ANNUAL REPORT
2015-16

18,63,93,769 LEDs distributed as on 22 Dec. 2016 under National Ujala Scheme

Creating an Energy Efficient India

National Workshop on Agricultural Demand Side Management (AgDSM) on 18th Jan, 2016 at New Delhi

Ministry of Urban Development signed a Memorandum of Understanding with the Energy Efficiency Services Limited (EESL), to improve energy efficiency in bulk water supply, public lighting, transportation and domestic consumption in cities and towns across the country

VISION

EESL seeks to unlock market for energy efficiency in India estimated of ₹ 74,000 crores resulting of about 15% of present consumption. It seeks to create market access, particularly in the public facilities like municipalities, building, agriculture, industry etc., implement innovative business models, handhold private sector Energy Service Companies (ESCOs) in an effort to ensure replication.

MISSION

Creating Energy Efficient India

Energy Efficiency Services Limited (EESL) is promoted by Ministry of Power, Government of India as a Joint Venture company of four Central Power Sector undertakings viz NTPC Ltd, PFC, REC and Power Grid. EESL is set up to create and sustain markets for energy efficiency in the country. EESL works closely with Bureau of Energy Efficiency (BEE) and is leading the market related activities of the National Mission for Enhanced Energy Efficiency (NMEEE), one of the 8 national missions under Prime Minister's National Action Plan on Climate Change.

NATIONAL UJALA DASHBOARD

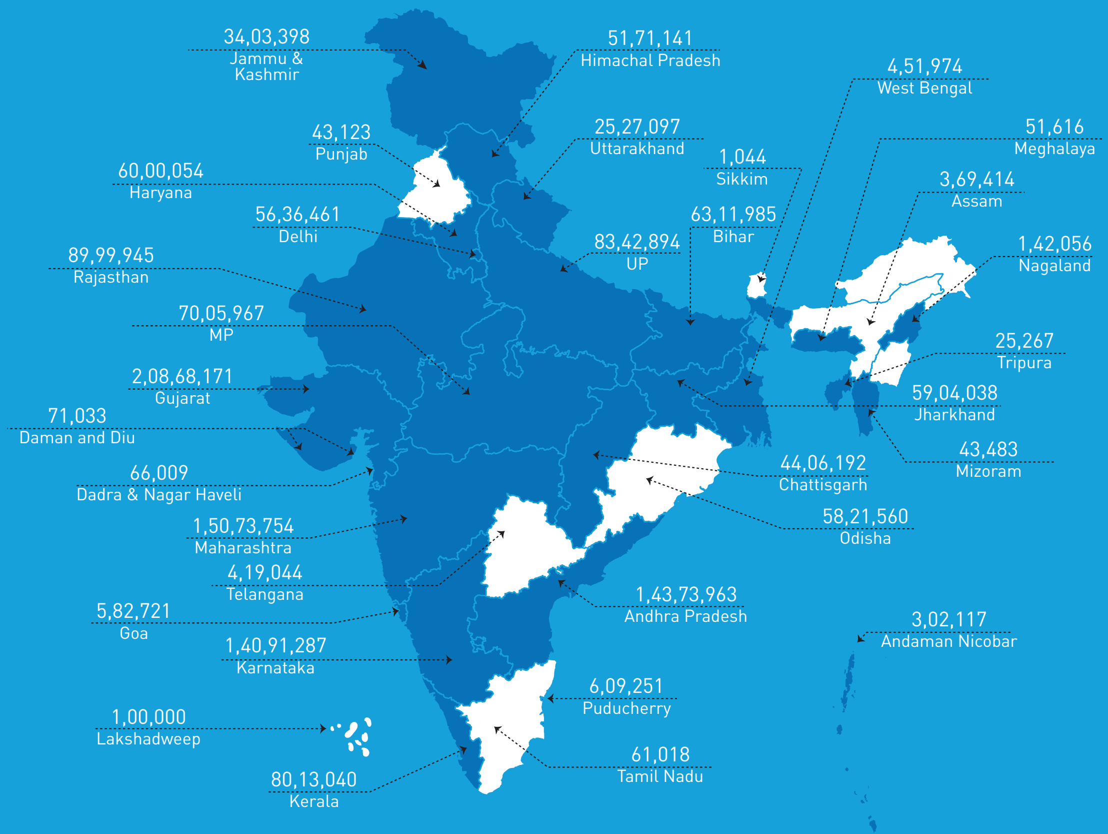
GOVERNMENT OF INDIA
MINISTRY OF POWER

EESL

Total LEDs distributed as on 22 DEC 2016 13:42

18,63,93,769

24,206 mn kWh	INR 9,683 Cr.	4,846 MW	1,96,07,184 t CO_2
Energy saved per year	Cost saving per year	Avoided Peak Demand	CO_2 Reduction per year



UJALA Distribution Scheme

Institutional Distribution Scheme

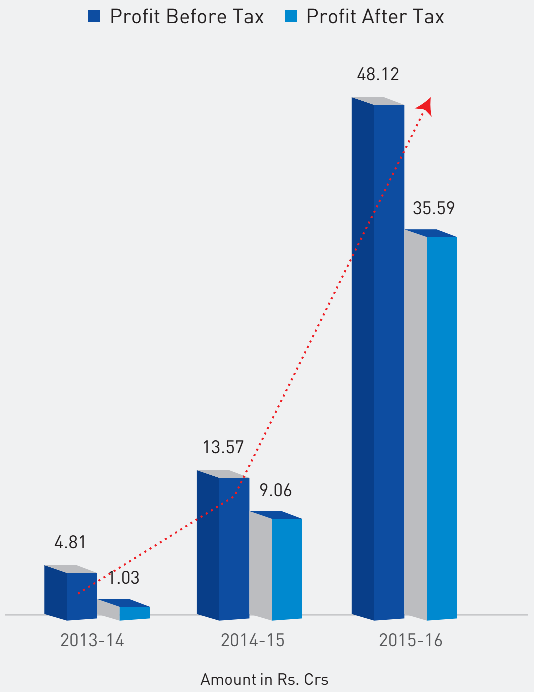
Street Light Project in Udaipur, Rajasthan

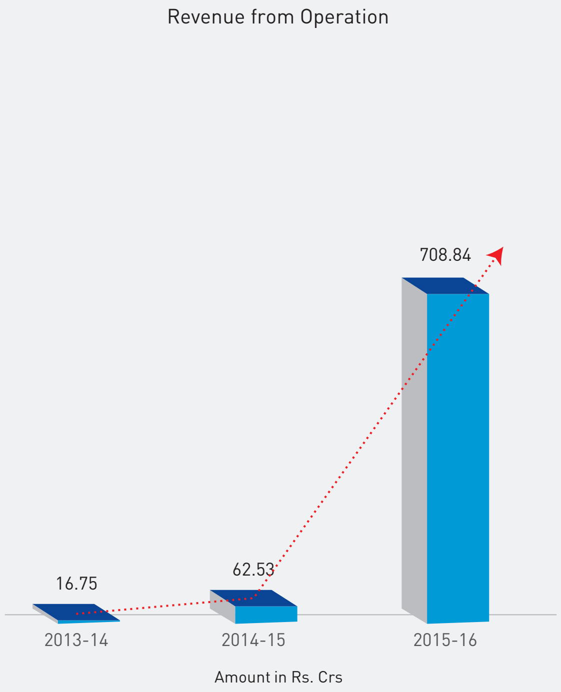
CONTENTS

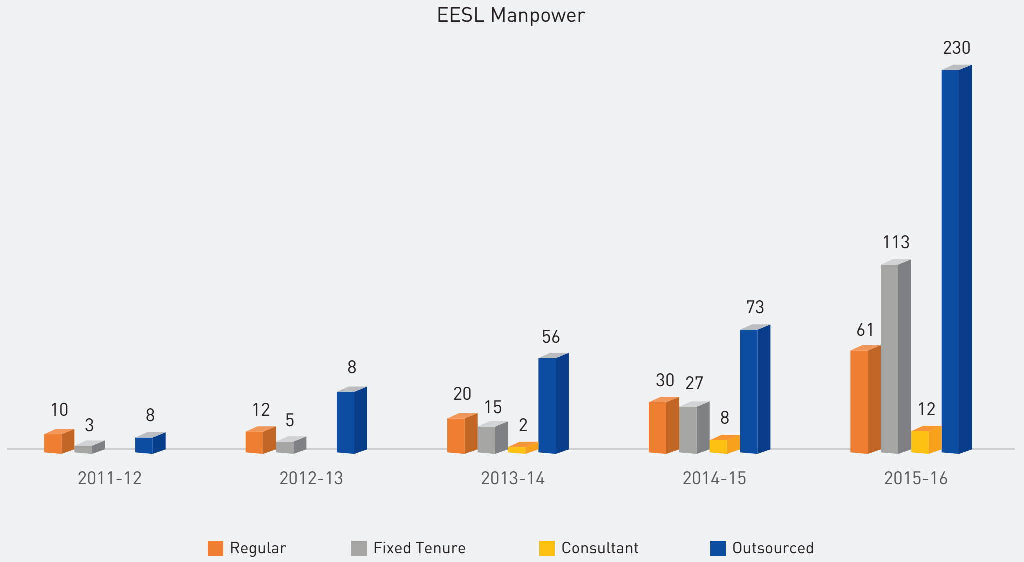
Company Information

Chairman:	Shri K.K. Sharma (w.e.f. 21.10.2016) Shri Rajeev Sharma (from 21.10.2015 to 20.10.2016) Shri P.J. Thakkar (upto 12.10.2015)
Managing Director:	Shri Saurabh Kumar
Directors:	Shri Raj Pal (w.e.f 14th July, 2016) Shri Anil Kumar Gupta Shri V.K. Singh (w.e.f 21st October, 2016) Shri Avkash Saxena (w.e.f 22nd September, 2016) Smt. Seema Gupta(upto 25th April, 2016) Shri P.K.Ravi (upto 6th July, 2016) Shri R.K. Srivastava (upto 6th September, 2016) Shri Arunava Chakravarti (upto 12th September, 2016) Shri Sanjay Seth (upto 16th September, 2016)
Chief Financial Officer:	Shri Sameer Agarwal (upto 7th June, 2016) Shri S. Gopal (w.e.f. 8th June, 2016)
Company Secretary:	Ms. Pooja Shukla
CIN:	U40200DL2009PLC196789
Registered Office:	4th Floor, Sewa Bhawan, R.K. Puram, New Delhi-110066
Corporate Office:	4Th & 5th Floor, IWAI Building, A-13, Sector-1, Noida-20 1301 (U.P.)
Internal Auditors:	M/s Jain & Malhotra, Chartered Accountants,42-B,Hanuman Lane, Near Hanuman Mandir, Connaught Place, New Delhi-110001
Statutory Auditors:	M/s G.K.Kedia & Co., Chartered accountants, 914, Naurang House 21, Kasturba Gandhi Marg, New Delhi-110001 (for financial year 2015-16)
Bankers:	Axis Bank Yes Bank ICICI Bank Canara Bank Indusind Bank
Stock Exchange:	BSE Limited (for Bonds)
Depositories:	National Securities Depository Limited Central Depository Services Limited
Registrar and Share Transfer Agent:	Karvy Computershare Private Limited
Debenture Trustee:	Axis Trustee Services Limited

PERFORMANCE HIGHLIGHT







GOVERNMENT OF INDIA
MINISTRY OF POWER

SLNP - DASHBOARD

EESL

STREETLIGHT NATIONAL PROGRAMME

Total Streetlight Completed as on Date: 22/12/2016

1,501,951

0.363 kWh	542997.91 kWh	450.69 tCO2	49.36 MW
Average energy saving per light per day	Average energy saving per day	GHG Emissions Reductions	Avoided Capacity

NOTICE OF 7TH ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the Shareholders of Energy Efficiency Services Limited will be held on Saturday, 24th December, 2016 at 11:00 a.m. at Rural Electrification Corporation Limited, Core-4, SCOPE Complex-7, Lodhi Road, New Delhi-110003 to transact the following business:-

Ordinary Business:-

1. To receive, consider, approve and adopt the audited Financial Statement of the Company for financial year ended on 31st March, 2016, the reports of the Board of Directors and the auditors thereon.

2. To declare Dividend for the financial year 2015-16.

3. To fix remuneration of statutory auditors for financial year 2016-17.

4. To appoint Director in place of Shri Saurabh Kumar (DIN: 06576793), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:-

5. To consider appointment of Shri Raj Pal (DIN: 02491831) as Director of the Company and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, Shri Raj Pal (DIN: 02491831), who was nominated by Ministry of Power as its nominee on the Board of EESL vide letter dated 6th July, 2016 and subsequently appointed by the Board as additional director in the 45th Board Meeting held on 26th July, 2016, be and is hereby appointed as Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT Managing Director and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

6. To consider appointment of Shri Avkash Saxena (DIN: 00529340) as Director of the Company and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, Shri Avkash Saxena (DIN: 00529340), who was nominated by Power Finance Corporation Limited as its nominee on the Board of EESL vide Letter SEC-1/241/2015/1615 dated 21st October, 2015 and subsequently appointed by the Board as additional director vide Circular Resolution No.18 dated 22.09.2016, be and is hereby appointed as Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT Managing Director and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

7. To consider appointment of Shri K.K. Sharma (DIN: 03014947) as Director of the Company and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, Shri K.K. Sharma (DIN: 03014947), who was nominated by NTPC Limited as its nominee on the Board of EESL vide Letter Ref. No.: 01:SEC:EESL dated 01.09.2016 and subsequently appointed by the Board as additional director and Chairman of EESL in 48th Board Meeting held on 22.11.2016, be and is hereby appointed as Director and Chairman of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT Managing Director and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

8. To consider appointment of Shri V.K. Singh (DIN: 02772733) as Director of the Company and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, Shri V.K. Singh (DIN: 02772733), who was nominated by Rural Electrification Corporation Limited as its nominee on the Board of EESL vide Letter Ref. No. 7/01/2011/HR-D-II/2386 dated 05.10.2016 and subsequently appointed by the Board as additional director in the 48th Board Meeting held on 22.11.2016, be and is hereby appointed as Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Managing Director and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution."

9. To consider appointment of Shri Anil Kumar Gupta (DIN: 02448016) as Whole-Time Director of the Company and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Act, appointment of Shri Anil Kumar Gupta (Director-Finance) (DIN: 02448016) for a period of 2 years ending on 30th April, 2017 or superannuation, whichever is earlier, as Whole-Time Director of the Company be and is hereby approved.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

10. To consider increase in remuneration of Shri Saurabh Kumar, Managing Director and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 178, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013, approval of the Company be and is hereby accorded to revise the remuneration of Mr. Saurabh Kumar (DIN: 06576793), Managing Director of the Company w.e.f. 1st January, 2016 on the remuneration and terms and conditions as recommended by the Board for the remaining period of his tenure i.e. upto 6th May, 2018.

i.	Grade	-	Director of Schedule A, CPSE
ii.	Scale of Pay	-	Rs. 75000-100000
iii.	Terms & Conditions	-	As per Annexure "A"

RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary be and are hereby severally authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

11. To consider increase in remuneration of Statutory Auditors for financial year 2015-16 and if thought fit, to pass with or without modification, the following resolution as **Special Resolution**:

"**RESOLVED THAT** the remuneration of Statutory Auditors of EESL i.e. M/s G K Kedia & Co., Chartered Accountants for the financial year 2015-16 at a total fee of Rs. 5,00,000/- per annum (exclusive of applicable taxes & out of pocket expenses) be and is hereby approved.

RESOLVED FURTHER THAT any one of the Directors and/or Company Secretary be and are hereby severally authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

By Order of the Board of Directors

Place: 24 Dec. 2016
Date: New Delhi

(Pooja Shukla)
Company Secretary

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and a proxy need not be a member of the company. Proxies in order to be effective, must be received by the company, duly filled, stamped and signed, at its Registered Office or at its Administrative Office not less than 48 hours before the Meeting. Blank Proxy form is enclosed.

2. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business in the notice is annexed thereto.

3. Pursuant to Section 139 of the Companies Act, 2013, the Statutory Auditors of the company are to be appointed by the Comptroller and Auditor General of India (C & AG) and in terms of Section 142, their remuneration has to be fixed by the Company in Annual General Meeting or in such manner as the Company may in AGM may determine. C & AG in exercise of power conferred under Section 139 of Companies Act, 2013 has appointed M/s V P G S & Co., Chartered Accountants (Firm Registration No. 507971C), New Delhi as Statutory Auditor of the Company. The members may kindly authorise the Board to fix appropriate remuneration of Statutory Auditors for Financial Year 2016-17 after taking into consideration the volume of work and prevailing inflation.

4. Route Map: Annexed.

ANNEXURE

EXPLANATORY STATEMENTS AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5 OF THE NOTICE

Ministry of Power vide letter dated 6th July, 2016 has nominated Shri Raj Pal as Government Nominee Director, in place of Shri P.K. Ravi. Accordingly, Board appointed him as additional director w.e.f. 14th July, 2016 in the 45th Board Meeting held on 26th July, 2016. The Company has received a notice in writing from a member pursuant to provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Shri Raj Pal as Government Nominee Director on the Board of EESL. Shri Raj Pal, if appointed, shall be liable to retire by rotation. Shri Raj Pal is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri Raj Pal is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 6 OF THE NOTICE

Power Finance Corporation Limited has vide office order no. 277/2016 dated 12.09.2016 nominated Shri Avkash Saxena as its nominee on the Board of EESL in place of Shri A. Chakravarti. Accordingly, Board appointed him as additional director w.e.f. 12.09.2016 vide circular resolution no. 18 dated 22nd September, 2016. The Company has received a notice in writing from a member pursuant to provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Shri Avkash Saxena as Nominee Director on the Board of EESL. Shri Avkash Saxena, if appointed, shall be liable to retire by rotation. Shri Avkash Saxena is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri Avkash Saxena is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 7 OF THE NOTICE

NTPC Limited vide Letter Ref. No.: 01:SEC:EESL dated 01.09.2016 nominated Shri K.K. Sharma, Director (Operations), NTPC Limited as Director on the Board of EESL in place of Shri R.K. Srivastava. Accordingly, Board appointed him as additional director w.e.f 21st October, 2016 in 48th Board Meeting held on 22nd November, 2016. The Company has received a notice in writing from a member pursuant to provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Shri K.K. Sharma as Nominee Director on the Board of EESL. Shri K.K. Sharma, if appointed, shall be liable to retire by rotation. Shri K.K. Sharma is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri K.K. Sharma is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 8 OF THE NOTICE

Rural Electrification Corporation Limited has vide Letter Ref. No. 7/01/2011/HR-D-II/2386 dated 05.10.2016 nominated Shri V.K. Singh, General Manager, REC Limited as nominee on the Board of EESL in place of Shri Rajeev Sharma. Accordingly, Board appointed him as additional director w.e.f 21st October, 2016 in 48th Board Meeting held on 22nd November, 2016. The Company has received a notice in writing from a member pursuant to provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Shri V.K. Singh as Nominee Director on the Board of EESL. Shri V.K. Singh, if appointed, shall be liable to retire by rotation. Shri V.K. Singh is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri V.K. Singh is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 9 OF THE NOTICE

Power Finance Corporation Limited vide office order no. 50/2050 dated 27th April, 2015 has nominated Shri Anil Kumar Gupta to be appointed as Director of EESL and designated as Director (Finance) in the company. The Board has appointed him as additional director in whole time employment of EESL on secondment basis designated as Director (Finance) in the Board Meeting held on 5th February, 2016. Section 2(94) of the Companies Act, 2013 states that a director in the whole-time employment of the company is a whole-time director. Further, in terms of Section 197 read with Schedule V, a whole-time director shall be appointed and the terms and conditions of such appointment and remuneration payable be approved by the shareholders by a resolution. Therefore, it is proposed to appoint Shri Anil Kumar Gupta for a period of 2 years ending on 30th April, 2017 or superannuation, whichever is earlier, as whole-time director of EESL on secondment basis, remuneration being paid to him by Power Finance Corporation Limited. Shri Anil Kumar Gupta, if appointed, shall be liable to retire by rotation. He is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri Anil Kumar Gupta is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 10 OF THE NOTICE

Board of Directors in their 41st Board Meeting held on 30th December, 2015 has upgraded the post of Managing Director of the Company from E-9 to the level of Director of Schedule A, CPSE with IDA pay scale.

In view of above, remuneration of Managing Director may increase from Rs. 62000-80000 to Rs. 75000-100000. Overall maximum managerial remuneration is governed by Section 197 read with Schedule V of the Companies Act, 2013. Schedule V of the Companies Act, 2013 states that the payment of remuneration Managing Director is to be approved by the shareholders of the Company.

None of the Director or Key Managerial Personnel of the Company or their relatives except Shri Saurabh Kumar is interested or concerned in the resolution. The Board recommends the resolution for your approval.

ITEM NO. 11 OF THE NOTICE

In terms of provisions of Section 139 of the Companies Act, 2013, the Comptroller and Auditors General of India (CAG) vide letter No. CA.V/COY/CENTRAL GOVT. EESL (1)/235 dated 8th July, 2015 has appointed M/s G.K. Kedia & Co., Chartered Accountants as EESL's Statutory Auditors for the financial year 2015-16 at a consolidated fee of Rs. 50,000/-.

EESL vide letter dated 30th July, 2015 intimated to M/s G K Kedia & Co. with regard to their appointment as Statutory Auditor of EESL for FY 2015-16. In response to our letter, M/s G K Kedia & Co. vide their letter dated 20.08.2015 accepted to become Statutory Auditor of EESL for FY 2015-16.

Further, remuneration of Rs. 2,50,000/- per annum (exclusive of applicable taxes & out of pocket expenses) was fixed in the 6th Annual General Meeting for the financial year 2014-15. However, M/s G K Kedia & Co. vide their letter dated 15.06.2016 asked to increase the statutory audit fees from Rs. 2,50,000/- in 2014-15 to Rs. 5,00,000/- in 2015-16 considering the increase in volume of business of EESL by 10 times (approx.) and quality of time required for conducting the audit by them. In this regard, it is mentioned that the fees paid by EESL to Statutory Auditors was revised in the financial year 2014-15 to Rs. 2,50,000/- from Rs. 50,000 in FY 2013-14 which was approved by the shareholders in their 5th Annual General Meeting held on 30th December, 2014.

It is submitted that in FY 2014-15, the turnover of EESL was Rs. 71 crores which has been increased to around Rs. 700 crores during FY 2015-16 due to substantial increase in business of EESL. Due to this, statutory auditor require to spend substantial time on audit as compared to previous year.

In view of the above, it is proposed to increase the statutory auditor remuneration for the financial year 2015-16 and fix the same at a consolidated fee of Rs. 5,00,000/- exclusive of service tax & out of pocket expenses.

In terms of the provisions of the Companies Act, 2013, the consent of shareholders by way of special resolution is required for the aforesaid purpose.

None of the Director or Key Managerial Personnel of the Company or their relatives is interested or concerned in the resolution. The Board recommends the resolution for your approval.

In view of the above, it is proposed to increase the statutory auditor remuneration for the financial year 2015-16 and fix the same at a consolidated fee of Rs. 5,00,000/- exclusive of service tax & out of pocket expenses.

In terms of the provisions of the Companies Act, 2013, the consent of shareholders by way of special resolution is required for the aforesaid purpose.

None of the Director or Key Managerial Personnel of the Company or their relatives is interested or concerned in the resolution. The Board recommends the resolution for your approval.

By Order of the Board of Directors

Place: 24 Dec. 2016
Date: New Delhi

(Pooja Shukla)
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED

[A Joint Venture Company of PSUs of Ministry of Power]
Regd. Office: 4th Floor, Sewa Bhawan, RK Puram, New Delhi - 110 066
Corporate Office: 4th & 5th Floor, IWA1 Building, A-13, Sector-1, Noida-201301 (U.P.)
CIN: U40200DL2009PLC196789

PROXY FORM

I/We, being the member (s) of .... shares of the above named company, hereby appoint:

1.	Name of the shareholder			
	Registered address		Signature	
	E-mail ID			
Or falling him				

2.	Name of the shareholder			
	Registered address		Signature	
	E-mail ID			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the company, to be held on 24th December, 2016 at 11:00 a.m. at Rural Electrification Corporation Limited, Core-4, SCOPE Complex-7, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	**Resolution**	**For**	**Against**
Ordinary Business			
1.	To receive, consider, approve and adopt audited Financial Statement for financial year ended 31st March, 2016, the reports of the Board of Directors and the auditors thereon.		
2.	To declare Dividend for the financial year 2015-16		
3.	To fix remuneration of statutory auditors for financial year 2016-17		
4.	To appoint Director in place of Shri Saurabh Kumar (DIN: 06576793), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business			
5.	Appointment of Shri Raj Pal (DIN: 02491831) as Director.		
6.	Appointment of Shri Avkash Saxena (DIN: 00529340) as Director.		
7.	Appointment of Shri K.K. Sharma (DIN: 03014947) as Director		
8.	Appointment of Shri V.K. Singh (DIN: 02772733) as Director		
9.	Appointment of Shri Anil Kumar Gupta (DIN: 02448016) as Whole-Time Director		
10.	Increase in remuneration of Shri Saurabh Kumar (DIN: 06576793), Managing Director		
11.	Increase in remuneration of Statutory Auditors for financial year 2015-16		

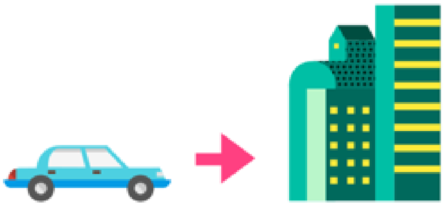
Signed this...........day of ....20.....

Affix Revenue Stamp

Signature of Shareholders ________________________________Signature of proxy holder(s)

Google Maps

Map data ©2016 Google 200 m



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SIGN IN

DIRECTOR'S REPORT

To
The Members,
Energy Efficiency Services Limited

The Directors have pleasure in presenting before you the 7th Annual Report on the business and operations of the company along with the Audited Financial Statement for the financial year ended 31st March, 2016.

1. PERFORMANCE HIGHLIGHTS:

1.1 The highlights of performance of the Company for financial year 2015-16 were as under with comparative position of previous year's performance:

Particulars	31st March, 2016	31st March, 2015
Share capital	1,65,00,00,000	90,00,00,000
Total Revenue	7,15,65,26,526	71,10,72,060
Profit Before Depreciation & Taxes	95,87,97,498	19,91,95,389
Less: Depreciation	47,53,37,420	5,95,50,371
Profit/(Loss) Before Tax	48,34,60,078	13,96,45,018
Less: Prior Period Adjustments (Net)	22,47,931	39,26,575
Less: Provision for Taxation		
-Current Year	13,07,02,948	2,14,36,574
-Deferred Tax Asset	(53,98,629)	2,36,85,832
Profit/(Loss) after Tax	35,59,07,828	9,05,96,037
Proposed Dividend	10,67,72,348	2,71,78,811
Tax on proposed dividend	2,23,36,775	56,85,807
Tax on dividend for earlier year	1,52,841	0
Profit/(Loss) brought forward from Previous Years	20,33,17,348	14,55,85,929
Balance carried forward to Balance Sheet	43,02,68,894	20,33,17,348

1.2 Financial Performance

Net profit of the Company in 2015-16 is ₹ 35.59 crore, an increase of ₹ 26.53 crore over the previous year. Net worth of the Company as on March 31st, 2016 has increased by 97.69 crore (from ₹ 110.33 crore to ₹ 208.02 crore).

1.3 Dividend

The Board of Directors of your Company has recommend a dividend of ₹ 10.68 crores subject to the approval of the shareholders in 7th Annual General Meeting.

1.4 Share Capital

As on 31st March, 2016, the issued and paid up share capital of the Company was ₹ 165 Crs divided into 16,50,00,000 equity shares of ₹ 10 each against authorised share capital of ₹ 500 Crs divided into 50,00,00,000 equity shares of ₹ 10 each. During the financial year 2015-16, Company has allotted 7.5 Crs. Equity shares of ₹ 10 each on rights basis and during the financial year 2016-17, Company has allotted 29.7 Crs equity shares of ₹ 10 each to three promoter companies on 25th April, 2016 i.e. NTPC, REC and PFC on private placement basis. Accordingly, as on date, NTPC, PFC and REC hold 32% (approx.) of the paid up equity share capital of the Company, respectively and PGCIL holds 4% (approx.) of the paid up share capital of the Company.

1.5 Resource Mobilization

The Company mobilized Euro 50 Million by way of Official Development Assistance (ODA) loan from Kreditanstalt für

Wiederaufbau (KfW) and as on 31st March, 2016 Company has drawn EUR 30 Million.

Cash Credit/Short-Term Facility

The Company has an approved cash credit/short term loan facility limit of ₹ 700 Crs for availment from various banks for its day-to-day operations and as on 31st March, 2016, Company has availed Short Term Loan amounting to ₹ 385 Crs.

2. NATIONAL PROGRAMME

The Hon'ble Prime Minister launched National programme on 5th January, 2015 to convert the conventional street lights with smart and energy efficient LED street lights and Domestic Efficient Lighting Programme (DELP) to provide LED lights to domestic households. Lighting sector accounts for about 20% of the total consumption in India. These programme target energy efficiency in lighting as it offers enormous opportunity to save energy.

Under DELP, EESL has evolved a service model where it works with electricity distribution companies (DISCOMs). The Domestic Efficient Lighting Programme (DELP) obviates the need for DISCOMs to invest in the upfront cost of LED bulbs. Under Street Lighting programme, EESL replaces the conventional street lights with LEDs at its own costs and the consequent reduction in energy and maintenance cost of the municipalities is used to repay EESL over a period of time.

3. OTHER INITIATIVES OF EESL

3.1 Agriculture Demand Side Management (AgDSM)

In order to upscale the implementation of AgDSM scheme, your Company had devised distribution model similar to UJALA scheme wherein the farmers shall be handed over Energy Efficient Pump Sets (EEPS) over the counters. This shall help in upscaling the present replacement methodology of 2000-3000 pump sets per year with 2-3 lac pump sets per year. Innovative concept of Smart Control Panels have been adopted wherein farmers could switch ON / OFF their pump sets using a mobile phone and the power consumption data shall be transmitted to EESL Dashboard for monitoring purposes. Your Company has come into an agreement(s) with the DISCOMs of Andhra Pradesh for distribution of 2 lac EEPS on similar lines and shall commence distribution in the next Financial Year.

3.2 Buildings Energy Efficiency Retrofit program (BEERP)

High rise government and commercial establishments are one of the major load centres in the country. Various studies have established that energy consumption to the tune of 15 to 20% in these segments out of which 70 to 80% is contributed by electricity. Considering huge infrastructure growth and peak demand problem in India, DSM is recognized as one of the major solutions in building sector. This would save considerable amount in the energy bill as well as contribute in flattening of load curve of any utility.

Recognizing the above need, EESL has focused on "Building Sector" as one of the major interventions to create market transformation in energy efficiency. Over last couple of years, EESL has successfully demonstrated its business models in government and private establishments. We encourage the facility owners to adopt our ESCO model where the entire upfront investment is done by EESL with a mutually agreeable cost recovery mechanism from energy savings. It is our great privilege to say that many of the high rise buildings have the growing awareness to implement energy efficiency projects in this model.

The overall objective of the program is to reduce the energy consumption in the existing buildings in India and to disseminate best practices in improved O & M activities. EESL projects revealed a savings potential to the extent of 40% in end use such as lighting and air conditioning.

EESL is also going to sign an agreement for implementation of energy efficiency measures in public buildings of state government and also approached by states like Rajasthan, Jharkhand, Odisha and Delhi for similar initiatives. EESL also signed an agreement with Delhi Metro Rail Corporation (DMRC) for implementing Energy Efficiency measures at metro stations namely Rajiv Chowk and Barakhamba road. Riding on the success of EESL's model, it has received an expression of interest from DMRC for further implementing energy efficiency measures in another four stations namely, Kashmiri Gate, Chandani Chowk, Chawri Bazaar and Patel Chowk which will be taken up in the next financial year. EESL has also signed an MOU with Railway Energy Management Company Limited for implementing of energy efficiency projects in Indian Railways. EESL is also implementing the energy efficiency retrofit projects at PSU's, Govt. Bodies and currently implementing the same at Manganese Ore India Limited (MOIL), Inland Waterways Authority of India (IWAI) and also approached by other PSUs which include the IFIC, NTOC and ONGC etc.

Apart from this, EESL is also expanding the building energy efficiency portfolio to Banks, ATMs and private buildings etc.

3.3 Consultancy and Advisory Services

a) **DSM Program** – Under the 12th Five-year plan, Bureau of Energy Efficiency (BEE), Ministry of Power has initiated a program called "Capacity Building of utility DISCOMs on Demand Side Management (DSM)" in the country. 34 DISCOMs are covered under this program in about 21 states. Activities such as conducting load research (LR), preparation of DSM action plan, Creation of DSM master trainers and providing technical assistance support to 34 DISCOMs are the major activities under the national program of BEE. EESL supported BEE in the following areas:

- Providing technical assistance (TA) to all 34 DISCOMs: 2 persons per DISCOMs
- Conducting LR studies.
- Preparing DSM action plans for each DISCOM.

Accordingly, EESL deployed 64 consultants from technical and financial background to support to the DSM cell of the DISCOMs. During this year, LR studies in 29 DISCOMs are completed and reports have been submitted concerned authorities for review and approval. DSM action plans for 23 DISCOMs have been prepared and submitted to DSICOMs for approval. All the activities are expected to be completed by December 2016.

b) Perform, Achieve and Trade (PAT) Scheme – Your Company supported BEE in the PAT Scheme, a flagship program of Government of India for improving energy efficiency in industrial sectors. The baseline data is a key attribute in the target setting process of designated consumers in this scheme. For the 2nd cycle of PAT scheme, which enrolled more industries as designated consumers in the existing 8 industrial sectors. It was necessary to collect and analyse the baseline energy data as per the notified format. EESL entered into an MOU with BEE on 30th Nov., 2015 for baseline data collection and verification of about 100 new designated consumers. We are conducting this activity through various technical consultants selected through open bidding process.

c) Standard and Labelling (S & L) Program – EESL acts as an Independent Agency for Monitoring and Evaluation (IAME) for BEE in the S & L Program. This flagship program of BEE sets minimum energy performance standard (MEPS) for different appliances and gives the consumers an informed choice to purchase/use energy efficient appliances. As an IAME, EESL scrutinizes all applications received by BEE from different manufacturers seeking Star-rating for different product models. After due verification of documents and other requirements, EESL recommends the star-rating of each application to BEE to take further action. Apart from this, EESL is also conducting the market surveillance and check-testing as per the provisions of S & L Scheme. During the year, EESL has scrutinized and processed about 4100 applications generating a total revenue of nearly ₹ 50.00 lacs.

3.4 New Initiatives

a) Atal Jyoti Yojana (AJAY), a sub-scheme under off-grid and decentralized solar application scheme of Ministry of New and Renewable Energy, Government of India.

Atal Jyoti Yojana (AJAY) a sub scheme under off grid and decentralized solar application scheme of MNRE, is approved by Government for installation of solar street lights in the states of Assam, Bihar, Jharkhand, Odisha and Uttar Pradesh where household grid connectivity is less than 50%. Ministry of New and Renewable Energy has appointed EESL as the implementing agency for the scheme in the aforesaid states vide letter no. 42/12/2016-17/PVSE dated 2nd Sep, 2016. Total cost of the scheme is ₹ 499.30 Crs. The scheme is jointly funded by Ministry of New & Renewable Energy (MNRE) and Member of Parliament Local Area Development funds (MPLADS). MNRE is to provide 75% of the cost of street lights and remaining 25% will come from MPLAD, Panchayat funds or Municipalities and other Urban Local Bodies (ULBs) Funds. The scheme is to be implemented as per the guidelines in mission mode and installation of street lighting systems is to be ensured by 31st March, 2018.

b) Atal Mission for Rejuvenation and Urban Transformation

The scheme was launched by Prime Minister Narendra Modi in June 2015 with the focus of the urban renewal projects is to establish infrastructure that could ensure adequate robust sewerage networks and water supply for urban transformation and ensure energy efficiency in bulk water supply, public lighting, transportation and domestic consumption in cities and towns across the country.

To facilitate market transformation and replication of Municipal Energy Efficiency Projects on a large scale in India, Ministry of Urban Development, Government of India signed Memorandum of Understanding on 28th Sep, 2016 with Energy Efficiency Services Limited (EESL). Under the MOU, EESL may undertake preparation of Feasibility Study Report or Technical Study Report or conducting Energy Audit, Detailed Project Report (DPR) or Investment Grade Energy Audit (IGEA) Report (hereinafter referred to as "Report") of the identified Energy Efficiency Project in the Cities and may enter into separate tri-partite agreement with the State Government and Client Agency for implementation of the Project, based upon the findings of the Report.

3.5 International Programmes

Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE) and PRSF

Government of India announced its National Action Plan on Climate Change (NAPCC), which include a Mission on Enhanced Energy Efficiency (NMEEE) in June, 2010. NMEEE spelt out the four major initiatives to enhance energy efficiency i.e. Perform Achieve Trade (PAT), Energy Efficiency Financing Platform (EEFP), Market Transformation for Energy Efficiency (MTEE), and Framework for Energy Efficient Economic Development (FEEED).

One of the key elements of the NMEEE aimed at industry is the establishment of a Framework for Energy Efficient Economic Development (FEEED), which mainly focuses on developing fiscal and investment guarantee instruments to promote energy efficiency FEEED includes a Partial Risk Guarantee Fund (PRGF) and a Venture Capital Fund for Energy Efficiency (VCFEE).

The PRGFEE is a risk-sharing mechanism that provides commercial banks with partial coverage of risk exposure against loans issued for energy efficiency projects. The scheme was notified by The Ministry of Power on May 26, 2016. The support under PRGFEE is limited to Government Buildings, Municipalities, SMEs and industries. PFI shall take guarantee from the PRGFEE before disbursement of loan to the borrower. The Guarantee will not exceed ₹ 10 crores (proposed for ₹ 1500 lakhs) per project or 50% of loan amount, whichever is less. Maximum tenure of the guarantee will be 5 years from the date of issue of the guarantee. Eligible projects under the PRGFEE, for which Participating Financial Institution (PFI) can apply for a guarantee, could be credit facilities extended by PFI to ESCO for energy efficiency projects. EESL has been selected as the Implementing Agency for PRGFEE in consortium.

EESL has also conducted two workshops in Mumbai (October 3) which saw participation from prominent Financial Institutions and ESCOs. The workshop was chaired by Shri B.P. Pandey, Additional Secretary, Ministry of Power. The second workshop was conducted in New Delhi on November 4 which was aimed at understanding the concerns of the Financial Institutions. EESL also conducted a National Workshop on Energy Efficiency in Vijayawada in April 2016, which had a dedicated session on Energy Efficiency Financing.

As a result of this outreach, the Implementing Agency submitted a pipeline of projects to the Bureau of Energy Efficiency (BEE).

ESCO	Total cost of project
SGS Industrial	11 crore (Total amount comprises of small projects)
eSmart Solution	15.6 crore (Single street light project)
UVK Rao	7 crore (Hotel Lalit Delhi) (awaiting project details)
UVK Rao	7 crore (Hotel Lalit Mumbai) (awaiting project details)

Partial Risk Sharing Facility (PRSF)

The objective of the Partial Risk Sharing Facility for Energy Efficiency (PRSF) Project is to assist India in achieving energy savings with mobilization of commercial finance and participation of energy service companies. This project consists of two components. The first component supports establishing and operating the Facility to provide Sub-Guarantees to Sub-Financiers and developing energy efficiency markets through end-to-end solutions and measurement and verification (M&V) activities.

The partial risk sharing facility for energy efficiency is managed by Small Industries Development Bank of India (SIDBI), funded from a Global Environment Facility (GEF) contribution and backstopped by a Clean Technology Fund (CTF) Guarantee, in the form of contingent finance. Reserve Bank of India has given its approval for the PRSF scheme and has also consented for lower risk weightage.

Component two supports technical assistance, capacity building, and operations support comprising, among other things, the following activities: i. Carrying out market development, Project management, awareness building, and outreach to beneficiaries and stakeholder ii. Undertaking legal due diligence and dispute resolution involving Sub-Projects. iii. Developing and maintaining the Facility's website and online presence; a management information system; and other reporting systems. iv. Developing standard appraisal and transaction documents, reporting templates, energy efficient guidelines, strengthening Project report generation, capacity building and training, and online support. v. Providing technical assistance and capacity building for Participating Financial Institutions, Energy Service Companies, and Beneficiaries.

The above two components are designed to strengthen the market-driven energy efficiency ecosystem conditions necessary for addressing EE market barriers and development objectives identified in Section II. Both SIDBI and Energy

Efficiency Services Limited (EESL) are leading institutions. The $43 million project consists of a partial risk sharing facility of $37 million -- funded from a Global Environment Facility (GEF) contribution of $12 million backstopped by a Clean Technology Fund (CTF) contingent guarantee of $25 million -- and a technical assistance and capacity building component of $6 million funded from GEF.

Technical Assistance and Capacity Building: The technical assistance and capacity building component of US$6 million, is funded by GEF and to be managed by SIDBI and EESL. This component supports technical assistance, capacity building, and operations support comprising, market development, management and information systems, and standard documentation systems. The project has since become effective on August 31, 2015. The website of the PRSF project (http://prsf.sidbi.in) has been developed and made live. Memorandum of Understanding (MoU) has been executed with 04 organizations viz. Electronica Finance Ltd., Tata Cleantech Capital Ltd., Religare Finvest Ltd and Yes Bank Limited, M/s Electronica and M/s Tata Cleantech have since fulfilled the pre-conditions for executing Master Guarantee Agreement (MGA) and have signed the MGAs. Discussions are being held with the following Banks/NBFCs for MoU/MGA execution viz. Religare (MGA), Yes Bank (MGA), Corporation bank, IndusInd Bank and ICICI bank.

First guarantee under PRSF was issued in August 2016 with guarantee coverage of Rs. 281.25 lakh. The EE project is implemented by Yantra Harvest Energy Private Limited at Kamachi Sponge & Power Corporation Limited, Tamil Nadu. Four applications have been submitted by M/s Tata Cleantech Ltd in respect of: a) Energy Efficiency improvement for a Hospital in New Delhi and b) Energy Efficiency improvement for a top tier Hotel at 3 different sites. These applications are currently under evaluation.

5. INSTITUTIONAL STRENGTHENING

Considering the increasing project investment portfolio, institutional strengthening is being undertaken as a continuous process in your company. KfW under technical assistance agreement dated 31st March, 2014, has appointed PwC as a consultant to provide technical support for institutional strengthening, process standardization, enhancing quality of design, implementation and monitoring of projects, etc.

6. HUMAN RESOURCES MANAGEMENT

The focus of Human Resource Management is to build an enabling culture and ensure a flow of motivated people with required skill sets. The focus is also on continual skill development and promoting core values which would inspire the employees to achieve excellence in all endeavours and maximize stakeholder's value.

7. MANPOWER STRENGTH

In order to meet the fast augmenting project requirements i.e. effective implementation, maintenance, quality assurance and timely execution 136 employees were appointed in various cadres through open advertisement during the financial year 2015-16. The Total manpower of the Company as on 31st March, 2016 stands at 164, which includes 134 executives and 30 non executives. With this talent pool bearing a unique mix of experienced and fresh executives and staff, the project execution capabilities are enhanced manifold.

Industrial Relations
The thrust on participative culture and open communication channels continued during the year. The Industrial Relations Scenario has been peaceful and harmonious and no manday was lost during the year.

Employee Welfare
The welfare and employee engagement activities in the company are designed in a manner to keep the employees oriented towards organizational goals, team building, to bring in a sense of belongingness, attain a proper work-life balance and to retain employees in a competitive business scenario. Cashless health care facilitates to the employees, and their dependent family members, in your company are being provided through empanelled hospitals in Delhi/NCR. In addition to this, subsidized lunch scheme, cultural activities and sport activities for the employees are being conducted for harnessing a creative and happy culture at the workplace. For providing long term financial security formation of Superannuation Fund has been initiated, besides providing coverage under Group Personal Accident Insurance policy.

Human Resource Development
Through a step by step long term process and short term need based programs HRD provides opportunity to the employees to hone their technical as well as managerial competencies, which in turn motivates and enables them to meet the project needs. Initially, upon joining the employees undergo a well-designed induction training program which makes them aware of the business model of the company and acclimatizes them with the culture of the company. Your Company has sponsored 65 executives to various training programmes, workshops etc. within country and abroad.

8. NATIONAL AND INTERNATIONAL TRAINING PROGRAMME

To cater the training and development needs of executives and to upgrade the employee's skill sets and high delivery performance, the company has sponsored 25 executives to various training programmes, workshops etc. within country and abroad.

9. EMPLOYEE WELFARE

The welfare and employee engagement activities in the company are designed in a manner to keep the employees oriented towards organizational goals, team building, to bring in a sense of belongingness, attain a proper work-life balance and to retain employees in a competitive business scenario. Cashless health care facilitates to the employees, and their dependent family members, in your company are being provided through empanelled hospitals in Delhi/ NCR. In addition to this, subsidized lunch scheme, cultural activities and sport activities for the employees are being conducted for harnessing a creative and happy culture at the workplace. For providing long term financial security formation of Superannuation Fund has been initiated, besides providing coverage under Group Personal Accident Insurance policy.

10. CORPORATE SOCIAL RESPONSIBILITY

The CSR budget of EESL of ₹ 18.52 Lacs for the financial year 2015-16 was approved in its 38th Board Meeting held on 29th September, 2015 as follows,

The Board of Directors in 38th Board meeting has approved Corporate Social Responsibility policy of the Company and CSR budget of ₹ 18.52 Lacs for the financial year 2015-16, to be incurred as per aforesaid CSR policy of the company. As per the aforesaid policy an annual plan of CSR activities is to be prepared and put up for approval of the CSR committee by November of each year.

As the exercise was to be done for the first time by EESL, several options were explored as where to utilize this fund to the best possible way so that its purpose is met. In the meantime a request letter was received from Sh. Keshav Prasad Maurya, Hon'ble Member of Parliament (Lok Sabha), Phoolpur Constituency, Allahabad (U.P.) vide his Letter No. 1520/02/2016 dated 09.02.2016 stating about the requirement of toilets in the few schools of Allahabad (U.P.) region. The Hon'ble Member of Parliament provided the list of schools vide his Letter No. 1574/03/2016 dated 29.03.2016 for construction of toilets under CSR activity of EESL. Further vide Letter No. EESL/CSR/7201 dated 31.03.2016 EESL requested Hon'ble Member of Parliament to review the list of schools. In this regard, telephonic discussion was held between DGM (Tech) EESL and Personal Assistant (PA) of Sh. Keshav Prasad Maurya, MP in the 2nd week of April. During the conversation the PA of Hon'ble MP justified that all the school mentioned in the list are most suitable and need construction of toilets.

In the meantime M/s Hindustan Prefab Ltd., a government of India enterprise was contacted through PFC for helping us in construction of toilets as the same type of work for PFC as well as Power Grid Corp. M/s HPL was initially not interested to carry out this work as being of small value. EESL wanted to avoid going in for an open tender as the budget was small and interested to award work to agency like M/s HPL at the same rates for which it had done this work for PFC and PGCIL. Somehow M/s HPL was convinced but they took more than one and a half month to convey us the rates as they were involved in the progress of seeking approval from their management.

The Corporate Social Responsibility Policy of the Company as required under Section 135 of Companies Act, 2013 is available on our website (www.eeslindia.org).

11. NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Policy of the Company, as required under sub-section (3) of Section 178 of Companies Act, 2013 is available on our website (www.eeslindia.org).

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

There are no significant particulars relating to energy, technology absorption under the Companies (Accounts) Rules, 2014 as the company does not own any manufacturing facility.

12.1 Foreign Earning and Outgo:

The details of foreign exchange earning & outgo are as follows:

Particulars	Year ended 31.03.2016 (in ₹)	Year ended 31.03.2015 (in ₹)
Expenditure in Foreign currency	30,624,023	4,848,792
Earning in Foreign Exchange	5,498,316	0

13. KEY MANAGERIAL PERSONNEL

As per provisions of Companies Act, 2013, Managing Director, Chief Financial Officer, Company Secretary are Key Managerial personnel of the Company. Shri S Gopal was appointed as Chief Financial Officer of EESL in place of Shri Sameer Agarwal w.e.f 08.06.2016.

14. MOU RATING AND AWARDS (HR)

The performance of your company in terms of MOU signed with promoter companies for the financial year 2014-15 has been rated as "Excellent".

15. BOARD & COMMITTEE OF THE BOARD

The Board of Directors duly met 9 times during the financial year from 1st April, 2015 to 31st March, 2016. The dates on which meetings were held are as follows: 8th April, 2015, 3rd July, 2015, 5th August, 2015, 29th September, 2015, 26th October, 2015, 30th November, 2015, 30th December, 2015, 5th February, 2016 and 4th March, 2016.

During the financial year 2015-16, consequent upon the relieving of Shri Bhaskar J Sarma as Secretary BEE, he ceased to be Government Nominee Director of Company w.e.f 27th April, 2015. Shri Sanjay Seth, Energy Economist & Secretary BEE (officiating) was appointed as Government Nominee Director on the Board of the Company w.e.f 3rd July, 2015. Consequent upon the transfer of Shri S.N. Ganguly to western region –II as regional executive director (Western-II) Shri R. K. Srivastava, Executive Director (NETRA), NTPC was appointed as Part Time Director on the Board of Energy Efficiency Services Limited w.e.f 24th Sep, 2015. The Board wishes to place on records its deep appreciation for valuable services rendered by Shri Bhaskar J Sarma and Shri S.N. Ganguly.

Shri Rajeev Sharma was appointed as nominee director of REC designated as Chairman, EESL w.e.f. 21.10.2015 in place of Shri Prakash Thakkar. Consequent to execution of Supplementary Agreement-II, posts for two functional directors i.e. Director (finance) and Director (projects & business development) were created and Shri A.K. Gupta and Shri S.N. Gaikwad were appointed respectively w.e.f. 05.02.2016. Ms. Seema Gupta ceased to be Nominee Director of PGCIL w.e.f 25.04.2016 due to fall in percentage of shareholding of PGCIL in EESL below 10%. Also, Ministry of Power vide letter dated 06.07.2016 nominated Joint Secretary in – charge of Energy Conservation/Economic Advisor as Government Nominee Director in place of Deputy Secretary (Finance). Therefore, Shri Raj Pal was appointed as Government Nominee Director w.e.f. 14.07.2016 in place of Shri P.K. Ravi. NTPC Limited vide letter dated 01.09.2016 withdrew nomination of Shri R.K. Srivastava and nominated Shri K.K. Sharma in his place. Power Finance Corporation Limited vide office order no. 277/2016 dated 12.09.2016 nominated Shri Avkash Saxena as its nominee director in place of Shri A. Chakravarti and BEE withdrew nomination of Shri Sanjay Seth as director in EESL vide letter dated 14.09.2016 consequent upon his resignation from the organisation. Rural Electrification Corporation Limited vide letter dated 05.10.2016 nominated Shri V.K. Singh, General Manager, REC Limited as nominee on the Board of EESL in place of Shri Rajeev Sharma.

The Board of Directors have constituted following committee in order to effectively cater its duties towards diversified role under the Companies Act, 2013:

A. Audit Committee

Three (3) Audit Committee Meetings were held during the financial year on 03.07.2015, 29.09.2015 and 30.12.2015. The constitution of Audit Committee as on the date of this report is as under:

1. Shri A.K. Gupta, Director (Finance)
2. Shri Avkash Saxena, Director
3. Shri V.K. Singh, Director

Special Invitee:
CGM (Finance)/CFO
In attendance:
Company Secretary

B. CSR Committee

During the financial year, One CSR Committee meeting was held on 29.09.2015. The constitution of CSR Committee as on the date of this report is as under:

1. Shri A.K. Gupta, Director (Finance)
2. Shri Raj Pal, Director
3. Shri Avkash Saxena, Director

Special Invitee:
Head of CSR Cell
CGM (Finance)/CFO
In attendance:
Company Secretary

C. Nomination and Remuneration Committee

Five (5) Nomination and Remuneration Committee meeting were held during the financial year on 03.07.2015, 29.09.2015, 26.10.2015, 30.11.2015 and 05.02.2016. The constitution of Nomination and Remuneration Committee as on the date of this report is as under:

1. Shri Avkash Saxena, Director
2. Shri V.K. Singh, Director
3. Shri Raj Pal, Director

Special Invitee:
CGM (Finance)/CFO
In attendance:
Company Secretary

Detail of number meetings attended by each Director during the financial year 2015-16 is as under:

Name of Director	No. of Board Meetings		No. of Audit Committee Meetings		No. of CSR Committee Meetings		No. of NRC Meetings	
	Entitled	Attended	Entitled	Attended	Entitled	Attended	Entitled	Attended
Shri Saurabh Kumar	9	9	-	-	-	-	-	-
Shri Sanjay Seth	8	8	-	-	-	-	-	-
Shri P.K. Ravi	9	8	3	2	-	-	-	-
Shri Bhaskar J Sarma	1	0	-	-	-	-	-	-
Shri Prakash Thakkar	4	4	-	-	-	-	1	1
Shri Rajeev Sharma	5	5	-	-	-	-	-	-
Shri R.K. Srivastava	6	5	2	1	1	1	4	4
Shri S.N. Ganguly	3	1	1	1	-	-	1	1
Ms. Seema Gupta	9	7	3	3	1	1	4	4
Shri A. Chakravarti	9	9	3	3	1	1	5	5
Shri A.K. Gupta	1	1	-	-	-	-	-	-
Shri S.N. Gaikwad	1	1	-	-	-	-	-	-

16. DIRECTORS RESPONSIBILITY STATEMENTS:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
d) They have prepared the annual accounts on a going concern basis.
e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. RIGHT TO INFORMATION ACT, 2005

The Company has taken necessary steps for implementation of "Right to Information Act, 2005". Name of the officers for coordinating the work relating to receipt of applications and appeals and furnishing information thereto have been placed on EESL's website.

18. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSME) ORDER 2012

The Government of India has notified Public procurement Policy on Micro & Small Enterprises (MSEs) order, 2012. In terms of the said policy, the total value of annual procurement of goods produced and services rendered during the year 2015-16 was ₹1820.49 Crs. The total procurement made from MSEs (including SC/ST entrepreneurs) was ₹238.89 Crs.

19. VIGILANCE

Your Company ensures transparency, objectivity and quality decision making in its operation and to monitor the same, the Company has vigilance department. Currently, CGM (Finance) holds the position of Chief Vigilance Officer (CVO).

20. DISCLOSURE UNDER THE SEXUAL HARASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION ANS REDRESSAL) ACT, 2013

In line with provisions of "Sexual Harassment of women at Work Place (prevention, Prohibition & Redressal) Act, 2013 'an "internal Complaints Committee" has been constituted for redressal of complaint(s) against sexual harassment of women employees. During the financial year 2015-16, the Company did not receive any compliant of sexual harassment.

21. ABSTRACT OF THE ANNUAL RETURN:

The Abstract of the Annual Return for the year 2015 is being attached with the Directors report in Form No. MGT-9 marked as **Annexure-I**.

22. PARTICULARS OF CONTRCATS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under the review, the Company had not entered into any material transaction with any of its related parties. All related party transactions were in the ordinary course of business and were negotiated on arm's length basis. Accordingly, the disclosure of related party Transactions as required under Sec 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

23. AUDITORS

STATUTORY AUDITOR

M/s G.K. Kedia & Co, Chartered Accountants (Firm Reg. No FRN.013016N), New Delhi was appointed as Statutory Auditors of the Company for the financial year 2015-16 by the Comptroller and Auditor General of India (C&AG). The Statutory Auditors have audited the financial statements of the Company for the financial year ended March, 31st 2016.

Further, the Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 has appointed M/s V P G S & Co, Chartered Accountants (Firm Reg. No FRN. 507971C), New Delhi as statutory auditor of the Company for financial year 2016-17. Approval of members of the Company will be obtained in the ensuing Annual General to authorise the Board of Directors of the Company, to fix their remuneration for financial year 2016-17.

SECRETARIAL AUDITOR

M/s Astik Tripathi & Associates, practicing Company Secretaries was appointed as Secretarial Auditors of the Company for carry out Secretarial Audit for the Financial Year 2015-16 and same is annexed as **Annexure-II** to this report.

24. MANAGEMENT REPLY:

The Management's Reply to the observation /advice of statutory auditors are submitted as per **Annexure III** to this report.

25. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 11th November, 2016 has given comments on the audited financial statements of the Company for the year ended March, 31st 2016 under section 143(6)(a) of the Companies Act, 2013. The comments of C&AG for the financial year 2015-16 have been placed as **Annexure -IV** along with the report of Statutory Auditors of the Company in this Annual Report.

26. STATUTORY DISCLOSURE

There was no change in the nature of business of the Company during the financial year 2015-16.

a) The Company has not accepted any public deposits during the financial year 2015-16.
b) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern Status and Company's operations in future.
c) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies.
d) Details of loans and investments covered under section 186 of the Companies Act, 2013 forms part of financial statement, attached as separate section in the Annual Report for financial year 2015-16.
e) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2016 and the date of this report.
f) The Company has not issued any stock options to the Directors or any employee of the Company.

27. PARTICULARS OF EMPLOYEES:

The information required under the provision of Section 197 (12) of the Companies Act, 2013 the read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, be treated as Nil as none of the employees of the Company was in receipt of total remuneration exceeding of ₹ 60,00,000 p.a. or ₹ 5,00,000 p.m. for part of the year during the financial year under review.

28. INFORMATION TECHNOLOGY INITIATIVES

EESL has implemented on-line 'e-procurement' system for procurement of goods and services, as per CVC guidelines. In addition, to improved internal efficiency and transparency, EESL has implemented suitable Video Conferencing (VC) solution across all offices of the Company. To make employees IT enabled, desktop computers have been provided to nearly 100%. Further, IT Division of the Company organizes and imparts various training programmes both for internal requirements as well as for external agency also, on request, on ERP.

EESL is implementing Integrated ERP system covering major business functions of the Company. Benefits of ERP system are being extended to the borrowers also as part of better service. Implementation of HR-ERP solution for automation of HR functions including Employee Self Service Portal across the Company.

IT division of the company has installed In-house mailing system in which there are no limitations for employees to send/receive mails. Benefit of Mailing Server is that employees can now send/receive bulk number of mails & the email storage space can be managed by IT division of the company.

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis report forms part of the report and placed as per **Annexure-V**.

30. ACKNOWLEDGEMENT:

The Directors are grateful to the Government of India particularly Ministry of Power, Ministry of Finance, Department of Economic Affairs for their continued co-operation and support. The Directors thank the state governments, state electricity boards, State Power Utilities and other borrowers for their continued supports and trust in the Company.

The Directors wish to place on record their appreciation of the commendable work done, dedication and sincerity by all the employees of the Company at all levels during the year under review. The Company will make every effort to meet the aspirations of its shareholders and wish to sincerely thank them for their whole hearted co-operation and support at all times.

For and on Behalf of the Board of Directors

(KK Sharma)
Chairman
(DIN: 03014947)

Date: 24 Dec. 2016
Place: New Delhi

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	U40200DL2009PLC196789
ii.	**REGISTRATION DATE**	10/12/2009
iii.	**NAME OF COMPANY**	ENERGY EFFICIENCY SERVICES LIMITED
iv.	**CATEGORY OF COMPANY**	Company Limited by Shares
v.	**SUB-CATEGORY OF COMPANY**	Indian Non-Government Company
vi.	**ADDRESS OF COMPANY**	4TH FLOOR, SEWA BHAWAN, R. K. PURAM, NEW DELHI-110066
vii.	**LISTED/UNLISTED**	Unlisted
viii.	**NAME & ADDRESS OF REGISTRAR & TRANSFER AGENT**	NA

II. PRINCIPAL BUSINESS ACTIVIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main Products/Services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Sale of Goods (LED BULBS)	47990	84.95
2.	Sale of Services	74909	15.02

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	%OF SHARES HELD	APPLICABLE SECTION
	NA	NA	NA	NA	NA

I. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i. Category-wise share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01/04/2015				No. of shares held at the end of the year i.e. 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTORS									
1. Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies corp.	-	90000000	90000000	100	-	165000000	165000000	100	83.33
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Others	-	-	-	-	-	-	-	-	-
Sub Total A (1):									
2. Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total A (2):									
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	**-**	90000000	90000000	100		165000000	165000000	100	83.33
B. Public Share holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-

b) Individuals	-	-	-	-	-	-	-	-	-
(i)Individual Shareholders Holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
sub-total (B) (2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B) (2)	-	-	-	-	-	-	-	-	-
C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**90000000**	**90000000**	**100**		**165000000**	**165000000**		**83.33**

ii. Share Holding of Promoters

Shareholder's Name	Shareholding at the beginning of the year i.e. 1/04/2015			Shareholding at the end of the year i.e. 31/03/2016			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
NTPC Limited	2,25,00, 000	25%	Nil	4,75,00, 000	28.78%	Nil	3.78
Power Finance Corporation Limited	2,25,00, 000	25%	Nil	4,75,00, 000	28.78%	Nil	3.78
Power Grid Corporation of India Limited	2,25,00, 000	25%	Nil	2,25,00, 000	13.66%	Nil	(11.34)
Rural Electrification Corporation Limited	2,25,00, 000	25%	Nil	4,75,00, 000	28.78%	Nil	3.78
TOTAL	**9,00,00,000**			**16,50,00,000**			**0**

iii. Change in Promoters shareholding (Please Specify, if there is no change)

PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total of share of company	No. of shares	% of Total shares of the company
At the beginning of the year	9,00,00,000	100	NA	NA
Date wise Increase/Decrease in Promoters Share holding the year specifying the reasons for increase / decrease (e.g. allotment/transfer / bonus/sweat equity etc.)	7,50,00,000	83.33	NA	NA
At the end of year	NA	NA	16,50,00,000	100

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs): NIL

	Shareholding At the beginning of the year		Cumulative Shareholding during the year	
For Each of the Top 10 Shareholders	**No. of Shares**	**% of total shares of the company**	**No. of shares**	**% of total of the company**
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer / bonus/sweat equity etc.)	-	-	-	-
At the end of year (or on the date of separation during the year)	-	-	-	-

v. Shareholding of Director and Key Managerial Personnel: NIL

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Directors and KMP	**No. of Shares**	**% of total shares of the company**	**No, of shares**	**% of total shares of the company**
At the beginning of the year	-	-	-	-
Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer / bonus/sweat equity etc.)	-	-	-	-
At the end of year	-	-	-	-

(vi) INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment (Rs. In crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year 1.04.2015				
(i) Principal Amount	Nil	Nil	Nil	Nil
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year ➢ Addition ➢ Reduction	350	35	Nil	385
Net Change	350	35	Nil	385
Indebtedness at the end of the financial year 31.03.2016 (i) Principal Amount (ii) Interest due but not paid (iii) Interest accrued but not due	350 0.35	35	Nil	385 0.35
Total (i+ii+iii)	**350.35**	**35**	**Nil**	**385.35**

VI. REMUNARATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to managing Director, Whole -time Directors and / or Manager:

S.l.No	Particulars of Remuneration	Name of MD/WTD/ Manager
a.		Shri Saurabh Kumar
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profit in lieu of salary under section 17(3) Income tax Act,1961	34,44,975 10,047
2.	Stock Option	Nil
3.	Sweat Equity	Nil

4.	Commission - As % of profit - Others, Specify...	Nil
5.	Others, please specify	Nil
	Total (A)	34,55,022
	Ceiling as per the Act	As per schedule V of Companies Act -2013

B. Remunerations to other Director

	Particulars of Remuneration	Name of Director				Total Amount
		------	------	------	------	
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, Please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)					
	2. Other Non – Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. Remuneration to key Mamagerial Personnel other than MD/Manager/WTD

SL. No.	Particulars of Remuneration			
1.	**Gross Salary**	**CFO**	**Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961	17,89,889	14,27,038	32,16,927
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	1,92,366	Nil	1,92,366
	(c) Profit in lieu of salary under section 17(3) Income tax Act,1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - As % of profit - Others specify.....	Nil	Nil	Nil
5.	Others, Please specify	Nil	Nil	Nil
	Total	**19,82,255**	**14,27,038**	**34,09,293**

(vii) PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
There were no penalties/punishment/ compounding of offences for breach of any section of Companies Act against Company or its directors or other officers in default, if any, during the year.	-	-	-	-	-

For and on Behalf of the Board of Directors

K.K. Sharma
Chairman
(DIN: 03014947)

Date: 24 Dec. 2016
Place: New Delhi

ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Energy Efficiency Services Limited
4th Floor, Sewa Bhawan,
R. K. Puram, New Delhi- 110066

Date of Incorporation: **10.12.2009**
Authorized Share Capital: **5,000,000,000.0**
Paid up Share Capital: **4,620,000,000.0**

We have conducted the secretarial audit of the compliance of applicable statutory provisions **Energy Efficiency Services Limited** hereinafter referred to as ("the company").Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Energy Efficiency Services Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st Day of March, 2016 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliancemechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms andreturns filed and other records maintained by **Energy Efficiency Services Limited** ('The Company') for the financial year ended on **31st Day of March, 2016** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the company during the audit period)**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the company during the audit period)**
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the company during the audit period)**. However, Company has received an External Commercial Assistance under bilateral agreements between governments and shall not fall under extant Reserve Bank of India guidelines on External Commercial Borrowing (ECB). Therefore such formalities and reporting in this case as required in ECB are not applicable as confirmation provided by the authorized dealer for routing the remittances.
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    a The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the audit period)**
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **(Not applicable to the company during the audit period)**
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**
    d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the company during the audit period)**
    e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company during the audit period)**
    f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding theCompanies Act and dealing with client; **(Not applicable to the company during the audit period)**
    g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the company during the audit period)**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the company during the audit period)**

I/we have also examined compliance with the applicable clauses ofthe following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.
ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Not applicable to the company during the audit period)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. **The company has not appointed Independent director during the audit period as per the provisions of section 149 (5) of the Companies Act, 2013 due to delay in execution of supplementary agreement-II by promoter company.**

2. **The Company has not spent the minimum amount on the CSR activities as per the provisions of section 135 of the Companies Act, 2013 & its schedule VII read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.**

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors, except appointment of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Astik Tripathi and Associates

Astik Mani Tripathi

Proprietor.
FCS No. 8 670 C P No.: 10384

Date: 24 Dec. 2016
Place: New Delhi

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure -A

To,
The Members,
Energy Efficiency Services Limited
4th Floor, Sewa Bhawan,
R.K. Puram, New Delhi-110066

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

3. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Where ever required, we have obtained the management representations about the compliance of laws, rules and regulations and happening of events etc.

6. The Compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure.

Astik Tripathi and Associates

Astik Mani Tripathi

Proprietor.
FCS No. 8670 C P No.: 10384

Date: 24 Dec. 2016
Place: New Delhi

ANNEXURE III

MANAGEMENT REPLY TO STATUTORY AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2015-16

SL No.	Auditor's Qualified Opinion	Management Reply
1.	Attention is invited to the Note-1(vii)(e) and 45 of the Financial Statement on the accounts treatment of Advertisement expenses. During the financial year 2015-16, the Company has incurred expenditure amounting to Rs. 52.74 crores on advertisement out of which Rs. 35.91 crore has been deferred as prepaid expenses shown under the head "Short term loans and advances" (Note-17 to the financial statements). Such treatment of revenue expenditure is not in consistent with the principles enunciated under Accounting Standard 26, "Intangible Assets".	EESL has a target to distribute 77 crores LED bulbs in entire country in 4 year commencing from the FY 2015-16 under the Energy Efficiency Programme (DELP/UJALA) of Government of India. The programme cost per LED bulb is determined by regulatory commission and includes cost of procurement of LED bulbs, cost of distribution & awareness, return on equity, other financial cost and applicable taxes. EESL has incurred the substantial amount on advertisement/awareness of DE LP/UJALA programme on national level as well as in the states in the initial stage to create awareness about the programme in the general public to encourage greater participation. The cost of awareness is approved by the regulatory commission and is part of the programme cost. As such the cost of awareness needs to be spread over the entire number of LED bulbs that are targeted during the programme period. Accordingly in the annual accounts for FY 2015-16, only that part of awareness expenses which are in proportion to the actual numbers of bulb distributed for FY 2015-16 vis-a-vis the total targeted LED bulb distribution are accounted for charging in the Statement of Profit & Loss and the balance amount is carried over for charging in the Statement of Profit & Loss of subsequent years on the basis of bulbs distribution in the subsequent years. The above treatment has been disclosed in the accounting policy for Revenue Recognition and the same is as under: **"Expenses incurred on advertisement/awareness on DELP/U.IALA programme in the state is charged to Statement of profit & loss in proportionate to LEI) bulbs distributed in current year vis-a-vis the iota; targeted LED bulbs distribution for that respective state and balance amount is carried forward for charging to statement of Profit and loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP/U.IALA programme is charged to statement of profit and loss in proportionate to the total LEI) bulbs distributed in current Financial year vis-à-vis the overall targeted LED bulbs distribution under DELP/U.IALA programme and balance amount is carried forward for charging to statement of Profit and loss in subsequent years"** Accordingly, out of Rs. 51.54 crores on advertisement during 2015-16, Rs. 35.91 crores has been carried over as prepaid expenses. The facts on the basis of which paragraph' 56 of Accounting Standard 26 deny the defe ment of expenses are not applicable to present case as the awareness is

SL No.	Auditor's Qualified Opinion	Management Reply
		part of the programme cost which is duly approved by the regulatory commission. Hence, the treatment made by EESL for carry forward of awareness expenses is in order.
2.	We further report that, the Company has raised invoices for composite supply, installation and commissioning of "LED Based Solar Lighting Systems" amounting to Rs. 2.77 crores under the different agreement with the various parties but company did not charge Value Added Tax (at the rate specified under the applicable state laws in which sale is executed) on value of supply part and the Company also did not charge service tax under the work contract services on the value of service part which is in contravention to Rule 2A(ii) of the Service Tax (Determination of Value) Rules, 2006.	EESL is providing consultancy services in the field of energy efficiency, CDM projects which include implementation of Corporate Social Responsibility (CSR) & Sustainability projects. EESL facilitates PSUs to achieve target of investment in CSR related activities. It includes installation of energy efficiency equipment like LED Street lights, Solar Water Pump etc. on behalf of a PSU, the cost of which is directly funded by the PSU. EESL is not in the business of sale, purchase of any equipment while implementing CSR projects. EESL is simply undertaking this activity as it was worked on behalf of PSU clients. As per the legal position regarding transactions that are covered under the ambit of effect, the following tests are prescribed. • Goods must be movables, i.e. immovable property is outside the scope of VAT • There must be transfer, supply or delivery of goods • The goods must be delivered for cash, deferred payment or any other valuable consideration The scope of CSR projects is reflected in the MOU that is signed between the client PSU and EESL. The operative part of the agreement requires EESL to undertake: a) Consultancy work to identify locations for installation b) Procurement and installation of equipments as required under the CSR project. c) Maintain those projects for a specified period. The infrastructure created under CSR project is the property of client PSU for which EESL is paid consultancy charges for services rendered to the PSU. All payments for creation of infrastructure, based on competitive bidding process of EESL is reimbursed on actuals by client PSU. There is no procurement that is done by EESL using the resources and then transferring to PSU. In light of the above, it is concluded that there is no transfer, supply or delivery of goods by EESL The work done is 'deposit work' for client PSU and EESL is a transaction advisor and or project management consultant. The goods are received and installed on behalf of the client PSU and remain the property of PSU. The value of the goods is not received by EESL but payment is made by EESL to the supplier on behalf of the client PSU. Therefore, the 3 tests that would render a transaction applicable to VAT are not applicable in this case and there is no applicability of VAT in the CSR projects. This is also very similar to several works that are undertaken by various entities on behalf of the

SL No.	Auditor's Qualified Opinion	Management Reply
		government or its agencies. From the above, it can be concluded that the treatment made by EESL is correct.
3.	We further report that the Company has not appointed Independent Directors during the financial year 2015-16 which is in contravention of Section 149 (4) & (5) of the act read with The Companies (Appointment and Qualification of Directors) Rules, 2014	Ministry of Power in its meeting held on 12th August, 2015 decided that the appointment of independent directors will be taken up by Ministry of Power as soon as the same is finalized at the level of Ministry. We have been following up with the Ministry through letter for necessary actions. The matter is pending with Ministry.

SL No.	Emphasis of Matters	Management Reply
1.	Attention is invited to the Note No. 44, where it is mentioned that the company has availed and utilized Input Value Added Tax Credit for discharging their Output Value Added Tax liability in few states which pertains to the period prior to the date of registration. As per our opinion the company is not eligible for availment of such credit as it is not in compliance with the various states Value Added Tax Laws, but in one state Sale Tax Authority has allowed the availment of such Vat Credit to the company. Our opinion is not qualified in respect of this matter.	The DELP OBF model was started in April / May 2015 whereas EESL has initiated VAT registration in the month of August / September 2015. After obtaining VAT registrations, EESL discharged its VAT liability for the earlier months also along with interest. While discharging the VAT liability, the company has availed the VAT credit in all cases including for the unregistered period and set it off age.,1,-ist VAT liability. The reasons for doing so are given below: a. EESL has sue-moto discharged all its VAT liabilities including for previous months along with interest. b. There is no intention to evade VAT and it is only a procedural delay that resulted into delay in payment of VAT liabilities. c. EESL has to claim VAT credit in its books of accounts failing which the right to claim VAT credit cannot be exercised in the assessment proceedings as well as in the appellate proceedings. d. In the state of Maharastra, EESL got the administrative relief from Sale Tax Department with retrospective effect to TIN due to late application for new registration certificate

ANNEXURE IV

सं/ MAB-III/Rep./01-49/A/cs-EESL/2016-17/ 1234

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III
नई दिल्ली

Indian Audit & Accounts Department
OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III
NEW DELHI

दिनांक/Dated: 11 November, 2016

सेवा में,

अध्यक्ष एवं निदेशक,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नोएडा

विषय:- 31 मार्च 2016 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के वार्षिक लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के 31 मार्च 2016 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

रितिका

संलग्न: यथोपरि

(रितिका भाटिया)
प्रधान निदेशक

छठा एवं सातवाँ तल, ऐनैक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली - 110002
6th & 7th floor, Annexe Building, 10 Bahadur Shah Zafar Marg, New Delhi -110002
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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Energy Efficiency Services Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the
Comptroller & Auditor General of India

(Ritika Bhatia)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board — III,
New Delhi

Date: 11 Nov. 2016
Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE V

Industry structure and development

In 2010, the 'National Mission for Enhanced Energy Efficiency' (NMEEE), a policy by govt. of India, has indicated ₹ 74,000 crores of investment potential for energy efficiency and conservation (EE&C) out of which ₹ 30,000 crores of potential exists in energy intensive industries and remaining ₹ 44,000 crores in the other key demand side economic sectors.

Till date, less than 10% of the overall market has been tapped through ESCO mode mainly in the areas of lighting and some industrial applications. Large scale deployments have been constrained by a number of important regulatory, institutional and financing barriers. EESL has been set-up to develop a viable ESCO industry in India.

In the last one year, EESL has been able to deploy large scale programs in domestic and street lighting sectors. Demand aggregation strategies adopted by EESL have played a key role in cost reduction of these capital intensive technologies. The costs of domestic LEDs have been reduced by more than 75%. This cost reductions have further showcased the viability of the ESCO market in India.

EESL has also showcased new and innovative ESCO models including Standard Offer Program, On – bill financing and Vendor Financing. The emergence and success of these models have further energized the ESCO industry in India.

Outlook

The ESCO industry in India is headed in the right direction. The cost reduction attributed to aggregation strategies adopted by EESL and the success of its business model has created a positive outlook for EESL in the coming years.

Riding on the success and investments of the last year, EESL envisions installation of around 77 crore domestic LEDs through its DELP program and 3.5 crore energy efficient street lights through its street lighting program. This would form the backbone of the projects for EESL. This year EESL would try to adopt the best practices from these programs to other technologies including energy efficient fans, air conditioners etc. Similarly, it would strengthen their programs for agricultural demand side management and buildings.

EESL in future is also planning to work with multi and bilateral agencies in promotion of other energy efficient technologies including trigeneration, industrial chillers and smart grids.

EESL's Strengths

EESL has developed in house expertise in execution of energy efficiency and demand side management projects. The team has immense knowledge of the key innovation in energy efficient technologies. In the last few years, EESL has developed excellent relationship with their core customer base – distribution utilities and municipal utilities. This would aid EESL's future planned projects including DELP program for tube lights and energy efficient fan program. EESL currently has access to cheaper financing options from multi and bilateral agencies. This plays an important role in delivering value and better returns to our customers. EESL is one the very few organizations which has successfully executed large scale energy efficiency projects in the country.

EESL's Weaknesses

EESL is projected to grow at a break neck pace in the coming future. Availability of sufficient resources is a key challenge for EESL. The current equity base is small to fuel EESL growth in future. Considering the growth of EESL, availability of experienced human resources is also a significant weakness for EESL.

Presently, the project portfolio of EESL is hugely concentrated in the lighting sector. There is a need to diversify to other technology categories

Opportunities

EESL has excellent working relationship with distribution utilities. They also have a keen understanding of regulations and policies related to energy efficiency and demand side management. Their success in large scale deployment of energy efficient lighting technology makes them a prime candidate to develop and implementation project for other energy consuming technologies particularly fans and air conditioners.

EESL can also work with funding agencies to develop viable business models for large scale deployment of other innovative EE technologies including smart grids, tri-generation, industrial chillers among other. Their success in India also paves way for EESL to look at other emerging markets in South Asia particularly Bangladesh, Sri Lanka and Nepal.

Threats, Risks and Concerns

EESL has showcased the success of Standard Offer Program and On-bill financing in implementation of energy efficient lighting programs. This has led to eagerness of utilities to execute of these programs independent of EESL. Further, the cost of debt for EESL should also be maintained at a sustainable level to ensure better returns for both EESL and their consumers.

The rapid deployment of these technologies can result in shortage in markets as the manufacturing capacity of the suppliers may not match EESL's requirement. This can also result in distribution of cheaper imports and low quality products in the market.

Internal Control System and their Adequacy

The Company maintains an adequate system of Internal Control including suitable monitoring procedures which ensures accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. Suitable delegations of power and guidelines for accounting have been issued for uniform compliance. In order to ensure that adequate checks and balances are in place and internal control systems are in order, regular and exhaustive Internal Audit are conducted internally by experienced firms of Chartered Accountants.

Further to complement the internal controls, EESL plans to implement an ERP system in FY 17.

Material Developments in Human Resources/Industrial Relations

In order to meet the fast augmenting project requirements i.e. effective implementation, maintenance, quality assurance and timely execution 136 employees were appointed in various cadres through open advertisement during the financial year 2015-16. The Total manpower of the Company as on 31st March, 2016 stands at 164, which includes 134 executives and 30 non executives. With this talent pool bearing a unique mix of experienced and fresh executives and staff, the project execution capabilities are enhanced manifold.

Discussion on Financial Performance

During the financial year, the Company registered an increase of ₹ 646.31 crore in revenue from operations which went up to ₹ 708.84 crore from ₹ 62.53 crore during the financial year 2015-16. Profit before tax was at ₹ 48.12 crore in 2015-16 in comparison to ₹ 13.57 crore in 2014-15. Net profit of the Company in 2015-16 is ₹ 35.59 crore, an increase of ₹ 26.53 crore over the previous year. Net worth of the Company as on March 31, 2016 has increased by 88.55% (from ₹ 110.33 crore to ₹ 208.03 crore).

During the financial year 2015-16, fixed assets increased to ₹ 468.77 crores in comparison to ₹ 143.08 crores in 2014-15. Increase in fixed asset was contributed by increase in implementation of projects in FY 2015-16.

Environmental Protection and Conservation

The projects executed by EESL this financial year are expected to save around 200 million kWh of energy and 140,000 tonnes of CO2 annually. The total estimated annual savings as a resultant from the planned energy efficiency projects are around 7.9 billion kWh. The numbers may increase as more projects are planned in future.

EESL has also takes proper care in destroying the old lighting inventory replaced during the projects to prevent mercury and lead contamination. This inventory is destroyed as per the guidelines set by the electricity regulatory commission and local pollution control committee.

Segment-Wise or Product-Wise Performance

In this financial year, EESL has executed UJALA projects across five States i.e. Andhra Pradesh, Uttar Pradesh, Rajasthan, Himachal Pradesh and Delhi. Through these projects EESL has distributed around 5.2 crore LED bulbs to around 1.8 crore consumers. Similarly, the street lighting projects were executed in various states like Andhra Pradesh, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Uttar Pradesh etc. and approximately 15,00,000 street lights have been replaced as on the date of this report. EESL is also working with multiple governmental agencies including CPWD, UPSC and DMRC to develop and implement building energy efficiency projects.

Cautionary Note

Certain statements in "Management Discussion and Analysis" section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Management envisages in terms of future performance and outlook.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ENERGY EFFICIENCY SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ENERGY EFFICIENCY SERVICES LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2016. the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal -financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the linancial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) or the Act. Those Standards require that we comply with ethical requirements and plan and perlorm the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis For our qualified audit opinion on the financial statements.

Basis of Qualified Opinion

1. Attention is invited to the Note-1(vii)(e) and 45 to the Financial Statements on the accounting treatment of Advertisement expense. During the financial year 2015-16, the Company has incurred expenditure amounting to ₹51.54 crore on advertisement out of which ₹35.91 crore has been deferred as prepaid expenses shown under the head "Short term loans and advances" (Note-17 to the financial statements). Such treatment of revenue expenditure is not in consistent with the principles enunciated under Accounting Standard 26, "Intangible Assets".

2. We further report that, the Company has raised invoices for the composite supply, installation and commissioning of "LED Based Solar Lighting System" amounting to ₹2.77 crore under the different agreement with the various parties but Company did not charge Value Added Tax (at the rate specified under the applicable state laws in which sale is executed) on the value of supply part and Company also did not charge service tax under the work contract services on the value of service part which is in contravention 10 Rule 2A (ii) of the Service Tax (Determination of Value) Rules, 2006.

3. We further report that the Company has not appointed Independent Directors during the financial year 2015-16 which is in contravention of Section 149(4) & (5) of the act read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of matters described in paragraphs 1 to 3 of the Basis of Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
(b) In the case of the Statement of Profit and Loss, of profit for the year ended on that date; and;
(c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Emphasis of Matters

Attention is invited to the Note no-44, where it is mentioned that the company has availed and utilized Input Value Added Tax Credit for discharging their Output Value Added Tax Liability in Jew states which pertains to the period prior to the date of registration. As per our opinion the Company is not eligible for availment of such credit as it is not in compliance with the various states Value Added Tax Laws, but in one state Sales Tax Authority has allowed the availment of such Vat Credit to the company. Our opinion is not qualified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in the Annexure I, a revised statement on the Directions issued by Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statement of the Company. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act. we give in the Annexure 11 a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

3. As required by section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matters descri bed in paragraphs 1 to 3 of Basis of Qualified Opinion;
   c. The balance sheet, statement of profit and loss, cash flow statement dealt with by this Report are in agreement with the books of account;
   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under the section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014 except for the matters described in paragraphs 1 to 3 of Basis qf Quoit" iecl Opinion;
   e. On the basis of the written representation received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in `Annexure III';
   g. With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. No amount is required to be transferred, to the Investor Education and Protection Fund by the Company.

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Arvind Sharma
Partner
M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

ANNEXURE I TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under "Other Legal and Regulatory Requirements" Section of our Report)

SL No.	Details/Directions	Auditor's Reply	Action Taken and Impact on Accounts & Financial Statement
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which title/lease deeds are not available.	During the financial year, the company does not own any land.	Nil
2.	Whether there are any cases of waiver / write off of debts / loans / interest etc., if yes, the reasons there for and the amount involved.	During the financial year, Company has not waived/ written off any debts/loans/interest etc.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	The Company has maintained proper records for inventories lying with third parties (Sub contractor). The Company has not received any assets as a gift from Govt. or other authorities.	Nil

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Arvind Sharma
Partner
M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of the Company's fixed assets:
   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) According to the information and explanation given to us fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
   (c) The company does not own any immovable property. Hence, this clause is not applicable to the company.

2. The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

3. The Company has granted a loan to one person covered in the register maintained u/s 189 of the Companies Act, 2013
   (a) The terms and conditions of the grant of such loan are not prejudicial to the company's interest;
   (b) The schedule of repayment of principal and payment of interest has been stipulated and receipts are regular;
   (c) No amount is overdue in relation to such loan.

4. In respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

5. According to the information and explanations given to us, no deposits from public within the meaning of Sections 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed thereunder has been accepted by the company.

6. The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the operations of the Company.

7. According to the information and explanations given to us, in respect of statutory dues:
   (a) The Company is regular in depositing undisputed statutory dues including Provident Employees State Insurance, Investor Education and Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty / Cess and other material statutory dues appropriate authorities except for the matters described in Basis of Qualified Opinion Paragraph of Independent Auditor's report:
   (b) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess that have not been deposited on account of any dispute except as follows:

Name of the Statute	Nature of dues	Period (F.Y.)	Amount (₹in cr.)	Forum where Pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	2015-16	37.04	Appellate Deputy 16 Commissioner, Visakhapatnam

   (c) No amount is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.

8. The Company has not defaulted in repayment of loans or borrowing to any financial institution, bank, Government or dues to debenture holders.

9. Moneys raised by way of term loans during the year were applied for the purposes for which it was raised.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

11. The Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. All transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable. The details have been disclosed in the Financial Statements as per the requirement of the accounting standard.

13. The Company is not a Nidhi Company. Hence, the Nidhi Rules, 2014 are not applicable to the Company. Accordingly, clause 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

14. The company has made preferential allotment during the year and all related compliances under section 42 of Companies Act, 2013 have been complied with.

15. The company has not entered into any non-cash transactions with directors or persons connected with him.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Arvind Sharma
Partner
M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Energy Efficiency Service Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit reparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition; use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, except for the effects under the paragraphs "Basis of Qualified Opinion" and "Emphasis of Matters" of Independent Audit Report described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Arvind Sharma
Partner
M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

Crt. No. 09.09

Compliance Certificate

We have conducted the audit of annual accounts of **Energy Efficiency Services Limited** for the year ended 31st March 2016 in accordance with the directions/sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions/Sub-directions issued to us.

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Arvind Sharma
Partner
M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

PARTICULARS	Notes	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1,65,00,00,000.00	90,00,00,000.00
(b) Reserves and Surplus	3	43,02,68,894.00	20,33,17,348.00
(2) Share Application Money (Pending Allotment)		1,98,00,00,000.00	0.00
(3) Non-current liabilities			
(a) Long Term Borrowings	4	3,01,24,96,191.00	87,76,35,154.00
(b) Deferred Tax Liabilites (Net)	12	1,76,25,362.00	2,30,23,991.00
(c) Other Long Term liabilities	5	37,11,057.00	12,36,659.00
(d) Long Term Provisions	6	23,69,39,108.00	49,77,489.00
(4) Current liabilities			
(a) Short Term Borrowings	7	2,85,00,00,000.00	0.00
(b) Trade Payables	8	2,43,61,66,832.00	78,38,04,239.00
(c) Other Current Liabilities	9	1,99,23,50,761.00	27,20,22,868.00
(d) Short Term Provisions	10	28,23,50,664.00	9,27,03,639.00
TOTAL		**14,89,19,08,869.00**	**3,15,87,21,387.00**
II. ASSETS			
(1) Non-current assets			
(a) Fixed Assets	11		
(i) Tangible Assets		4,68,77,70,615.00	1,43,08,28,067.00
(ii) Intangible Assets		33,88,913.00	21,81,554.00
(iii) Capital Work in Progress		1,52,78,82,545.00	8,34,94,278.00
(b) Long Term Loans and Advances	13	1,16,45,972.00	57,55,562.00
(2) Current assets			
(a) Trade Receivables	14	3,44,14,67,931.00	36,68,34,928.00
(b) Inventories	15	1,79,50,57,021.00	13,31,850.00
(c) Cash and Bank Balances	16	2,49,13,84,646.00	1,09,09,92,962.00
(d) Short Term Loans and Advances	17	93,12,10,281.00	17,31,52,132.00
(e) Other Current Assets	18	21,00,945.00	41,50,054.00
TOTAL		**14,89,19,08,869.00**	**3,15,87,21,387.00**

Significant accounting policies	1	
Notes on Financial Statements	2 to 45	

As per our audit report of even date annexed

For and on behalf of the Board of Directors

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Rajeev Sharma	**Saurabh Kumar**	**S Gopal**	**Pooja Shukla**	**Arvind Sharma**
Chairman & Director	Managing Director	Chief Financial Officer	Company Secretary	Partner
DIN: 00973413	DIN : 06576793			M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

(Amount in ₹)

	PARTICULARS	Notes	Year Ended 31.03.2016	Year Ended 31.03.2015
I	Revenue from Operations	19	7,08,84,28,007.00	62,53,04,998.00
II	Other Income	20	6,80,98,519.00	8,57,67,062.00
III	**Total revenue (I+II)**		**7,15,65,26,526.00**	**71,10,72,060.00**
IV	**EXPENSES**			
	Purchase of Stock in trade		6,64,08,27,562.00	0.00
	Distribution Expenses (Ujala)		47,83,33,874.00	0.00
	Media Expenses (Ujala)		14,54,55,445.00	0.00
	(Increase)/Decrease in Inventories	21	(1,79,37,25,171.00)	(13,31,850.00)
	Employee Benefits Expenses	22	12,80,39,839.00	7,10,92,223.00
	Finance Costs	23	13,22,63,883.00	55,01,674.00
	Depreciation and Amortization Expense	11	47,56,10,228.00	5,96,26,115.00
	Other Expenses	24	46,62,60,788.00	43,65,38,880.00
	Total expenses		**6,67,30,66,448.00**	**57,14,27,042.00**
V	**Profit before prior period items and Tax (III-IV)**		**48,34,60,078.00**	**13,96,45,018.00**
VI	Prior Period Adjustments (Net)	25	22,47,931.00	39,26,575.00
VII	**Profit before tax (V-VI)**		**48,12,12,147.00**	**13,57,18,443.00**
VIII	**Tax expense:**			
	Current Tax		15,28,89,181.00	2,14,36,574.00
	Earlier Tax		(2,21,86,233.00)	0.00
	Deferred Tax		(53,98,629.00)	2,36,85,832.00
			12,53,04,319.00	**4,51,22,406.00**
IX	**Profit for the period (VII-VIII)**		**35,59,07,828.00**	**9,05,96,037.00**
X	**Earnings per equity share (Par value of` 10/- each)**			
	(1) Basic		**2.62**	**1.01**
	(2) Diluted		**2.62**	**1.01**

Significant Accounting Policies	1	As per our audit report of even
Notes to Financial Statements	2 to 45	date annexed with balance sheet

For and on behalf of the Board of Directors

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Rajeev Sharma	**Saurabh Kumar**	**S Gopal**	**Pooja Shukla**	**Arvind Sharma**
Chairman & Director	Managing Director	Chief Financial Officer	Company Secretary	Partner
DIN: 00973413	DIN : 06576793			M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Amount in ₹)

	Year Ended 31.03.2016	Year Ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	48,12,12,147.00	13,57,18,443.00
Adjustment for:-		
Depreciation and Amortisation	47,56,10,228.00	5,96,26,115.00
Interest Income	(5,96,41,576.00)	(8,19,72,448.00)
Foreign Exchange gain or loss	12,76,04,436.00	0.00
Provision for Leave Encashment	31,60,858.00	3,95,328.00
Provision for Gratuity	12,52,557.00	8,05,564.00
Deferred Rent Expenses	24,74,398.00	12,36,659.00
Finance Cost	7,19,84,127.00	48,48,792.00
Operating Profit Before Working Capital Changes	**1,10,36,57,175.00**	**12,06,58,453.00**
CHANGE IN WORKING CAPITAL		
DECREASE/(INCREASE) IN		
Trade Receivable	(3,07,46,33,003.00)	(30,92,41,537.00)
Inventories	(1,79,37,25,171.00)	0.00
Short Term Loans & Advance	(59,90,59,053.00)	(12,72,45,563.00)
	(5,46,74,17,227.00)	**(43,64,87,100.00)**
INCREASE/(DECREASE) IN		
Other Current Liabilities	1,46,96,03,204.00	13,67,29,618.00
Trade Payable	1,65,23,62,593.00	74,93,29,028.00
Long Term Provisions	22,76,80,505.00	
	3,34,96,46,302.00	**88,60,58,646.00**
INCOME TAX PAID	(19,64,31,824.00)	(2,82,26,220.00)
NET CASH FROM OPERATING ACTIVITIES	**(1,21,05,45,575.00)**	**54,20,03,779.00**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,73,37,60,135.00)	(1,55,76,24,292.00)
Capital Work in Progress	(1,44,43,88,267.00)	(5,15,21,140.00)
Interest Income	6,16,90,685.00	8,19,72,448.00
Fixed Deposit Matured during the year	74,08,85,080.00	97,50,30,000.00
Fixed Deposit Made during the year	(4,34,72,554.00)	(74,09,15,080.00)
Capital Advances	0.00	2,19,80,540.00
Long Term Loans & Advance	(58,90,410.00)	27,46,302.00
NET CASH USED IN INVESTING ACTIVITIES	**(4,42,49,35,601.00)**	**(1,26,83,31,222.00)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

C. CASH FLOW FROM FINANCING ACTIVITIES		
Bank Loan taken	5,09,76,25,365.00	96,81,31,759.00
Finance Cost	(6,16,93,771.00)	(59,87,472.00)
Issue Share Capital	75,00,00,000.00	0.00
Share Application Money (Pending Allotement)	1,98,00,00,000.00	0.00
Dividend Paid	(2,71,78,811.00)	0.00
Dividend Tax paid	(55,32,966.00)	0.00
Axis Credit Card	65,569.00	0.00
NET CASH FROM FINANCING ACTIVITIES	**7,73,32,85,386.00**	**96,21,44,287.00**
D. Net Change in Cash & Cash Equivalents (A+B+C)	2,09,78,04,210.00	23,58,16,844.00
E. Cash & Cash Equivalents (Opening Balance 1st April of Financial Year)	35,00,77,882.00	11,42,61,038.00
F. Cash & Cash Equivalents (Closing Balance) (D+E)	**2,44,78,82,092.00**	**35,00,77,882.00**

Cash and Cash equivalents consists of cash in hand and balances with banks. Cash and Cash equivlents included in the Cash Flow Statement comprise of following balance sheet amounts as per Note-16 (Subject to changes)

Components of Cash and Cash Equivalents		
Cash in hand- Imprest	3,16,722.00	2,99,024.00
Current accounts with banks	2,44,75,65,370.00	34,97,78,858.00
	2,44,78,82,092.00	**35,00,77,882.00**

There is no such cash and bank balances held by EESL that are not available for use for EESL.

As per our audit report of date annexed

For and on behalf of the Board of Directors

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Rajeev Sharma	**Saurabh Kumar**	**S Gopal**	**Pooja Shukla**	**Arvind Sharma**
Chairman & Director	Managing Director	Chief Financial Officer	Company Secretary	Partner
DIN: 00973413	DIN : 06576793			M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

NOTES TO ACCOUNTS

NOTE 1:

SIGNIFICANT ACCOUNTING POLICIES:

Company Overview

The concept of performance contracting implemented by Energy Service Companies (ESCOs) is being increasingly considered as a mechanism to overcome some of the barriers hindering and discouraging the large-scale implementation of energy efficiency projects. However, despite the fact that the potential for application of performance contracting in both the public and private sectors in developing nations is enormous, the growth of the ESCO industry has been particularly slow in the country. In order to develop a viable ESCO industry, Ministry of Power has set up Energy Efficiency Services Limited (EESL), a Joint Venture of NTPC Limited, PFC, REC and POWERGRID to facilitate implementation of energy efficiency projects. EESL will work as ESCO, as Consultancy Organization for CDM, Energy Efficiency, etc.; as a Resource Centre for capacity building of SDAs, Utilities, financial institutions, etc. EESL will also lead the market-related actions of the NMEEE.

i. Accounting Convention

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with rule 7 of company (accounts) rule 2014 and relevant provision of companies act, 2013 The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the period in which the results are crystallized.

iii. Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and accumulated impairment, if any.

Project Development Cost incurred on other ESCO Model Energy Efficiency Projects undertaken by the company, when the company has committed technical and financial resources for the development of the project are recognized as fixed assets in the books of accounts.

Project Development Cost includes purchase price, taxes and duties, labour cost and other attributable overhead expenditure i.e. administrative & other general overhead like tour & travelling expenses, consultancy expenses etc which are identified and specifically attributable to the implementation of the project or acquisition of fixed assets are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use.

If the ESCO Model Energy Efficiency project doesn't materialize, then the expenditure incurred in respect of the same will be charged to Statement of Profit and Loss in that year.

In the case of assets put to use, where final settlements of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Depreciation is provided on prorate basis on straight line method (SLM) using the rates arrvied based on useful lives of assets specified in Part C of Schedule II there to of the Companies Act, 2013 or useful lives of assets estimated by the management based on technical advise in case where useful life is different then the useful lives indicated in Part C of Schedule II of Companies Act 2013, as follows:

Nature of Assets	Life of Assets
Cell Phones	2 Years
ESCO Projects	Project Period
Lease Hold Improvement	Lease Period

Where the cost of depreciable assets has undergone a change during the year due to increase / decrease in long term liabilities on account of exchange fluctuations, the unamortised balance of such assets is charged off prospectively over the remaining useful life as determined following the applicable accounting policies relating to depreciation / amortization.

iv. Capital Work-in-Progress

Administrative and general overhead expenses specifically attributable to project incurred till they are ready for intended use are identified and allocated on a systematic basis to the cost of related assets.

v. Foreign Currency Transactions

a. On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b. All monetary assets and liabilities in foreign currency are restated at the end of accounting period by applying the RBI reference rate. With respect to long-term foreign currency monetary items, the Company has adopted the following policy:

- Foreign exchange difference on account of a depreciable asset, is recognised adjusted in the cost of the depreciable asset, which would be depreciated over the balance life of the asset.

- In other cases, the foreign exchange difference is recognised as income or expense in the statement of Profit & Loss.

c. A monetary asset or liability is termed as a long-term foreign currency monetary item, if the asset or liability is expressed in a foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

d. Short-term foreign currency monetary items (having a term of less than twelve months at the date of origination) are translated at RBI reference rates prevailing at the end of each reporting period. The resultant exchange fluctuation is recognized as income or expense in each of such periods.

vi. Borrowing Cost

Borrowing cost are interest & other costs incurred by the company in connection with the borrowing of funds. Borrowing cost directly attributable to acquisition or construction those tangible assets which are necessarily take a substantial period of time to get ready for intended use are capitalized. Other borrowing costs are recognized as an expense in the period in which they incurred.

vii. Revenue Recognition and Expenditure

a. Incomes from ESCO Model Energy Efficiency Projects are accounted based on agreement with customer on accrual basis.

b. Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts.

c. Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

d. Expenses on consultancy contract are accounted for proportionate to income accounted for based on progress of service rendered on that contract.

e. Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of profit & loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective state and balance amount is carried forward for charging to statement of Profit and loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP/UJALA programme is charged to statement of profit and loss in proportionate to the total LED bulbs distributed in current financial year vis-à-vis the overall targeted LED bulbs distribution under DELP/UJALA programme and balance amount is carried forward for charging to statement of Profit and loss in subsequent years.

f. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

g. Revenue from sale of goods is recognized at the time of delivery of goods to customers.

viii. Employee Benefits

Short term employee benefits are charged off in the year in which the related service is rendered.

The Company provides for earned leave(EL) benefit (including compensated absences) and half-pay leave(HPL) tothe employees of the Company which accrue annually at 30 days and 20 days respectively. Leave Encashment subject to maximum of 300 days (Earned Leave and Half Pay Leave combined) is permissible on Superannuation/ Separation. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit.

The Company provides for Gratuity benefit as per the provision of The Payment of Gratuity Act, 1972.

Company's liability towards gratuity, leave benefits is determined by independent actuary, at year end using the projected unit credit method.

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contribution to the Provident Fund is charged to the Statement of Profit & Loss for the year when the contribution to the respective fund is due.

ix. Leases

Operating Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognised in the statement of profit and loss on a straight-line basis

x. Impairment

At each Balance Sheet date, the management reviews the carrying amounts of Fixed Assets to determine whether there is any indication that these assets suffered any impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss and necessary provisions are made against such impairment loss, which is recognized as an expense in the Statement of Profit & Loss.

xi. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current estimates.

xii. Cash Flow Statement

Cash Flow statement is prepared in accordance with the Indirect Method prescribed in Accounting Standard 3 "Cash Flow Statement".

xiii. Taxes On Income

a. Current tax is computed on the basis of assessable profits of the Company in accordance with provisions of Income Tax Act, 1961 and rules framed there under.

b. The difference between taxable income and the net profit or loss before tax for the year as per the financial statements are identified and the tax effect of the deferred tax asset or deferred tax liability is recorded for timing differences, i.e. difference that originate in one accounting year and reverse in another. The tax effect is calculated on accumulated timing differences at the end of the accounting year based on effective tax rates that would apply in the years in which the timing differences are expected to reverse.

c. Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

xiv. Inventories

Inventories are valued at the lower of, cost determined on FIFO basis and Net realisable value.

xv. Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis are included under unallocated revenue/ expenses/assets/liabilities.

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

	As at 31.03.2016	(Amount in ₹) As at 31.03.2015
NOTE 2:		
SHARE CAPITAL		
Equity Share Capital		
AUTHORIZED		
50,00,00,000 (19,00,00,000) shares of par value of ₹10/- (₹10/-) each	5,00,00,00,000.00	1,90,00,00,000.00
ISSUED		
46,20,00,000 (9,00,00,000) Shares of par value of ₹10/- (₹10/-) each	4,62,00,00,000.00	90,00,00,000.00
SUBSCRIBED AND FULLY PAID-UP		
16,50,00,000 (9,00,00,000) Shares of par value of ₹10/- (₹10/-) each	1,65,00,00,000.00	90,00,00,000.00
	1,65,00,00,000.00	**90,00,00,000.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	**As at 31st March, 2016**		**As at 31st March, 2015**	
	Number of shares	Amount(₹)	Number of shares	Amount(₹)
Shares Outstanding at the beginning of the Year	9,00,00,000	90,00,00,000.00	9,00,00,000	90,00,00,000.00
Add: Shares Issued during the FY	7,50,00,000	75,00,00,000.00	0	0.00
Shares Outstanding at the end of the Year	**16,50,00,000**	**1,65,00,00,000.00**	**9,00,00,000**	**90,00,00,000.00**

(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs 10 per share.
Each holder of equity shares is entitled to one vote per share.

(c) Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	**As at 31st March, 2016**		**As at 31st March, 2015**	
	Number of shares	**% holding in the class**	**Number of shares**	**% holding in the class**
NTPC Limited	4,75,00,000	28.79%	2,25,00,000	25%
Powergrid Corporation of India Limited	2,25,00,000	13.63%	2,25,00,000	25%
Rural Electrification Corporation Limited	4,75,00,000	28.79%	2,25,00,000	25%
Power Finance Corporation Limited	4,75,00,000	28.79%	2,25,00,000	25%

(d) As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents beneficial ownerships of shares.

	As at 31.03.2016	As at 31.03.2015
NOTE 3:		
RESERVES & SURPLUS		
Balance brought forward form previous year	20,33,17,348.00	14,55,85,929.00
Add: Tax on dividend for earlier year	1,52,841.00	0.00
Add: Profit/(loss) during the year	35,59,07,828.00	9,05,96,037.00
Less: Proposed Dividend	10,67,72,348.00	2,71,78,811.00
Tax on Proposed Dividend	2,23,36,775.00	56,85,807.00
	43,02,68,894.00	**20,33,17,348.00**

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
NOTE 4:			
LONG -TERM BORROWINGS			
Unsecured			
Term Loan			
From other than banks			
(i) KFW Loan -Guaranteed by Govt of India (1.96% Loan repayable in half yearly basis starting from 30.06.2018 in 14 instalments of Euro 2941000 each and 3 instalments of Euro 2942000 each)		2,25,28,64,955.00	87,76,35,154.00
Secured			
Term Loan			
(i) PTC India Financial Services Limited (PFS) - Secured by pari-passu charge on the stock including Book Debts (10.50% Loan repayment on the basis of 4 quarterly installments in the range of 24,03,68,764.00 to 25,97,99,039.00 starting from 30/03/2017)		1,00,00,00,000.00	0.00
		3,25,28,64,955.00	**87,76,35,154.00**
Less : Current Muturity of PFS Loan		24,03,68,764.00	0.00
Net Long Term Borrowing		**3,01,24,96,191.00**	**87,76,35,154.00**
NOTE 5:			
OTHER LONG TERM LIABILITIES			
Operating Lease liabilities			
Opening Balance		12,36,659.00	0.00
Add: Additions during the year		24,74,398.00	12,36,659.00
Less: Set off during the year		0.00	0.00
		37,11,057.00	**12,36,659.00**
NOTE 6:			
LONG-TERM PROVISIONS			
Provision for Employee benefits (Leave Encashment)			
Opening Balance		37,27,286.00	33,31,958.00
Add: Additions during the year		28,55,155.00	2,08,202.00
Less: Benefit paid during the year		0.00	0.00
Closing balance	**(A)**	**65,82,441.00**	**35,40,160.00**
Provision for Employee benefits (Gratuity)			
Opening Balance		14,70,262.00	6,64,698.00
Add: Additions during the year		12,05,900.00	12,77,793.00
Less: Benefit paid during the year		0.00	5,05,162.00
Closing balance	**(B)**	**26,76,162.00**	**14,37,329.00**
Additional Warranty Payable	**(C)**	**22,76,80,505.00**	**0.00**
	(A+B+C)	**23,69,39,108.00**	**49,77,489.00**

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

	As at 31.03.2016	As at 31.03.2015
NOTE 7:		
SHORT-TERM BORROWINGS		
Secured		
- From Banks		
(i) ICICI Bank - Secured by pari-passu charge on the Book Debts (10.55% Loan repayment on monthly basis starting from 6th July, 2016 in 30 uneven installments in the range of Rs. 83,33,333/- to Rs. 12,50,50,000)	1,50,00,00,000.00	0.00
(ii) Canara Bank - Secured by pari-passu charge on the Book Debts (10.55% Loan repayment on monthly basis starting from 19th September, 2016 in 6 equal installments of Rs. 166,666,666.00 each)	1,00,00,00,000.00	0.00
Unsecured		
- From Bank		
(i) IndusInd Bank (10.00% Loan repayment in two installments of Rs. 15,00,00,000 and 20,00,00,000 due on 28/02/2017 & 7/03/2017 respectively and fully hedged foregin currency loan equavalent to Rs. 35 cr.)	35,00,00,000.00	0.00
	2,85,00,00,000.00	0.00
NOTE 8:		
TRADE PAYABLES		
Creditors for Goods and Services	2,43,61,66,832.00	78,38,04,239.00
	2,43,61,66,832.00	**78,38,04,239.00**
NOTE 9:		
OTHER CURRENT LIABILITIES		
Liabilities For Expenses	3,88,33,501.00	79,45,151.00
Retention Money	46,14,25,333.00	6,31,05,450.00
Statutory Dues	15,01,09,378.00	68,29,571.00
Earnest Money Deposit	3,98,97,437.00	2,97,09,037.00
Expenses Payable	1,04,08,00,567.00	15,97,54,243.00
Liquidated Damages	1,73,324.00	0.00
Current Muturity of PFS Loan	24,03,68,764.00	0.00
Advance Received against Project	61,22,152.00	4,15,036.00
Interest Accrued on Loan but not due	1,45,08,095.00	42,17,739.00
Axis Credit Card	1,12,210.00	46,641.00
	1,99,23,50,761.00	27,20,22,868.00

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
NOTE 10:			
SHORT TERM PROVISIONS			
Provision for Income Tax			
Opening Balance		5,96,18,962.00	3,81,82,388.00
Add: Additions during the year		15,28,89,181.00	2,14,36,574.00
Less: Set off against taxes paid		5,96,18,962.00	0.00
	(A)	**15,28,89,181.00**	**5,96,18,962.00**
Proposed Dividend			
Opening Balance		2,71,78,811.00	0.00
Add: Additions during the year		10,67,72,348.00	2,71,78,811.00
Less: Set off against dividend paid		2,71,78,811.00	0.00
	(B)	**10,67,72,348.00**	**2,71,78,811.00**
Tax on Proposed Dividend			
Opening Balance		56,85,807.00	0.00
Add: Additions during the year		2,23,36,775.00	56,85,807.00
Less: Set off against dividend tax paid		55,32,965.00	0.00
Less: Reversal during the year		1,52,842.00	
	(C)	**2,23,36,775.00**	**56,85,807.00**
Provision for Employee benefits (Leave Encashment)			
Opening Balance		0.00	0.00
Additions during the period		3,05,703.00	1,87,126.00
Less: Set off against paid during the period		0.00	0.00
	(D)	**3,05,703.00**	**1,87,126.00**
Provision for Employee benefits (Gratuity)			
Opening Balance		0.00	0.00
Additions during the period		46,657.00	32,933.00
Less: Set off against paid during the period		0.00	0.00
	(E)	**46,657.00**	**32,933.00**
	Total (A+B+C+D+E)	**28,23,50,664.00**	**9,27,03,639.00**

NOTE 11:

(A) TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS ON 01.04.2015	ADDITION	SALE / ADJ.	AS ON 31.03.2016	AS ON 01.04.2015	FOR THE YEAR	SALE / ADJ.	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
PROJECT EQUIPMENT	1,43,66,80,856.00	3,71,50,08,677.00	0.00	5,15,16,89,533.00	5,55,27,079.00	46,65,22,623.00	0.00	52,20,49,702.00	4,62,96,39,831.00	1,38,11,53,777.00
CELL PHONES	10,38,187.00	7,82,989.00	1,14,000.00	17,07,176.00	5,68,578.00	4,50,162.00	55,830.00	9,62,910.00	7,44,266.00	4,69,609.00
OFFICE EQUIPMENT	48,52,406.00	24,94,738.00	0.00	73,47,144.00	10,40,270.00	9,75,527.00	0.00	20,15,797.00	53,31,347.00	38,12,136.00
FURNITURE & FITTING	2,79,01,782.00	27,86,118.00	0.00	3,06,87,900.00	17,23,075.00	27,51,649.00	0.00	44,74,724.00	2,62,13,176.00	2,61,78,707.00
COMPUTERS	1,11,41,199.00	85,82,194.00	2,03,015.00	1,95,20,378.00	53,01,184.00	37,58,993.00	88,325.00	89,71,852.00	1,05,48,526.00	58,40,015.00
LEASEHOLD IMPROVEMENTS	1,37,97,309.00	27,98,112.00	0.00	1,65,95,421.00	4,23,486.00	8,78,466.00	0.00	13,01,952.00	1,52,93,469.00	1,33,73,823.00
TOTAL	**1,49,54,11,739.00**	**3,73,24,52,828.00**	**3,17,015.00**	**5,22,75,47,552.00**	**6,45,83,672.00**	**47,53,37,420.00**	**1,44,155.00**	**53,97,76,937.00**	**4,68,77,70,615.00**	**1,43,08,28,067.00**
PREVIOUS YEAR	**1,99,97,706.00**	**1,47,54,47,783.00**	**33,750.00**	**1,49,54,11,739.00**	**50,39,362.00**	**5,95,50,371.00**	**6,061.00**	**6,45,83,672.00**	**1,43,08,28,067.00**	**1,49,58,344.00**

(B) INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	AS ON 01.04.2015	ADDITION	SALE / ADJ.	AS ON 31.03.2016	AS ON 01.04.2015	FOR THE YEAR	SALE / ADJ.	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
SOF1WARE	30,77,812.00	14,80,167.00	0.00	45,57,979.00	8,96,258.00	2,72,808.00	0.00	11,69,066.00	33,88,913.00	21,81,554.00
TOTAL	**30,77,812.00**	**14,80,167.00**	**0.00**	**45,57,979.00**	**8,96,258.00**	**2,72,808.00**	**0.00**	**11,69,066.00**	**33,88,913.00**	**21,81,554.00**
PREVIOUS YEAR	**10,15,903.00**	**20,61,909.00**	**0.00**	**30,77,812.00**	**8,20,514.00**	**75,744.00**	**0.00**	**8,96,258.00**	**21,81,554.00**	**1,95,389.00**

(C) CAPITAL WORK IN PROGRESS

DESCRIPTION	GROSS BLOCK				AMORTIZATION				NET BLOCK	
	AS ON 01.04.2015	ADDITION	SALE / ADJ.	AS ON 31.03.2016	AS ON 01.04.2015	FOR THE YEAR	SALE / ADJ.	UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
Capital Work in progress										
Bihar Sharif Street Light		4,01,676.00		4,01,676.00	0.00	0.00	0.00	0.00	4,01,676.00	0.00
Dharamshala Stree Light H.P		6,041.00		6,041.00	0.00	0.00	0.00	0.00	6,041.00	0.00
Rajasthan SL Phase- II		46,39,28,948.00	9,36,52,060.00	37,02,76,888.00	0.00	0.00	0.00	0.00	37,02,76,888.00	0.00
Rajasthan SL & Ph-IV		1,53,686.00	1,250.00	1,52,436.00	0.00	0.00	0.00	0.00	1,52,436.00	0.00
13 ULB's AP LED Street Lighting	11,28,637.00	13,74,65,252.00	13,72,42,398.00	13,51,491.00	0.00	0.00	0.00	0.00	13,51,491.00	11,28,637.00
51 ULB's AP LED Street Lighting		1,00,90,73,014.00	83,04,12,561.00	17,86,60,453.00	0.00	0.00	0.00	0.00	17,86,60,453.00	0.00
Agartala MC LED Street Lighting	1,33,51,503.00	31,67,729.00	1,65,19,232.00	0.00	0.00	0.00	0.00	0.00	0.00	1,33,51,503.00
(AgDSM-Rajanagaran)-APEPDCL	22,270.00	22,60,267.00		22,82,537.00	0.00	0.00	0.00	0.00	22,82,537.00	22,270.00
Aligarh MC LED Street Lighting	1,74,670.00	10,24,60,299.00	10,26,34,969.00	0.00	0.00	0.00	0.00	0.00	0.00	1,74,670.00
CESC Mysore	20,61,832.00	3,88,64,605.00	4,09,26,437.00	0.00	0.00	0.00	0.00	0.00	0.00	20,61,832.00
Chhattisgarh Project	11,39,265.00	21,603.00	21,059.00	11,39,809.00	0.00	0.00	0.00	0.00	11,39,809.00	11,39,265.00
CPWD - IP Bhawan DELHI		2,17,99,119.00		2,17,99,119.00	0.00	0.00	0.00	0.00	2,17,99,119.00	0.00
DELP-AP	19,92,490.00	1,30,87,67,778.00	1,21,67,78,258.00	9,39,82,010.00	0.00	0.00	0.00	0.00	9,39,82,010.00	19,92,490.00
DELP Delhi	1,80,49,564.00	32,42,88,939.00	34,23,38,503.00	0.00	0.00	0.00	0.00	0.00	0.00	1,80,49,564.00
DELP-Kerala	17,788.00	23,715.00	41,503.00	0.00	0.00	0.00	0.00	0.00	0.00	17,788.00
DELP Varanasi	16,90,722.00	9,52,92,641.00	9,69,83,363.00	0.00	0.00	0.00	0.00	0.00	0.00	16,90,722.00
DELP-West Godavari & Srikakulam	84,36,811.00	27,78,32,952.00	28,62,69,763.00	0.00	0.00	0.00	0.00	0.00	0.00	84,36,811.00
Goa Street Light Project		23,489.00		23,489.00	0.00	0.00	0.00	0.00	23,489.00	0.00
Guwahati Street Lighting		6,88,211.00		6,88,211.00	0.00	0.00	0.00	0.00	6,88,211.00	0.00
GVMC LED Street Lighting	18,93,514.00	25,68,83,899.00	25,80,95,119.00	6,82,294.00	0.00	0.00	0.00	0.00	6,82,294.00	18,93,514.00
H.P LED Street Light		57,876.00		57,876.00	0.00	0.00	0.00	0.00	57,876.00	0.00
Kerala LED Street Lighting	12,34,357.00	23,19,890.00		35,54,247.00	0.00	0.00	0.00	0.00	35,54,247.00	12,34,357.00
Lucknow LED Street Lighting		5,25,495.00		5,25,495.00	0.00	0.00	0.00	0.00	5,25,495.00	0.00
Marine Drive Mumbai LED Street Lighting	1,07,19,879.00	1,39,03,241.00		2,46,23,120.00	0.00	0.00	0.00	0.00	2,46,23,120.00	1,07,19,879.00
MES DELHI Cantt. LED Street Lighting		1,24,798.00		1,24,798.00	0.00	0.00	0.00	0.00	1,24,798.00	0.00
Mumbai (DELP & Street Light)	23,34,775.00	15,55,638.00	38,90,413.00	0.00	0.00	0.00	0.00	0.00	0.00	23,34,775.00
Rajasthan LED DELP & Street Lighting	4,75,413.00	14,22,901.00	18,98,314.00	0.00	0.00	0.00	0.00	0.00	0.00	4,75,413.00
Rajasthan SL Phase-III		2,46,088.00		2,46,088.00	0.00	0.00	0.00	0.00	2,46,088.00	0.00
Rajasthan Street Light Phase-I		37,28,25,656.00	31,15,62,589.00	6,12,63,067.00	0.00	0.00	0.00	0.00	6,12,63,067.00	0.00
Shimla LED Street Light		1,81,614.00		1,81,614.00	0.00	0.00	0.00	0.00	1,81,614.00	0.00
South DMC LED SL Ph-I		1,27,80,67,890.00	65,65,51,412.00	62,15,16,478.00	0.00	0.00	0.00	0.00	62,15,16,478.00	0.00
South DMC LED Street Lighting	1,87,70,788.00	3,54,45,473.00	1,96,84,745.00	3,45,31,516.00	0.00	0.00	0.00	0.00	3,45,31,516.00	1,87,70,788.00
Varanasi LED Street Lighting		10,99,62,577.00	11,57,620.00	10,88,04,957.00	0.00	0.00	0.00	0.00	10,88,04,957.00	0.00
Medak Agdsm telangana		10,06,835.00		10,06,835.00					10,06,835.00	
TOTAL	**8,34,94,278.00**	**5,86,10,49,835.00**	**4,41,66,61,568.00**	**1,52,78,82,545.00**	**0.00**	**0.00**	**0.00**	**0.00**	**1,52,78,82,545.00**	**8,34,94,278.00**
PREVIOUS YEAR	**3,26,63,707.00**	**23,71,26,487.00**	**18,62,95,916.00**	**8,34,94,278.00**	**0.00**	**0.00**	**0.00**	**0.00**	**8,34,94,278.00**	**3,26,63,707.00**

Grand Total (A+B+C)	**1,58,19,83,829.00**	**9,59,49,82,830.00**	**4,41,69,78,583.00**	**6,75,99,88,076.00**	**6,54,79,930.00**	**47,56,10,228.00**	**1,44,155.00**	**54,09,46,003.00**	**6,21,90,42,073.00**	**1,51,65,03,899.00**
PREVIOUS YEAR	**5,36,77,316.00**	**1,71,46,36,179.00**	**18,63,29,666.00**	**1,58,19,83,829.00**	**58,59,876.00**	**5,96,26,115.00**	**6,061.00**	**6,54,79,930.00**	**1,51,65,03,899.00**	**4,78,17,440.00**

Charged to Statement of Profit & Loss

31.03.2016	31.03.2015
47,56,10,228.00	596,26,115.00
47,56,10,228.00	**596,26,115.00**

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

(Amount in ₹)

		As at 31.03.2016	As at 31.03.2015
NOTE 12:			
DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Assets			
Provision for Grauity		9,42,313.00	4,77,027.00
Provision for Bonus		87,697.00	0.00
Provision for Leave Encashment		23,83,849.00	12,09,318.00
Operating Lease liablities		12,84,323.00	4,01,234.00
Gross Deferred Tax Assets		**46,98,182.00**	**20,87,579.00**
Deferred Tax Liability			
Timing difference on Depreciation		2,23,23,544.00	2,51,11,570.00
Gross Deferred Tax Liability		**2,23,23,544.00**	**2,51,11,570.00**
Net Deferred Tax		**1,76,25,362.00**	**2,30,23,991.00**
NOTE 13:			
LONG TERM LOANS & ADVANCES			
Security Deposit		1,12,66,822.00	54,82,592.00
Conveyance Advance (Related party-Managing Director)		1,51,650.00	2,72,970.00
Conveyance Advance other than related party		2,27,500.00	0.00
		1,16,45,972.00	**57,55,562.00**
Sub Classification of above:			
Secured ,Considered good			
Conveyance Advance (Related party-Managing Director)		1,51,650.00	2,72,970.00
Conveyance Advance other than related party		2,27,500.00	0.00
	(A)	**3,79,150.00**	**2,72,970.00**
Unsecured, Considered good			
Security Deposit		1,12,66,822.00	54,82,592.00
	(B)	**1,12,66,822.00**	**54,82,592.00**
	(A+B)	**1,16,45,972.00**	**57,55,562.00**
Due from directors of the company (related Party)		1,51,650.00	2,72,970.00
NOTE 14:			
TRADE RECEIVABLES			
Unsecured, Considered good			
For period exceeding six months		14,80,07,246.00	1,68,84,658.00
Others		3,29,34,60,685.00	34,99,50,270.00
		3,44,14,67,931.00	**36,68,34,928.00**
NOTE 15:			
INVENTORIES			
Stock in Trade		1,67,58,09,018.00	0.00
Goods in Transit		11,62,95,783.00	0.00
Old Pump		29,52,220.00	13,31,850.00

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

NOTE 16:
CASH & BANK BALANCES

A) CASH AND CASH EQUIVALENTS		
Balance with scheduled banks in current account (includes Rs. 198,00,00,000/- received against share application money (pending allotment))	2,44,75,65,370.00	34,97,78,858.00
Cash in hand- Imprest	3,16,722.00	2,99,024.00
B) OTHER BANK BALANCES		
FDRs in banks (which is given as security and not available for use by company)	4,35,02,554.00	30,000.00
FDRs in banks	0.00	74,08,85,080.00
	2,49,13,84,646.00	**1,09,09,92,962.00**

(Amount in ₹)

		As at 31.03.2016	**As at 31.03.2015**
NOTE 17:			
SHORT TERM LOANS & ADVANCES			
Receivable From Statutory Authorities		33,38,12,231.00	6,01,85,226.00
Conveyance Advance (Related Party -Managing Director)		1,21,320.00	1,21,320.00
Conveyance Advance other than related party		97,500.00	0.00
Prepaid expenditure		36,10,28,240.00	10,24,016.00
Project Advances		20,60,64,480.00	10,57,37,898.00
Others		3,00,86,510.00	60,83,672.00
		93,12,10,281.00	**17,31,52,132.00**
Sub Classification of above:			
Secured, Considered good			
Conveyance Advance (Related Party -Managing Director)		1,21,320.00	1,21,320.00
Conveyance Advance other than related party		97,500.00	0.00
	(A)	**2,18,820.00**	**1,21,320.00**
Unsecured, Considered good			
Receivable From Statutory Authorities		33,38,12,231.00	6,01,85,226.00
Prepaid Expenditure		36,10,28,240.00	10,24,016.00
Project Advances		20,60,64,480.00	10,57,37,898.00
Others		3,00,86,510.00	60,83,672.00
	(B)	**93,09,91,461.00**	**17,30,30,812.00**
	(A+B)	**93,12,10,281.00**	**17,31,52,132.00**
Due from directors of the company (related Party)		1,21,320.00	1,21,320.00

NOTE 18:
OTHER CURRENT ASSETS

Interest Accrued but not due on Fixed Deposit with Bank	2,80,758.00	22,59,656.00
Interest Accrued but not due on Sweep Account with Bank	18,20,187.00	18,90,398.00
	21,00,945.00	**41,50,054.00**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016

(Amount in ₹)

	As at 31.03.2016	As at 31.03.2015
Note:19		
REVENUE FROM OPERATION		
Sale of goods (LED BULB)	6,02,18,91,657.00	0.00
Sale of Services	1,06,49,73,517.00	62,53,01,798.00
Other Operational Revenue	15,62,833.00	3,200.00
	7,08,84,28,007.00	**62,53,04,998.00**
NOTE 20:		
OTHER INCOME		
Tender Document Fees	41,52,459.00	33,70,000.00
E-Tendering Registration Fees	6,51,359.00	2,75,899.00
Forfieture of Bank Guarantee/EMD	17,19,298.00	1,06,000.00
Misc. Income	19,33,827.00	42,715.00
Interest Income	5,96,41,576.00	8,19,72,448.00
	6,80,98,519.00	**8,57,67,062.00**
NOTE 21:		
(INCREASE)/DECREASE IN INVENTORY		
Opening Stock	13,31,850.00	0.00
Closing Stock	1,79,50,57,021.00	13,31,850.00
	(1,79,37,25,171.00)	**(13,31,850.00)**
NOTE 22:		
EMPLOYEE BENEFITS EXPENSES		
Salary & Allowances	10,96,53,508.00	6,28,44,840.00
Leave Encashment	32,99,920.00	5,43,228.00
Gratuity Contribution	12,52,557.00	13,10,726.00
Employer Contribution to P.F	96,01,525.00	44,58,375.00
Staff Welfare Expenses	42,32,329.00	19,35,054.00
	12,80,39,839.00	**7,10,92,223.00**
NOTE 23:		
FINANCE COST		
Interest on loan	7,19,84,127.00	42,17,739.00
Commitment Fees (KFW Loan)	18,73,391.00	6,31,053.00
Guarntee Fee		
- On KFW Loan	3,96,18,433.00	0.00
- On AFD Loan	1,05,76,819.00	0.00
Applicable net gain/loss on foreign currency transactions and translation	71,32,024.00	6,23,982.00
Other Interest Expenses	10,79,089.00	28,900.00
	13,22,63,883.00	**55,01,674.00**

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2016

(Amount in ₹)

	As at 31.03.2016	As at 31.03.2015
NOTE 24:		
OTHER EXPENSES		
Annual Maintenance Charges (Projects)	1,62,69,268.00	8,19,845.00
Legal Fees & Professional Charges	1,43,61,507.00	6,69,107.00
Conveyance Expenses	20,49,579.00	52,04,608.00
Misc.Expenses	2,14,69,288.00	34,71,572.00
Repair & Maintenance Expenses		
- Building Maintenance	15,53,289.00	13,74,496.00
- Computer Maintenance	5,71,955.00	41,018.00
Internal Audit Fees	1,50,375.00	50,000.00
Advertisement & Publicity Expenses	2,34,65,697.00	17,77,943.00
Printing & Stationery Expenses	62,79,912.00	23,29,728.00
Books & Periodicals	46,923.00	13,561.00
Meeting Expense/Hospitality Expenses	35,01,496.00	7,23,710.00
Tour & Traveling Expenses	1,23,44,842.00	67,60,351.00
Rent	1,12,20,576.00	1,61,46,227.00
ROC Fee	1,31,39,765.00	17,000.00
Electricity Expenses	31,28,681.00	17,90,001.00
Auditor's Remuneration		
- Statutory Audit Fees	5,00,000.00	2,50,000.00
- Tax Audit Fees	2,00,000.00	50,000.00
Bank Charges	8,27,789.00	85,653.00
Sponsorship Expenses	39,08,500.00	12,40,000.00
Manpower Expenses	48,01,304.00	1,07,49,671.00
Subscription fees	33,779.00	12,55,824.00
Insurance charges	11,02,918.00	3,83,902.00
Deferred Rent Expenses	24,74,398.00	12,36,659.00
Testing expenses	1,06,21,040.00	0.00
Business promotion	1,98,04,513.00	0.00
Rate and Taxes	4,07,86,484.00	0.00
UJALA Scheme		
- Software expenses	76,90,698.00	0.00
- Project maintenance expenses	1,06,63,125.00	0.00
- Other project expenses related to Ujala	7,62,33,985.00	0.00
Other project Expenses	15,70,59,102.00	38,90,50,106.00
	46,62,60,788.00	**44,54,90,982.00**
Less: Recovery against Capitalisation	0.00	(89,52,102.00)
	46,62,60,788.00	**43,65,38,880.00**

	As at 31.03.2016	As at 31.03.2015
NOTE 25:		
PRIOR PERIOD ADJUSTMENTS (NET)		
Consultancy Income (EESL)	(11,15,495.00)	0.00
Rent Expenses	0.00	38,63,572.00
Project Expeneses	33,63,426.00	63,003.00
Net Prior Period Expense/(Income)	**22,47,931.00**	**39,26,575.00**

NOTES TO ACCOUNTS

NOTE 26:

In the opinion of the Board of directors the value on realization of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provisions for all known liabilities has been made.

NOTE: 27

The company has issued the balance confirmation letters to all Debtors, Creditors and Loan & Advances having the balances as on 31.3.2016. Further it was also mentioned in the letter that incase, no reply is received within 10 days, it will be presumed that the balance indicated in the letter is confirmed by the party. The company has not received any letter from the Debtors, Creditors and Loan & Advances in respect of any mismatch in the balance.

NOTE: 28

RELATED PARTY DISCLOSURE

In compliance of Accounting Standard – 18 on "Related Party Disclosure" issued by the ICAI, the details pertaining to related party disclosure are as follows:

(i) Key Management Personnel

Name	Designation
Rajeev Sharma	Chairman (w.e.f 21st Oct, 2015)
Prakash Thakkar	Chairman (w.e.f. 10th Dec, 2013 to 12th Oct, 2015)
Saurabh Kumar	Managing Director (w.e.f 7th May, 2013)
S.N.Ganguly	Nominee Director (w.e.f 19th Nov, 2013 to 24th Sep, 2015)
Puliyar Krishnaswamy Ravi	Government Nominee Director (w.e.f 20th June, 2013)
Bhaskar Jyoti Sharma	Government Nominee Director (w.e.f 20th June, 2013 to 27th April, 2015)
Seema Gupta	Nominee Director (w.e.f 10th July, 2013)
A Chakravati	Nominee Director (w.e.f 16th Jan, 2014)
Radha Krishna Srivastava	Nominee Director (w.e.f 30th September, 2015)
Sanjay seth	Nominee Director (w.e.f. 30th July, 2015)
Anil Kumar Gupta	Director (Finance) (w.e.f. 05th Feb, 2016)
S.N. Gaikwad	Director (Project) (w.e.f. 05th Feb, 2016)

(ii) Joint Venture Partners

Party Name	% of Shareholding
NTPC Limited	28.79%
Power Grid Corporation of India Limited	13.63%
Rural Electrification Corporation Limited	28.79%
Power Finance Corporation Limited	28.79%

Related parties defined under Clause 3 of AS-18 "Related Party Disclosure" have been identified on the basis of representation made by managerial personnel and information available with the company.

(iii) Transactions with Related Party - Managing Director

S.No.	Nature of Transaction	Person who make significant influence	Relative of Key Management Personnel	Key Management Personnel	Volume of Transaction (₹)	Year end Balance (₹)
1.	Remuneration	-	-	Saurabh Kumar	34,55,022.00 (21,11,753.00)	0.00 (0.00)
2.	Coveyance Advance (Managing Director)	-	-	Saurabh Kumar	1,21,320.00 (1,21,320.00)	2,72,970.00 (3,94,290.00)

(iv) The company was having 8 No's staff on deputation (Previous year NIL) from NTPC, 1 No. (Previous year NIL No) from Power Finance Corportion and 1 No.(Previous year NIL No.) from Rural electrification corporation during the year whose salaries are paid by the principals.

Name of Party	Current Year (₹)		Previous Year (₹)	
	Transaction during the Year	Outstanding Balance as on 31.03.2016 (Cr)	Transaction during the Year	Outstanding Balance as on 31.03.2015 (Cr)
Power Grid Corporation of India Limited	0.00	0.00	1,82,251.00	0.00
NTPC Limited	0.00	25,28,544.00	20,55,727.00	25,28,544.00

(v) Consultancy Work with parent companies

Name of Party	Current Year (₹)		Previous Year (₹)	
	Transaction during the Year	Outstanding Balance as on 31.03.2016 (Dr/Cr)	Transaction during the Year	Outstanding Balance as on 31.03.2015 (Dr)
Power Finance Corporation Ltd	3,71,46,439.00	4,56,35,580.00 (DR)	12,36,46,193.00	1,38,46,823.00
PFC Capital Advisory Services Ltd	0.00	2,31,669.00 (DR)	11,58,344.00	2,31,669.00
PFC Consulting Ltd	0.00	17,99,888.00 (DR)	89,99,440.00	17,99,888.00
PFC Green Energy Ltd	0.00	2,79,190.00 (DR)	13,95,953.00	2,79,190.00
Rural Electrification of Corporation Ltd	98,44,535.00	2,67,13,214.00 (DR)	3,71,03,444.00	1,73,45,330.00
REC Power Distribution Co. Ltd	47,60,125.00	43,10,625.00 (DR)	0.00	0.00
Power Grid Corporation of India Ltd	3,76,61,159.00	6,16,780.00 (CR)	0.00	0.00
NTPC Ltd	1,01,55,690.00	1,01,55,690.00 (DR)	0.00	0.00

(vi) Dividend Paid

Name of Party	Current Year (₹)		Previous Year (₹)	
	Transaction during the Year	Outstanding Balance as on 31.03.2016 (Dr)	Transaction during the Year	Outstanding Balance as on 31.03.2015 (Dr)
Power Finance Corporation	67,94,702	NIL	NIL	NIL
Powergrid	67,94,702	NIL	NIL	NIL
NTPC	67,94,702	NIL	NIL	NIL
Rural Electrification of Corporation	67,94,702	NIL	NIL	NIL

(vii) As on March 31, 2016 there were 10 employees on deputation/secondment from parent companies (1 from REC, 1 from PFC and 8 from NTPC). It was decided in the meeting held on 14.01.15 by Secretary (Power) at new Delhi that the salary and other emoluments of the officers sent on Secondment may be borne by the respective Promoter Companies and could be considered for being charged to the internal resource or the CSR fund of the Promoters. Accordingly no salary and other emoluments have been paid except lease accommodation expenses towards these employees.

NOTE: 29

FOREIGN EXCHANGE EARNINGS AND EXPENDITURE

The foreign exchange earnings and outgo during the year under review is as below-

(Amount in ₹)

	Year ended 31.03.2016	Year ended 31.03.2015
Expenditure in Foreign Currency	3,06,24,023/-	48,48,792/-
Earning In Foreign Exchange	54,98,316/-	NIL

NOTE: 30

As per Accounting Standard (AS) – 29 on Provisions, Contingent Liabilities and Contingent Assets, the movement in Provisions as on 31st March, 2016 are disclosed as under:-

a) Details of Provisions

(Amount in ₹)

Sl. No.	Nature of the liability for which provision is made	Opening balance at the beginning of the financial year	Additions made during the financial year	Amount reversed/ incurred and charged against the provision during the financial year	Closing balance at the end of the financial year
1	Income tax	5,96,18,962.00 (3,81,82,388.00)	15,28,89,181.00 (2,14,36,574.00)	5,96,18,962.00 (0.00)	15,28,89,181.00 (5,96,18,962.00)
2	Proposed dividend	2,71,78,811.00 (0.00)	10,67,72,348.00 (2,71,78,811.00)	2,71,78,811.00 (0.00)	10,67,72,349.00 (2,71,78,811.00)
3	Dividend tax	56,85,807.00 (0.00)	2,23,36,775.00 (56,85,807.00)	56,85,807.00 (0.00)	2,23,36,775.00 (56,85,807)
4	Leave encashment	37,27,286.00 (33,31,958.00)	31,60,858.00 (9,92,889.00)	0.00 (5,97,561.00)	68,88,144.00 (37,27,286.00)
5	Gratuity	14,70,262.00 (6,64,698.00)	12,52,557.00 (13,10,726.00)	0.00 (5,05,162.00)	27,22,819.00 (14,70,262.00)
	Total	9,76,81,128.00 (4,21,79,044.00)	28,68,30,354.00 (5,66,04,807.00)	9,24,83,580.00 (11,02,723.00)	29,20,27,902.00 (9,76,81,128.00)

b) Detail of Contingent Liabilities & Commitments

(Amount in ₹)

Particulars	As at 31.3.2016	As at 31.3.2015
Contingent Liabilities		
Claims against the Company not acknowledged as debt	37,03,54,831.00	0.00
COMMITMENTS		
Estimated value of contract to be executed on Capital Account and not provided	3,27,80,49,093.00	59,97,12,800.00
Estimated value of contracts of revenue nature to be executed and not provided	5,56,65,10,746.00	90,58,56,795.00

NOTE: 31

Figures relating to previous year have been regrouped and rearranged wherever considered necessary to conform current year's classification.

NOTE: 32

During the year, the company made certain changes in respect of the accounting policy i.e. Foreign Currency Transactions for better presentation & clarity. There is no impact on assets and liabilities as well as on Profit & loss due to change in accounting policies as the same are for better presentation and clarity. Further new accounting policies related to Inventory, revenue recognition for sale of goods, treatment of expenditure incurred on ESCO Model Energy Efficiency projects if project doesn't materialize and treatment of expenses incurred on advertisement/awareness on DELP programme in the state and for national campaign have been added.

Note: 33

DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-19 ON "LEASE"

Premises Taken on Lease:

The Company has entered into agreements for taking certain residential/office premises, warehouses on Operating lease. The lease term is for a period ranging from 1 to 15 years. There are escalation clauses in the lease agreements.

The specified disclosure in respect of these agreements is given below:

(Amount in ₹)

Particulars	For Year Ended 31-Mar-16	For Year Ended 31-Mar-15
Future Minimum rentals payable under non cancellable operating leases are as follows:-		
- Within one year	2,81,53,051.00	1,73,33,622.00
- After one year but not more than five years	10,09,82,981.00	6,93,34,488.00
- More than five years	14,11,29,322.00	15,74,47,706.00

NOTE: 34

DISCLOSURE AS PER ACCOUNTING STANDARD - 17 ON 'SEGMENT REPORTING'

Segment information:

a) Business segments:
The Company's principal business consist of two segments- (1) distribution of energy efficient appliances to the different set of consumers, and (2) investing in the energy efficient technologies on ESCO mode. Other business includes providing consultancy services.

b) Segment revenue and expense:
Revenue directly attributable to the segments is considered as 'Segment Revenue'. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as 'Segment Expenses'.

c) Segment assets and liabilities:

(Amount in ₹)

Particular	Business segments						Total	
	Trading		ESCO		Other			
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue								
Sale of Products / ESCO Project Income / Other consultancy	6,021,891,657	0.00	789,259,279	136,858,544	277,277,071	488,446,454	7,088,428,007	625,304,998
Segment Expenses	55,565,479,518	0.00	557,819,627	136,020,065	148,829,303	320,023,929	6,272,128,448	456,043,994
Segment Result	**456,412,139**	**0.00**	**231,439,652**	**838,479**	**128,447,768**	**168,422,525**	**816,299,559**	**169,261,004**
Unallocated Corporate Interest and Other Income							68,098,519	85,767,062
Unallocated Corporate Expenses, Finance charges, Depreciation and Amortization							403,185,931	119,309,623
Profit before tax							**481,212,147**	**135,718,443**
Income tax (net)							125,304,319	45,122,406
Profit after tax							**355,907,828**	**90,596,037**
Segment Assets	4,574,715,444	1,331,850	6,576,356,451	1,731,455,910	233,293,931	100,027,073	11,384,365,826	1,832,814,834
Unallocated corporate and other assets							3,507,543,043	1,325,906,554
Total assets							**14,891,908,869**	**3,158,721,387**
Segment liabilities	1,191,935,295	0.00	3,652,001,067	1,587,405,459	72,775,931	74,033,933	4,916,712,292	1,661,439,393
unallocated corporate and other liabilities							5,914,927,683	393,964,646
Total liabilities							**10,831,639,975**	**2,055,404,039**
Depreciation & Amortization	0.00	0.00	466,522,623	59,550,371	0.00	0.00	466,522,623	59,550,371
Non-cash expenses other than depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Expenditure	0.00	0.00	5,861,049,835	237,126,487	0.00	0.00	5,861,049,835	237,126,487

NOTE: 35

As per information available with the company, no amount is due to any small Scale industrial Undertaking.

NOTE: 36

DISCLOSURE AS PER ACCOUNTING STANDARD -20 ON 'EARNING PER SHARE'

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Particulars	Current Year (₹)	Previous Year (₹)
Net profit after tax attributed to equity shareholder - ₹	35,59,07,828.00	9,05,96,037.00
Weighted average number of equity shares outstanding during the year	13,59,01,639.00	9,00,00,000.00
Basic Earning per share	2.62	1.01
Face value per share - ₹	10/-	10/-
Diluted weighted average number of equity shares outstanding during the year	13,59,01,639.00	9,00,00,000.00
Diluted Earnings per equity share of ₹ 10/- each	2.62	1.01

NOTE: 37

Tax expense comprises of current & deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax Act, 1961 enacted in India and the tax regulations in the jurisdictions where the company conducts its business. Deferred income taxes charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax asset and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainly that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

Particulars	Current Year (₹)	Previous Year (₹)
Deferred Tax Assets in respect of Provision for Leave Encashment	23,83,849.00	12,09,318.00
Deferred Tax Assets in respect of Provision for Bonus	87,697.00	0.00
Deferred Tax Assets in respect of Provision for Gratuity	9,42,313.00	4,77,027.00
Deferred Tax Assets in respect of deferred rent expenses	12,84,323.00	4,01,234.00
Deferred Tax Liabilities in respect of Depreciation on Fixed Assets	(2,23,23,544.00)	(2,51,11,570.00)
Deferred Tax Assets /(Liabilities)	(1,76,25,362.00)	(2,30,23,991.00)

NOTE: 38

a) The Company entered into a loan agreement with KfW for assistance of 50 million Euro for the project "Energy Efficiency in Public Buildings & Infrastructure' under Indo-German Bilateral Development Cooperation Programme on 31st March 2016. The major terms and conditions of loan are as under:

Rate of Interest: 1.96% p.a.

Repayment on half yearly basis starting from 30.6.2018 in first 14 installments of Euro 29,41,000 each and last 3 installments of Euro 29,42,000 each

In addition, KfW also providing financial assistance of 1.50 million Euro to EESL in the nature of Technical Assistance. The Government of India provided sovereign guarantee to KfW on the assistance of 51.50 million Euro.

b) The Company entered into a Credit Facility Agreement with AFD for the assistance of EURO 50 Million for financing/ refinancing of eligible expenses i.e. Energy Efficiency Project in Public infrastructure and household under Undo French Development Cooperation Programme on 9th April 2015. The major terms and condition are as under:

Rate of Interest 1.89% P.a. payable semi-annually on relevant payment dates.

Deadline for drawdown is till 30th April 2019.

Repayment in 20 semi annual equal installment due and payable on each payment date. The first installment shall be due and payable on 31st October 2020 and the last installment shall be due and payable on 30th April 2030.

NOTE: 39

The Company has implemented an Ag-DSM project for HESCOM in Hubli, Karnataka in which investment is made by the company and M/s Enzen Global Solutions Pvt Ltd in the ratio of 40:60. The company has capitalized the project by 40% of the investment made by the company. The Company and M/s Enzen Global Solutions Pvt Ltd will get 50:50 share out of the payment made by HESCOM towards energy saving in next 5 years.

NOTE: 40

AUDITORS REMUNERATION

Nature of Transaction	Current Year (₹)	Previous Year (₹)
Statutory Audit fees	5,00,000.00	2,50,000.00
Tax Audit fees	2,00,000.00	50,000.00

NOTE: 41

Company having a scrap of old pumps no. 1337 CESC Mysore Project respectively accounted for in the books on the basis of valuation report.

NOTE: 42

EMPLOYEE BENEFITS

(i) The summarized position of Post-employment benefits and long term employee benefits recognized in the Statement of Profit & Loss and Balance Sheet as required in accordance with Accounting Standard – 15 (Revised) are as under:-

(a) Change in the present value of the obligation

(Amount in ₹)

Particulars	Gratuity (Un funded)	Leave Encashment (Un funded)
Present value of obligation as at the beginning of the year	14,70,262	37,27,286
Interest cost	1,17,621	2,98,183
Current service cost	9,37,653	29,12,136
Benefits paid	0	-3,66,142
Actuarial (gain)/ loss on obligations	1,97,283	3,16,681
Present value of obligation at year end	27,22,819 (14,70,262)	68,88,144 (37,27,286)

(b) Acturial gain / loss recognised

(Amount in ₹)

Particulars	Gratuity (Un funded)	Leave Encashment (Un funded)
Actuarial gain /(loss) for the period – obligation	(1,97,283)	(3,16,681)
Total (gain) / loss for the period	1,97,283	3,16,681
Actuarial (gain) /loss recognized in the period	1,97,283	3,16,681

(c) Amount recognized in Balance Sheet

(Amount in ₹)

Particulars	Gratuity (Un funded)	Leave Encashment (Un funded)
Estimated present value of obligations as at the end of the year	27,22,819 (14,70,262)	68,88,144 (37,27,286)
Unfunded net liability recognized in balance sheet	-27,22,819 (-14,70,262)	-68,88,144 (-37,27,286)

(d) Expense recognized in the Statement of Profit & Loss

(Amount in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Un funded)
Current service cost	9,37,653	29,12,136
Interest cost	1,17,621	2,98,183
Net actuarial (Gain)/Loss recognized in the year	1,97,283	3,16,681
Total expenses recognized in Statement of Profit & Loss	12,52,557	35,27,000

(e) Principal actuarial assumption as expressed as weighted average

(Amount in ₹)

Particulars	Gratuity (Un funded)	Leave Encashment (Un funded)
Discount rate	8.00% (8.00%)	8.00% (8.00%)
Expected rate of return on plan assets	0.00% (0.00%)	0.00% (0.00%)
Expected rate of salary increase	5.50% (5.50%)	5.50% (5.50%)
Method used	Projected Unit Credit (PUC)	Projected Unit Credit (PUC)

(f) Defined Contribution Plan
During the year, the company has recognized an expense of ₹ 96,01,255.00 (Previous year: ₹ 44,58,375.00) in respect of contribution to Provident Fund.

The estimates of future salary increases, considered in actuarial valuation, take into account of inflation, seniority, promotion and other relevant factors such as supply and demand in employee market.

NOTE: 43

Out of the 4 promotors, 2 promotor PFC and REC have paid Rs. 99,00,00,000/- and 99,00,00,000/- respectively towards share application money which is yet to be allotted as on 31.3.2016. Authorized Capital share of the company is sufficient to cover this share application money.

Party Name	Share application Money	Number of Share of ₹ 10 each
Power Finance Corporation Limited	99,00,00,000.00	9,90,00,000.00
Rural Electrification Corporation Limited	99,00,00,000.00	9,90,00,000.00

NOTE: 44

The Company has availed VAT input credit amounting to ₹ 7,02,15,678.00 and also paid output VAT on sales amounting to ₹ 5,08,14,340.00 relating to unregistered period.

NOTE: 45

The Company has incurred the substantial amount on advertisement of DELP/UJALA programme on national level as well as in the states in the initial stage to create awareness about the programme in the general public and to encourage greater participation. As per accounting policy No vii (e) of Revenue Recongnition, in preparation of accounts only that part of awareness expenses which are in proportion to the actual numbers of bulb distributed for FY 2015-16 vis-à-vis the total targeted LED bulb distribution are accounted for charging in the Statement of Profit & Loss and the balance amount is carried over for charging in the Statement of Profit & Loss of subsequent years. Accordingly, out of ₹ 51,54,49,667.00 on advertisement during 2015-16, ₹ 35,90,79,057.00 has been carried over as prepaid expenses under the head "Short Term Loan and Advances".

For and on behalf of the Board of Directors

For G. K. Kedia & Co.
Chartered Accountants
FRN 013016N

Rajeev Sharma	**Saurabh Kumar**	**S Gopal**	**Pooja Shukla**	**Arvind Sharma**
Chairman & Director	Managing Director	Chief Financial Officer	Company Secretary	Partner
DIN: 00973413	DIN : 06576793			M. No. 530217

Date: 16 Sep. 2016
Place: New Delhi

LIST OF REGIONAL OFFICES:

WESTZONE

S.No.	REGIONALOFFICES	NAMEOFTHEEXECUTIVE	MOBILENO.	DIRECTNO.	EMAILID
1.	**MUMBAI** Block A1, 8th Floor, Chandramukhi, Ramnath Goenka Marg, Nariman Point, Mumbai-400021	• Mr. Deepak Kokate Sr. Manager (Tech.) • Mr. Kuldeep Kumar Manager (Fin.)	9867978106 8376908431	022-40021193 -	dkokate@eesl.co.in kuldeepca@yahoo.co.in
2.	**AHMEDABAD** Office No. 605, 6th Floor, Sterling Center Premises Coop-Society Limited Ahmedabad	• Mr. Gopal Dayalani DGM (Tech) • Mr. Alok Mishra Sr. Manager (Tech.)	9925210235 9990242740	0265-2336605 -	- akmishra@eesl.co.in
3.	**BHOPAL** Shop no. 5, Upper Ground Floor, Central Point Commercial Complex, T.T. Nagar, New Market, Bhopal	• Mr. Kunal Soni, AM (Tech.)	9718866205	-	ksoni@eesl.co.in
4.	**RAIPUR** 4th Floor, Magneto Offizo, Labhandi, Raipur	• Mr. Ved Prakash Dindore Sr. Manager (Tech.)	7024126222	-	vdindore@eesl.co.in

SOUTH ZONE

S.No.	REGIONALOFFICES	NAMEOFTHEEXECUTIVE	MOBILENO.	DIRECTNO.	EMAILID
1.	**HYDERABAD** Plot No. 43 C, Road No. 71, Jubilee Hills, Hyderabad, A.P.	• Mr. A.S. Rao Regional Manager	8106291639	040-65554020	asrao@eesl.co.in
2.	**VIJAYWADA** Door No. 10-56, Abdul Salam Towers, 3rd Floor, Ashok Nagar, M.G. Road, Vijaywada-520007	• Mr. Shashi Kant DGM (Tech.)	9958114556	0866-2556800	skant@eesl.co.in
3.	**VISAKHAPATNAM** 3rd Floor, Vijaynagram Strand Apartments, Door No.6-22-14/5,East Point Colony near Kurupam Circle, Visakhapatnam-530017	• Mr. Ramesh T Regional Manager	9025025020	08912790460	ramesht@eesl.co.in
4.	**BANGALORE** #321,13th Cross, West of Chord Road 2nd Stage, M.L. Puram, Bangalore-86	• Mr. N. Mohan Senior Manager (Technical)	8800201177	080- 23598686	nmohan@eesl.co.in
5.	**THIRUVANATHAPURAM** Deepa Arcade Convent Road, Trivandrum-695 001	• Mr. V.Unnikrishnan Consultant	9447048509	0471-4061547	uvasudevan@eesl.co.in

NORTH ZONE

S.No.	REGIONALOFFICES	NAMEOFTHEEXECUTIVE	MOBILENO.	DIRECTNO.	EMAILID
1.	**JAIPUR** 605/606, Sixth Floor, City Corporate, Malviya Marg, C Scheme, Jaipur- 302001	• Mr. Girija Shankar AGM (Tech.)/Zonal Manager • Dr. Ritu Singh Project Manager	9868880656 9413311301	0141 4044186 -	gs1shankar@gmail.com ritusingh@eesl.co.in
2.	**JAMMU** Shastri Nagar,Behind Ram Darbar Mandir, Jammu	• Mr. Pran Saurabh DGM (Tech.)	9163397510	-	psaurabh@eesl.co.in
3.	**SHIMLA** Thakur Niwas, Khalini, Shimla-171002	• Mr. Sanjay Bhagra Consultant	97364 23964	-	sbhagra@eesl.co.in

EAST ZONE

S.No.	REGIONALOFFICES	NAMEOFTHEEXECUTIVE	MOBILENO.	DIRECTNO.	EMAILID
1.	**KOLKATA** Plot No. 53, Block: DN, Sector-5, Salt Lake City, Kolkata - 7000091	• Ms. Usha Menon Consultant • Mr. Rounak Bandopadhyay Manager (Technical)	9830056997 9654039815	0141 4044186 -	usha.menonbose@gmail.com rbandopadhyay@eesl.co.in
2.	**NAGALAND** House no.167, Ground Floor, Kenuozou Colony, Kohima at Knz Colony-797001	• Mr. Rounak Bandopadhyay, Manager (Technical)	9654039815	-	rbandopadhyay@eesl.co.in

Energy Efficiency Services Limited

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A 13, IWAI Building, 4th & 5th Floor,
Sector 1, Noida 201 301
Phone: +91 120 490 8000
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Designed by: HY/**EJE**