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

February 14, 2023

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

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

Dear Sir / Madam,

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

We wish to inform you that, pursuant to Regulation 52(2) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, at its Meeting held on February 14, 2023, inter-alia, approved;

(a) Standalone Financial Results for the Quarter and Nine Months ended December 31, 2022 and
(b) Consolidated Audited Financial Results for the year ended 31st March, 2022,

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

Yours Faithfully,

For IL&FS Energy Development Company Limited

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2023.02.14 14:28:52 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Independent Auditor's Review Report on the Quarterly and Year to date Unaudited Financial Results of 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

Qualified Opinion

We have reviewed the accompanying statement of unaudited financial results of IL & FS Energy Development Company Limited (the "Company"), for the quarter and nine months ended December 31, 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 and nine months ended December 31, 2022.

Basis for Qualified Opinion

1. As mentioned in note 12 to the Statement, non provision of interest expense amounting to Rs.128.86 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 20 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 quarter/period/year ended 31st December 2022, 30th September, 2022 and 31st March, 2022 have been overstated by Rs.348.95, Rs. 287.26 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.1,232.42 million (September 30, 2022 - Rs. 1,213.41 million and March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 18 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 (September 30, 2022-Rs. 346.61 million and March 31, 2022 – Rs.346.61 million) into equity shares on due date of conversion as referred to in note 19 to the Statement;
   d) for non-conversion of Fully Compulsorily Convertible Debentures having face value of Rs. 2,470.00 million (September 30, 2022-Rs. 2,470.00 million and March 31, 2022 – Rs. 2,470.00 million) into fixed number of equity shares on due date of conversion as referred to in note 17 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 recognized 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.

CNK & ASSOCIATES LLP
MUMBAI
Chartered Accountants

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.48,266.23 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018;

ii. As at December 31, 2022, the current liabilities of the Company aggregating to Rs.41,450.29 million exceed the current assets;

iii. As at December 31, 2022, the Company has accumulated loss of Rs.92,809.81 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.

C N K & ASSOCIATES LLP
MUMBAI
Chartered Accountants

Other Matter

Comparative financial information for quarter / period ended December 31, 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

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Vijay Mehta
Partner
Membership Number: 106533
UDIN: 23106533BGXNFA9908
Place: Mumbai
Date: February 14, 2023

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Unaudited Financial Results for the period ended December 31, 2022

Statement of Profit and Loss account for the period ended December 31, 2022

		Quarter ended December 31, 2022	Quarter ended September 30, 2022	Year to date figures for current period ended 31st December, 2022	For the year ended March 31, 2022
		Rs. Million	Rs. Million	Rs. Million	Rs. Million
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	-	0.76	3.58	8.94
II	Other income	140.40	92.32	313.08	674.85
III	**Total income (I + II)**	**140.40**	**93.08**	**316.66**	**683.79**
IV	**Expenses**				
	i. Employee benefits expense	10.76	12.27	32.57	49.34
	ii. Finance costs	0.22	0.44	1.22	0.89
	iii. Depreciation and amortisation expense	(0.19)	1.79	3.76	15.16
	iv. Impairment of financial assets (net)	-	-	-	3.68
	v. Other expenses	21.97	13.97	55.05	100.95
	Total expenses (IV)	**32.76**	**28.47**	**92.60**	**170.02**
			-		
V	**Profit/(loss) before tax (III - IV)**	107.64	64.61	224.06	**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)**	**107.64**	**64.61**	**224.06**	**513.09**
VIII	**Discontinuing Operations**				
	Profit/(loss) for the period/year from discontinuing operations	2.05	(3.79)	6.41	63.33
	Tax expense of discontinued operations	-	-	-	-
	Profit for the period/year from discontinuing operations	2.05	(3.79)	6.41	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**	**109.69**	**60.82**	**230.47**	**577.96**
	Earnings per equity share (face value of Rs. 10 per share)				
	i. Basic (Rs.)	0.08	0.05	0.17	0.39
	ii. Diluted (Rs.)	0.08	0.05	0.17	0.39

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR)

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

No	Particulars	Period ended December 31, 2022	Period ended September 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. (38981.51) million	Rs. (39091.19) million	Rs. (39211.99) million
4	Net Profit / (Loss) after Tax	Rs. 230.47 million	Rs. 120.78 million	Rs. 577.96 million
5	Earnings/ (Loss) per share	Rs. 0.17	Rs. 0.09	Rs. 0.39
6	Profit / (loss) for the nine months ending and cumulative profit for the period/year	Cumulative profit / (loss) for the period Rs 230.47 million.	Cumulative profit / (loss) for the period Rs 120.78 million.	Cumulative profit / (loss) for the year Rs 577.96 million. Nine month 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)	0.64	0.63	1.94
	g. Operating margin (refer note no 11)	-145.08%	-90.73%	-38.21%
	h. net profit margin (refer note 6 below) (includes discontinued operation)	62.43%	52.79%	63.20%
	i. total debt to total assets (refer note 8 below)	402.09%	405.84%	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 31st December 2022, 30th September 2022, 30th June 2022 and March 31, 2022.

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

12 Denominator negative hence ratio not determinable

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

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

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

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

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

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

4 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 December 31, 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 December 31,2022 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. 64,996.80 million (including contingent claim of Rs. 10,760.84 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 December 31, 2022, the Company has liabilities and provisions aggregating Rs 50,374.94 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 till March 31, 2022 as applicable. Further the Company has still not provided the consolidated financial results and consolidated financial statements for the 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 (b) above and of making a comprehensive assessment of other non-compliances, to determine their financial, operating or other consequences, pending which, no adjustments have been made to the accompanying standalone Ind-AS financial results.

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").. 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.

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 recognised 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 December 31, 2022.

11 Accounting for guarantees to group companies

The Company has issued various financial guarantees to its group companies. Based on information available with management, the total value of such financial guarantees as at December 31, 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 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 December 31, 2022, which approximates Rs. 32,631.96 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 December 31, 2022 which approximates Rs. 19,942.14 million. These amounts exclude penal/other interest and charges.

The Company has also not-recognised interest expenses amounting to Rs. 73.87 million and Rs. 54.99 million on account of non-deposit of tax deducted at source and Goods and services tax respectively from 15th October 2018 till December 31, 2022.

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

13 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 December 31, 2022. The Company has accumulated losses of Rs. 92,809.81 million as at December 31, 2022 (March 31, 2022: Rs 93,040.28 million) and has net liabilities of Rs 41,450.29 million (March 31, 2022: Rs. 41,653.73 million). Pending approval/guidance from IL&FS Board, these standalone Ind-AS financial statements have been prepared on going concern basis.

14 The Company had installed 1 MW of Solar Rooftop Plant ("the Plant") at Amity University, Noida. The Plant was commissioned on March 7, 2015. Pending the dues the Company has terminated the PPA and started the arbitration proceedings.

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 December 31, 2022. As at December 31, 2022, the Company has total receivable of Rs. 39.98 million and the solar plant having net block of Rs. 20.62 million as at December 31, 2022 as per the books of the Company. The Amity has submitted its proposal to settle the matter effective July 31, 2022 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

15 Segment reporting

The Company has already divested its operations hence, the management believes that there are no reportable operating segments which require disclosure under Ind AS 108 "Operating Segments".

16 The Company has divested from its advisory division on July 26, 2022.

17 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 which were to be converted into fixed number of equity shares as 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.

18 Various income tax cases are being heard at various levels of Income Tax department. 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.

19 Compulsorily Convertible Preference Share Capital ('CCPS') issued by the Company were required to be converted into equity on 2 December, 2021. The same are yet not converted into equity shares.

20 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 31st December 2022, 30th September, 2022, and 31st March, 2022 have been overstated by Rs.348.95, Rs. 287.26 million, and 115.12 million respectively with corresponding impact on borrowings.

21 These financial results were approved for issue by the Board of directors on February 14, 2023.

February 14, 2023

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

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

Dear Sir,

Re: Declaration in respect of qualified opinion on Standalone Unaudited Financial Results for the Period ended December 31, 2022

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare and confirm that the Statutory Auditors of the Company, viz., CNK & Associates LLP, have issued Qualified Audit Report on Standalone Financial Results of the Company for the Period ended December 31, 2022. Copy of the statement on Impact of Audit Qualifications is enclosed as Annexure – I.

Thanking You

Yours Faithfully,

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

Ritendra Bhattacharjee

Digitally signed by Ritendra Bhattacharjee
Date: 2023.02.14 14:29:58 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Annexure I

Statement on Impact of Audit Qualifications for the Period ended December 31, 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	316.66	Not determinable
2	Total expenditure	92.60	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	224.06	
4	Net Profit after tax from continuing operations	224.06	
5	Net Profit after tax from discontinuing operations	6.41	
6	Other Comprehensive Income	-	
7	Net Profit after tax for the year	230.47	
8	Earnings per share	0.17	
9	Total Assets	11,393.43	
10	Total Liabilities	50,374.94	
11	Net worth	(38,981.51)	
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.128.86 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 20 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 quarter/period/year ended 31st December 2022, 30th September, 2022 and 31st March, 2022 have been overstated by Rs.348.95, Rs. 287.26 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.1,232.42 million (March 31, 2022 – Rs. 1,198.48 million) as mentioned in note 18 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 19 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 17 to the Statement
		5		**Material Uncertainty Related to Going Concern** We draw attention to note 2 of the accompanying standalone financial statements which states that: (i) The Company has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs. 48,266.23 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018; (ii) As at December 31, 2022, the current liabilities of the Company aggregating to Rs.41,450.29 million exceed the current assets . (iii) As at December 31, 2022 the Company has accumulated loss of Rs. 92,809.81 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: 2023.02.14 17:06:26 +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: 2023.02.14 14:35:54 +05'30'

Priya Prempal Shetty
Director
DIN: 0885814

CHANDRA SHEKHAR RAJAN Digitally signed by CHANDRA SHEKHAR RAJAN Date: 2023.02.14 15:34:26 +05'30'

C S Rajan
Director
DIN: 0126063

Kaushik Modak Digitally signed by Kaushik Modak Date: 2023.02.14 16:45:20 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy Digitally signed by Feby Koshy Bin Koshy Date: 2023.02.14 14:33:13 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee Digitally signed by Ritendra Bhattacharjee Date: 2023.02.14 14:30:27 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Date: 14-02-2023
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

Qualified Opinion

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, 2022 ("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").

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, 2022.

CNK & ASSOCIATES LLP MUMBAI Chartered Accountants

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. 26.57 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, 2022.

2. As mentioned in note 11 to the Statement, Holding Company has made non provision of interest expense amounting to Rs.101.01 million on unpaid statutory dues relating to Tax Deducted at Source and Goods and Service Tax liability;

3. Holding Company's Management assessment:

   i. of recoverability of income tax assets of Rs.1,198.48 million as mentioned in note 33 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 Holding Company, on-going tax litigations and pending tax assessments and impact of matters related to qualified opinion;

   ii. for non-conversion of Compulsorily Convertible Preference Shares having face value of Rs. 346.61 million into equity shares on due date of conversion as referred to in note 34;

   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 32;

   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 compliance with the requirement of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations'.

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

4. As mentioned in note 35 to the Statement regarding determination of recoverable value, and provision of impairment of property, plant and equipment in the previous year by IL&FS Tamil Nadu Power Company Limited (ITPCL). As discussed in that Note, any future changes

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants to estimates, assumptions and dependencies on external factors, including inter alia the extension of power purchase agreement with the state electricity distribution company / entering into new revenue agreements, continued validity of the various assumptions made, consideration by management, may affect the recoverable value of the related assets and consequently the provision for impairment recorded by the ITPCL.

5. As mentioned in note 6 to the Statement, relating to contractual liabilities not accounted for, by ITPCL for the reasons stated in the said note. In our opinion, ITPCL may be required to account for the liabilities aggregating Rs. 6,655.58 million as at March 31, 2022 (previous year Rs.5,461.85 million). Further, pending the final assessment and determination of various claims received as stated in note 6, we are unable to comment on the adjustments that may be required in this regard, to the Statement.

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 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 Qualified opinion on 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 of its material subsidiaries i.e. ITPCL and IWEL, we report as under:

1. Holding Company has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs.43,962.60 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018. As at March 31, 2022, the current liabilities of the Holding Company aggregating to Rs.41,744.75 million exceed the current assets. Further, it has accumulated loss of Rs.93,131.30 million and its net-worth is fully eroded;

2. As at March 31, 2022, though the consolidated net worth of ITPCL group as on March 31, 2022 is Rs. 15,586.58 million, if the non-provision of finance cost estimated to Rs.28,818.12 million is considered till the reporting date, the net worth would be negative Rs. 23,257.26 million. As reported in the said note ITPCL has defaulted on

CVK & ASSOCIATES LLP MUMBAI Chartered Accountants payments of borrowings. Further the current liabilities of the ITPCL Group aggregating to Rs. 43,620.44 million exceed the current assets aggregating to Rs. 37,973.83 million;

3. As at March 31, 2022, current liabilities of IWEL exceeds current assets by Rs. 2,075.11 million for which there is no clarity on how the said liabilities would be met. Further IWEL, has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs. 5,079.20 million and the said defaults are continuing till the date of this report. As stated in note 2.1 (a) of the Statements, the distribution framework as per the revised 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.

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'.

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. 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;

3. 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;

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

5. As mentioned in note 2 to the Statement, wherein it is stated that 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 for loans from banks and debentures, and October 31, 2018 for cash credit accounts), no interest, additional interest, default interest, penal charges or other similar charges to be accrued after the cut-off date;

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6. Note 4 to the Statement, relating to the regulatory order for re-opening of books of accounts and recasting 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 Holding Company, possible consequential effects of which on the Statement cannot be determined as of even date;

7. As stated in note 8 to the Statement, the Group 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 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. Further in case of ITPCL there is non-compliance of certain loan covenants;

8. Attention is drawn to note 17 to the Statement, wherein it is stated that for reasons stated in that note, ITPCL has not recorded the net difference of Rs. 19,172.40 million as of March 31, 2022 (previous year Rs. 13,985.45 million) between balances as per books of ITPCL and as per bank and financial institutions in respect of loans from banks and financial institutions.

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

Our opinion is not modified in respect of these matters.

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

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

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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.

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.

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;

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- 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.

C N K & ASSOCIATES LLP
MUMBAI
Chartered Accountants

Other Matters

1. We did not audit the financial statements of 12 subsidiaries included in the Statement , whose Standalone/Consolidated Financial Statements reflect total assets of Rs. 3,058.18 million, total liabilities of Rs. 24,957.67 million as at March 31, 2022, total revenue of Rs. 127.32 million and total comprehensive income of Rs. 2.10 million for the year ended March 31, 2022 as considered in the Statement . These Statement have been audited by other auditors whose report has been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of section 143 of the Act, in so far as it relates to these subsidiaries, is based solely on the reports of other auditors;

2. Financial information of 1 foreign subsidiary included in the Statement, whose financial statements reflect total assets of Rs. 0.26 million, total liabilities of Rs. 4.27 million as at March 31, 2022, total revenue of Rs. Nil and total comprehensive loss of Rs.0.50 million for the year ended March 31, 2022, 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 Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information;

3. The Statement include Group's share of net profit (and other comprehensive loss) of Rs. 140.07 million for the year ended March 31, 2022, in respect of 2 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 Statement, in so far as it relates to the amounts and disclosures included in respect of these joint ventures is based solely on the reports of the other auditors;

4. The Statement include share of net profit (and other comprehensive income) of Rs.17.47 million from April 1, 2021 to August 13, 2021 in respect of 1 joint venture, disposed off during the year, whose financial statements have been reviewed by other auditors up to December 31, 2021 whose reports have been furnished to us by management of the Holding Company. Management has considered net profit on pro rata basis for the purpose of consolidation of this joint venture up to the date of disposal. Our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the review report of the other auditor and estimates of Holding Company's management;

C N K & ASSOCIATES LLP
MUMBAI
Chartered Accountants

5. As mentioned in Note 36 to the Statement in respect of 1 Joint Venture, the Financials for the year ended March 31, 2022 are not available due to reasons specified in the said note.

6. The comparative financial information included in the accompanying Statement are on the basis of the Statement for the year ended March 31, 2021 on which we had issued modified opinion dated November 14, 2022.

7. The Holding Company has not presented the information for the quarterly financial results for the period ended March 31,2022 and related comparatives for the quarterly financial results for the period ended March 31,2021 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

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

Vijay Mehta
Partner
Membership Number: 106533
UDIN: 23106533BGXNFC5142

Place: Mumbai
Date: February 14, 2023

Annexure A: List of Subsidiaries and Joint Ventures Consolidated

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

1. Cuddalore Solar Power Private Limited
2. IL&FS Solar Power Limited
3. IL&FS Tamil Nadu Power Company Limited
   a) IL&FS Maritime Offshore Pte Limited
   b) IL&FS Offshore Natural Resources Pte Limited
   c) Se7en Factor Corporation
   d) PT Bangun Asia Persada
   e) PT Mantimin Coal Mining
4. IL&FS Wind Energy Limited
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. <u>List of Joint Ventures:</u>

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 (Upto August 13,2021)

C N K & ASSOCIATES LLP MUMBAI Chartered Accountants

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Consolidated financial results for the year ended March 31, 2022
Consolidated Balance Sheet as at March 31, 2022

		As at 31.03.2022	As at 31.03.2021
		Audited	Audited
		Rs. Million	Rs. Million
	ASSETS		
I.	**NON-CURRENT ASSETS**		
	(a) Property, plant and equipment	62,257.71	63,385.14
	(b) Right-of-use assets	0.17	41.36
	(c) Capital work-in-progress	1,232.53	1,370.18
	(d) Goodwill	-	-
	(e) Other intangible assets	0.78	0.64
	(f) Financial assets		
	i) Investments	1,179.31	2,705.04
	ii) Trade receivables	16,490.33	2,220.95
	iii) Loans	697.82	785.34
	iv) Other financial assets	588.38	2,016.75
	(g) Deferred tax assets (net)	51.88	51.88
	(h) Non-current tax assets (net)	1,356.09	1,210.32
	(i) Other non current assets	2.67	495.23
	Total non-current assets (A)	**83,857.67**	**74,282.81**
II.	**CURRENT ASSETS**		
	(a) Inventories	1,608.20	2,449.24
	(b) Financial assets		
	i) Trade receivables	14,223.75	16,698.11
	ii) Cash and cash equivalents	2,650.62	19,766.45
	iii) Bank balances other than (ii) above	28,663.96	10,304.00
	iv) Loans	247.57	261.04
	v) Other financial assets	5,110.15	3,134.02
	(c) Current tax assets (net)	-	-
	(d) Other current assets	674.92	635.77
		53,179.17	**53,248.62**
	Assets classified as held for sale	890.53	597.74
	Total Current Assets (B)	**54,069.70**	**53,846.36**
	TOTAL ASSETS (A) + (B)	**1,37,927.37**	**1,28,129.17**
	EQUITY AND LIABILITIES		
III.	**EQUITY**		
	(a) Share capital	13,182.26	13,182.26
	(b) Other equity	(43,428.30)	(52,645.38)
	Equity attributable to owners of the Company	**(30,246.04)**	**(39,463.12)**
	Non-controlling interests	15,824.38	13,778.94
	Total equity (C)	**(14,421.66)**	**(25,684.18)**
	LIABILITIES		
IV.	**NON-CURRENT LIABILITIES**		
	(a) Financial liabilities		
	i) Borrowings	44,372.58	48,898.13
	ii) Other financial liabilities	1.36	1.32
	iii) Lease liabilities	-	2.73
	(b) Provisions	19.95	38.55
	(c) Deferred tax liabilities (net)	235.88	226.87
	(d) Other non-current liabilities	8,242.61	8,491.18
	Total non-current liabilities (D)	**52,872.38**	**57,658.78**
V.	**CURRENT LIABILITIES**		
	(a) Financial liabilities		
	i) Borrowings	81,293.41	76,799.88
	ii) Trade payables	5,038.11	5,597.46
	iii) Lease liabilities	0.20	6.93
	iv) Other financial liabilities	11,817.97	12,428.43
	(b) Provisions	8.14	7.85
	(c) Current tax liabilities (net)	11.29	49.52
	(d) Other current liabilities	654.94	664.50
		98,824.06	**95,554.57**
	Liabilities associated with assets classified as held for sale	652.59	600.00
	Total current liabilities (E)	**99,476.65**	**96,154.57**
	TOTAL LIABILITIES (F) = (D) + (E)	**1,52,349.03**	**1,53,813.35**
	TOTAL EQUITY AND LIABILITIES (C) + (F)	**1,37,927.37**	**1,28,129.17**

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED

Statement of Consolidated financial results for the year ended March 31, 2022

Statement of Consolidated Profit and Loss for the year ended March 31, 2022

		Year ended 31.03.2022	Year ended 31.03.2021
		Audited	Audited
		Rs. Million	Rs. Million
I.	**Income**		
	Revenue from operations	26,227.53	28,221.74
	Other income	1,873.35	1,775.43
	Total Income (A)	**28,100.88**	**29,997.17**
II.	**Expenses**		
	Cost of fuel consumed	12,500.51	12,287.96
	Other direct expenses	707.61	614.11
	Employee benefits expense	274.65	265.05
	Finance costs	240.78	172.08
	Depreciation and amortisation expense	1,989.85	2,002.52
	Impairment expense	16.75	7,462.41
	Other expenses	1,727.71	2,304.92
	Total expenses (B)	**17,457.86**	**25,109.05**
	Profit/(Loss) before tax and share from Associates and Joint Ventures (A) - (B)	**10,643.02**	**4,888.12**
III.	**Share of profit/(loss) of Joint Venture and Associates (C)**		
	Share of profit/ (loss) of Joint Ventures	157.59	478.23
IV.	**Profit/(Loss) before tax (D) = (A) - (B) + (C)**	**10,800.61**	**5,366.35**
V.	**Tax expense: (E)**		
	(a) Current tax	68.09	155.15
	(b) Deferred tax	10.97	78.53
	(c) Minimum alternate tax (MAT) credit entitlement	-	7.39
		79.06	**241.07**
VI.	**Profit/(Loss) for the year (F) = (D) - (E)**	**10,721.55**	**5,125.28**
	Profit / (loss) for the Year from Continuing Operations	10,721.55	5,125.28
	Discontinued Operation (Refer note on discontinuing operation)		
	Profit / (Loss) from Discontinued Operations before tax (F)	**54.65**	**33.69**
	Tax Expenses of Discontinued Operations	**3.90**	**-**
	Profit / (Loss) from Discontined Operation after tax	**50.75**	**33.69**
	Profit / (loss) for the Year	**10,772.30**	**5,158.96**
VII.	**Other comprehensive income (OCI)**		
	A) i) Items that will not be reclassified to profit or loss		
	a. Remeasurement of defined benefit plans	5.00	5.01
	b. Share of OCI in Joint Ventures and Associates	(0.04)	0.13
	ii) Income tax related to item that will not be reclassified to profit and loss	(0.62)	(0.69)
		4.34	4.45
	B) i) Items that will be reclassified to profit or loss		
	a. Exchange differences in translating financial statements of foreign operations	(169.69)	(42.22)
		(169.69)	(42.22)
	Total other comprehensive income / (loss) (G)	**(165.35)**	**(37.77)**
VIII.	**Total comprehensive income/ (loss) for the year (F) + (G)**	**10,606.95**	**5,121.19**
	Profit / (loss) for the year from continuing operations attributable to:		
	- Owners of the Company	8,676.12	4,361.04
	- Non-controlling interests	2,045.44	764.23
		10,721.56	5,125.27
	Profit / (loss) for the year from discontinuing operations attributable to:		
	- Owners of the Company	50.75	33.69
	- Non-controlling interests	-	-
		50.75	33.69
	Other comprehensive income / (loss) for the year from continuing operations		
	- Owners of the Company	(165.36)	(37.77)
	- Non-controlling interests	-	-
		(165.36)	(37.77)
	Other comprehensive income / (loss) for the year from discontinuing operations		
	- Owners of the Company	-	-
	- Non-controlling interests	-	-
		-	-
	Total comprehensive income / (loss) for the year		
	- Owners of the Company	8,561.51	4,356.96
	- Non-controlling interests	2,045.44	764.23
		10,606.95	5,121.19
	Earning per equity share		
	Earning per equity share (for continuing Operations) (Face value of Rs. 10 per share)		
	- Basic (in Rs.)	6.63	3.37
	- Diluted (in Rs.)	6.63	3.37
	Earning per equity share (for discontinuing Operations) (Face value of Rs. 10 per share)		
	- Basic (in Rs.)	0.04	0.03
	- Diluted (in Rs.)	0.04	0.03
	Earning per equity share (for continuing Operations & discontinuing Operations) (Face value of Rs. 10 per share)		
	- Basic (in Rs.)	6.67	3.39
	- Diluted (in Rs.)	6.67	3.39

IL&FS ENERGY DEVELOPMENT COMPANY LIMITED
Statement of Consolidated financial results for the year ended March 31, 2022
Cash Flow Statement for the year ended March 31, 2022

	For the year ended March 31, 2022	For the year ended March 31, 2021
	Audited	Audited
	Rs. Million	Rs. Million
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) after tax from Continuing Operations	10,721.55	5,125.28
Profit / (Loss) after tax from Dis-Continuing Operations	50.75	33.69
Adjustment for:		
Share of profit/(loss) in Joint Ventures	(157.59)	(478.23)
Depreciation and amortisation expense	1,989.98	2,002.53
Gain/(Loss) on sale of property, plant and equipment	(0.11)	0.47
Finance costs	240.69	159.08
Interest income	(983.72)	(692.78)
Net gain/(loss) on derecognition of financial liability	(3.17)	(3.33)
Impairment Expenses	528.49	6,132.90
Income Tax of Earlier Year	(0.06)	-
Reversal of provision of impairment of Property, Plant & Equipment	(975.36)	-
Provision for doubtful trade receivables/(payable)	736.58	1,352.30
Capital advances / Interest Receivable w/off	9.27	(168.56)
Provisions written back	(0.62)	(10.90)
Amortisation of Government Grants	(248.39)	(249.24)
Loss of Stock in transit	-	9.30
Loss of property due to cyclone	-	75.82
Impairment of Goodwill	-	1,328.27
Impairment of Tax Receivable	7.12	-
Provision for Impairement of Security Deposits (VAT)	0.20	-
Provision for Aged Spares	-	118.84
Provision for tax	-	0.42
Net gain/(loss) on foreign currency transactions and translation	268.48	(181.38)
Provision for Expected Credit Loss	5.44	-
Reversal of impairment of financial assets designated as at amortised cost	(55.91)	-
Dividend Income	(175.06)	(10.12)
Operating profit before working capital changes	11,958.58	14,544.36
Movement in working capital		
Adjustments for increase / (decrease) in operating Assets:		
Inventories	393.64	516.54
Trade receivables	(14,308.75)	5,314.05
Other financial assets	(11.07)	1,180.07
Other assets	(45.45)	74.85
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(59.03)	(758.55)
Other financial liabilities	(126.96)	(14.21)
Provision for employee benefits	2.04	0.17
Other Liabilities	(8.69)	19.99
Cash generated from operations	**(2,205.70)**	**20,877.28**
Taxes (paid)/refund received	(78.79)	630.58
Net cash flow from operating activities	**(2,284.49)**	**21,507.86**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property plant and equipment	(64.66)	(6.23)
Proceeds from sale of property plant and equipment	0.11	0.03
Increase/(decrease) in fixed deposits not considered as cash and cash equivalents	(1,118.28)	(681.69)
Increase/(decrease) in escrow account with security agent	(16,218.18)	506.61
Proceeds from sale of investments	1,475.99	32.02
Increase/(decrease) in loans and advances	87.53	1,327.17
Proceeds from other fixed deposit	185.30	38.00
Net income tax paid on Interest Income (including tax deducted at source)	(100.18)	(45.21)
Deposit in other fixed deposit	-	(39.70)
Interest received	976.22	1,570.44
Dividend received	289.65	156.62
Net cash flow from investing activities	**(14,486.51)**	**2,858.06**
CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Proceed from long term borrowings(net)	(1.57)	(6,791.79)
Fixed deposit placed during the year	(35.85)	-
Finance costs paid	(238.94)	(1,488.33)
Payment of principal portion of lease liabilities	-	(6.75)
Net cash flow used in financing activities	**(276.36)**	**(8,286.87)**
Net increase/(decrease) in cash and cash equivalents	**(17,047.37)**	**16,079.05**
Cash and cash equivalents at the beginning of the year	19,766.44	3,687.39
Cash and cash equivalents at the end of the year	2,719.07	19,766.44
Net increase/(decrease) in cash and cash equivalents	**(17,047.37)**	**16,079.05**

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 results were authorized for issue in accordance with a resolution of the Company's Board of Directors on February 14, 2022.

2. Significant developments at the Holding Company, IL&FS and various group companies ('the IL&FS Group') during the period ended March 31, 2022 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 results. 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 results.

Subsequent to the year end, Holding company has divested investment in the Advisory business of holding Company and Urjankur Shree Tatyasaheb Kore Warana Power Company Limited and Ramagiri Renewable Energy 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 results, in respect of (a) the business transactions in those financial years; (b) the balance sheets as at March 31, 2021 (comparative period end date) and the current year ended March 31, 2022; and (c) the Statement of Profit and Loss for the years ended March 31, 2021 and March 31, 2022.

5. Status of New Board of Directors initiated investigations

As a consequence of the matter described in Note 2 above and various other matters discussed in these consolidated financial results, 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 results 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..

The CMA, vide their communications dated May 28, 2021 to the management of IL&FS Group pursuant to the claims received to date, on the status of the claims received and its admission status. The report is subject to updation based on additional information/ clarification that may be received from the creditors in due course.

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 .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 Group as liabilities. Accordingly, no adjustments have currently been made in this regard to this consolidated financial results, 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), Economic Office Wing, Mumbai 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) As a consequence of the matters described in Note 2 above and various other matters discussed in these accompanying consolidated financial results, 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 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) 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 results.

As per Reserve Bank of India 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 does not fulfil 50-50 test as on March 31, 2021 and March 31, 2022. Accordingly provisions pertaining to registration as Non Banking Finance Company are not applicable to the Holding Company .

(c) 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 results in this regard.

(d) 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 had 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 have terminated their services and withheld final settlement from these employees. ITPCL has further filed petition with Hon'ble NCLT under section 66 of the IBC Code for suitable remedy/recovery. Pending outcome of the matter, the financial statement consequences of the above are not currently determinable.

(e) As a result of the forensic audit referred to in Note 8(d) 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 the consolidated financial statement, 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 prevoius year ended March 31, 2021, one of the lender banks, named as Yes Bank , of the holding company has also appointed Haribhakti & 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 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 Holding Company has submitted its response to the EoW, Mumbai. Pending the conclusion, the management is in the process of making assessments and determinations as to liabilities, provisions and contingent liabilities, as per Ind-AS

37, Provisions, Contingent Liabilities and Contingent Assets. Pending final outcome of such process, no adjustments have been made to the consolidated financial results 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 results, there is significant uncertainty around the recoverable amounts and valuations, and related provisions for impairment, of the various loans given to, receivables from, and investments in, 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, 2022 and for earlier years and does not require any restatement. In the view of the management, the impairment provision/gains are recognised in the current year and previous year is prudent and represents the economic substance of the amounts recoverable as of March 31, 2022.

11. Accounting for 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.

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

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

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

While above accounting treatment is not as per the Ind AS applicable to the Holding Company, the management believes that the same is as per the NCLAT order dated October 15, 2018 and accordingly, the management believes that the Holding Company 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 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 results.

13. Going concern assumption used for the preparation of these financial results

The Holding Company 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 Holding Company, details of which are discussed in Note 2. As a result of the foregoing, the Holding 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 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 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 results. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal, the last of which have been submitted on January 9, 2020. The ability of the 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 results have been prepared on going concern basis.

The Group has also engaged an independent third party as resolution advisors, to assess the liquidity at the 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 this consolidated financial results. These classifications reflect the ability of the companies to pay their financial and operations creditors from their operations in normal course of business and are subject to periodic assessment and review by the management and the Board and with the results being submitted to the National Company Law Tribunal.

14. Investments held by the holding Company on behalf of third parties

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 results. Further during the year, pursuant to liquidation process of PBPL, all the existing shares have been extinguished and Holding Company has received Nil consideration and hence holding company after taking the approval from Board of Directors has written off the investment as well loans given to PBPL during the year.

15. 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 of 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.

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, 2022 (March 31, 2021 - Rs. 278.86). 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) The ITPCL had entered into an agreement with Porto Novo Maritime Limited , in respect of which, interest expenses have not been accounted for by ITPCL. Against the above, an amount of Rs 274.30 million has been claimed by PNML through the claims process or otherwise.

16. 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, 2022, and had not paid such interest and related principal, till March 31, 2022. 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, 2022 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.

17. Reconcilation of borrowings

As at March 31, 2022, the ITPCL's books of account reflect a balance of Rs 81,466.79 million (March 31, 2021 - 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. 1,00,639.19 (March 31, 2021 - Rs. 95,452.24). Management of ITPCL believes that the net difference of Rs. 19,172.40 (March 31, 2021 - Rs. 13,985.45) 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 the financial statement.

18. 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 II 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) 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 March 31, 2019. ITPCL has not recognised interest on such margin money for any period thereafter, till March 31, 2022.

19. Loan restructuring

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. Hon'ble NCLAT had heard the matter and passed the orders as under;

1) By its order dated 1.12.2021 , Hon'ble NCLAT approved the prayers related to restructuring of debts towards financial creditors
2) By its order dated 04.07.2022, the Hon'ble NCLAT refused grant of prayers related to restructuring of dues towards operational and capex creditors. Hon'ble NCLAT asked ITPCL to make supplementary resolution plan and its subsequent approval from IL&FS Board and adjudicating authority

Keeping the above in view, ITPCL had started the process of finalising supplementary resolution scheme dealing with claims of operational & capex creditors. ITPCL is also engaged with lenders for revalidation of their earlier sanction and early implementation of debt restructuring plan as approved by them.

As the matter is still in progress, no adjustments for the above have been made in the financial statements

20. Debentures from related parties

As at March 31, 2022, ITPCL had borrowings from IEDCL, represented by debentures and term loans, in respect of which interest expenses was recognised till October 15, 2018. Further, no interest has been recognised from October 16, 2018 on such borrowings which aggregates to Rs. 5,503.45 as at March 31, 2022 (March 31, 2021 - Rs. 4,413.32).

21. Interest on finance cost

As a result of the various matters stated in Note 2 to these consolidated financial results, in respect of the previous financial year, management has determined at the time that no interest will be payable by the Company, on loans from banks, debentures other than in Note 52 above (for the period after October 15, 2018), and cash credit accounts (for the period after October 31, 2018). Accordingly, the Company has not recognised finance costs aggregating to Rs. 33,340.39 approximately as at March 31, 2022 (March 31, 2021 - Rs. 23,027.14)

22. Forensic audit conducted by lenders

Lenders have also initiated a forensic audit for the period prior to September 2018 and appointed an external agency to perform forensic audit and report to lenders. Lenders have informed that consequent to receipt of auditor's report they have classified ITPCL account as fraud category basis RBI guidelines and this action has no bearing on debt restructuring.

23. 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 on account of investment made as at March 31, 2022. Based on the audited financial statements of ISPL as at and for the year ended March 31, 2022, net worth of ISPL is Rs. 39.71 million.

Considering the positive net worth of ISPL as at March 31, 2022, management is of the view that no further adjustments are required to be made in this consolidated financial results in this regard. The Holding Company has filed the application to NCLT for closure of ISPL under Section 271 (a) of Companies Act.

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

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

26. As per Sub-section 11 of Section 186 of Companies Act, 2013 read with Schedule III 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.

27. Under the Resolution Framework (refer note 3) of the Holding Company, the holding company has invited Expression of Interest ("Eol") for sale/transfer/assignment of its revenue generating contracts related to Energy Efficiency Services Limited, PDCOR Limited, Puducherry Urban Development Agency and Oil and Natural Gas Corporation, of the Holding Company along with all the assets and liabilities related to these contracts. 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, Company has received the approval from Hon’ble NCLAT during FY 2021-22.

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

28. Other information

i. The Holding Company has no transactions during the year with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956

ii. The Holding Company has not traded or invested in Crypto currency or virtual currency during the financial year.

iii. As per the records available, No Bank or financial institution or other lender has declared the Corporation as willful defaulter

iv. The Holding Company has not advanced or given loan or invested funds during the year to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

v. The Holding Company has not received any fund from any persons or entities, including foreign entities (Funding Party) during the year with the understanding (whether recorded in writing or otherwise) that the Holding Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi. The Holding Company does not have any transaction during the year which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

29. Under the Resolution Framework (refer note 3) of the Holding Company, the holding company has invited Expression of Interest ("Eol") for sale/transfer/assignment of its revenue generating contracts related to Energy Efficiency Services Limited, PDCOR Limited, Puducherry Urban Development Agency and Oil and Natural Gas Corporation, of the Holding Company along with all the assets and liabilities related to these contracts. 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, Company has received the approval from Hon’ble NCLAT during FY 2021-22.

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

30. 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 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. Ministry of power had given further period of 3 years till 2025 to comply with condition of long term PPA. 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. 4,173.95 (March 31, 2021 - Rs. 4,173.95).

31. Three subsidiaries of the Group namely Mahidad Wind Energy Private Limited (MWEPL), Jogihali Wind Energy Private Limited (JWEPL) and Sipla Wind Energy Limited (SWEL) (hereinafter referred as 3 subsidiaries companies) had awarded EPC contracts to Wind World India Limited (WWIL) to develop 84.40 MW, 77.60 MW and 66.40 MW wind power projects respectively. As at the March 31, 2018 the following amounts are recoverable from WWIL:

Rs. Million

Particular	MWEPL	JWEPL	SWEL	Total
Capital Advance	1,343.86	347.03	1,956.13	3,647.02
Interest	440.97	276.68	164.81	882.46
Total	1,784.83	623.71	2,120.94	4,529.48

In view of substantial delays in commissioning of the projects, the 3 subsidiaries companies executed settlement agreement with WWIL and its affiliates on October 1, 2016 whereby it was agreed:

a) to cancel 24 MW out of 84.80 MW for MWEPL, 23.30 MW out of 66.40 MW for SWEL and cancel entire 77.60 MW for JWEPL.
b) WWIL shall pay the excess amount along with interest as defined in the said agreement.
c) Further, the 3 subsidiaries companies have received security in the form of right to receive proceeds from monetization of 1,000 MW development rights owned by WWIL affiliates and subservient charge on the economic interest and benefits with respect to 152.60 MW projects owned by the promoters of WWIL.

In FY 2018-19, WWIL has been referred to National Company Law Tribunal, Ahmedabad Bench, under the Insolvency and Bankruptcy Code by its lenders and accordingly an Interim Resolution Professional (IRP) has been appointed. Claims of Rs. 1,975 million, 587 million and 2,260 million have been filed by MWEPL, JWEPL and SWEL respectively with the IRP and it is under verification. Further, the IRP had invited Expressions of Interests (EOI) from interested parties towards submission of resolution plan for WWIL. Further these subsidiary companies have also received unencumbered collateral securities in the form of development rights for Wind Power Generation Assets.

The resolution plan submitted by Suraksha Consortium has been approved by the Committee of Creditors of WWIL on meeting held on November 16, 2018 and has been submitted to Hon'ble National Company Law Tribunal, Ahmedabad bench for its approval. MWEPL,JWEPL and SWEL are expected to receive Rs. 108 million, Rs.19.10 million and Rs 122 million respectively as per approved resolution plan. Further with respect to IBC proceedings of WWIL, the resolution applicant has withdrawn their offer. The same has been approved by NCLT. However, the Committee of Creditors and Resolution Professional has appealed the tribunal Order at NCLAT. The NCLAT has admitted the petition and next hearing date is schedule on September 20, 2021. Pending the NCLAT proceedings, it is now proposed to carry the recoverable amount from WWIL as per the offer under the last resolution plan

32. 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.

33. 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 these are contested are as below:

Name of Statute	Nature of Dues	Amount (Rs Mn)	Period	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	31.00	A.Y. 2013-14 A.Y. 2014-15	Income Tax Appellate Tribunal (Appeal)
The Income Tax Act, 1961	Income Tax	3,510.84	A.Y. 2015-16 A.Y. 2016-17 A.Y. 2017-18* A.Y. 2018-19*	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	409.28	A.Y. 2019-20*	Rectification u/154 Filed

* including interest

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

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

34. 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.

35. ITPCL has constructed a thermal based power project of 1200 Mega Watt (MW) in two units {Unit I and Unit II) of 2 X 600 MW each (during Phase I). Unit I achieved its Commenced Operations Date ("COD") in the year 2015-16, and Unit II achieved COD in the year 2016- 17. ITPCL entered into a Power Purchase Agreement ("PPA") with TANGEDCO in respect of Unit I, for a period of 15 years, effective June 01, 2014. In respect of Unit II, 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, 2022, under the requirements of Ind-AS 36, Impairment of Assets. The Management 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.50,065.10 being the fair value less cost of sale (previous year value in use Rs. 53,820.50), Consequently, an impairment loss provision of Rs. 512.80 was recognised during the year ended March 31, 2022 (March 31, 2021 - Rs. 5,611.40).

36. The Board of BPIC is not in place, the financials of the BPIC are not available for FY 21-22. Further the investment in BPIC has already been fully impaired hence the impact on the consolidated financial will be immaterial.

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Disclosures pursuant to Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) as at March 31, 2022

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

No	Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
1	Capital Redemption Reserve	NIL	NIL
2	Debenture Redemption Reserve	Rs. 689.08 million	Rs. 689.08 million
3	Net worth	Rs. (14,421.66) million	Rs. (25,684.18) million
4	Net Profit / (Loss) after Tax after other comprehensive income	Rs. 10,606.95 million	Rs. 5,121.19 million
5	Earnings/ (Loss) per share	Rs. 6.67	Rs. 3.39
6	Profit / (loss) for the half year and cumulative profit for the year	Cumulative profit / (loss) for the year Rs 10,606.95 million. Half year results are not available	Cumulative profit / (loss) for the year Rs 5,121.19 million. Half year results are not available
7	Formulae for computation of ratios		
	a. Debt Equity Ratio (refer note 1 below)	-8.71	-4.89
	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	0.54	0.56
	e. Long term debt/total assets	0.00	0.00
	f. debtors turnover	311.68	548.71
	g. Operating margin		
	h. net profit margin	38.33%	17.07%
	i. total debt to total assets	91.11%	98.10%
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) / (Equity Share Capital + Other 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/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

February 14, 2023

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

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

Dear Sir,

Re: **Declaration in respect of Qualified opinion on Consolidated Audited Financial Results for the Financial Year ended March 31, 2022**

In terms of SEBI Circular CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare and confirm that the Statutory Auditors of the Company, viz., CNK & Associates LLP, have issued Qualified Audit Report on Consolidated Financial Results of the Company for the year ended March 31, 2022. Copy of the statement on Impact of Audit Qualifications is enclosed as Annexure – I.

Thanking You

Yours Faithfully,

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

Ritendra Bhattacharjee
Digitally signed by Ritendra Bhattacharjee
Date: 2023.02.14 14:31:34 +05'30'

Ritendra Bhattacharjee
Chief Financial Officer

Annexure I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 52 of the SEBI (LODR) (Amendment) Regulations 2016]

S. No	Particulars	Audited figures (as reported before adjusting for qualifications) (Rs in millions)	Adjusted figures (as reported before adjusting for qualifications)
1	Turnover/Total Income	28,100.88	Not determinable
2	Total expenditure	17,457.86	
3	Net profit (before tax and share from Associates and Joint Ventures) from continuing operations	10,643.02	
4	Net Profit after tax from continuing operations	10,721.55	
5	Net Profit after tax from discontinuing operations	10,772.30	
6	Other Comprehensive Income	(165.35)	
7	Net Profit after tax for the year	10,606.95	
8	Earnings per share	6.67	
9	Total Assets	1,37,927.37	
10	Total Liabilities	1,52,349.03	
11	Net worth	(14,421.66)	
12	Any other financial item(s) (as felt appropriate by the management)	None	

Encl: a. a.

II Audit qualifications (each audit qualification separately)

1	**Details of audit qualifications**	1	1. As mentioned in note 10 to the Statement, the Holding Company has made provision for impairment of financial assets (comprising of loans, receivables and investments) of Rs. 26.57 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, 2022
		2	As mentioned in note 11 to the Statement, Holding Company has made non provision of interest expense amounting to Rs.101.01 million on unpaid statutory dues relating to Tax Deducted at Source and Goods and Service Tax liability
		3	Holding Company's Management assessment: • of recoverability of income tax assets of Rs. 1,198.48 million as mentioned in note 33 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; • 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 32 to the Statement • for non-conversion of Compulsorily Convertible Preference Shares having face value of Rs. 346.61 million into equity shares on due date of conversion as referred to in note 34. • 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 compliance with the requirement of Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations
		4	As mentioned in note 35 to the Statement regarding determination of recoverable value, and provision of impairment of property, plant and equipment in the previous year by IL&FS Tamil Nadu Power Company Limited (ITPCL). As discussed in that Note, any future changes to estimates, assumptions and dependencies on external factors, including inter alia the extension of power purchase agreement with the state electricity distribution company / entering into new revenue agreements, continued validity of the various assumptions made, consideration by management, may affect the recoverable value of the related assets and consequently the provision for impairment recorded by the ITPCL
		5	As mentioned in note 6 to the Statement relating to contractual liabilities not accounted for, by ITPCL for the reasons stated in the said note. In our opinion, ITPCL may be required to account for the liabilities aggregating Rs. 6,655.58 million as at March 31, 2022 (previous year Rs.5,461.85 million). Further, pending the final assessment and determination of various claims received as stated in note 6, we are unable to comment on the adjustments that may be required in this regard, to 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 defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs.43,962.60 million and the said defaults are continuing till the date of this report where interest is booked upto October 15, 2018. As at March 31, 2022, the current liabilities of the Holding Company aggregating to Rs.41,744.75 million exceed the current assets. Further, it has accumulated loss of Rs.93,131.30 million and its net-worth is fully eroded • As at March 31, 2022, though the consolidated net worth of ITPCL group as on March 31, 2022 is Rs. 15,586.58 million, if the non-provision of finance cost estimated to Rs.28,818.12 million is considered till the reporting date, the net worth would be negative Rs. 23,257.26 million. As reported in the said note ITPCL has defaulted on payments of borrowings. Further the current liabilities of the ITPCL Group aggregating to Rs. 43,620.44 million exceed the current assets aggregating to Rs. 37,973.83 million • As at March 31, 2022, current liabilities of IWEL exceeds current assets by Rs. 2,075.11 million for which there is no clarity on how the said liabilities would be met. Further IWEL, has defaulted in repayment of interest and principal on the debt taken from related parties and others aggregating to Rs. 5,079.20 million and the said defaults are continuing till the date of this report. As stated in note 2.1 (a) of the Statements, the distribution framework as per the revised resolution process approved by the NCLAT vide its order dated March 12, 2020 has been challenged by one the company's lender in the Hon'ble Supreme Court of India 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: 2023.02.14 17:09:07 +05'30'

Vijay Mehta
Partner
Membership No. 106533

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: 2023.02.14 15:35:41 +05'30'

C S Rajan
Director
DIN: 0126063

PRIYA PREMPAL SHETTY Digitally signed by PRIYA PREMPAL SHETTY Date: 2023.02.14 14:43:06 +05'30'

Priya Prempal Shetty
Director
DIN: 08858814

Kaushik Modak Digitally signed by Kaushik Modak Date: 2023.02.14 16:46:02 +05'30'

Kaushik Modak
Director
DIN: 01266560

Feby Koshy Bin Koshy Digitally signed by Feby Koshy Bin Koshy Date: 2023.02.14 14:34:45 +05'30'

Feby Koshy Bin Koshy
Chief Executive Officer

Ritendra Bhattacharjee
Chief Financial Officer

Ritendra Bhattacharjee Digitally signed by Ritendra Bhattacharjee Date: 2023.02.14 14:32:03 +05'30'

Date: February 14, 2023
Place: Mumbai

Date: February 14, 2023
Place: Mumbai