into an agreement with Porto Novo Maritime Limited , in respect of which, interest expenses for the previous years (aggregating Rs 309.34 million as at March 31, 2019), and interest of Rs 198 million for the year ended March 31, 2020, which are contractually payable to PNML, have not been accounted for by ITPCL. Against the above, an amount of Rs 218.75 million has been claimed by PNML through the claims process or otherwise.

(v) As per the financial statement of ITPCL, in respect of the previous financial year, the management of ITPCL has determined at the time that no interest will be payable by the ITPCL, on loans from banks, debentures other than in Note 50(i) (for the period after October 15, 2015), and cash credit accounts (for the period after October 31, 2018). Accordingly, ITPCL had not recognised finance costs aggregating approximately Rs 3,530.55 million, pertaining to the year ended March 31, 2019, in the financial statements of that year, which had been included under contingent liabilities. Further, as the ITPCL had paid interest till October 31, 2018 on the said loans from banks, an amount of Rs 268.98 million was included as recoverable in respect of interest for the period from October 16, 2018 to October 31, 2018. Based on the NCALT order dated March 12, 2020 on clarification related to interest recognition, the ITPCL has not recognised finance cost amounting to Rs 8,195.62 million on loans from banks, debentures other than in Note 50(ii) above, and cash credit accounts for the current year.

The aggregate value of the liabilities not accounted for, in respect of (i) to (v) above, is Rs 15,176 .83 million as at March 31, 2020 (Rs 5,021.98 million as at March 31, 2019).

19 Impairment of Property, Plant and Equipment ("PPE")

The ITPCL has constructed a thermal based power project of 1200 Mega Watt (MW) in two units (Unit I and Unit II) of 2 X 600 MW each (during Phase I). Unit I achieved its Commenced Operations Date ("COD") in the year 2015-16, and Unit II achieved COD in the year 2016-17. The ITPCL entered into a Power Purchase Agreement ("PPA") with TANGEDCO in respect of Unit I, for a period of 15 years, effective June 01, 2014. In respect of Unit II, the ITPCL has entered into a PPA effective April 1, 2019, for a period of 3 years.

Phase I

In respect of Phase I, the Cash Generating Unit ("CGU") has been determined as the assets relating to Phase I, including related land. Management of ITPCL has performed an assessment of the recoverable amount of the above-mentioned CGU, and related provision for impairment, as at March 31, 2019, under the requirements of Ind-AS 36, Impairment of Assets. Based on such assessment, the value in use has been determined at approximately Rs 66,460 million based on the present value of future cash flows from operations of the CGU. Management of ITPCL has also obtained a third-party valuation on a replacement cost basis, of the CGU, of Rs 69,019.76 million, and has estimated the costs of disposal to be Rs 8,502.78 million in this regard, resulting in a net fair value less costs of disposal, of Rs 60,516.98 million. Based on the above, the recoverable amount of the CGU has been determined as Rs 66,460 million, being the higher of the present value of future cash flows, and fair value less costs of disposal, and consequently, an impairment loss of Rs 32,857.02 million was recognised during the previous financial year, in respect of Phase I of the ITPCL's operations.

'In respect of the above, management of ITPCL has estimated the value in use using discounted future cash flows from the power plant over its remaining useful life, and such cash flows have been reviewed by an independent expert. In making these estimates, management of ITPCL has relied on internal and external estimates for significant inputs, including future price of the coal, foreign exchange rates and terminal values, and made certain assumptions relating to future tariff and estimate of operating performance. Any future changes to such assumptions could affect the discounted cash flows and, consequently, the recoverable amounts and the provision for impairment made in this regard.

In determining the quantum of impairment provision to be recognised, the ITPCL has excluded the value of government grants of Rs 5,187.88 million (net of accumulated depreciation) in respect of which all relevant conditions have been fulfilled by the ITPCL from the current carrying value of assets.

Phase II

In addition to the above, the ITPCL has obtained a fair valuation (net of costs of disposal) of the land pertaining to Phase II of the ITPCL's proposed operations as at March 31, 2019. Based on such valuation, the ITPCL has provided for Rs 1,059.74 million towards impairment of land pertaining to Phase II, after providing for related goodwill in the financial statements of ITPCL, of Rs 250.28 million in previous year.

Having regard to the financial results of the operations during the current year, and the recency of the valuations obtained as discussed above, management of ITPCL has determined that no further provisions for impairment of assets (including goodwill) is required in the current year.

20 Classification of borrowings

Pursuant to the matter described in Note 2 above, the ITPCL had not recognised the interest payable on loans from banks and financial institutions, from October 16, 2018 to March 31, 2020, and had not paid such interest and related principal, till March 31, 2020. Under the terms of the loan agreements with lenders, such non-payment constituted an event of default pursuant to which the entire loan liability would have become due and payable on a current basis, as at March 31, 2019 and March 31, 2020. However, management was of the view that due to the moratorium, the terms of loan agreements resulting in such default would not be applicable to ITPCL. As a result, borrowings as at March 31, 2019 and March 31, 2020 had been classified as current and non-current based on the original terms of the loan agreement, without considering default provisions as above.

21 Reconciliation of borrowings

'As at March 31, 2020, the ITPCL's books of account reflect a balance of Rs 81,457.70 million payable to the consortium of banks and financial institution (with whom the ITPCL has borrowing arrangements). Against this, the statements / other information provided by those banks and financial institutions indicate outstanding balances by the ITPCL aggregating Rs 87,406.98 million (forming part of total claims by lenders of Rs 88,576.78 million). Management of ITPCL believes that the net difference of Rs 5,949.28 million may be on account of interest costs not recognised during the year, and/or incorrect / additional / penal interest charged by the banks and financial institutions. Accordingly, ITPCL has not accounted for the above difference in its financial statements.

22 IL&FS Renewable Energy Limited, now merged with IL&FS Energy Development Company Limited (collectively referred as "the Holding Company") had entered into a Power Purchase Agreement (PPA) with Amity University (Amy") dated October 16. 2014. Per the terms of the PPA, the Holding Company had installed 1 MW of Solar Rooftop Plant ("the Plant") at Amity University Noida. The Plant was commissioned on March 7, 2015. The Holding Company has issued notice to Amity vide letter dated March 11, 2019 and

April 10, 2019 for payment of outstanding dues till March 31, 2019 amounting to Rs. 3.83 million. As no response from Amity is received by the Holding Company, the Holding Company sent legal notices dated July 1. 2019 and has terminated the PPA as per the terms of the said PPA and has also demanded Buy Out Price as per the clause 12.2 (a) of the PPA. The Holding Company has again sent letter dated November 16, 2019 and seek to resolve the dispute by mutual discussion. After an exchange of various letters between both the parties, the Holding Company invoked its right for resolution by arbitration to arbitral tribunal in accordance with the provisions of the Arbitration and Conciliation Act, 1996 and has appointed Hon'ble Justice Ajit Prakash Shah (retd.) as nominee arbitrator.

Despite terminating PPA, the Holding Company has continued to supply electricity to Amity and has invoiced an amount of Rs. 9.59 million. As at March 31, 2020, the Holding Company has total receivable of Rs. 13.02 million and has also claimed Rs. 49.02 million from Amity as Buy Out Price against the solar plant having net block of Rs. 44.04 million as at March 31, 2020 as per the books of the Holding Company. The management of the Holding Company based on the expert legal opinion is of the view that the Holding Company has fair chances to win the case and has accordingly, not impaired the solar plant having carrying value of Rs. 44.04 million (refer note 5a) in these accompanying consolidated financial statements. The management of the Holding Company believes that the amount as recognised in these consolidated financial statements are based on the appropriate assumptions/best and reasonable estimates, accordingly, no further adjustments are required to be made in this regard.

23 During the year ended March 31, 2019, vide agreement dated May 7, 2018, the Holding Company had entered into Framework Agreement ("the Agreement") with SB Energy Private Limited ("SB Energy"). Per the terms of the Agreement, the Holding Company has agreed to provide its services in different phases (pre-development phase, detailed due diligence phase and development phase) for the development of 30GW of solar parks at indicative price of Rs. 3.50 million to Rs. 4.50 million per MW.

In order to carry out certain activities under the pre-development phase, SB Energy paid an advance amount of Rs. 25.00 million to the Holding Company against the Agreement having approximate price of Rs. 4,000.00 million. The Holding Company had incurred expenses amounting to Rs. 3.29 million during the year ended March 31, 2019 and charged the same in the statement of profit & loss account. During the current year, board of directors, vide board resolution dated May 23, 2019, has given its approval for incurring of further expenses of Rs. 4.00 million under the Agreement and has also resolved that no further activities to be performed under the said Agreement. The Holding Company incurred total expenses of Rs. 7.39 million and has submitted its reports to SB Energy.

The Holding Company has not received any correspondence from SB Energy with regard to the clearance of the reports submitted by the Holding Company. Expenses as incurred by the Holding Company have been adjusted from the advance amount received by the Holding Company. Pending discussion/approval from SB Energy, the Holding Company has shown advance of Rs. 17.61 million as its liabilities and shown the same under other current liabilities and on conservative basis has not recognised any income in these accompanying consolidated financial statements Accordingly, the management of the holding company believes that no further adjustments are required to be made in respect of the above transactions.

24 Subsequent to the year ended March 31, 2020, the Holding Company has received an email dated June 29, 2020 from one of its customers named Energy Efficiency Services Limited ("EESL") wherein EESL has given its direction for the exclusion of O&M cost from the project cost for its GHMC project for the complete duration of the project. Due to change in the project cost computation, the revenue recognised by the Holding Company has changed. The management of the holding company, based on its best estimates, has computed the amount of O&M cost of the said project till March 31, 2020 amounting to Rs. 801.16 million and has computed the amount of revenue @2% p.a. amounting to Rs. 29.21 million (excluding taxes) for the period from May 1, 2018 to March 31, 2020. The said amount computed by the Holding Company has been reversed from the current year's total revenue, which is not confirmed by EESL. As at March 31, 2020, the Holding

Company has receivables of Rs. 62.08 million (after taking the impact of above-mentioned reversal), which the management of the holding company believes that fully recoverable in nature. The management of the holding company is of the view that the revenue as reversed by the Holding Company is as per the best available information with the Holding Company, pending EESL approval and no further adjustments are required to be made in this regard.

25 As mentioned in the note 2 of the accompanying consolidated financial statements. New Board of the IL&FS Limited has appointed various consultants. legal advisors under the resolution framework process for the whole IL&FS group entities. Professional fee of some of the consultants/advisors is agreed by the IL&FS Limited and the same is allocated to 4 business verticals of the IL&FS Group based on the debt ratio of these said business verticals as below:

Name of the Vertical	Debt Ratio
IL&FS Limited	21%
IL&FS Financial Services Limited vertical	18%
IL&FS Transportation Networks Limited vertical	42%
IL&FS Energy Development Company Limited vertical	19%

Based on the above said ratio, the New Board has allocated the expenses of the consultants/advisors in the above said groups and the consultants/advisors have bilied the amount as per the said allocated to the respective vertical. Further, in respect of the some of the consultants where agreements have been entered into by the Holding Company directly and entity wise fee break-up is given in the said agreement but the management of the holding company has decided to recognise the full expense pertaining to the subsidiaries of the Holding Company. Accordingly the Holding Company has recognised expenses of Rs. 60.78 million under legal & professional expenses in these accompanying consolidated financial statements.

Considering the financial position of the subsidiaries/joint ventures, the management has not further allocated the above mentioned expenses to its subsidiaries/joint ventures and is of the view that these expenses shall be recovered from the group companies once the resolution process of those companies finalized.

26 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 Holding Company has IMW rooflop solar power plant which depicts the Holding Company is engaged in the business of generation of power through renewable source. Accordingly, provisions of Section 186 are not applicable on the Holding Company.

27 In earlier years, the holding company had entered into a contract with Energy Efficiency Services Limited ("EESL") for providing consultancy services related to the street lighting projects of EESL in different states of India. The holding company charged fixed percentage as its revenue based on the project cost of the street light project in respective state and is also utilizing the services of the third-party consultants along with its employees who are specifically working for the EESL projects. The management of the holding company is in process making a detailed assessment of profitability of the said contract. Accordingly, no adjustments have been made in respect of the forceable losses, if any, in respect of the said contract. However, the holding company did not have any derivative contracts for which there were any material foreseeable losses. The management believes that none of its contract is onerous in nature and accordingly, no adjustments are required to be made in this regard.

28 Under the Resolution Framework (refer note 3) of the Holding Company, the IL&FS Limited has invited Expression of Interest ("Eol") 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 Holding Company along with all the assets and liabilities related to these

contracts on a Slump sale basis. Pending finalization of Eol till date, the management has not made any adjustments in relation to the above-mentioned expected transaction. Accordingly, the carrying value of the assets and liabilities as recognised in these accompanying consolidated financial statements is not adjusted as at March 31, 2020 pending finalisation of the said transaction. The management of the holding company believes that the carrying amount of the assets and liabilities as at March 31, 2020 is recognised after making all the necessary adjustments and no further adjustments are required to he made in these consolidated financial statements.

29 Consequent to the various matters mentioned in Note 2 and 3 to these consolidated financial results, the normal business operations of the Holding Company as they existed until September 30, 2018 have ceased. The management is unable to locate loan agreements in respect of 19 loans extended to various group companies and third parties amounting to Rs. 761.85 million and Rs. 1,462.00 million. Further, the management of Holding Company is unable to locate 3 fixed deposit certificates amounting to Rs. 383.34 million. The management of Holding Company is of the view that this will not have any adverse impact on these consolidated financial results.

30 The Holding Company has made investments in its subsidiary companies, joint ventures and some other companies. Some of these investments are held by means of physical share certificates. Consequent to the various matters mentioned in Note 2 and 3 to these consolidated financial results, the normal business operations of the Holding Company as they existed until September 30, 2018 have ceased. The management is unable to locate physical certificates in relation to 31,030 units as held by the Holding Company as at March 31, 2020. Further, the management is in process of getting 3,533,500 equity shares transferred in its name as at March 31, 2020. These shares have been pledged by the erstwhile holder with the lenders for the loan taken by KVK. The management of Holding Company is of the view that this will not have any adverse impact on these financial results.

31 The Holding Company has income tax assets amounting to Rs. 1,372.32 million as at March 31, 2020. 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 Holding Company has filed appeals before the Appellate Authorities against those orders. The management of Holding Company based on the view given by an independent tax expert, is of the view that the Holding Company has favourable chances to win all these pending cases, accordingly, there is no need to make any adjustments in these financial results in this regard.

Further, on March 30, 2019, MCA had notified Appendix C to Ind AS 12: Uncertainty over Income Tax Treatments, under which the Holding 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 Holding Company. The management of Holding Company is in process of identification of uncertain tax positions as taken by the Holding 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 consolidated financial results on completion of the said exercise.

32 As at March 31, 2020, the Company has credit of Goods and services tax amounting to Rs. 147.82 million. The management is of the view that the credit of Rs. 147.82 million is good for recovery and accordingly, has not made any adjustments in these conoslidated financial results in this regard..

33 The Group applied Ind AS 116 for the first time which supersedes Ind AS 17 as whole. The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The effect of adoption Ind AS 116 as at April 1, 2019 (increase/(decrease)) is, as follows:

Particulars	**Amount (in mn)**
Asset	
Right to use asset	12.87
Security Deposit	-0.17
Total Asset	**12.7**
Liabilities	
Lease liabilities	13.65
Total Liabilities	**13.65**
Total adjustment on equity	
Retained earning	-0.95

The Company has used the following practical expedients when applying Ind AS 116 to leases previously classified as Operating leases under Ind AS 17:

- Applied a single discount rate based on Fixed deposit rate as at present, the Company is not incurring any expense on borrowings.
- Applied the exemption not to recognize Right-Of-Use (ROU) asset and liabilities for leases with remaining lease term of 12 months or less.

Based on the assessment, the management has recognised ROU of Rs. 9.35 million and lease liabilities of Rs. 10.51 million as at March 31, 2020 in these accompanying standalone financial results.

The Holding Company has shifted its office premises in a new leased building with effect from March 6, 2020 based on the lease agreement entered into by the (IL&FS Limited) with the respective lessor. However, till date no agreement entered into between the Holding Company and IL&FS Limited. Accordingly, the management of Holding Company has not made assessment under Ind AS 116 in respect of the said premises.

Further, the management of Holding Company has made an assessment and accounted for Right to Use Asset under Ind AS 116 related to offices which are being specifically used for the services provided by the Company in respect of contracts related to Energy Efficiency Services Limited, PDCOR Limited, Puducherry Urban Development Agency and Oil and Natural Gas Corporation based on a lease period of 5 years since the inception of lease. Subsequent to the year ended March 31, 2020, the management has invited Expression of Interest for sale of the assets and liabilities related to these said contracts. Pending finalization of the said transaction, the management of Holding Company has not made any adjustments in this regard on its assessment under Ind AS 116 and is of the view that the impact of the on-going sale/transfer/assignment of the Contracts on the Right to Use asset will be given in the subsequent years.

34 Based on the balance confirmation from a vender namely M/S Sterling and Wilson Private Limited ("Sterling"), the total amount receivable by Sterling from the Holding Company is Rs. 1,588.31 million as on March 31, 2020. However, as per the records maintained by the Holding Company, the total amount payable to Sterling is Rs. 924.55 million (net) (Rs. 928.30 million included in trade payable and Rs. 3.75 million is included in the trade receivables) and out of balance difference of Rs. 663.76 million, Rs. 641.04 million has been recorded as payable to IL&FS Limited for Letter of Credit ("LC") devolved but not paid to

Sterling and balance Rs. 22.72 million is on account of interest charged by Sterling on account of non-payment of the dues and the same has not been recognised by the Holding Company in these consolidated financial results..

35 During the year, Bay Capital Investment Managers Private Limited holding 178,843 equity shares of Rs. 10 each, Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Limited holding 6,196,966 equity shares of Rs. 10 each and 24,787,863 compulsorily convertible preference shares of Rs. 10 each and Vistra ITCL India Limited (trustees of IL&FS Infrastructure Equity Fund I) holding 9,872,904 compulsorily convertible preference shares of Rs. 10 each has sold and transferred their respective shares to Echjay Industries Private Limited, Deepak Mawandia (nominee director of the Company and beneficial owner of the shares on behalf of Backbay Capital Partners Pte. Ltd.) and Backbay Equity Partners LLP respectively.

The management is of the view that the above transaction with respect to change in shareholding do not come under the restrictions laid down by the NCLAT vide its order dated October 15, 2018 regarding change in status of shareholding, the Resolution Framework laid for the Company (refer note 2 and 3) and accordingly, the Company believes that there was no requirement to obtain approval of Hon'ble NCLT or Hon'ble Supreme Court judge D.K. Jain as appointed by Union of India to supervise the entire Asset level resolution process for the said transaction.

As per our report of even date
For C N K & Associates LLP
Chartered Accountants
ICAI FRN 101961W/W-100036

VIJAY HARSUKHLAL MEHTA
Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:07:25 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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

GIRISH CHANDRA CHATURVEDI
Digitally signed by GIRISH CHANDRA CHATURVEDI
Date: 2022.09.22 17:38:54 +05'30'

G C Chaturvedi
Director
DIN: 0110996

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.09.22 18:40:15 +05'30'

C S Rajan
Director
DIN: 0126063

Kaushik Modak
Digitally signed by Kaushik Modak
Date: 2022.09.22 20:48:57 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.09.22 17:09:09 +05'30'

Feby Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:06:29 +05'30'

Ritendra Bhattacharjee
Chief Finance Officer

Dinesh Suryakant Ladwa
Digitally signed by Dinesh Suryakant Ladwa
Date: 2022.09.22 19:16:36 +05'30'

Dinesh Ladwa
Company Secretary
Membership Number: A-17210

Place: Mumbai
Date: September 22, 2022

Place: Mumbai
Date: September 22, 2022

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at March 31, 2020

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

Sr No	Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
1	Capital Redemption Reserve	NIL	NIL
2	Debenture Redemption Reserve	Rs. 718.33 million	Rs. 718.33 million
3	Net worth	Rs. (30,805.36) million	Rs. (35,181.17) million
4	Net Profit / (Loss) after Tax	Rs. 11874.39 million	Rs. (76,468.04) million
5	Earnings/ (Loss) per share	Rs. 6.93	-Rs. 62.72
6	Profit / (loss) for the half year and cumulative profit for the year	Cumulative profit / (loss) for the year Rs 11874.39 million. Half year results are not available	Cumulative profit / (loss) for the year Rs (76,468.04) million. Half year results are not available
7	Formulae for computation of ratios		
	a. Debt Equity Ratio (refer note 1 below)	-4.27	-3.73
	b. Debt Service Coverage Ratio (refer note 2 below)	NA	NA
	c. Interest Service Coverage Ratio (refer note 3 below)	NA	NA
	d. Current Ratio	0.48	0.56
	e. Long term debt/total assets	0.00	0.00
	f. Debtors turnover	525.30	565.18
	g. Operating margin		
	h. Net profit margin	33.02%	-244.61%
	i. Total debt to total assets	101.62%	81.62%
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. The auditors have expressed qualified opinion in relation to funds movement during the previous year (refer para 3(b) C of basis of disclaimer of opinion of the Independent Auditors Report)		

Notes

1. Debt/Equity Ratio = (Total Debt – Cash and Cash equivalent + Bank balances) / (Equity Share Capital + Other Equity
2. Debt Service Coverage Ratio = (Earnings before interest and tax) / (Interest Expense + Principal repayments made during the year)
3. Interest Service Coverage Ratio = (Earnings before interest and tax) / (Interest Expense)
4. Current Ratio = Current Assets/Current liabilities
5. Debtors turnover = Revenue from operation/debtors * 365
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

IL&FS | Energy

IL&FS Energy Development Company Limited
Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India
W www.ilfsindia.com

September 22, 2022

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

Dear Sir,

Re: Declaration in respect of Qualified opinion on Consolidated Audited Financial Results for the Financial Year ended March 31, 2020

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 Consolidated Financial Results of the Company for the year ended March 31, 2020. 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
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:06:46 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

IL&FS | Energy

IL&FS Energy Development Company Limited

Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India

W www.ilfsindia.com

Annexure I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [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	33,956.80	Not determinable
2	Total expenditure	27,432.35	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	8,524.45	
4	Net Profit after tax from continuing operations	8,749.88	
5	Net Profit after tax from discontinuing operations	3,124.51	
6	Other Comprehensive Income	(476.00)	
7	Net Profit after tax for the year	11,398.39	
8	Earnings per share	6.93	
9	Total Assets	1,29,364.29	
10	Total Liabilities	1,60,169.65	
11	Net worth	(30,805.36)	
12	Any other financial item(s) (as felt appropriate by the management)	None	

Encl: a. a.

II Audit qualifications (each audit qualification separately)

1	**Details of audit qualifications**	1	1. As mentioned in note 33 of Consolidated Financial Statements, the Group has made total provision for impairment of assets of Rs. 391.52 million during the year, of which provision of Rs. 47.00 million is made in relation to third parties balances. Further, the Holding Company has also reversed provision of Rs. 11.86 million in respect of trade receivables as earlier recognised by the Holding Company. The management has recorded provisions during the current year and the previous year basis their internal assessment, which does not consider the requirements of the relevant Ind-AS Standards in its entirety. Thus, we are unable to comment on the possible effects of the aforesaid on the accompanying Consolidated Financial Statements as at and for the year ended March 31, 2020. Certain of the above matter was also modified in our report for the year ended March 31, 2019
		2	Holding Company's auditor did not receive audit evidence in respect of: • response to request for direct balance confirmations towards borrowings (including interest accrued) of Rs. 5,417.12 million, bank balances (including fixed deposits) of Rs. 394.20 million, trade receivable balances aggregating to Rs. 280.46 million, loans and advances (including interest accrued) aggregating to Rs. 787.33 million and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees etc.; • differences between books balance and confirmations received of Rs. 325.46 million with respect to borrowings (including interest accrued), Rs. 22.77 million towards trade receivable balances (excluding subsidiaries) and Rs. 33.94 million towards trade payable balances; • loan agreements in respect of 19 loans extended to various group companies (Other than Subsidiaries consolidated) and third parties aggregating to Rs. 761.85 million and Rs. 1,462.00 million respectively, as referred to in note 12 and fixed deposit certificates amounting to Rs. 383.34 million as referred to in note 11b to the accompanying Consolidated Financial Statements; • physical certificates in relation to 3,533,500 equity shares, and 31,030 units having cost of Rs. 661.68 million, and Rs.372.36 million respectively and carrying value of units (post impairment) of Rs 316.08 million as at March 31, 2020 as held by the Holding Company in its investee companies and trust as referred to in note 8 to the accompanying Consolidated Financial Statements; Holding Company's Management assessment: • of recoverability of income tax assets of Rs. 1,372.32 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, tax assets arising out of merger of IL&FS Renewable Energy Limited with the Holding Company, on-going tax litigations and pending tax assessments and impact of matters related to qualified opinion; • of disclosure/impact of revenue recognition standard Ind AS 115

			'Revenue from contracts with Customers and new Leases Standard, Ind AS 116 'Leases' as more fully discussed in note 44 and note 5b and compliance with the requirement of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations. Commercial substance and rationale • for recognition of liability of Rs. 641.04 million in respect of Infrastructure Leasing & Financial Services Limited (IL&FS), which is also claimed by one of the vendors (including overdue interest of Rs. 22.72 million) as mentioned in note 25 to the accompanying Consolidated Financial Statements • for non-allocation of legal & professional expenses of Rs. 60.78 million to various subsidiaries and joint ventures based on the debt ratio as approved by the board of IL&FS and recording the entire expense as has been allocated to the Holding Company by IL&FS, as mentioned in the note 58 to the accompanying Consolidated Financial Statements • for accounting and disclosure in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, against which the Holding Company has disclosed Rs. 17.61 million as advance from customers after adjusting expenses of Rs. 7.39 million (including Rs.3.29 million pertaining to previous year), pending formal communication in respect of the current project status with the said customer as mentioned in note 56 to the accompanying Consolidated Financial Statement • With respect to following transactions of earlier years: - for considering sale of shares of a subsidiary and an associate to be consummated for a consideration of Rs. 1,480.00 million pending share transfer and collection of sale consideration recording of profit on sale of Rs. 181.85 million in those years and impairment of said sale consideration during the previous year as mentioned in note 48 - for recording certain transactions of funds movement in the form of loans taken from IL&FS and loans given back to IL&FS Holding Company auditor was unable to comment on the consequential effects of the above matters on Standalone Financial Statements of the Holding Company which may impact the accompanying Consolidated Financial Statements. Certain of the above matters were also modified / included in the Emphasis of Matters paragraph of our audit report for the year ended March 31, 2019.
		3	As mentioned in note 57 to the Consolidated Financial Statements, during the year, the Holding Company has reversed Rs.29.21 million (excluding taxes) in the revenue from operations on account of changes in the basis of computation of revenue as advised by its customer subsequent to the year ended March 31, 2020. Further the said reversal is also not confirmed by the customer in its balance confirmation. Accordingly, the Holding Company's auditor was unable to comment on the measurement of the revenue of Rs. 175.61 million (previous year - Rs. 189.03 million) as recognized by the Holding Company and related receivable of Rs. 62.08 million (previous year - Rs 94.89 million) as recorded in the Standalone Financial Statements which may impact the accompanying Consolidated

			Financial Statements
		4	As mentioned in note 47 to the Consolidated Financial Statements regarding gross trade receivables and unbilled revenues of ITPCL amounting to Rs 18,200.62. million and Rs 2,205.24 million, respectively (previous year - Rs 7,004.53 million and Rs 1,783.94 million respectively), that remain uncollected as of even date. ITPCL has made provisions of Rs 1,944.76 million (previous year -- Rs 1,134.31 million) in respect of the aforesaid trade receivables. The Auditor of ITPCL was unable to obtain sufficient appropriate audit evidence to support management's basis for the recoverability of trade receivables and unbilled revenues that have not been provided for.
		5	As mentioned in note 50 to the Consolidated Financial Statements, relating to contractual liabilities not accounted for, by ITPCL for the reasons stated in the said note. In the opinion of auditor of ITPCL, ITPCL may be required to account for the liabilities mentioned in note 50 (i) to (v) aggregating Rs 15,176.83 million, in the financial statements, as at March 31, 2020 (previous year Rs 5,021.98 million)
		6	Note 53 to the Consolidated Financial Statements. For the reasons stated in that note, ITPCL has not recorded the net difference of Rs. 5,949.28 million (previous year - Rs. 256 million) between book balances and bank & institution balances, in respect of loans from banks and financial institutions. These include borrowings of Rs. 6,982.54 million, in respect of which, Auditor of ITPCL have sought but not obtained direct confirmation from the respective lenders, and have instead relied on confirmations/ statements from lenders obtained and provided to them by the management of ITPCL. Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements
		9	**Material Uncertainty Related to Going Concern**
			On the basis of audit reports on Standalone Financial Statements of Holding Company and Consolidated Financial Statements of its material subsidiaries i.e. IL&FS Tamilnadu Power Company Limited (ITPCL) and IL&FS Wind Energy Limited (IWEL), we report as under • Holding Company has net current liabilities of Rs. 44,003.08 million as at March 31,2020 (previous year - Rs. 44,428.64 million), has reported accumulated losses of Rs. 93,967.98 million as at March 31, 2020 (previous year - Rs. 94,454.65 million) and its net worth is fully eroded. The Holding Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which the Holding Company's ability to raise funds has been substantially impaired with normal business operations being substantially curtailed • ITPCL has accumulated losses of Rs. 37,396.44 million as at March 31, 2020 (previous year – Rs. 46,339.81 million). It has incurred a net profit of Rs. 8,464.83 million for the year ended March 31, 2020 (net loss of Rs. 40,930.26 million during the previous year). Also, its current liabilities exceeded its current assets by Rs. 5,324.77 million as at March 31, 2020 • As at March 31, 2020 current liabilities of IWEL aggregates to Rs.8,371.40 million and current assets amounts to Rs.5,984.21 million. Accordingly, current liabilities of IWEL exceeds current assets by Rs. 2,387.19 million

			These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Holding Company and its material subsidiaries ability to continue as a 'going concern
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		Repetitive from FY 2018-19
4	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		Not applicable
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

VIJAY HARSUKHLAL MEHTA
Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.09.22 22:09:54 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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

GIRISH CHANDRA CHATURVEDI
Digitally signed by GIRISH CHANDRA CHATURVEDI
Date: 2022.09.22 17:39:29 +05'30'

G C Chaturvedi
Director
DIN: 0110996

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.09.22 18:40:59 +05'30'

C S Rajan
Director
DIN: 0126063

IL&FS Energy Development Company Limited
Unit# 101, First Floor,
ABW Rectangle - 1,
Saket District Centre,
Saket, New Delhi -110017
India
W www.ilfsindia.com

Kaushik Modak
Digitally signed by Kaushik Modak
Date: 2022.09.22 20:49:45 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.09.22 17:09:41 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.09.22 17:07:11 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Date:02-09-2022
Place: Mumbai