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

November 14, 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 / Madam,

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 on November 14, 2022, inter-alia, approved;

1) Stand-alone unaudited Financial Results for the Quarter 1 ended June 30, 2022 (Q1),
2) Stand-alone unaudited Financial Results for the period ended September 30, 2022 (H-1), and,
3) Consolidated Audited Financial Results for the year ended 31st March, 2021 (CFS), 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, and,
4) Declaration in respect of qualified opinion on above Q1, H1 and CFS as per SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016 are also attached (included in the above Statements).

Please note that the extract of aforesaid Q1, H1 and CFS 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.

Yours Faithfully,

For IL&FS Energy Development Company Limited

Ritendra Bhattacharjee Digitally signed by Ritendra Bhattacharjee Date: 2022.11.14 13:49:12 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Encl: a. a.

Independent Auditor's Review Report on the Unaudited Financial Results of IL & FS Energy Development Company Limited for the quarter ended June 30, 2022, 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

Qualified Opinion

We have reviewed the accompanying statement of unaudited financial results of IL & FS Energy Development Company Limited (the "Company"), for the quarter ended June 30, 2022 (The "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 ('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 quarter ended June 30, 2022.

Basis for Qualified Opinion

1. As mentioned in note 12 to the Statement, non provision of interest expense amounting to Rs.111.85 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability;

2. Note 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;

3. We draw attention to Note 21 of the Statement, stating that foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and not restated as at closing rate as on reporting date. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, results for the period/year ended 30th June, 2022 and 31st March, 2022 have been overstated by 156.75 million and 115.12 million respectively with corresponding impact on borrowings.

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.1,206.64 million (March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 19 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 (March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 20 to the Statement;
    d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 18 to the Statement.

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

Above matters were also qualified in our report on the standalone financial statements for the year ended March 31, 2022.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

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.48,481.11 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018;

ii. As at June 30, 2022, the current liabilities of the Company aggregating to Rs.41,596.91 million exceed the current assets;

iii. As at June 30, 2022, the Company has accumulated loss of Rs.92,980.31 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 mentioned in note 10 to the Statement, interest in Joint Venture has not been fair valued as financial statements and other relevant information is not available.

5. 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

Comparative financial information for quarter / period ended 30th June, 2021 and 31st March 2022 has not been furnished. Also information related to Consolidated Financial Statements has not been furnished.

FOR C N K & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm Registration Number: 101961W/W-100036

VIJAY HARSUKHLAL MEHTA

Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.11.14 18:31:07 +05'30'

Vijay Mehta

Partner

Membership Number: 106533

UDIN: 22106533BDALEL8031

Place: Mumbai

Date: November 14, 2022

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Unaudited Financial Results for the period ended June 30, 2022
Balance Sheet as at June 30, 2022

	As at June 30, 2022 Rs. Million (Unaudited)	As at March 31, 2022 Rs. Million (Audited)
ASSETS		
Non-current assets		
a) Property, plant and equipment	22.35	24.25
b) Intangible assets	0.08	0.16
c) Right-of-use assets	-	0.17
d) Financial assets		
i) Investments	1,194.92	1,194.92
ii) Loans	2.62	2.62
iii) Other financial assets	22.93	23.26
e) Non-current tax assets (net)	1,206.64	1,198.48
f) Deferred tax assets (net)	-	-
g) Other non-current assets	0.15	2.67
	2,449.69	**2,446.53**
Current assets		
a) Financial assets		
i) Investments	-	-
ii) Trade receivables	48.50	87.06
iii) Cash and cash equivalents	1.61	2,388.04
iv) Bank balances other than (iii) above	7,152.95	4,714.29
v) Loans	1,070.78	1,070.92
vi) Other financial assets	309.11	278.75
b) Other current assets	58.01	58.09
	8,640.96	**8,597.15**
c) Assets classified as held for sale	750.22	741.70
Total assets	**11,840.87**	**11,785.38**
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	(52,334.27)	(52,394.25)
Total equity	**(39,152.01)**	**(39,211.99)**
LIABILITIES		
Non-current liabilities		
a) Financial liabilities		
i) Borrowings	-	-
ii) Lease liabilities	-	-
b) Provisions	4.79	4.79
	4.79	**4.79**
Current liabilities		
a) Financial liabilities		
i) Borrowings	45,779.92	45,780.24
ii) Lease liabilities	-	0.20
iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	0.07	0.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,138.64	1,142.52
iv) Other financial liabilities	3,240.03	3,240.03
b) Provisions	5.41	5.18
c) Other current liabilities	206.96	213.85
	50,371.03	**50,382.25**
d) Liabilities directly associated with investments classified as held for sale	617.06	610.33
Total liabilities	**50,992.88**	**50,997.37**
Total equity and liabilities	**11,840.87**	**11,785.38**

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Unaudited Financial Results for the period ended June 30, 2022

Statement of Profit and Loss account for the period ended June 30, 2022

		For the period ended June 30, 2022	For the year ended March 31, 2022
		Rs. Million	**Rs. Million**
		(Unaudited)	**(Audited)**
I	Revenue from operations	2.82	8.94
II	Other income	80.36	674.85
III	**Total income (I + II)**	**83.18**	**683.79**
IV	**Expenses**		
	i. Employee benefits expense	9.54	49.34
	ii. Finance costs	0.56	0.89
	iii. Depreciation and amortisation expense	2.16	15.16
	iv. Impairment of financial assets (net)	-	3.68
	v. Other expenses	19.11	100.95
	Total expenses (IV)	**31.37**	**170.02**
V	**Profit before tax (III - IV)**	51.81	**513.77**
VI	**Tax expense**		
	i. Current tax	-	-
	ii. Current tax- pertaining to adjustments of earlier years	-	1.30
	ii. Deferred tax	-	(0.62)
	Total tax expense (VI)	**-**	**0.68**
VII	**Profit for the year from continuing operations(V - VI)**	**51.81**	**513.09**
VIII	**Discontinuing Operations**		
	Profit for the period/year from discontinuing operations	8.15	63.33
	Tax expense of discontinued operations	-	
	Profit for the period/year from discontinuing operations	8.15	63.33
	Other comprehensive income		
	i. Items that will not be reclassified to profit or loss		
	a. Remeasurement of defined benefit plans	-	2.16
	b. Income tax relating to items that will not be reclassified to profit or loss	-	(0.62)
IX	**Other comprehensive income for the period/year, net of tax**	**-**	**1.54**
X	**Total comprehensive income for the period/year, net of tax (VII+ VIII+IX)**	**59.96**	**577.96**
	Earnings per equity share (face value of Rs. 10 per share)		
	i. Basic (Rs.)	0.04	0.39
	ii. Diluted (Rs.)	0.04	0.39

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Unaudited Financial Results for the period ended June 30, 2022

Cash Flow Statement for the period ended June 30, 2022

	For the period ended June 30, 2022	For the year ended March 31, 2022
	Rs. Million (Unaudited)	Rs. Million (Audited)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax from continuing operation	51.81	398.65
Profit before tax from discontinuing operation	8.15	63.33
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expense	2.16	15.16
Loss/(gain) on disposal of property, plant and equipment	(0.09)	(0.11)
Impairment on property, plant and equipment	-	13.06
Finance costs	0.56	0.89
Interest income	(80.27)	(189.09)
Impairment on financial assets designated at fair value through profit and loss	-	2.63
Gain arising on financial assets designated at fair value through profit or loss	-	(144.45)
Impairment on trade receivables	-	22.89
Provisions written back	-	(46.48)
Profit/(loss) on foreign currency transactions and translation	-	115.12
Dividend Income	-	(289.65)
Operating profit before working capital changes	(17.68)	(38.05)
Movement in working capital		
Decrease/(increase) in trade receivables	34.83	12.85
Decrease/(increase) in other financial assets	(8.67)	284.39
Decrease/(increase) in other assets	2.60	(0.61)
Increase/(decrease) in trade payables	2.49	(2.81)
Increase/(decrease) in other financial liabilities	-	(0.25)
Increase/(decrease) in other current liabilities	(6.89)	(3.79)
Increase/(decrease) in provisions	0.23	1.91
Cash flows from/(used in) operations	**6.91**	**253.64**
Income tax (paid)/refund received	(8.16)	(70.73)
Net cash flows from/(used in) operating activities	**(1.25)**	**182.91**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	-	(0.02)
Proceeds from sale of property plant and equipment	0.09	0.11
Loans received back	0.14	-
Proceeds from sale of investment	-	1,475.99
Interest received	58.92	179.36
Dividend received	-	289.65
Proceeds from fixed deposit under earmarked accounts (net)	(4,826.05)	(2,179.11)
Proceeds from other fixed deposit (net)	2,387.39	185.30
Net cash flows from investing activities	**(2,379.51)**	**(48.72)**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(0.32)	(1.57)
Interest paid	(0.56)	(0.80)
Net cash flows used in financing activities	**(0.88)**	**(2.37)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,381.64)**	**131.82**
Cash and cash equivalents at the beginning of the year	2,451.03	2,319.21
Cash and cash equivalents at the end of the year	**69.39**	**2,451.03**

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at June 30, 2022

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

No	Particulars	Period ended June 30, 2022	Year ended March 31, 2022
1	Capital Redemption Reserve	NIL	NIL
2	Debenture Redemption Reserve	Rs. 673.61 million	Rs. 673.61 million
3	Net worth	Rs. (39152.01) million	Rs. (39211.99) million
4	Net Profit / (Loss) after Tax	Rs. 59.96 million	Rs. 577.96 million
5	Earnings/ (Loss) per share	Rs. 0.04	Rs. 0.39
6	Profit / (loss) for the half year and cumulative profit for the period/year	Cumulative profit / (loss) for the period Rs 59.96 million.	Cumulative profit / (loss) for the year Rs 577.96 million. Half year results are not available
7	Formulae for computation of ratios		
	a. Debt Equity Ratio (refer note 1 & 12 below)	Not determinable	Not determinable
	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	0.18
	e. Long term debt/total assets (Refer note 10)	Not applicable	Not applicable
	f. debtors turnover ratio (refer note 5 below)	0.82	1.94
	g. Operating margin (refer note no 11)	-35.75%	-38.21%
	h. net profit margin (refer note 6 below) (includes discontinued operation)	44.14%	63.20%
	i. total debt to total assets (refer note 8 below)	386.63%	388.45%
	j. Current liability ratio (refer note 9 below)	99.99%	99.99%
8	The end use of the proceeds of issue of NCD has been in line with the objects stated in the respective Offer Documents of the Issue.		

Notes

1. Debt/Equity Ratio = Total debt- (cash and cash equivalent+Bank balances) ÷ Shareholder's equity
2. Debt Service Coverage Ratio: (Earnings before interest and tax) / (Interest Expense + Principal repayments made during the year) - This ratio is not applicable since the 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 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 results.

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

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 results, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at June 30, 2022 (comparative period end date) and the previous year ended March 31, 2022; and (c) the Statement of Profit and Loss for the period ended June 30,2022 and year ended 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 June 30, 2022, the Company has liabilities and provisions aggregating Rs 50,992.88 million) is going on. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have currently been made in this regard to these standalone Ind-AS financial results.

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 results, the Company is not in compliance with certain provisions/requirements of applicable laws and regulations, including but not limited to certain requirements of the Companies Act, 2013 with regard to delay in appointment of Chief financial officer and of chief executive officer, 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 results.

(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 results of the Company. Accordingly, these financial results 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. Further, these financial results 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 results 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 results in this regard.

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 other financial assets.

Further, in respect of the joint ventures, the Company has not recognised any gain/loss on account of fair value during the period (Rs. 144.45 million fair value gain recogonised during the year ended March 31, 2022 on the basis of the net assets of those joint ventures as at March 31, 2022) and impact of the same on results for the period is not likely to be material.

(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 the 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 period and previous year is prudent and represents the economic substance of the amounts recoverable as of June 30, 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 June 30, 2022 is Rs. 8,030.55 million (March 31, 2022: Rs. 8,030.55 million). Management is in the process of reconciling the completeness and status of various claims against financial guarantees issued, devolved, claimed and recorded/ to be recorded in the books of accounts, including those guarantees in respect of which claims have been received as part of the claim management process. Pending such reconciliation, management has not accounted for any such liabilities in relation to these guarantees in these standalone Ind AS financial results.

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 period, 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 June 30, 2022, which approximates Rs. 27,816.60 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 June 30, 2022 which approximates Rs. 16,978.13 million. These amounts exclude penal/other interest and charges.

The Company has also not-recognised interest expenses amounting to Rs. 64.24 million and Rs. 47.61 million on account of non-deposit of tax deducted at source and Goods and services tax respectively till June 30, 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 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 June 30, 2022. The Company has accumulated losses of Rs. 92,980.31 million as at June 30, 2022 (March 31, 2022: Rs 93,040.28 million) and has net liabilities of Rs 41,596.91 million (March 31, 2022: Rs. 41,653.73 million). The Company also suffered consistent downgrades in its credit ratings since September 2018, and the same was reduced to 'default grade' subsequent to the defaults in repayment of loans taken by the Company, details of which are discussed in Note 2. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in Note 3, there has been a resolution process run by the holding company's Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is 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.

15 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. 2.82 million during the period ended June 30, 2022. As at June 30, 2022, the Company has total receivable of Rs. 34.16 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 June 30, 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 in the financial statements year ending March 31, 2022. The management believes that no further adjustment is required in the current financial results.

16 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

17 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 period ended June 30, 2022, the transaction has been consummated and has novated these revenue generating contracts on July 26, 2022.

18 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.

19 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 those 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.

20 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.

21 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. Since the claim management process that is being followed is the same as IBC, foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and accordingly the financial for Mar 22 have been restated to adjust the value of foreign currency loan. The results for the period/year ended 30th June, 2022 and 31st March, 2022 have been overstated by 156.75 million and 115.12 million respectively with corresponding impact on borrowings.

22 These financial results were approved for issue by the Board of directors on November 14, 2022.

November 14, 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 unaudited Financial Results for the Financial Period ended June 30, 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 period ended June 30, 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: 2022.11.14 13:52:04 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Annexure I

Statement on Impact of Audit Qualifications for the period ended June 30, 2022 [See Regulation 52 of the SEBI (LODR) (Amendment) Regulations 2016]

S. No	Particulars	unaudited figures (as reported before adjusting for qualifications) (Rs in millions)	Adjusted figures (as reported before adjusting for qualifications)
1	Turnover/Total Income	83.18	Not determinable
2	Total expenditure	31.37	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	51.81	
4	Net Profit after tax from continuing operations	51.81	
5	Net Profit after tax from discontinuing operations	8.15	
6	Other Comprehensive Income	-	
7	Net Profit after tax for the year	59.96	
8	Earnings per share	0.04	
9	Total Assets	11,840.86	
10	Total Liabilities	50,992.88	
11	Net worth	(39,152.01)	
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 12 to the Statement, non-provision of interest expense amounting to Rs.111.85 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability.	
		2	Note 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;	
		3	We draw attention to Note 21 of the Statement, stating that foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and not restated as at closing rate as on reporting date. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, results for the period/year ended 30th June, 2022 and 31st March, 2022 have been overstated by Rs. 156.75 million and 115.12 million respectively with corresponding impact on borrowings	
		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.1,206.64 million (March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 19 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 (March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 20 to the Statement
			(d)	for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (March 31,

				2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 18 to the Statement
		5		**Material Uncertainty Related to Going Concern** We draw attention to note 2 and 10 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. 48,481.11 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018; (ii) As at June 30, 2022, the current liabilities of the Company aggregating to Rs.41,596.91 million exceed the current assets . (iii) As at June 30, 2022, the Company has accumulated loss of Rs.92,980.31 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 opinion / Adverse Opinion			Qualified opinion
3	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing			Change from disclaimer to qualified
4	For Audit Qualification(s) where the 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: 2022.11.14 18:31:49 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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

PRIYA PREMPAL SHETTY
Digitally signed by PRIYA PREMPAL SHETTY
Date: 2022.11.14 13:57:37 +05'30'

Priya Prempal Shetty
Director
DIN: 0885814

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.11.14 15:32:37 +05'30'

C S Rajan
Director
DIN: 0126063

KAUSHIK MODAK
Digitally signed by KAUSHIK MODAK
Date: 2022.11.14 16:27:02 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.11.14 14:03:03 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.11.14 13:52:29 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Date: 14-11-2022
Place: Mumbai

Independent Auditor's Limited Review Report on the Unaudited Financial Results of IL & FS Energy Development Company Limited for the period ended September 30, 2022, 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

Qualified Opinion

We have reviewed the accompanying statement of unaudited financial results of IL & FS Energy Development Company Limited (the "Company"), for the period ended September 30, 2022 (The "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 ('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 period ended September 30, 2022.

Basis for Qualified Opinion

1. As mentioned in note 12 to the Statement, non provision of interest expense amounting to Rs.120.36 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability;

2. Note 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;

3. We draw attention to Note 21 of the Statement, stating that foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and not restated as at closing rate as on reporting date. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, results for the period/year ended 30th September, 2022, 30th June, 2022 and 31st March, 2022 have been overstated by Rs. 287.26 million, Rs. 156.75 million and 115.12 million respectively with corresponding impact on borrowings.

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.1,213.41 million (March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 19 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 (March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 20 to the Statement;
    d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 18 to the Statement.

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

Above matters were also qualified in our report on the standalone financial statements for the year ended March 31, 2022.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 including the manner in which it is to be disclosed or that it contains any material misstatement.

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.48,611.60 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018;

ii. As at September 30, 2022, the current liabilities of the Company aggregating to Rs.41,540.96 million exceed the current assets;

iii. As at September 30, 2022, the Company has accumulated loss of Rs.92,919.49 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 mentioned in note 10 to the Statement, interest in JV has not been fair valued as financial statements and other relevant information is not available.

5. 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

Comparative financial information for quarter / period ended 30th September, 2021 has not been furnished. Also information related to Consolidated Financial Statements has not been furnished.

FOR C N K & ASSOCIATES LLP

CHARTERED ACCOUNTANTS

Firm Registration Number: 101961W/W-100036

VIJAY HARSUKHLAL MEHTA

Digitally signed by VIJAY HARSUKHLAL MEHTA
Date: 2022.11.14 18:32:51 +05'30'

Vijay Mehta

Partner

Membership Number: 106533

UDIN: 22106533BDAMMZ3384

Place: Mumbai

Date: November 14, 2022

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Unaudited Financial Results for the period ended September 30, 2022
Balance Sheet as at September 30, 2022

	As at September 30, 2022 Rs. Million (Unaudited)	As at June 30, 2022 Rs. Million (Unaudited)	As at March 31, 2022 Rs. Million (Audited)
ASSETS			
Non-current assets			
a) Property, plant and equipment	20.60	22.35	24.25
b) Capital work-in-progress	-	-	-
b) Intangible assets	0.04	0.08	0.16
c) Right-of-use assets	-	-	0.17
d) Financial assets			
i) Investments	1,194.92	1,194.92	1,194.92
ii) Loans	2.62	2.62	2.62
iii) Other financial assets	22.93	22.93	23.26
e) Non-current tax assets (net)	1,213.41	1,206.64	1,198.48
f) Deferred tax assets (net)	-	-	-
g) Other non-current assets	0.04	0.15	2.67
	2,454.56	**2,449.69**	**2,446.53**
Current assets			
a) Inventories	-	-	-
a) Financial assets			
i) Investments	-	-	-
ii) Trade receivables	89.71	48.50	87.06
iii) Cash and cash equivalents	35.02	1.61	2,388.04
iv) Bank balances other than (iii) above	7,264.50	7,152.95	4,714.29
v) Loans	1,070.73	1,070.78	1,070.92
vi) Other financial assets	312.20	309.11	278.75
b) Other current assets	59.41	58.01	58.09
	8,831.57	**8,640.96**	**8,597.15**
c) Assets classified as held for sale	2.29	750.22	741.70
Total assets	**11,288.42**	**11,840.87**	**11,785.38**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	12,835.65	12,835.65	12,835.65
b) Instruments entirely equity in nature	346.61	346.61	346.61
c) Other equity	(52,273.45)	(52,334.27)	(52,394.25)
Total equity	**(39,091.19)**	**(39,152.01)**	**(39,211.99)**
LIABILITIES			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	-	-	-
ii) Lease liabilities	-	-	-
b) Provisions	4.79	4.79	4.79
	4.79	**4.79**	**4.79**
Current liabilities			
a) Financial liabilities			
i) Borrowings	45,812.49	45,779.92	45,780.24
ii) Lease liabilities	-	-	0.20
iii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	0.05	0.07	0.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,145.90	1,138.64	1,142.52
iv) Other financial liabilities	3,207.12	3,240.03	3,240.03
b) Provisions	4.51	5.41	5.18
c) Other current liabilities	202.46	206.96	213.85
	50,372.53	**50,371.03**	**50,382.25**
d) Liabilities directly associated with investments classified as held for sale	2.29	617.06	610.33
Total liabilities	**50,379.61**	**50,992.88**	**50,997.37**
Total equity and liabilities	**11,288.42**	**11,840.87**	**11,785.38**

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Unaudited Financial Results for the period ended September, 2022

Statement of Profit and Loss account for the period ended September 30, 2022

		For the half year ended September 30, 2022	For the 3months ended September 30, 2022	For the 3months ended June 30, 2022	For the year ended March 31, 2022
		Rs. Million (Unaudited)	Rs. Million (Unaudited)	Rs. Million (Unaudited)	Rs. Million (Audited)
I	Revenue from operations	3.58	0.76	2.82	8.94
II	Other income	172.68	92.32	80.36	674.85
III	**Total income (I + II)**	**176.26**	**93.08**	**83.18**	**683.79**
IV	**Expenses**				
	i. Employee benefits expense	21.81	12.27	9.54	49.34
	ii. Finance costs	1.00	0.44	0.56	0.89
	iii. Depreciation and amortisation expense	3.95	1.79	2.16	15.16
	iv. Impairment of financial assets (net)	-	-	-	3.68
	v. Other expenses	33.08	13.97	19.11	100.95
	Total expenses (IV)	**59.84**	**28.47**	**31.37**	**170.02**
				-	
V	**Profit/(loss) before tax (III - IV)**	116.42	64.61	**51.81**	**513.77**
VI	**Tax expense**				
	i. Current tax	-		-	-
	ii. Current tax- pertaining to adjustments of earlier years	-	-		1.30
	ii. Deferred tax	-	-	-	(0.62)
	Total tax expense (VI)	**-**	**-**	**-**	**0.68**
VII	**Profit for the year from continuing operations(V - VI)**	**116.42**	**64.61**	**51.81**	**513.09**
VIII	**Discontinuing Operations**				
	Profit/(loss) for the period/year from discontinuing operations	4.36	(3.79)	8.15	63.33
	Tax expense of discontinued operations	-	-	-	
	Profit for the period/year from discontinuing operations	4.36	(3.79)	8.15	63.33
	Other comprehensive income				
	i. Items that will not be reclassified to profit or loss				
	a. Remeasurement of defined benefit plans	-			2.16
	b. Income tax relating to items that will not be reclassified to profit or loss	-		-	(0.62)
IX	**Other comprehensive income for the period/year, net of tax**	**-**	**-**	**-**	**1.54**
X	**Total comprehensive income for the period/year, net of tax (VII+ VIII+IX)**	**120.78**	**60.82**	**59.96**	**577.96**
	Earnings per equity share (face value of Rs. 10 per share)				
	i. Basic (Rs.)	0.09	0.05	0.04	0.39
	ii. Diluted (Rs.) (refer note 33)	0.09	0.05	0.04	0.39

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Unaudited Financial Results for the period ended September 30, 2022

Cash Flow Statement for the period ended September 30, 2022

		For the period ended September 30, 2022	For the period ended June 30, 2022	For the year ended March 31, 2022
		Rs. Million (Unaudited)	Rs. Million (Unaudited)	Rs. Million (Audited)
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax from continuing operation		116.42	51.81	398.65
Profit before tax from discontinuing operation		4.36	8.15	63.33
Adjustments to reconcile loss before tax to net cash flows:		-		
Depreciation and amortisation expense		3.95	2.16	15.16
Loss/(gain) on disposal of property, plant and equipment		(0.01)	(0.09)	(0.11)
Impairment on property, plant and equipment		-	-	13.06
Finance costs		1.00	0.56	0.89
Interest income		(161.52)	(80.27)	(189.09)
Impairment on financial assets designated at fair value through profit and loss		-	-	2.63
Gain arising on financial assets designated at fair value through profit or loss		-	-	(144.45)
Impairment on trade receivables		(2.05)	-	22.89
Provisions written back		-	-	(46.48)
Profit/(loss) on foreign currency transactions and translation		-	-	115.12
Dividend Income		-	-	(289.65)
Operating profit before working capital changes		(46.77)	(17.68)	(38.05)
Movement in working capital				
Decrease/(increase) in trade receivables		80.95	34.83	12.85
Decrease/(increase) in other financial assets		1.76	(8.67)	284.39
Decrease/(increase) in other assets		1.31	2.60	(0.61)
Increase/(decrease) in trade payables		(5.04)	2.49	(2.81)
Increase/(decrease) in other financial liabilities		573.17	-	(0.25)
Increase/(decrease) in other current liabilities		(611.38)	(6.89)	(3.79)
Increase/(decrease) in provisions		(0.67)	0.23	1.91
Cash flows from/(used in) operations		**(6.67)**	**6.91**	**253.64**
Income tax (paid)/refund received		(14.93)	(8.16)	(70.73)
Net cash flows from/(used in) operating activities	**(A)**	**(21.60)**	**(1.25)**	**182.91**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property plant and equipment		-	-	(0.02)
Proceeds from sale of property plant and equipment		0.01	0.09	0.11
Loans received back		0.19	0.14	-
Proceeds from sale of investment		-	-	1,475.99
Interest received		126.64	58.92	179.36
Dividend received		-		289.65
Proceeds from fixed deposit under earmarked accounts (net)		(4,866.69)	(4,826.05)	(2,179.11)
Deposit in fixed deposit under earmarked accounts		-	-	-
Proceeds from other fixed deposit (net)		2,316.48	2,387.39	185.30
Proceeds from other fixed deposit		-		-
Deposit in other fixed deposit				
Net cash flows from investing activities	**(B)**	**(2,423.37)**	**(2,379.51)**	**(48.72)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings		-		-
Repayment of long-term borrowings		32.25	(0.32)	(1.57)
Proceeds from other short-term borrowings		-		
Repayment of other short-term borrowings		-	-	-
Dividend Paid		-	-	-
Payment of principal portion of lease liabilities		-	-	-
Interest paid		(1.00)	(0.56)	(0.80)
Net cash flows used in financing activities	**(C)**	**31.25**	**(0.88)**	**(2.37)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**(2,413.72)**	**(2,381.64)**	**131.82**
Cash and cash equivalents at the beginning of the year		2,451.03	2,451.03	2,319.21
Cash and cash equivalents at the end of the year		**37.31**	**69.39**	**2,451.03**

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at September 30, 2022

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

No	Particulars	Period ended September 30, 2022	Period ended June 30, 2022	Year ended March 31, 2022
1	Capital Redemption Reserve	NIL	NIL	NIL
2	Debenture Redemption Reserve	Rs. 673.61 million	Rs. 673.61 million	Rs. 673.61 million
3	Net worth	Rs. (39091.19) million	Rs. (39152.01) million	Rs. (39211.99) million
4	Net Profit / (Loss) after Tax	Rs. 120.78 million	Rs. 59.96 million	Rs. 577.96 million
5	Earnings/ (Loss) per share	Rs. 0.09	Rs. 0.04	Rs. 0.39
6	Profit / (loss) for the half year and cumulative profit for the period/year	Cumulative profit / (loss) for the period Rs 120.78 million.	Cumulative profit / (loss) for the period Rs 59.96 million.	Cumulative profit / (loss) for the year Rs 577.96 million. Half year results are not available
7	Formulae for computation of ratios			
	a. Debt Equity Ratio (refer note 1 & 12 below)	Not determinable	Not determinable	Not determinable
	b. Debt Service Coverage Ratio (refer note 2 below)	Not applicable	Not applicable	Not applicable
	c. Interest Service Coverage Ratio (refer note 3 below)	Not applicable	Not applicable	Not applicable
	d. Current Ratio(refer note 4 below)	0.18	0.18	0.18
	e. Long term debt/total assets (Refer note 10)	Not applicable	Not applicable	Not applicable
	f. debtors turnover ratio (refer note 5 below)	0.63	0.82	1.94
	g. Operating margin (refer note no 11)	-90.73%	-35.75%	-38.21%
	h. net profit margin (refer note 6 below) (includes discontinued operation)	52.79%	44.14%	63.20%
	i. total debt to total assets (refer note 8 below)	405.84%	386.63%	388.45%
	j. Current liability ratio (refer note 9 below)	99.99%	99.99%	99.99%
8	The end use of the proceeds of issue of NCD has been in line with the objects stated in the respective Offer Documents of the Issue.			

Notes

1 Debt/Equity Ratio = Total debt- (cash and cash equivalent+Bank balances) ÷ Shareholder's equity

2 Debt Service Coverage Ratio: (Earnings before interest and tax) / (Interest Expense + Principal repayments made during the year) - This ratio is not applicable since the 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 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 results.

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

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 results, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at September 30, 2022 (comparative period end date) and the previous year ended March 31, 2022; and (c) the Statement of Profit and Loss for the period ended September 30,2022 and year ended 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 September 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 September 30, 2022, the Company has liabilities and provisions aggregating Rs 50,379.61 million) is going on. Having regard to the nature, volume and value of claims received, management is of the view that due process will need to be applied to all such claims, in order to finally determine the level of present obligations that would need to be recognised by the Company as liabilities. Accordingly, no adjustments have currently been made in this regard to these standalone Ind-AS financial results.

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 results, the Company is not in compliance with certain provisions/requirements of applicable laws and regulations, including but not limited to certain requirements of the Companies Act, 2013 with regard to delay in appointment of Chief financial officer and of chief executive officer, 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 results.

(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 September 30, 2020. Vide application dated September 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 results of the Company. Accordingly, these financial results 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. Further, these financial results 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 results 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 results in this regard.

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 other financial assets.

Further, in respect of the joint ventures, the Company has not recognised any gain/loss on account of fair value during the period (Rs. 144.45 million fair value gain recogonised during the year ended March 31, 2022 on the basis of the net assets of those joint ventures as at March 31, 2022) and impact of the same on results for the period is not likely to be material.

(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 the 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 period and previous year is prudent and represents the economic substance of the amounts recoverable as of September 30, 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 September 30, 2022 is Rs. 7,780.55 million (March 31, 2022: Rs. 8,030.55 million). Management is in the process of reconciling the completeness and status of various claims against financial guarantees issued, devolved, claimed and recorded/ to be recorded in the books of accounts, including those guarantees in respect of which claims have been received as part of the claim management process. Pending such reconciliation, management has not accounted for any such liabilities in relation to these guarantees in these standalone Ind AS financial results.

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 period, 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 September 30, 2022, which approximates Rs. 30,135.94 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 September 30, 2022 which approximates Rs. 18,164.74 million. These amounts exclude penal/other interest and charges.

The Company has also not-recognised interest expenses amounting to Rs. 69.06 million and Rs. 51.30 million on account of non-deposit of tax deducted at source and Goods and services tax respectively till September 30, 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 the standalone Ind-AS financial statements.

14 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 September 30, 2022. The Company has accumulated losses of Rs. 92,919.49 million as at September 30, 2022 (March 31, 2022: Rs 93,040.28 million) and has net liabilities of Rs 41,540.96 million (March 31, 2022: Rs. 41,653.73 million). The Company also suffered consistent downgrades in its credit ratings since September 2018, and the same was reduced to 'default grade' subsequent to the defaults in repayment of loans taken by the Company, details of which are discussed in Note 2. As a result of the foregoing, the Company's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed.

As indicated in Note 3, there has been a resolution process run by the holding company's Board of Directors. The resolution plan seeks a transparent resolution keeping in mind larger public interest, financial stability, legality, various stakeholders' interest and commercial feasibility. The resolution plan of management includes sale of entities / assets wherever possible and the Company is taking active steps to monetize its assets and is in discussions with multiple parties to sell its assets. The Company is 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.

15 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. 3.58 million during the period ended September 30, 2022. As at September 30, 2022, the Company has total receivable of Rs. 34.92 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 June 30, 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 in the financial statements year ending March 31, 2022. The management believes that no further adjustment is required in the current financial results

16 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

17 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 period ended September 30, 2022, the transaction has been consummated and has novated these revenue generating contracts on July 26, 2022.

18 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.

19 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 those 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.

20 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.

21 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. Since the claim management process that is being followed is the same as IBC, foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and accordingly the financial for Mar 22 have been restated to adjust the value of foreign currency loan. The results for the period/year ended 30th September, 2022, 30th June, 2022 and 31st March, 2022 have been overstated by Rs. 287.26 million, Rs. 156.75 million and 115.12 million respectively with corresponding impact on borrowings.

22 These financial results were approved for issue by the Board of directors on November 14, 2022

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

November 14, 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 Unaudited Financial Results for the Period ended September 30, 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 Period ended September 30, 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: 2022.11.14 13:53:20 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Annexure I

Statement on Impact of Audit Qualifications for the Period ended September 30, 2022 [See Regulation 52 of the SEBI (LODR) (Amendment) Regulations 2016]

S. No	Particulars	Unaudited figures (as reported before adjusting for qualifications) (Rs in millions)	Adjusted figures (as reported before adjusting for qualifications)
1	Turnover/Total Income	176.26	Not determinable
2	Total expenditure	59.84	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	116.42	
4	Net Profit after tax from continuing operations	116.42	
5	Net Profit after tax from discontinuing operations	4.36	
6	Other Comprehensive Income	-	
7	Net Profit after tax for the year	120.78	
8	Earnings per share	0.09	
9	Total Assets	11,288.42	
10	Total Liabilities	50,379.61	
11	Net worth	39,091.19	
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 12 to the Statement, non-provision of interest expense amounting to Rs.120.36 million (March 31, 2022 - Rs. 101.01 million) on unpaid statutory dues relating to Tax Deducted at Source of and Goods and Service Tax liability	
		2	Note 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	
		3	We draw attention to Note 21 of the Statement, stating that foreign currency loan value has been restricted to the liability in INR as on October 15, 2018 and not restated as at closing rate as on reporting date. The same is not in compliance with Ind AS 21 – The effects of changes in Foreign Exchange Rates. Accordingly, results for the period/year ended 30th September, 2022, 30th June, 2022 and 31st March, 2022 have been overstated by Rs. 287.26 million, Rs. 156.75 million and 115.12 million respectively with corresponding impact on borrowings	
		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.1,213.41 million (March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 19 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 (March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 20 to the Statement
			(d)	for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 18 to the Statement

		5		**Material Uncertainty Related to Going Concern** We draw attention to note 2 and 10 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. 48,611.60 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018; (ii) As at September 30, 2022, the current liabilities of the Company aggregating to Rs.41,540.96 million exceed the current assets . (iii) As at September 30, 2022, the Company has accumulated loss of Rs. 92,919.49 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 opinion / Adverse Opinion			Qualified opinion
3	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing			Change from disclaimer to qualified
4	For Audit Qualification(s) where the 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: 2022.11.14 18:33:28 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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

PRIYA PREMPAL SHETTY
Digitally signed by PRIYA PREMPAL SHETTY
Date: 2022.11.14 13:58:52 +05'30'

Priya Prempal Shetty
Director
DIN: 0885814

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN
Date: 2022.11.14 15:34:31 +05'30'

C S Rajan
Director
DIN: 0126063

KAUSHIK MODAK
Digitally signed by KAUSHIK MODAK
Date: 2022.11.14 16:28:30 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy
Date: 2022.11.14 14:03:46 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.11.14 13:53:43 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Date: 14-11-2022
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, 2021 ("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 2020-21, 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 November 19, 2021. 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 3, 2021 on Consolidated Financial Statements and that of IL&FS Wind Energy Limited (IWEL) had issued 'Disclaimer Opinion' vide their audit report dated October 22, 2021 on the Standalone 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, 2021.

Basis for Qualified Opinion

1. As mentioned in note 10 to the Statement, the Holding Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs. 129.61 million(net of reversal) .

   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. 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, 2021. Certain of the above matter was also modified in our report for the year ended March 31,2020.

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

   A. Reconciliations/confirmations/agreements /share certificates:

      i. response to our request for direct balance confirmations towards trade receivable balances (excluding subsidiaries) aggregating to Rs.286.36 million, and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees;

      ii. differences between books balance and confirmations received of Rs. 2,141.03 million with respect to borrowings (including interest accrued), Rs. 19.42 million towards trade receivable balances (excluding subsidiaries) and

Rs. 46.48 million towards trade payable balances (excluding subsidiaries);

iii. loan agreements in respect of 18 loans extended to various group companies (Other than Subsidiaries consolidated) and third parties aggregating to Rs. 695.92 million and Rs. 1,462 million respectively, as referred to in note 32 to the Statement;

iv. physical certificates in relation to 3,533,500 equity shares having cost of Rs. 661.68 million and carrying value (post impairment) of Rs Nil as at March 31, 2021 as held by the Holding Company in its investee companies as referred to in note 35 to the Statement.

v. request for confirmation letter in respect of loans and advances (including interest accrued) aggregating to Rs.549.71 million

B. Holding Company's Management assessment:

i. of recoverability of income tax assets of Rs. 1,129.05 million 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. 45.57 million considered as good of recovery as at March 31, 2021 as referred to in note 36 to the Statement;

iii. for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million into fixed number of equity shares on due date of conversion as referred to in note 33 to the Statement;

iv. 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 38 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. 644.12 million in respect of Infrastructure Leasing & Financial Services Limited (IL&FS), which is also claimed by one of the vendors as mentioned in note 34 to the Statement;

ii. for recording of income of Rs. 17.61 million, earlier shown as advance from customers, in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, pending formal communication with the said customer as mentioned in note 26 to the Statement;

iii. 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;

- for recording certain transactions of funds movement in the form of loans taken from IL&FS and loans given back to IL&FS as mentioned in note 13.

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 Statement. Certain of the above matters were also modified / included in the Emphasis of Matters paragraph of our audit report for the year ended March 31,2020.

3. As mentioned in note 15 to the Statement regarding gross trade receivables and unbilled revenues of ITPCL amounting to Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year - Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. ITPCL has made provisions of Rs 3,187.01 million (previous year - Rs 1,944.76 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.

4. As mentioned in note 18 to the Statement, 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 in note 18 (i) to (v) aggregating Rs. 26,405.84

million (previous year – Rs. 15,176.83 million) , in the financial statements of ITPCL as at March 31, 2021. The Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements.

5. Note 21 to the Statement. For the reasons stated in that note, ITPCL has not recorded the net difference of Rs. 13,985.45 million (previous year - Rs. 5,949.28 million) between book balances and bank & institution balances, in respect of loans from banks and financial institutions. The Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements.

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 Respective Financial Statements as mentioned earlier of its material subsidiaries i.e. ITPCL and IWEL, we report as under:

1. Holding Company has net current liabilities of Rs. 43,765.37 million as at March 31,2021 (previous year - Rs. 44,003.08 million), has reported accumulated losses of Rs. 93,592.45 million as at March 31, 2021 (previous year - Rs. 93,967.98 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. The Holding Company is in process of novating its revenue generating contracts to third party;

2. ITPCL has accumulated losses of Rs. 33,458.82 million as at March 31, 2021 (previous year – Rs. 37,396.44 million). It has incurred a net profit of Rs. 3,895.32 million for the year ended March 31, 2021 (net profit of Rs. 8,464.83 million during the previous year).;

3. As at March 31, 2021 current liabilities of IWEL aggregates to Rs. 8,431.49 million (previous year - Rs.8,371.40 million) and current assets amounts to Rs. 6,199.13 million (previous year - Rs.5,984.21 million). Accordingly, current liabilities of IWEL exceeds current assets by Rs. 2,232.35 million (previous year - 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 Companies Act, 2013. 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 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, 2021 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, 2020 to March 31, 2021 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 20 to the Statement regarding classification of borrowings by ITPCL and note 37 regarding deferred income relating to government grants which have been disclosed as non current liability as at March 31, 2021 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 in 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 Statements, whose financial statements reflect total assets of Rs. 11,216.17 million, total liabilities of Rs. 50,982.02 million as at March 31, 2021, total revenue of Rs. 875.71 million and total comprehensive income of Rs. 375.53 million for the year ended March 31, 2021 as considered in the Consolidated Financial Statements. These financial statements have been audited by previous statutory auditor whose report has been furnished to us, and our opinion on the Consolidated Financial Statements, 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 Statements, whose Standalone/Consolidated Financial Statements reflect total assets of Rs. 1,17,660.85 million, total liabilities of Rs. 1,37,095.84 million as at March 31, 2021, total revenue of Rs. 29,194.43 million and total comprehensive income of Rs. 4,780.38 million for the year ended March 31, 2021 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion on the Consolidated Financial Statements, 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. 0.26 million, total liabilities of Rs. 3.76 million as at March 31, 2021, total revenue of Rs. Nil million and total comprehensive loss of Rs. 0.55 million for the year ended March 31, 2021, 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 Statements, 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 Statements include Group's share of net profit (and other comprehensive income) of Rs.2,695.21 million for the year ended March 31, 2021, in respect of 4 joint ventures, whose financial statements have been audited by other auditors whose reports have been furnished to us by management of the Holding Company and our opinion on the Consolidated Financial Statements, 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 Statements include Group's share of net loss (and other comprehensive loss) of Rs.0.03 million for the year ended March 31, 2021, 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 Holding Company and our opinion on the Consolidated Financial Statements, 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 the accompanying Consolidated Financial Statements are basis the Consolidated Financial Statements for the year ended March 31, 2020 on which we had issued modified opinion dated September 22, 2022.

7. The Holding Company has not presented the information for the six months ended March 31,2021 and related comparatives for the six months ended March 31,2020 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: 2022.11.14 18:34:02 +05'30'

Vijay Mehta
Partner
Membership Number: 106533
UDIN: 22106533BDAIZJ1532

Place: Mumbai
Date: November 14, 2022

Annexure A: List of Subsidiaries and Joint Ventures consolidated

I. List of Subsidiaries (Direct/ Indirect):

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
5. Jogihali Wind Energy Private Limited
6. Mota Layja Gas Power Company Limited
7. Mahidad Wind Energy Private Limited
8. Nana Layja Power Company Limited
9. Patiala Bio Power Company Limited
10. Rohtas Bio Energy Limited
11. Ramagiri Renewable Energy Limited
12. Shendra Green Energy Limited
13. Sipla Wind Energy Limited
14. Vejas Power Projects Limited
15. Maritime International Offshore Pte Ltd

II. List of Joint Ventures:

1. Bihar Power Infrastructure Company Private Limited
2. Assam 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 financial statements of IL&FS Energy Development Company Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, 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 financial statements of the Company. Because of the significanceof 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 financial statements.

Basis for Disclaimer of Opinion

(a) *As mentioned in Note 40 (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. 83.14 million and Rs. 87,371.75 million during the current year and earlier years respectively. Further, the Company has also recognised gain of Rs. 108.03 million and Rs.193.02 million during the current year and earlier years on the investments made in the joint ventures based on the net worth and had also reversed provision of Rs. 11.86 million in respect of trade receivables during the earlier years as was recognised by the Company and is carrying financial assets of Rs. 4,336.76 million as at March 31, 2021.*

In the absence of audited financial statements of 4 subsidiaries, 2 joint ventures and 5 other investee companies for the year ended March 31, 2021 and 4 subsidiaries, 2 joint venture and 9 other investee companies for the year ended March 31, 2020/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 earlier years 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 financial statements as at and for the year ended March 31, 2021. The above matter was also disclaimed in ourreport as at and for the year ended March 31, 2020 and for the year ended March 31, 2019.

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

A. Reconciliations/confirmations/agreements /share certificates:

- *response to our request for direct balance confirmations towards trade receivable balances aggregating to Rs. 286.36million and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees;*

- *differences between book balances and confirmations received of Rs. 2,141.03 million with respect to borrowings (including interest accrued), Rs. 7.10 million towards loans and advances (including interest accrued), Rs. 19.42 million towards trade receivables balances and Rs. 46.48 million towards trade payable balances;*

- *difference of Rs. 1,244.99 million between balance as per books and as confirmed by depository in respect of 1,000debentures as at March 31, 2021;*

- *loan agreements in respect of 94 loans extended to various group companies and third parties aggregating to Rs. 9,828.34 million and Rs. 1,462.00 million respectively, as referred to in note 11 to the accompanying standalone Ind-AS financial statements;*

- *identification and 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 endedMarch 31, 2021/March 31, 2020/March 31, 2019 (refer note 59);*

- *physical certificates in relation to 3,533,500 equity shares having cost of Rs. 661.68 million and carrying value (postimpairment) of Rs. Nil as at March 31, 2021 as held by the Company in its investee companies as referred to in note 8 to the accompanying standalone Ind-AS financial statements;*

- *request for confirmation letter in respect of loans and advances (including interest accrued) aggregating to Rs. 549.71 million.*

B. Management assessment:

- *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 39, note 48 and note 41 respectively to the accompanying standalone Ind-AS financial statements;*

- *of recoverability of income tax assets of 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, 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. 45.57 million considered as good of recovery as at March 31, 2021 as referred to in note 14;*
-
- *for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million into fixed number of equity shares on due date of conversion as referred to in note 17.*

- *of disclosure/impact of revenue recognition standard, Ind AS 115 'Revenue from contracts with Customers' and 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. 644.12 million in respect of the holding company, which is also claimed by one of the vendor as mentioned in note 23 to the accompanying standalone Ind-AS financial statements;*

- *for recording of income of Rs. 17.61 million, earlier shown as an advance from customers, in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, pending formal communication 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, transfer of shares of subsidiary in current year with write off of sales consideration receivable and impairment of said sale consideration during the earlier years 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 matters stated in paragraph A, B and C on the accompanying standalone Ind-AS financial statements. Certain of the above matters were also disclaimed in our report as at and for the year ended March 31, 2020 and for the year ended March 31, 2019.

(c) As mentioned in:

- *note 39 of the accompanying standalone Ind-AS financial statements, 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 which is under progress 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.*

- *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 into 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.*

- *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.*

- *note 37 to 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, 2020 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, ForeignExchange Management Act 1999, Income Tax Act 1961 and Companies Act 2013 with respect to non-filing of the half yearlyfinancial results, delay in 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-IA ofRBI 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 accompanyingstandalone Ind-AS financial statements. The above matter was also disclaimed in our report as at and for the year ended March31, 2020 and for the year ended March 31, 2019.

(e) *We draw attention to note 46 and 62 of the accompanying standalone Ind-AS financial statements which states that:*

i. *at the balance sheet date, current liabilities of the Company exceed current assets by Rs. 43,765.37 million;*

ii. *at the balance sheet date, the Company has accumulated losses of Rs. 93,592.45 million and its net worth is fully eroded;*

iii. *the Company has also suffered consistent downgrades in its credit ratings since September 2018, as a result of which theCompany's ability to raise funds has been substantially impaired, with normal business operations being substantially curtailed;*

iv. *the Company is in process of novating its revenue generating contracts to third party;*

v. *the Company has defaulted in repayment of interest and principal on the debt taken and the said defaults are continuing till the date of this report.*

Pending resolution of the above, 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.

Annexure C: Extracts from the Audit Reports on Financial Statement of material subsidiaries

1. <u>*ITPCL*</u>

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 2021, 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, 2021, its consolidated profit 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 612.71 million, Rs 0.00 million, Rs 3,807.70 million and Rs (19.21) million (previous year- Rs 1,923.19 million, Rs 0.42 million, Rs 164.75 million, and Rs 18.84 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 12,113.10 million and Rs 2,589.30 million, respectively (previous year- Rs

18,200.62 million and Rs 2,205.24 million respectively). that remain uncollected as of even date. The Group has made provisions of Rs 3,187.01 million (previous year - Rs 1,944.76 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 reasoris stated in the said note. In our opinion, the Group may be required to account for the liabilities in note 45(a)(i) to (v) aggregating Rs 26,405,84 million as at March 31, 2021 (previous year- Rs 15,176.83 million). Further, pending the final assessmey 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 Group has not recorded the net difference of Rs 13,985.45 million (previous year- Rs. 5,949.28 million) between book balances and bank & financial institution balances, in respect of loans from banks and financial institutions. 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, 2020 was qualified for the above matters.

2. *IWEL*

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of IL&FS Wind Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the Other Comprehensive Income, the Cash Flow Statement and the 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 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 financial statementswhich discusses certain key events of the year; Note 2(1)(b) to the accompanying 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 financial statements which states that:

   i. *the Company has defaulted in repayment of interest and principal on the debt taken from related partiesaggregating to Rs. 64,238.61 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 including group companies aggregates to Rs. 84,314.86 lakhs and current assets aggregates to Rs. 61,991.34 lakhs. Accordingly, current liabilities of the Company exceed currentassets by Rs. 22,323.52 lakhs.*

   iii. *As stated in note 2 of the accompanying financial statements, the distribution framework as per therevised resolution process approved by the NCLAT vide its order dated March 12, 2020 has been challenged by one of the Company's lender in the Hon'ble Supreme Court of India,*

   This situation indicates that a material uncertainty exists that may cast significant doubt on the Company'sability to continue as a going concern.

   Pending resolution of the above 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 ofcash 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 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 2012-13 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 financial statements, the claim management processis ongoing and has not been concluded,

(c) As mentioned in Note 2.1(h) to the accompanying financial statements, there are ongoing investigationsby various regulatory authorities and agencies on the ultimate holding company and its subsidiaries.

Consequently, the accompanying financial statement do not include any possible adjustments arising fromthe 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 financial statements, the Company is not in compliance withcertain 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 tothe accompanying financial statements.

4) The matters stated in Basis of Disclaimer paragraph above are continuing matters from the previous year.

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Consolidated financial results for the year ended March 31, 2021

Consolidated Balance Sheet as at March 31, 2021

	As at 31.03.2021	As at 31.03.2020
	Audited	Audited
	Rs. Million	Rs. Million
ASSETS		
I. NON-CURRENT ASSETS		
(a) Property, plant and equipment	63,385.14	70,986.96
(b) Right-of-use assets	41.36	42.28
(c) Capital work-in-progress	1,370.18	1,761.19
(d) Goodwill	-	-
(e) Other intangible assets	0.64	1,344.47
(f) Financial assets		
i) Investments	2,705.04	2,369.86
ii) Trade receivables	2,220.95	2,220.95
iii) Loans	785.34	1,000.98
iv) Other financial assets	2,016.75	1,436.74
(g) Deferred tax assets (net)	51.88	51.88
(h) Non-current tax assets (net)	1,210.32	1,727.28
(i) Other non current assets	495.23	489.06
Total non-current assets (A)	74,282.82	83,431.65
II. CURRENT ASSETS		
(a) Inventories	2,449.24	3,168.93
(b) Financial assets		
i) Trade receivables	16,698.11	22,241.87
ii) Cash and cash equivalents	19,766.44	3,658.86
iii) Bank balances other than (ii) above	10,304.00	10,322.20
iv) Loans	261.04	259.72
v) Other financial assets	3,134.02	4,918.90
(c) Current tax assets (net)	-	16.16
(d) Other current assets	635.77	635.42
	53,248.62	45,222.06
Assets classified as held for sale	597.74	710.58
Total Current Assets (B)	53,846.36	45,932.64
TOTAL ASSETS (A) + (B)	1,28,129.18	1,29,364.29
EQUITY AND LIABILITIES		
III. EQUITY		
(a) Share capital	13,182.26	13,182.26
(b) Other equity	(52,645.38)	(57,002.33)
Equity attributable to owners of the Company	(39,463.12)	(43,820.07)
Non-controlling interests	13,778.94	13,014.71
Total equity (C)	(25,684.18)	(30,805.36)
LIABILITIES		
IV. NON-CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	48,898.13	56,099.26
ii) Other financial liabilities	1.32	1.36
iii) Lease liabilities	2.73	6.60
(b) Provisions	38.55	40.30
(c) Deferred tax liabilities (net)	226.87	147.65
(d) Other non-current liabilities	8,491.18	8,752.94
Total non-current liabilities (D)	57,658.78	65,048.11
V. CURRENT LIABILITIES		
(a) Financial liabilities		
i) Borrowings	11,690.75	11,694.61
ii) Trade payables	5,597.51	5,397.53
iii) Lease liabilities	6.93	3.91
iv) Other financial liabilities	77,537.57	76,613.64
(b) Provisions	7.85	7.46
(c) Current tax liabilities (net)	49.52	30.07
(d) Other current liabilities	664.45	722.04
	95,554.58	94,469.26
Liabilities associated with assets classified as held for sale	600.00	652.28
Total current liabilities (E)	96,154.58	95,121.54
TOTAL LIABILITIES (F) = (D) + (E)	1,53,813.36	1,60,169.65
TOTAL EQUITY AND LIABILITIES (C) + (F)	1,28,129.18	1,29,364.29

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Consolidated financial results for the year ended March 31, 2021

Statement of Consolidated Profit and Loss for the year ended March 31, 2021

		Year ended 31.03.2021	Year ended 31.03.2020
		Audited	Audited
		Rs. Million	Rs. Million
I.	Income		
	Revenue from operations	28,441.17	35,206.55
	Other income	1,776.00	750.25
	Total Income (A)	30,217.17	35,956.80
II.	Expenses		
	Cost of fuel consumed	12,287.96	20,081.36
	Other direct expenses	616.35	670.84
	Employee benefits expense	296.09	346.50
	Finance costs	174.16	933.81
	Depreciation and amortisation expense	2,002.52	2,027.03
	Impairment expense	7,463.81	391.52
	Other expenses	2,454.49	2,981.29
	Total expenses (B)	25,295.38	27,432.35
	Profit/(Loss) before tax and share from Associates and Joint Ventures (A) - (B)	4,921.79	8,524.45
III.	Share of profit/(loss) of Joint Venture and Associates (C)		
	Share of profit/ (loss) of Joint Ventures	478.23	352.63
IV.	Profit/(Loss) before tax (D) = (A) - (B) + (C)	5,400.02	8,877.08
V.	Tax expense: (E)		
	(a) Current tax	155.15	83.20
	(b) Deferred tax	78.53	44.00
	(c) Minimum alternate tax (MAT) credit entitlement	7.39	-
		241.07	127.20
VI.	Profit/(Loss) for the year (F) = (D) - (E)	5,158.95	8,749.88
	Profit / (loss) for the Year from Continuing Operations	5,158.95	8,749.88
	Discontinued Operation (Refer note on discontinuing operation)		
	Profit / (Loss) from Discontinued Operations before tax (F)	-	3,362.62
	Tax Expenses of Discontinued Operations	-	238.11
	Profit / (Loss) from Discontined Operation after tax	-	3,124.51
	Profit / (loss) for the Year	5,158.95	11,874.39
VII.	Other comprehensive income (OCI)		
	A) i) Items that will not be reclassified to profit or loss		
	a. Remeasurement of defined benefit plans	5.01	3.13
	b. Share of OCI in Joint Ventures and Associates	0.13	(0.09)
	ii) Income tax related to item that will not be reclassified to profit and loss	(0.69)	(0.27)
		4.45	2.77
	B) i) Items that will be reclassified to profit or loss		
	a. Exchange differences in translating financial statements of foreign operations	(42.22)	(478.77)
		(42.22)	(478.77)
	Total other comprehensive income / (loss) (G)	(37.77)	(476.00)
VIII.	Total comprehensive income/ (loss) for the year (F) + (G)	5,121.18	11,398.39
	Profit / (loss) for the year from continuing operations attributable to:		
	- Owners of the Company	4,394.72	7,092.93
	- Non-controlling interests	764.23	1,656.95
		5,158.95	8,749.88
	Profit / (loss) for the year from discontinuing operations attributable to:		
	- Owners of the Company	-	2,283.73
	- Non-controlling interests	-	840.78
		-	3,124.51
	Other comprehensive income / (loss) for the year from continuing operations		
	- Owners of the Company	(37.77)	(476.20)
	- Non-controlling interests	-	-
		(37.77)	(476.20)
	Other comprehensive income / (loss) for the year from discontinuing operations		
	- Owners of the Company	-	0.20
	- Non-controlling interests	-	-
		-	0.20
	Total comprehensive income / (loss) for the year		
	- Owners of the Company	4,356.95	8,900.66
	- Non-controlling interests	764.23	2,497.73
		5,121.18	11,398.39
	Earning per equity share		
	Earning per equity share (for continuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	3.39	5.15
	- Diluted (in Rs.)	3.39	5.15
	Earning per equity share (for discontinuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	-	1.78
	- Diluted (in Rs.)	-	1.78
	Earning per equity share (for continuing Operations & discontinuing Operations)		
	(Face value of Rs. 10 per share)		
	- Basic (in Rs.)	3.39	6.93
	- Diluted (in Rs.)	3.39	6.93

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Consolidated financial results for the year ended March 31, 2021
Cash Flow Statement for the year ended March 31, 2021

	For the year ended March 31, 2021	For the year ended March 31, 2020
	Audited	Audited
	Rs. Million	Rs. Million
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) after tax from Continuing Operations	5,158.95	8,749.88
Profit / (Loss) after tax from Dis-Continuing Operations	-	3,124.51
Adjustment for:		
Share of profit/(loss) in Joint Ventures	(478.23)	(352.63)
Depreciation and amortisation expense	2,002.53	2,925.82
Gain/(Loss) on sale of property, plant and equipment	0.47	1.95
Finance costs	159.08	1,947.67
Interest income	(692.78)	(519.18)
Net gain/(loss) on derecognition of financial liability	(3.33)	153.08
Impairment Expenses	6,132.90	391.52
Provision for doubtful trade receivables/(payable)	1,352.30	(0.71)
Capital advances / Interest Receivable w/off	(168.56)	179.84
Provisions written back	(10.90)	(0.15)
Bad debts written off	-	10.96
Amortisation of Government Grants	(249.24)	-
Loss of Stock in transit	9.30	-
Loss of property due to cyclone	75.82	-
Impairment of Goodwill	1,328.27	-
Provision for Aged Spares	118.84	-
Provision for tax	0.42	-
Net gain/(loss) on foreign currency transactions and translation	(181.38)	312.14
Rent paid	-	(3.64)
Gain/ (Loss) on disposal of subsidiaries	-	(1,339.10)
Provision for employee benefits and operation & maintainance expenses	-	893.26
Reversal of provision of accrued interest	-	(8.29)
Dividend Income	(10.12)	-
Operating profit before working capital changes	14,544.35	16,466.93
Movement in working capital		
Adjustments for increase / (decrease) in operating Assets:		
Inventories	516.54	(1,729.16)
Trade receivables	5,314.05	(7,533.60)
Other financial assets	1,180.07	(2,092.08)
Other assets	74.85	38.50
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(758.54)	559.83
Other financial liabilities	(14.21)	(846.64)
Provision for employee benefits	0.17	0.04
Other Liabilities	19.99	1,241.46
Cash generated from operations	20,877.28	6,105.29
Taxes (paid)/refund received	630.58	179.21
Net cash flow from operating activities	21,507.86	6,284.50
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(6.23)	(68.18)
Proceeds from sale of property plant and equipment	0.03	5.89
Increase/(decrease) in fixed deposits not considered as cash and cash equivalents	(681.69)	(7,988.75)
Increase/(decrease) in escrow account with security agent	506.61	(559.99)
Proceeds from sale of investments	60.56	4,718.47
Increase/(decrease) in loans and advances	1,327.17	1,563.72
Proceeds from other fixed deposit	38.00	-
Net income tax paid on Interest Income (including tax deducted at source)	(45.21)	-
Deposit in other fixed deposit	(39.70)	(38.00)
Interest received	1,570.44	1,549.92
Dividend received	156.62	139.69
Net cash flow from investing activities	2,886.60	(677.24)
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceed from long term borrowings(net)	(6,791.79)	(1,956.27)
Proceed from Short term borrowings(net)	-	(104.27)
Finance costs paid	(1,488.33)	(2,019.67)
Payment of principal portion of lease liabilities	(6.75)	-
Net cash flow used in financing activities	(8,286.87)	(4,080.21)
Net increase/(decrease) in cash and cash equivalents	16,107.59	1,527.05
Cash and cash equivalents at the beginning of the year	3,687.39	2,160.34
Cash and cash equivalents at the end of the year	19,794.98	3,687.39
Net increase/(decrease) in cash and cash equivalents	16,107.59	1,527.05

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 November 10, 2022.

2. Significant developments at the Holding Company, IL&FS and various group companies ('the IL&FS Group') during the period ended March 31, 2021 and subsequent to the year end.

The Holding Company reported defaults on its borrowing obligations during the financial year 2018-19 which are continuing as on the date of signing of these consolidated financial statements. 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. 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 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" 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.

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

The resolution plan seeks a fair and transparent resolution for the Group 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 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.

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 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 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.

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, 2020 (comparative period end date) and the current year ended March 31, 2021; and (c) the Statement of Profit and Loss for the years ended March 31, 2020 and March 31, 2021.

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 the 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. 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 , March 31, 2020, March 31, 2021 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 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 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 as at and for the year ended March 31, 2020 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 reconstituted Board of IL&FS has initiated a forensic examination for the period from April 2013 to September 2018 for certain companies of the ITPCL including ITPCL, and appointed an external agency to perform the forensic audit and report to the Board of IL&FS. We have received the report during the year ended March 31, 2021. Based on the report, the ITPCL had issued show cause notices (SCN) to three employees (one current and two former), regarding potential irregularities in transactions with vendors and the role of those employees with respect to those transactions in line with IL&FS Group forensic audit protocol. The ITPCL has received responses from those individuals, and is in the process of implementing disciplinary action including but not limited to withholding of final settlement against these employees. Pending outcome of the matter, the financial statement consequences of the above are not currently determinable.

(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"). During the current year ended March 31, 2021, 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 which is under progress. Pending this, 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, 2020 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, 2021.

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.

The Holding Company has divested from one of its subsidiary comapanies named IL&FS Wind Power Service Limited and has received amount of Rs. 60.56 million during the year and has deposited the same in an Escrow account. Further, subsequent to the year ended March 31 ,2021, the Holding Company has obtained NCLT approval vide order dated September 15, 2021 to sell/assign/ transfer certain revenue generating contracts. Also, during the year, the Holding Company has transferred its investment in shares of East Delhi Waste Processing Company Limited at a nil consideration to IL&FS Environment Infrastructure and Services Limited.

During the year ended March 31, 2020, IL&FS Wind Energy Limited (wholly owned subsidiary of the holding company) has sold its remaining 51% equity stake in the above mentioned 7 wind SPV's for total consideration of Rs. 5,928.75 million, which in duly approved by NCLT vide its order dated August 28, 2019 to Orix Corporation, Japan and received the sale consideration. Orix Corporation has also repaid the debt of these 7 SPVs due to the holding company amounting to Rs. 2,164.50 million in addition to above mentioned consideration to IL&FS Wind Energy Limited.

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 .

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 Holding Company, the management is unable to determine the amounts at which the liability of the Holding 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 Holding Company to continue as going concern. Pending approval/guidance from IL&FS Board, these consolidated financial statements have been prepared on 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 as at March 31, 2021:

a. Trade receivables of Rs 2,660.72 and unbilled revenues of Rs 1,082.09 million (previous year – Trade receivable Rs.9,970.97 million and unbilled revenue Rs 1,323.72 million) both in respect of sale of power, and after considering collections receipt subsequent to year end;

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, 2021 of Rs 6,071.56 million (previous year – Rs 3,889.52 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. However, Management of ITPCL is confident that such dues will be recovered in due course, and no provision is required there against.

In respect of (b) above, the ITPCL received favourable order dated May 31, 2021 in respect of claims submitted with the Central Energy Regulatory Commission (CERC). This order is subject to any review or appeal by TANGEDCO. Accordingly, the Management of ITPCL believes that these dues are fully recoverable, and no provision is required to be made in this regard.
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 3,035.78 million (representing 50% of the gross dues of this nature) is required, which has been provided for in these financial statements.

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 867.75 million in respect of invoices for the month of April 2019 and February 2020 to May 2020 and February 2021 (net of collections received subsequent to year-end, which have been adjusted against to the respective invoice), and

b) Unbilled revenues of Rs 1,507.21 million in respect of March 2021 (net of collections received subsequent to year-end till even date), towards supply of electricity and late payment surcharge.

c) Trade receivables towards interest on overdue payments up to March 31, 2021 of Rs 278.14 million.

In respect of (a) & (b) above, the 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, the 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 (c) above, based on its assessment of recoverability of these amounts, the management of ITPCL is of the view that a provision of Rs 139.07 million (representing 50% of the gross dues of this nature) is required, which has seen provided for in these financial statements.

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 were pledged with lender, therefore, were not transferred till March 31, 2020. As the Holding Company, under the resolution process of IL&FS Environment, had filed a claim for consideration of Rs. 1,380.00 million with the claim Management Advisor, basis an expert legal opinion, the Holding Company has transferred all the balance shares of East Delhi Waste Processing Company Limited to IL&FS Environment during the current year.

NCLT, vide its order dated February 2, 2021, has approved the sale of IL&FS Environment including its investment in East Delhi Waste Processing Company Limited. Under the said Resolution process, IL&FS Limited divested its shareholding in IL&FS Environment including the investments made by IL&PS Environment in various entities. Based on the resolution process, the Holding Company being operational creditor, is entitled for Nil recovery and accordingly, the Holding Company, after taking approval from the Board of Directors, has written off the said receivables amounting to Rs. 1,380.00 million in these consolidated financial statements during the year (the same was already fally provided for in earlier years). The management of the holding comapny is of the view that no further adjustments are required to be made in these consolidated financial statements in this regard.

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

As at March 31, 2020 the ITPCL carried CWIP of Rs 331.82 million (net of impairment provisions till that date) in the financial statements representing costs incurred towards construction of a jetty near the ITPCL's power plant in Tamil Nadu. During the year, based on the current status of the project, funding requirements and other factors, the ITPCL has recognised a provision for Impairment for the entire balance of CWIP amounting to Rs. 331.82 million as at March 31, 2021.

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 previous year and current year.

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 had been waived by IMICL from 2018-19. 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. This contract with IMICL was terminated by the ITPCL effective April 1, 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 as at March 31, 2021. 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.

iii) As at March 31, 2021, 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. Further no interest has been recognised from October 16, 2018 and such borrowings which aggregates to Rs. 4,490.70 million as at March 31, 2021 including Rs. 1,955.81 million 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 aggregating to Rs 705.34 million as at March 31, 2021, including Rs 198 million in respect for the year ended March 31, 2021, 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(iii) (for the period after October 15, 2018), and cash credit accounts (for the period after October 31, 2018). Accordingly, ITPCL had not recognised finance costs aggregating to Rs. 20,801.37 million approximately year ended March 31, 2021, (Rs 11,726.17 million as at March 31, 2020) 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 9,075.19 million on loans from banks, debentures other than in Note 50(iii) 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. 26,405.84 million as at March 31, 2021 (Rs 15,176 .83 million as at March 31, 2020).

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 1). Unit 1 achieved its Commenced Operations Date ("COD") in the year 2015-16, and Unit 11 achieved COD in the year 2016-17, The ITPCL entered into a Power Purchase Agreement ("PPA") with TANGEDCO in respect of Unit 1, 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.

Management of ITPCL performed an assessment of the recoverable amount of the above-mentioned Cash Generating Unit (CGU), and related provision for impairment, as at March 31, 2021, under the requirements of Ind-AS 36, Impairment of Assets. The Managementof ITPCL obtained a third-party valuation on a Fair Market Value less cost of disposal of the CGU and also calculated value in use based on present value of future cash flows. The recoverable amount considered for above CGU, is Rs.53820.50 millions being the value in use based on present value of future cash flows. Consequently, an impairment loss provision of Rs. 5,611.40 million was recognised during the year ended March 31, 2021.

In respect of the above, the management of ITPCL estimated the value in use using discounted future cash flows from the power plant over its remaining useful life. In making these estimates, management of ITPCL relied on internal and external estimates for significant Inputs, including future price of the coal, foreign exchange rates and terminal values, weighted average cost of capital and made certain assumptions relating to future tariff and estimate of operational 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.

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, 2021, and had not paid such interest and related principal, till March 31, 2021. 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 thereafter. 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, 2020 and March 31, 2021 had been classified as current and non-current based on the original terms of the loan agreement, without considering default provisions as above.

21. Reconcilation of borrowings

As at March 31, 2021, the ITPCL's books of account reflect a balance of Rs 81,466.79 million payable to the consortium of banks (with whom the ITPCL has borrowing arrangements), without making any adjustments that may be required to give effect to the proposed restructuring of debt and other outstanding amounts to banks. Against this, the statements / other information provided by those banks indicate outstanding balances by the ITPCL aggregating Rs. 95,452.24 million (forming part of total claims by lenders of Rs. 88,576.78 million). Management of ITPCL believes that the net difference of Rs 13,985.45 million may be on account of interest costs not accounted for by the Group after October 15, 2018 and/or incorrect / additional / penal interest charged by the banks. Accordingly, the ITPCL has not accounted for the above difference in these financial statements.

22. Accounting for amounts due / recoverable from IL&FS group companies

a) ITPCL entered into a License Agreement dated September 15, 2010 with Tamil Nadu Maritime Board ("TNMB") on September 15, 2010 for the development and operation of the Parangipettai Port in Tamil Nadu, India (the "Port"), for a period of 30 years from August 15, 2010. ITPCL has transferred the Licence for port development and operation to PNML, an IL&FS group Group, without any consideration. Thereafter, ITPCL signed a Memorandum of Agreement with PNML dated April 12, 2013 to develop, finance, implement and operate the Port as a captive port for the Group on a "Take or Pay" basis.

   As per the Memorandum of Agreement with PNML, ITPCL was required to provide capital support of Rs 6,300 million to PNML towards construction of the Port, out of which ITPCL paid Rs.2,903.50 million to PNML between March 2013 and February 2014. The development of the port was deferred due to various reasons, including delay implementation of Phase 11 of the ITPCL's power plant. Subsequently, in July 2015, PNML refunded Rs. 1,900 million out of the 2,903.50 million received from the ITPCL.

   The ITPCL and PNML entered into an amendment dated March 7, 2016 to the Memorandum of agreement dated April 12, 2013, in terms of which ITPCL was required to pay a deposit of Rs 2,200 million to PNML in lieu of capital cost already incurred by PNML, and PMML was required to refund the balance Rs 1,003.50 million capital support to ITPCL. ITPCL had not received the capital support amount of Rs 1,003.50 million from PNML, and based on the financial condition of PNML, the ITPCL provided for such amount of Rs 1,003.50 million as at March 31, 2019.

b) Costs incurred towards Carbon Capture Project, paid to IL&FS Environmental Infrastructure & Services Limited ("IEIS")

In earlier years, ITPCL had incurred Rs 413 million towards costs paid to IL&FS in relation to a carbon capture project and Rs 295 million towards costs paid to IEIS, towards services for assistance in obtaining environmental clearances for Phase II of the ITPCL's power project. These amounts were previously carried as part of capital work in progress ("CWIP"). During the financial year ended March 31, 2019, based on the status of these projects and assessment of their recoverability and assessment of costs included under capital work in progress, management determined that these amounts are no longer recoverable through use, or have not met necessary parameters to support their being carried as CWIP. Accordingly, a total of Rs 708 million was written off from CWIP in this regard, during the year ended March 31, 2019

c) Interest on margin money deposits placed with IEDCL

ITPCL has placed margin money deposits of Rs 327.13 million with IEDCL, its holding Company. The ITPCL had recognised interest receivable on such margin money for the period April 1, 2018 to October 15, 2018, of Rs 9.76 milion, which was adjusted against the balance of term loans payable as at 31 March 2019. ITPCL has not recognised interest on such margin money for any period thereafter, till March 31, 2021.

23. Loan restructuring

During the current year, Management of ITPCL has received approval from bankers/financial institutions to restructure the payables towards principal and interest in respect of the ITPCL's borrowings from those banks/financial institutions. This approval of restructuring is subject to the approval of The Hon'ble NCLAT. Application for such approval was made on January 08, 2021 and the same was heard on August 05, 2021. The second hearing on September 29, 2021 was adjourned and was scheduled for hearing on December 01, 2021. The case was heard on the said date and Order awaited. Pending the Order/approval of the Hon'ble NCLAT and execution of contractual arrangements in this regard, no adjustments have been made in the financial statements.

24. With regard to one of the subsidiaries named as IL&FS Solar Power Limited ("ISPL") which is classified under 'Green' category, the Holding Company has an exposure of Rs. 0.50 million and Rs. 6.39 million on account of investment made and other receivables respectively aggregating to Rs. 6.89 million as at March 31, 2021. Based on the audited financial statements of ISPL as at and for the year ended March 31, 2021, net worth of ISPL is Rs. 220.91 million.

ISPL received prepayment offer from Embassy Energy Private Limited ('Embassy"), customer of ISPL, amounting to Rs. 7,183 million on December 31, 2019 and has received the revised prepayment offer dated November 18, 2020 wherein Embassy has agreed to repay an amount of Rs. 7.779.70 million to ISPL. Basis the offer received from Embassy and after taking inputs from Alvarez & Marshal and from Cyril Amarchand Mangaldas (CAM), ISPL has discharged its liabilities for secured and unsecured lenders till December 31, 2019. Accordingly, during the current year, the Holding Company has received Rs. 1,952.00 million from ISPL against its dues for trade receivables, loans and advances including interest accrued on loans till December 31, 2019.

Considering the inputs taken from CAM, the management is of the view that ISPL became non-green entity with effect from January 1, 2020 and accordingly. under the approved resolution framework (refer note 3), no interest required to be accrued, on the loans and advances given by the Holding Company, post December 31, 2019. Basis this, the Holding Company has not accrued interest income of Rs. 217.61 million for the period from January 1, 2020 till December 11. 2020 i.e. till the payment of loans.

Further, considering the positive net worth of ISPL as at March 31, 2021, the Holding Company has reversed the impairment of investment of Rs. 0.50 million during the current year. Management is of the view that no further adjustments are required to be made in the consolidated financial statements in this regard.

25. 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 (Amy") dated October 16. 2014. Per the term 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,IL&FS Renewable Energy Limited, now merged with IL&FS Energy Development Company Limited had entered into a Power Purchase Agreement (PPA) with Amity University ("Amity") 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. 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 appointed Hon'ble Justice Ajit Prakash Shah (retd.) as nominee arbitrator. As Amity failed to nominate and appoint its arbitrator, the Holding 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 Holding Company has continued to supply electricity to Amity and has invoiced an amount of Rs. 10.29 million during the current year ended March 31, 2021. As at March 31, 2021, the Holding Company has total receivable of Rs. 22.38 million and has also claimed Rs. 49.02 million from Amity as Buy Out Price against the solar plant having net block of Rs. 39.61 million as at March 31, 2021 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. 39.61 million. The management 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.

26. During the year ended March 31, 2019, vide agreement dated May 7, 2018, the Holding Company had entered into Framework Agreement ("the Agreement") with a customer. 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, the customer 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 previous 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 the customer.

The Holding Company has not received any correspondence from the customer 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. Further the Management is of the view that as the Holding Company has full filled its obligations toward the Agreement and no further deliverables are pending, accordingly, the management believes that the liability of Rs. 17.61 million needs to be reversed in the books of account. The Board of directors vide their meeting held on dated February 10, 2021 has given their approval for the reversal of Rs. 17.61 million and accordingly, the same has been recognised as an income in the statement of profit & loss for the year ended March 31, 2021. The management believes that the adjustment made in these consolidated financial statements are based on its best estimates and no further adjustments are required to be made in this respect.

27. During the year ended March 31, 2020, the Holding Company had reversed revenue of Rs. 29.21 million (excluding taxes) on account of change in the basis of computation of revenue as advised by its customer named Energy Efficiency Services Limited ("EESL"), who has given its direction for exclusion of O&M cost from the project cost for its GHMC project. As at March 31, 2021, the Holding Company has receivables of Rs. 105.49 million (after taking the impact of said reversal), which the management believes that fully recoverable in nature.

Further, subsequent to the year ended March 31, 2021, the management of the holding company has finalized the reconciliation with the said customer in respect of the same and has recognised revenue of Rs. 2.06 million during the current year. The management believes that no further adjustments are required to be made in these consolidated financial statements in this regard.

28. As mentioned in the note 2 of the accompanying consolidated financial statements of the Holding Company. New Board of the holding company 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 holding company 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%

Name of the Vertical	Debt ratio
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 billed the amount as per the said ratio to the respective vertical. The Holding Company has further computed the amount of expenses to be apportioned to its SPV companies based on the debt ratio as on October 15, 2018 as mentioned below:

Name of the Vertical	Debt ratio
IL&FS Energy Development Company Limited	13.29%
Subsidiary Companies	
IL&FS Wind Energy Limited (IWEL)	1.19%
SPVs of IL&FS Wind Energy Limited	21.30%
IL&FS Tamil Nadu Power Company Limited (ITPCL)	39.94%
Mahidad Wind Energy Private Limited	0.41%
IL&FS Solar Power Limited	3.09%
Joint Ventures	
ONGC Tripura Power Company Limited	19.81%
Cross Border Power Transmission Limited	0.97%
	100.00%

The management of the holding company has considered external debt of only those companies which were considered for the computation of debt of whole IL&FS Energy Vertical.

Further, considering the restructuring plan of ITPCL, pending for NCLAT approval, the amount has been apportioned for ITPCL till June 2020 only and after that, the amount of common expenses has been allocated by the holding company i.e. IL&FS to ITPCI. directly. In respect of Wind SPVs, IWEL had sold its investment in its SPV companies (refer note 47(c)) during the year ended March 31, 2020, accordingly, amount of expenses in respect of these entities have not been apportioned during the current year ended March 31, 2021.

As the Joint Venture Companies (JV Companies) are not managed by the IL&FS Group, hence, the management is of the view that expenses need not to be allocated to JV Companies

The Board of Directors of the Holding Company vide their meeting held on July 1, 2021 after taking approval from the Board of the holding company, has given its approval for the allocation of expenses based on the above ratio. Accordingly, during the current year, the Holding Company has allocated Rs. 59.84 million to its subsidiaries pertaining to the expenses incurred till March 31, 2020 and Rs. 16.59 million to its subsidiaries for the expenses incurred during the year ended March 31, 2021, which has been considered as fully recoverable.

The management of the holding company believes that the adjustment made in these consolidated financial statements is based on their best estimates and based on the information available with the Holding Company. Accordingly, no further adjustments are required to be made in these consolidated financial statements in this regard.

29. 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) 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.

30. 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 is in process making a detailed assessment of profitability of the said contract. Accordingly, no adjustments have been made in respect of the foresecable losses, if any, in respect of the said contract (also refer note 55). 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.

31. Under the Resolution Framework (refer note 3) of the Holding 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 Holding 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 Holding Company and from the New Board of the holding company, Holding Company submitted an application seeking approval from the Hon'ble Justice D.K. Jain for the transfer of the said contracts.

Subsequent to the year ended March 31, 2021, Hon'ble Justice D.K. Jain has given its approval vide letter dated June 9, 2021 and the Holding Company has filed an application with NCLT for its approval and the same has been approved by NCLT vide its order dated September 15, 2021.

The Holding Company has entered into BTA with PTC India Limited on July 05, 2021 and is in process of novating these revenue generating contracts. Considering the approval from Justice Jain and NCLT has been obtained subsequent to the year end, which were substantive approvals and pending novation of the revenue generating contracts, the management has not made any adjustments in relation to the above-mentioned transaction and has recognised revenue of Rs. 214.63 million in these consolidated financial statements and has not adjusted the carrying value of the assets and liabilities as at March 31, 2021, as has been recognised in these accompanying consolidated financial statements.

32. Consequent to the various matters mentioned in Note 2 and 3 to these consolidated financial statement, the normal business operations of the Holding Company as they existed until September 30, 2018 have ceased. The Holding Company is unable to locate loan agreements in respect of 8 loans of Rs. 695.92 million extended to group companies and 10 loans of Rs. 1,462.92 million to extended third parties. The management believes that this will not have any adverse impact on these consolidated financial statements. Also refer note 8 and 70 for details of investments made, loans and deposits given to related parties.

33. The Holding Company has issued 247,000 Fully Compulsorily Convertible Debentures (FCCD) of Rs 10,000 each to Infrastructure Leasing & Financial Services Limited ("holder") during the year ended March 31, 2012. Terms of the FCCD have been changed in the financial year ended March 31, 2017, as per the revised terms of FCCD, the Holding Company has 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 Holding Company has an option to convert these FCCD along with the option premium and interest accrued from April 1, 2016 till the date of maturity into fix number of equity shares .Vide memorandum dated February 8, 2017, the Holding 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 regards.

34. The Holding Company has received 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 1,568.67 million as on March 31, 2021. 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. 644.12 million, Rs. 641.04 million has been recorded as payable to holding company for Letter of Credit (LC) devolved but not paid to Sterling, in compliance with the interim order dated October 15, 2018 of NCLAT and balance Rs. 3.08 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 accompanying financial statements to comply with the order of NCLAT. Further, Claim Management Advisor has admitted contingent claims in favour of bank who has issued the LCs and the Holding Company.

35. With respect to three companies namely KVK Nilanchal Power Private Limited (""KVK""), SV Power Private Limited and Shalivahana Green Energy Limited, the Holding Company has Nil carrying amount in respect of investment and other receivable of Rs. 8.60 million. Based on the uncertainty to find a buyer for these investments and as per the current business position of the Holding Company, the management had provided for Rs. 1,145.44 million impairment allowance as at March 31, 2020 and believes that the impairment recognised in earlier years need not to be re-assessed accordingly, has not made any further adjustments in these consolidated financial statements.

The Holding Company is in the process of transferring 3,533,500 equity shares as March 31, 2021 in its name. The Company has issued an undertaking to repledge the shares in favour of the lenders on transfer of shares in its name.

36. During the year ended March 31, 2019, the Holding Company has defaulted in payment of dues to one of a vender namely M/S Sterling and Wilson Private Limited ("Sterling") amounting Rs. 927.30 million (including taxes) which was due for more than 180 days from the due dates. Accordingly, as per the provision of Section 16(2) of CGST ACT, 2017 read with Rule 37 of CGST Rules, the Holding Company created GST tax liability of an equivalent amount of GST input tax credit availed by the Holding Company on the said outstanding amount and booked deferred GST input tax credit of same amount amounting Rs. 93.96 million. During the current year, the Holding Company has written off the deferred GST input tax credit amounting Rs. 91.96 million due to future uncertainty for availing the said input.

37. Government grants

The ITPCL qualifies as a Mega Power Project, in terms of the applicable regulations in this regard, and has obtained a provisional Mega Power Project status certificate from the Ministry of Power, Government of India ("Gol"). In terms of the prevalent scheme at the relevant time, ITPCL had availed of exemption from customs and excise duty aggregating Rs 9,953.67 million on the purchase of equipment and spares for the ITPCL's power project, which were secured by bank guarantees and fixed deposits. The grant of final mega power status of the ITPCL is dependent on its achieving tie up for the supply of power for 85% of its installed capacity through the long-term PPAs by way of competitive bidding and the balance through regulated market within stipulated time (i.e., by January 2022). Under Ind AS, exemption of customs and excise duty has been treated as grant relating to income and accordingly, the amount of grant has been set-up as deferred income and has been recognised in statement of profit and loss over the useful life of the asset for which grant was received, with a corresponding balance recognised under Property, Plant & Equipment (Plant and Machinery).

In respect of Unit I of the ITPCL Power Plant Operations ,the ITPCL has entered into a PPA for 15 years with TANGEDCO. During the previous financial year, the ITPCL has obtained a mega power certificate (provisional) to the extent of 56.17% based on the amended Mega Power Policy 2009 and, accordingly, bank guarantees provided by the ITPCL to the GOI for an amount of Rs 5,576.14 million (proportional to the total value of bank guarantees given) have been released. There are no further obligations or conditions attached to this portion of the grant.

In respect of Unit II, the ITPCL has entered into a PPA effective April 1, 2019, for a period of three years. The ITPCL has represented to Ministry of Power that it has not been able to enter into a long-term PPA, as required by the terms of the duty waivers explained above, due to a lack of market (represented by requests for proposals) for such power supply terms. Management also believes that there are no other material obligations or conditions attached to this remaining portion of the grant, and that ITPCL would continue to retain its Mega Power Project status in respect of Units I and II combined and, accordingly, no adjustments have been made to the financial statements in respect of the non-current deferred government grants of Rs. 4,174.19 million.

38. The Holding Company has lease contracts for its various office premises used in its operations with lease terms between 2 to 5 years.

The Holding 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 asset and liabilities for leases with remaining lease term of 12 months or less.

The Holding Company also has certain leases of offices with lease terms of 12 months or less. The Holding Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year

The Holding Company 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, the same was not accounted for under Ind AS 116 during the previous year ended March 31, 2020 as no agreement was entered into between the Holding Company and the IL&FS Limited. During the current year ended March 31, 2021, vide Leave and License Deed ("the Agreement") dated March 9, 2021, entered into between the Holding Company and the IL&FS Limited, the Holding Company has accounted for rent expense as per the provision of Ind AS 116 for the current year and the management based on its internal assessment believes that this will have no impact on the Right of Use Assets and Lease liabilities as at March 31, 2020, accordingly, no adjustments are required to be made in respect of this in the comparative financial statements for the year ended March 31, 2020. Subsequent to the year ended March 31, 2021, the Holding Company has given termination letter dated September 01, 2021 to terminate the Agreement with effect from December 01, 2021, the management basis its internal assessment believes that the impact of this need not to be considered in these consolidated financial statements.

Further, the management of the holding company has accounted for Right to Use Asset under Ind AS 116 related to offices which are being specifically used for the services provided by the Holding 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.

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2021

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at March 31, 2021

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

No	Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
1	Capital Redemption Reserve	NIL	NIL
2	Debenture Redemption Reserve	Rs. 689.08 million	Rs. 718.33 million
3	Net worth	Rs. (25,684.18) million	Rs. (30,805.36) million
4	Net Profit / (Loss) after Tax	Rs. 5,158.95 million	Rs. 11,874.39 million
5	Earnings/ (Loss) per share	Rs. 3.39	Rs. 6.93
6	Profit / (loss) for the half year and cumulative profit for the year	Cumulative profit / (loss) for the year Rs 5,158.95 million. Half year results are not available	Cumulative profit / (loss) for the year Rs 11,874.39 million. Half year results are not available
7	Formulae for computation of ratios		
	a. Debt Equity Ratio (refer note 1 below)	-4.89	-4.27
	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	0.56	0.48
	e. Long term debt/total assets	0.00	0.00
	f. debtors turnover	548.71	525.30
	g. Operating margin		
	h. net profit margin	17.07%	33.02%
	i. total debt to total assets	98.10%	101.62%
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 2 (C) of basis of qualified opinion of the Independent Auditors Report)		

Notes

1. Debt/Equity Ratio = (Total Debt – Cash and Cash equivalent + Bank balances) / (Equity Share Capital +
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/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

November 14 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, 2021**

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, 2021. Copy of the statement on Impact of Audit Qualifications is enclosed as Annexure – I.
s
Thanking You

Yours Faithfully,

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

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2022.11.14 13:55:35 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Annexure I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 [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	30,217.17	Not determinable
2	Total expenditure	25,295.38	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	4,921.79	
4	Net Profit after tax from continuing operations	5,158.95	
5	Net Profit after tax from discontinuing operations	5,158.95	
6	Other Comprehensive Income	(37.77)	
7	Net Profit after tax for the year	5,121.18	
8	Earnings per share	3.39	
9	Total Assets	1,28,129.18	
10	Total Liabilities	1,53,813.36	
11	Net worth	(25,684.18)	
12	Any other financial item(s) (as felt appropriate by the management)	None	

Encl: a. a.

II Audit qualifications (each audit qualification separately)

<table>
<tr><td>1</td><td>Details of audit qualifications</td><td>1</td><td>1. As mentioned in note 10 to the Statement, the Holding Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs. 129.61 million (net of reversal).

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. 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, 2021. Certain of the above matter was also modified in our report for the year ended March 31,2020</td></tr>
<tr><td></td><td></td><td>2</td><td>Holding Company's auditor did not receive audit evidence in respect of:

- Reconciliations/confirmations/agreements /share certificates:

• response to our request for direct balance confirmations towards trade receivable balances (excluding subsidiaries) aggregating to Rs.286.36 million, and confirmation from banks/financial institutions in respect of details of securities, lien collaterals, guarantees.;

• differences between books balance and confirmations received of Rs. 2,141.03 million with respect to borrowings (including interest accrued), Rs. 19.42 million towards trade receivable balances (excluding subsidiaries) and Rs. 46.48 million towards trade payable balances (excluding subsidiaries);

• loan agreements in respect of 18 loans extended to various group companies (Other than Subsidiaries consolidated) and third parties aggregating to Rs. 695.92 million and Rs. 1,462 million respectively, as referred to in note 32 to the Statement;

• physical certificates in relation to 3,533,500 equity shares having cost of Rs. 661.68 million and carrying value (post impairment) of Rs Nil as at March 31, 2021 as held by the Holding Company in its investee companies as referred to in note 35 to the Statement;

• request for confirmation letter in respect of loans and advances (including interest accrued) aggregating to Rs.549.71 million

Holding Company's Management assessment:

• of recoverability of income tax assets of Rs. 1,129.05 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 Goods and Service Tax credit amounting to Rs. 45.57 million considered as good of recovery as at March 31, 2021 as referred to in note 36 to the Statement.
• for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million into fixed number of equity shares on due date of conversion as referred to in note 33 to the Statement
• 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 12and note 38 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. 644.12 million in respect of Infrastructure Leasing & Financial Services Limited (IL&FS), which is also claimed by one of the vendors as mentioned in note 34 to the Statement
• for recording of income of Rs. 17.61 million, earlier shown as advance from customers, in respect of contract of Rs. 4,000.00 million (approx.) for solar park development with a customer, pending formal</td></tr>
</table>

			communication with the said customer as mentioned in note 26 to the 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 16 - for recording certain transactions of funds movement in the form of loans taken from IL&FS and loans given back to IL&FS as mentioned in note 13. 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 Statement. Certain of the above matters were also modified / included in the Emphasis of Matters paragraph of our audit report for the year ended March 31,2020
		3	As mentioned in note 15 to the Statement regarding gross trade receivables and unbilled revenues of ITPCL amounting to Rs 12,113.10 million and Rs 2,589.30 million, respectively (previous year - Rs 18,200.62 million and Rs 2,205.24 million respectively), that remain uncollected as of even date. ITPCL has made provisions of Rs 3,187.01 million (previous year - Rs 1,944.76 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
		4	As mentioned in note 18 to the Statement, 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 in note 18 (i) to (v) aggregating Rs. 26,405.84 million (previous year – Rs. 15,176.83 million) , in the financial statements of ITPCL as at March 31, 2021. The Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements
		5	Note 21 to the Statement. For the reasons stated in that note, ITPCL has not recorded the net difference of Rs. 13,985.45 million (previous year - Rs. 5,949.28 million) between book balances and bank & institution balances, in respect of loans from banks and financial institutions. The Auditor of ITPCL was unable to comment on the consequential effects of the above, on the financial statements
		6	**Material Uncertainty Related to Going Concern**
			On the basis of audit reports on Standalone Financial Statements of the Holding Company and Respective Financial Statements as mentioned earlier of its material subsidiaries i.e. ITPCL and IWEL, we report as under • Holding Company has net current liabilities of Rs. 43,765.37 million as at March 31,2021 (previous year - Rs. 44,003.08 million), has reported accumulated losses of Rs. 93,592.45 million as at March 31, 2021 (previous year - Rs. 93,967.98 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. The Holding Company is in process of novating its revenue generating contracts to third party • ITPCL has accumulated losses of Rs. 33,458.82 million as at March 31, 2021 (previous year – Rs. 37,396.44 million). It has incurred a net profit of Rs. 3,895.32 million for the year ended March 31, 2021 (net profit of Rs. 8,464.83 million during the previous year) • As at March 31, 2021 current liabilities of IWEL aggregates to Rs. 8,431.49 million (previous year - Rs.8,371.40 million) and current assets amounts to Rs. 6,199.13 million (previous year - Rs.5,984.21 million). Accordingly, current liabilities of IWEL exceeds current assets by Rs. 2,232.35 million (previous year - 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: 2022.11.14 18:35:49 +05'30'

Vijay Mehta
Partner
Membership No. 106533

Date: November 14, 2022
Place: Mumbai

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

CHANDRA SHEKHAR RAJAN
Digitally signed by CHANDRA SHEKHAR RAJAN Date: 2022.11.14 15:37:26 +05'30'

C S Rajan
Director
DIN: 0126063

PRIYA PREMPAL SHETTY
Digitally signed by PRIYA PREMPAL SHETTY Date: 2022.11.14 14:00:50 +05'30'

Priya Prempal Shetty
Director
DIN: 08858814

KAUSHIK MODAK
Digitally signed by KAUSHIK MODAK Date: 2022.11.14 16:29:49 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy
Digitally signed by Feby Koshy Bin Koshy Date: 2022.11.14 14:04:19 +05'30'

Feby Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Chief Financial Officer

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee Date: 2022.11.14 13:56:07 +05'30'

Date: November 14, 2022
Place: Mumbai