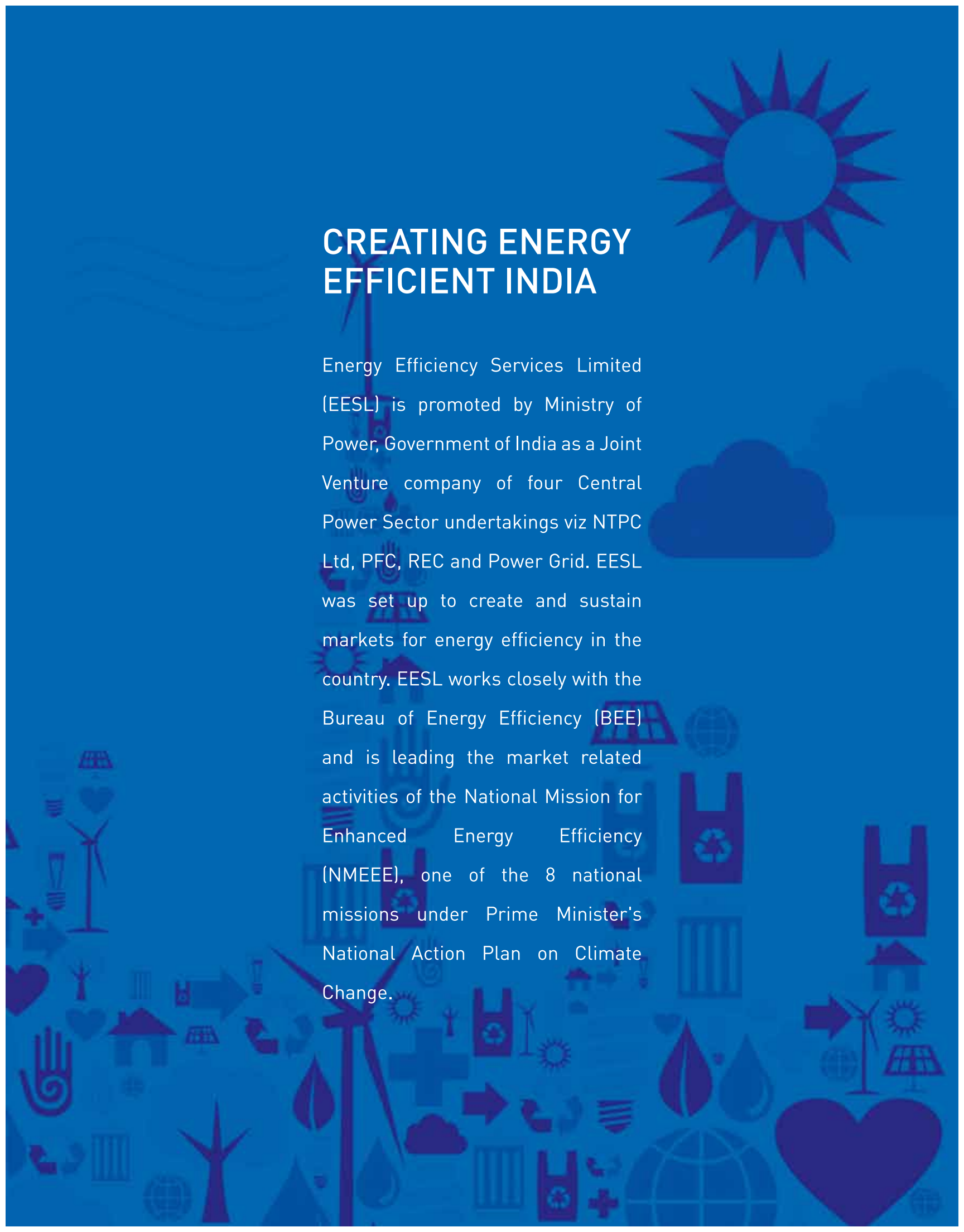




*Creating an Energy
Efficient India*

Annual Report
2012-13





Pump set Pooja done by Farmer after successful installation of the First pump setat Nippani on 28th March, 2013

Vision



EESL seeks to unlock market for energy efficiency in India estimated of Rs. 74000 crores resulting in energy savings of about 15% of present consumption. It seeks to create market access, particularly in the public facilities like municipalities, buildings, agriculture, industry, etc., implement innovative business models, handhold private sector Energy Service Companies (ESCOs) in an effort to ensure replication.



EESL signed MOU with PCRA



LED Street Light Project in Mussorie

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Energy Efficient LED Street Lighting
A CSR Initiative
By
Power Finance Corporation
In Co-ordination with
Energy Efficiency Services Ltd.
UREDA And
Mussoorie Municipal Board

LED Street Light Project in Mussorie



Implementation of Agriculture DSM Project at HESCOM-Hubli (Karnataka)

BOARD OF DIRECTORS'

Chairman	Shri A.K. Agarwal
Managing Director	Shri Saurabh Kumar
Directors	Shri M.K.V Rama Rao
	Shri Ashok Awasthi
	Shri Bhaskar J Sarma
	Shri P.K. Ravi
	Ms. Seema Gupta
Company Secretary	Ms. Pooja Shukla
Registered Office	4th Floor, Sewa Bhawan, R.K.Puram, New Delhi – 110 066
Corporate Office	Hall No. 2, 3rd Floor, Bhikaji Kama Place, 15, NBCC Tower, New Delhi – 110066
Auditors	M/s Jain & Anand Chartered Accountants 22/16, Old Rajinder Nagar, New Delhi-110066
Bankers	Vijaya Bank Union Bank

NOTICE

NOTICE is hereby given that the Fourth Annual General Meeting of the Shareholders of Energy efficiency Services limited (EESL) will be held on Wednesday 25th September, 2013 at 12.30 p.m. at registered office of the Company at 4th Floor, Sewa Bhawan, R.K.Puram, New Delhi – 110 066 to transact the following business:

ORDINARY BUSINESS

1. To approve and adopt the Directors' Report, audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended as on that date, Auditors' Report and Comments of Comptroller and Auditor General of India thereon.
2. To appoint a Director in place of Shri A.K.Agarwal, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri M.K.V Rama Rao, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint and fix the remuneration of statutory Auditors.

SEPCIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:-

"Resolved that pursuant to sec 257 of the Companies Act, 1956 Shri Bhaskar J Sarma, be and is hereby appointed as Directors of the Company, liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:-

"Resolved that pursuant to sec 257 of the Companies Act, 1956 Shri P.K.Ravi, be and is hereby appointed as Directors of the Company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:-

"Resolved that pursuant to sec 257 of the Companies Act, 1956 Ms. Seema Gupta, be and is hereby appointed as Directors of the Company, liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modification (s) the following resolution as a Ordinary Resolution:-

“RESOLVED THAT subject to the approval of Central Government, if required, and pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force), and as recommended by the Remuneration Committee at its meeting held on 26th March 2013, Shri Saurabh Kumar be and is hereby appointed as a Managing Director of the Company for the period of 5 years with effect from 7th May, 2013 upon terms and conditions set out in the Explanatory Statement.

RESOLVED FURTHER THAT any director and/or Company Secretary be and are hereby severally authorized to make, approve, modify, sign and submit, if required, the requisite application under Section 269 and other applicable provisions, if any, of the Companies Act, 1956, to the Ministry of Corporate Affairs (MCA) or any other authority as the case may be and to appear before the MCA or any other authority and to approve and make any modification(s) / amendment(s) in the said application/other documents, and to submit any other document/letter/information as may be required to be submitted to them and do all such acts, deeds, matters and things as may be necessary, to give effect to this Resolution.”

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-

(Pooja Shukla)

Company Secretary

New Delhi

Date: 23.09.2013

All Shareholders

The Chairman, Managing Director and Directors.

Statutory Auditors

NOTES :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member of the Company [A Proxy Form is enclosed].
2. Pursuant to the section 619 B of the Companies Act, 1956, the provision of section 619 shall apply to a company in which not less than fifty-one per cent of the paid-up share capital is held by one or more corporation owned or controlled by the Central Government or the State Government, as if it were a Government Company.

Pursuant to Section 619(2) of the Companies Act, 1956, as amended, the Auditors of a Government Company are to be appointed or re-appointed by the Comptroller and Auditor General of India (C&AG) and in terms of Clause (aa) of sub-section (8) of Section 224 of the Companies Act, 1956 their remuneration has to be fixed by the Company in the Annual General Meeting or in such manner as the Company may in General Meeting determine. Further, Department of Company Affairs have clarified that Government Companies are empowered to fix/revise the remuneration payable to their Auditors in a General Meeting.

C&AG has appointed M/s G.K.Kedia & Co, Chartered Accountants as Statutory Auditors of the Company for the financial year 2013-14. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the year 2013-14, after taking into consideration the volume of work and prevailing inflation.

Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

4. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Businesses to be transacted at the meeting is annexed hereto.

PROXY FORM

ENERGY EFFICIENCY SERVICES LIMITED

[A Joint Venture Company of PSUs of Ministry of Power]

Regd. Office: 4th Floor, Sewa Bhawan, R.K.Puram, New Delhi – 110 066

Corporate Office: Hall No. 2, 3rd Floor, Bhikaji Kama Place, 15 NBCC Tower, New Delhi – 110066

I/We.....of.....in the district of
..... being a member of the above named company hereby appoint
.....of.....in the district ofor failing him/her
.....of.....in the district of
as my proxy to vote for me and on my behalf at the **4th ANNUAL GENERAL MEETING** of the Company
to be held on the **25th day of September, 2013** and at any adjournment thereof.

Signed this day of _____, **2013**.

(Signature)

NOTES: The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a shareholder of the Company.

An Explanatory Statement

(Pursuant to Section 173 of the Companies Act, 1956)

ITEM NO-5 OF THE NOTICE

Ministry of Power vide their letter dated 13th Dec, 2012 had nominated Secretary, BEE as Government Nominee Director on the Board of EESL.

Accordingly, Shri Bhaskar J Sarma has been appointed as Additional Director under sec 260 of the Companies Act, 1956. He holds office up to the date of ensuing Annual General Meeting of the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Shri Bhaskar J Sarma as Director on the Board of EESL.

The above appointment is as Government Nominee Director on the Board of EESL. Shri Bhaskar J Sarma holds NIL share in the Company.

None of the Director except Shri Bhaskar J Sarma is interested or concerned in the resolution.

ITEM NO-6 OF THE NOTICE

Shri P.K. Ravi was appointed as Government Nominee Director on the board of Energy Efficiency Services Limited (EESL) by Ministry of Power in terms of their letter dated 22nd May, 2013. He has been appointed as Additional Director under sec 260 of the Companies Act, 1956 and hold office up to the date of ensuing Annual General meeting of the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Shri P.K. Ravi as Director on the Board of EESL.

The above appointment is as Government Nominee Director on the Board of EESL. Shri P.K. Ravi holds NIL share in the Company.

None of the Director except Shri P.K. Ravi is interested or concerned in the resolution.

ITEM NO-7 OF THE NOTICE

Ms. Seema Gupta was appointed as Nominee Director on the board of Energy Efficiency Services Limited (EESL) by Power Grid Corporation of India Limited in terms of their letter dated 10th July, 2013. She has been appointed as Additional Director under sec 260 of the Companies Act, 1956 and hold office up to the date of ensuing Annual General meeting of the Company.

The Company has received a notice in writing from a member pursuant to provision of sec 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Ms. Seema Gupta as Director on the Board of EESL.

The above appointment is as Nominee Director (Independent Director) on the Board of EESL. Ms. Seema Gupta holds NIL share in the Company.

None of the Director except Ms. Seema Gupta is interested or concerned in the resolution.

ITEM NO-8 OF THE NOTICE

In accordance with clause 102 (ii) of Articles of Association of the Company and minutes of the selection Committee Meeting dated 21st Feb, 2013, the Board of Directors of the Company in their 23rd Board meeting of the company held on 21st May, 2013 has appointed Shri Saurabh Kumar as Managing Director of the Company. The remuneration has been approved by the remuneration Committee in their meeting held on 21st May, 2013.

Shri Saurabh Kumar is an Electrical Engineer from Indian Institute of Technology (IIT) Kanpur with a Masters in Public Policy from National Graduate Institute of Policy Studies, Tokyo, Japan. He is an officer of Indian Revenue Services of Government of India. He has rich experience of working in various capacities in Indian Income Tax Administration, Budget and Finance in the Ministry of Power. He was Secretary, BEE during 2007-2010. He also worked with UNEP, Bangkok for the last 2 years and was handling environmental issues in Asia – Pacific region.

The Board recommends the appointment of Shri Saurabh Kumar as Managing Director on following terms & Conditions:-

- | | | | |
|----|--------------------|---|-------------------|
| 1. | Grade | - | E8 |
| 2. | Scale of Pay | - | 51300-73000 |
| 3. | Terms & Conditions | - | As stated below:- |

- (i) **Period:** The period of the appointment will be for a period of five years w.e.f. the date of joining of Managing Director in the first instance or till the date of superannuation or until further orders whichever event occurs earlier and in accordance with the provisions of the Companies Act, 1956 as amended. The appointment may, however, be terminated even during this period by either side on 3 months prior notice or on payment of three months' salary in lieu thereof.
- (ii) Initial probation period shall be of one year. After the expiry of the first year, performance will be reviewed by the EESL Board to take a view regarding continuance or otherwise for the balance period of tenure. Services at EESL will be confirmed on satisfactory completion of the probation.
- (iii) **Headquarters:** Headquarters will be presently at New Delhi where the registered office of the Company is located. However, liable to serve in any part of the country at the discretion of the EESL's Management.
- (iv) **Dearness Allowance:** DA in accordance with the IDA Scheme at applicable rate.
- (v) **Other Perquisites and Allowances:**
"Cafeteria approach" shall be adopted for other perquisites and allowances allowing to choose from a given set or cafeteria of perquisites and allowances subject to the condition that the sum total of these perquisites and allowances shall not exceed 47% of Basic Pay.
- (vi) **Medical Benefits:**

OPD expenses: Reimbursement of OPD expenses for medical treatment at actual subject to the maximum annual ceiling of one month's Basic Pay on submission of bills/ vouchers / medical prescription.

IPD expenses: as per medical policy of the Company.
- (vii) House Rent Allowance (HRA) or Company Leased Residential Accommodation as per the policy of EESL.
- (viii) Leaves as per the leave rules of the Company.

(ix) Contributory Provident Fund (CPF)

Contribution to PF will be deducted as per statutory rate i.e. 12% of the Basic Pay + DA. A matching contribution will be made by EESL.

(x) Gratuity

- (i) Gratuity as per the statutory provisions under the Payment of Gratuity Act.
- (ii) Present ceiling on Gratuity is ₹10 Lakhs.

BY ORDER OF THE BOARD OF DIRECTORS

New Delhi
Date:23.09.2013

Sd/-
(Pooja Shukla)
Company Secretary

ENERGY EFFICIENCY SERVICES LIMITED

Directors' Report

To
The Members,

Your Directors have pleasure in presenting fourth Annual Report of the company for the financial year ended on 31st March, 2013 together with Audited Annual Accounts, Auditors' Report and Review by the Comptroller and Auditor General of India for the reporting period.

FINANCIAL PERFORMANCE

Amount (₹ In lacs)

Particulars	Current Year (2012-13)	Previous Year (2011-12)
Share Capital	9000.00	250.00
Total Revenue	1453.81	1267.85
Profit Before Depreciation & Taxes	957.19	813.82
Less: Depreciation	15.54	14.39
Profit/(Loss) Before Tax	941.64	799.44
Less: Provision for Taxation		
-Current Year	310.38	276.64
-Deferred Tax Asset	(3.09)	20.89
Profit/(Loss) after Tax	634.35	501.91
Profit/(Loss) brought forward from Previous Years	718.53	216.62
Balance carried forward to Balance Sheet	1352.88	718.53

OPERATIONAL HIGHLIGHTS

Your Company has been set up as a Joint Venture Company of four Central Public Sector Undertakings of Ministry of Power, Government of India viz. NTPC Ltd, Power Grid Corporation of India Ltd, Power Finance Corporation Ltd and Rural Electrification Corporation Ltd with an objective of implementing programmes and projects in the field of energy efficiency including the National Mission for Enhanced Energy Efficiency (NMEEE) which is one of the eight National Missions announced by the Hon'ble Prime Minister as a part of "National Action Plan on Climate Change".

The key highlights pertaining to the business of your Company for the year 2012-13 and period subsequent thereto are given hereunder:

A. Implementation of schemes, programmes and policies of Central and State Governments and its agencies

a. Implementation of activities under the State Energy Conservation Fund (SECF)

Under the State Energy Conservation Fund (SECF), in addition with DPRs, annual energy saving plans for agriculture & buildings and waste heat recovery plan for industries have been prepared for various State Designated Agencies.

b. Implementation of schemes of Bureau of Energy Efficiency (“BEE”)

The Company has conducting the baseline energy audit of the designated consumers under Perform, Achieve & Trade (“PAT”) scheme of BEE. The baseline energy audit for all industries has been completed. Out of total 551 reports, as on 31st March, 2013, 387 reports have been accepted by BEE.

B. Consultancy services (energy efficiency projects of Municipal Corporations and energy efficiency initiatives under the Corporate Social Responsibilities of other companies)

a. Energy Efficiency Projects (Agriculture & Municipal)

- (i) Energy audit of street lighting, preparation of detailed project report and facilitating selection of implementation agency for energy efficient street lighting project through ESCO mode have been awarded by various Municipalities, DISCOMs & Urban Local Bodies of the Country like BBMP, Hubli Electricity Supply Company Limited, PHED, Rajasthan etc.

b. Energy Efficiency Initiatives under Corporate Social Responsibility (“CSR”) Projects :

The Company has prepared the DPR for CSR project of PFC Ltd which envisage conversion/replacement of the existing street lights of a popular tourist place with LED street lights. The total number of 500 street lights of 250W, 150W & 70W HPSV have been identified and replaced in different locations of Mussorie, Uttarakhand.

C. Implementation of energy efficiency projects for Demand Side Measures including municipal functions, agriculture, public building, lighting etc.

a. Energy Efficiency in the household lighting sector -Bachat Lamp Yojana (“BLY”)

BLY scheme had been launched in 2010-11 to promote CFLs under CDM mechanism. However, scheme could not be implemented successfully due to low price of CERs (Carbon Emission Reduction). Therefore, bilateral agreements signed by the Company with various DISCOMs for project implementation have been closed.

b. Energy Efficiency in Municipalities

Under Municipal DSM, DPRs for municipalities’ pumps were prepared by the company for various DISCOMs of Karnataka etc.

International Co-operation

In Indo-German intergovernmental consultations conducted in November, 2010, both the governments had agreed on the provision of line of credit of 50 million Euro from KfW (German Bank) on concessional terms in the field of buildings and other public infrastructure and grant funding of 1.5 million Euro for technical assistance to EESL.

In addition to above, KfW has also agreed to provide 5,00,000 Euro as grant for project preparation. Out of total 5,00,000, Euro, 3,00,000 Euros are allocated for preparatory measures to be directly procured by EESL and Euro 2,00,000 for preparatory measures to be provided by an external consultant. KfW has appointed Econoler and Alliance to Save Energy as external consultant.

The management discussion and analysis report highlighting the important aspects of the business, operations and performance is attached as **Annexure I** and forms part of this report.

PROSPECTS

Energy Efficiency is a new & evolving business area and within the country there are no set precedents of successful investments in this type of business. Your Company is marching ahead with grit and determination bravely facing all the challenges and is poised to leverage its resources and strengths for exploiting the growth opportunities to make and maintain a leading position in this sector. The Company is increasing its footprints through participation in strategic projects and assignments. The Company focuses on avenues available under the National Mission on Enhanced Energy Efficiency ("NMEEE") and also leveraging its consultancy arm along with selective approach. Company is also looking towards some of the countries in the Asian region for consultancy assignments for replicating successes in the field of energy efficiency achieved in India. Identifying, procuring and investing in viable energy efficiency implementation projects will be Company's key challenges for 2013-14. Your Company is confident about the year ahead and beyond.

SHARE CAPITAL

During the Financial Year ended on 31st March, 2013 out of total share application money pending for allotment of ₹97.5 Crores, the company has converted share application money of ₹87.5 Crores into Equity Share Capital and allotted ₹21,875 Crores divided into 2,18,75,000 Equity share of ₹10/- each to the promoter companies in equal proportion.

The balance amount of ₹10 Crores has been refunded to all promoter Companies in equal proportion. As on 31st March, 2013, paid up share capital of the company is ₹90 Crores divided into 9,00,00,000 equity shares of ₹10/-each and authorized capital of the Company is ₹190 Crores divided into 19,00,00,000 equity share of ₹10/- each.

DIVIDEND

In order to conserve resources to meet the future growth requirements of the Company, the Directors feel it prudent to retain the profits and not to recommend any dividend for the year ended 31st March 2013.

PUBLIC DEPOSITS

During the year under report, your Company did not accept any deposits from the Public in terms of the provisions of Section 58A and 58AA of the Companies Act, 1956.

AUDIT REPORT

The Comptroller and Auditor General of India (C&AG) has appointed M/s Jain & Anand, Chartered Accountants, New Delhi as Statutory Auditor of the Company for the period starting from April 1, 2012 to March 31st, 2013. The Auditors' Report to the Balance Sheet and Profit and Loss Account is self-explanatory and do not call for any comments.

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Comments on the accounts for the year ended 31st March, 2013 by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 are given in **Annexure-II** to this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given as under:

- a. **Conservation of Energy & Technology Absorption:** Since the Company is not engaged in any manufacturing activity, issues relating to conservation of energy and technology absorption are not relevant to its functioning.
- b. **Export Activities:** There was no export activity in the Company during the year under review.
- c. **Foreign Exchange Earning & Outgo:** The details of foreign exchange earning & outgo are as follows:

Particulars	Current Year (2012-13 ₹)	Previous Year (2011-12 ₹)
(a) Expenditure in Foreign Currency	Nil	3, 57,369/-
(b) Earning in Foreign Currency	Nil	Nil

PARTICULARS OF EMPLOYEES

During the period under review, the Company had no employees in receipt of remuneration exceeding the limit prescribed, under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars) of Employees Rules, 1975.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, it is to confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 2012-13 and of the profit of the company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors had prepared the annual accounts on going concern basis.

BOARD OF DIRECTORS

Following changes have occurred in the Board of Directors of the Company:-

- a) Shri Saurabh Kumar has been appointed as Managing Director of the Company.
- b) Ms. Seema Gupta has been appointed as Director of the Company in place of Shri Mahender Singh.
- c) Shri Bhaskar J Sarma has been appointed as Director of the Company in place of Ms. Abha Shukla.
- d) Shri P.K.Ravi has been appointed as Director of the Company in place of Shri Sisir Das.

The Company has received a notice under section 257 of the Companies Act, 1956 from members of the Company for appointment of Shri Bhaskar J Sarma, Shri P.K.Ravi, Ms. Seema Gupta as Director(s) in the ensuing Annual General Meeting.

The Board of Directors place on record its deep appreciation for valuable contribution made by Ms. Abha Shukla, Shri Sisir Das and Shri Mahender Singh during their association as Director of the Company.

AUDIT COMMITTEE

Your Directors has constituted an Audit Committee of the Board of Directors on March 24, 2011. Audit Committee of the Company has been reconstituted on 23rd Dec, 2011. Further Audit Committee has been reconstituted on 20th July, 2013 and the present constitution of Audit Committee is as under:-

1. Shri M.K.V Rama Rao, Director
2. Shri Ashok Awasthi, Director
3. Shri P.K. Ravi, Director
4. Ms. Seema Gupta, Director

ACKNOWLEDGMENT

The Board of Directors wish to place on record their appreciation for the support and co-operation extended by NTPC Ltd, Power Finance Corporation Ltd, Power Grid Corporation of India Ltd, Rural Electrification Corporation Limited, the Bureau of Energy Efficiency, the Ministry of Power, Government of India, the Auditors and Bankers of the company. The Directors also thank the employee's for their contribution to company's operations during the period under review.

For and on behalf of the Board of Directors

Sd/-
(Anil Kumar Agarwal)
Chairman

Place: New Delhi
Date:20.09.2013

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. Industry structure and development

The Indian economy has experienced unprecedented economic growth over the last decade. Today, India is the ninth largest economy in the world, driven by a real GDP growth of 8.7%.

As on 31st July, 2013 total installed capacity of India is 225.793 GW. India's energy basket has a mix of all the resources available including renewable. The overall generation in the country has been increased from 877 BU during 2011-12 to 911.652 BU during the year 2012-13 with overall growth rate of 3.96%.

During the 11th Five year plan (2007-12), a capacity of 54,963 MW has been commissioned against revised target of 62,374 MW as the midterm appraisal carried out by the planning commission. During the 12th Five Year Plan (2012-17) the capacity addition of 88,425 MW has been targeted.

During the year 2012-13, though the total ex bus energy availability increased by 6.2% over the previous year and peak load increased by 6.1%, the shortage condition prevail in the country in terms of energy and peak availability as given below:-

	Energy (MU)	Peak (MW)
Requirement	998,114	135,453
Availability	911,209	123,294
Shortage	86,905	12,159
(%)	8.7	9.0

Source : - Load Generation Report 13-14

The energy requirement registered a growth of 6.5% during the year against the projected growth of 5.1% and peak demand registered a growth of 4.2% against the projected growth of 7.7%.

2. Outlook

About 88 gigawatts (GW) of power generation capacity addition is planned over the next five years, of which more than 70 per cent is likely to be coal-based. Increasing energy efficiency offers a cheaper and cleaner alternative to meet India's growing energy demands. India has an estimated energy savings potential of about 20 GW, predominantly in agriculture and Industrial sector with total estimated investment potential of approx. of ₹74000 Crores. Considering this, EE sector holds much promise.

Energy Service Companies (ESCOs) can be a potential vehicle to realize these savings.

3. EESL's Strengths

Energy Efficiency Services Limited (EESL) has been set up as the implementing arm of Ministry of Power and Bureau of Energy Efficiency. EESL's key role is to help overcome barriers faced by energy users in identification, design, implementation and financing of energy efficiency projects with the objective of creating and sustaining market for energy efficiency in the country. EESL is pioneer in energy service solutions in the country with high brand value. EESL has also been actively participating in implementation of several schemes of the BEE and providing services to SDAs, DISCOMS & Electricity Regulatory Commission. The Company has occasion to innovate and introduce specially structured Demand Side Management programme, designed to boost this relatively new sector.

EESL's unique position to tap public sector energy efficiency potential could catalyze the scale of investments required.

4. EESL's Weaknesses

The Energy efficiency (EE) sector is poised for substantial growth as a result of the policy & national plan initiatives of the Government and EESL's pioneering and catalyzing efforts in demonstrating energy efficiency projects. With immense potential to demonstrate energy efficiency projects, EESL's own institutional strength is constraining its ability to develop the projects to meet the requirements of the sector.

In order to continue to make a significant contribution to sector, it is imperative that EESL be provided with Institutional Strengthening in form of technical assistance in capacity building by bilateral & multilateral agencies.

EE is relatively a new sector and EESL being set up to promote EE. Public sector undertaking are the major clients. It is challenging to convince the various layers of decision makers of Government organizations on the merits of an ESCO business model. Policy intervention by GOI is warranted. EESL has developed EE market to a level where it is attracting a number of private sector parties vying for market share. Since both the revenue model of the company i.e. shared saving basis or performance guarantee basis – require either initial capital or a bank guarantee therefore EESL's profitability and growth in this changing scenario will depend on its ability to compete effectively by being able to offer lower cost funding.

Notwithstanding this, your company has continued to be a profit making entity and is confident of contributing to the sustained growth of the Power Sector as a whole.

5. Opportunities

The EE sector is attracting significant investment in the foreseeable future due to strong policy framework and benefits provided by Government to the sectors as under:

Standard and Labelling Scheme

Energy Conservation Building Code

Agricultural & Municipal Demand Side Management Programme

Establishment of NMEEE as one of the eight mission under the National Action plan for climate change.

Establishment of Partial Risk Guarantee Fund for performance contract.

Super Energy Efficient Equipment programme (SEEP)

The above policy intervention of GOI is expected to enlarge the EE market, which could offer greater business opportunities for EESL.

6. Threats, Risks and concerns

A successful ESCO model requires a strong and well understood public-private partnership. In addition, there needs to be a greater understanding about the ESCO concept and roles and responsibilities of the various parties involved in the project. There is a need to adjust the existing contractual frameworks to enable synergy and promote EE financing and project implementation through an ESCO mechanism. Indian ESCOs face severe financial constraints and large international ESCOs are skeptical about investing in Indian public sector projects due to payment security risks and perceived risks about implementing EPC. There is need for a secure repayment mechanism such as a trust and retention account (TRA) or escrow account.

7. Internal Control Systems and Their Adequacy

The company is alive to the need for continued improvement and upgrading of its internal control systems and policies so as to remain abreast of the latest best practices and would be constantly endeavoring to achieve this.

8. Material Developments in Human Resources/Industrial Relations

The Company has initiated several steps for overall development and to update knowledge and skills of its employees and invested in technical and non-technical training of the employees during the fiscal. The Company nominated officials at various levels for the Seminars/ Workshops on specialized subjects in India and abroad. Efforts to achieve employee satisfaction were made through various measures like job rotation, welfare measures and introduction of new schemes, etc.

9. Discussion on financial performance with respect to operational Performance

This has already been included in Directors' Report.

10. Environmental Protection and Conservation, Renewable energy developments.

The Company has been promoting the spread of eco-friendly energy efficiency technologies which have a positive impact on environment besides reducing pollution.

11. Segment-wise or product-wise performance

All the operations of company are considered as single business segment therefore company does not have any separate reportable segment.

गोपनीय

No./MAB-III/Rep/01-44/Acs-EESL/2013-14/ 418

भारतीय लेखा तथा लेखापरीक्षा 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: 05 July, 2013



सेवा में,

अध्यक्ष,

एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,

नई दिल्ली

विषय: 31 मार्च 2013 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कंपनी अधिनियम 1956 की धारा 619(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, एनर्जी एफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली के 31 मार्च 2013 को समाप्त वर्ष के वार्षिक लेखाओं पर कंपनी अधिनियम 1956 की धारा 619(4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रही हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्न: यथोपरि।

न. अ. कुमार
(नयना अ. कुमार)
प्रधान निदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS
OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31
MARCH 2013**

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 21 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Energy Efficiency Services Limited for the year ended 31 March 2013 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

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

A handwritten signature in black ink, appearing to read 'Naina A. Kumar', with the date '5/7/13' written below it.

(Naina A. Kumar)

**Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III,
New Delhi**

**Place: New Delhi
Dated: 05 July 2013**



JAIN & ANAND
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of Energy Efficiency Services Limited

Report on Financial Statements

We have audited the accompanying financial statements of Energy Efficiency Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

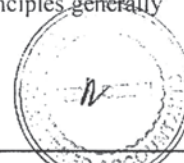
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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 audit opinion.

Opinion

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



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B. O. : 310, Kumar Tower, 15 Community Centre, Wazirpur Industrial Area, New Delhi - 110052 (India) Tel. : 011-27373075
B. O. : D-115, Main Gopal Nagar, Najafgarh, New Delhi - 110043 (India) Tel. : 011-45040802, 24522327 Fax : 25818638
E-mail : jain.anand2010@gmail.com & mkjain53@gmail.com Website : www.canewdelhi.com & www.taxcpa.in

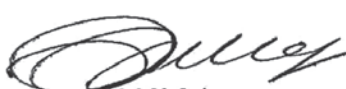

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have 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
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Date : 21.05.2013
Place : New Delhi

For Jain & Anand
Chartered Accountants
Firm Regn No. 005491M

M K Jain
Partner
M No. 080687

JAIN & ANAND
Chartered Accountants

Annexure to Independent Auditors' Report

The Annexure referred to in our report to the members of Energy Efficiency Services Limited (the Company) for the year ended 31st March 2013. We report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) There was no disposal of fixed assets during the year.
- (ii) The Company does not hold any physical inventories. Thus the paragraph 4(ii) of the Order is not applicable..
- (iii) The Company has not granted loans to any companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit under the provisions of sections 58A and 58AA and other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975. with regard to the deposits accepted from the public.
- (vii) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.



JAIN & ANAND
Chartered Accountants

- (viii) The Central Government of India has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the services rendered by the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax and other statutory dues applicable have been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, service tax, customs duty, service tax and excise duty were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- (x) The Company does not have accumulated losses at the end of the financial year. Further, the company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, bank or debentures holders during the year
- (xii) In our opinion and according to the explanations given to us and based on information available, no loans & advances have been guaranteed by the company on the basis of the security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) The company is not dealing in, or trading in shares securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) The Company has not given guarantees for loans taken by others from banks or financial institutions.



JAIN & ANAND
Chartered Accountants

- (xvi) No term loan have been raised by the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

Jain & Anand
Chartered Accountants
Firm Reg. No. 005494N



M K Jain
Partner
M. No. 080687

Place : New Delhi
Date : 21.05.2013

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	90,00,00,000	2,50,00,000
Reserves and surplus	3	13,52,88,078	7,18,53,067
		103,52,88,078	9,68,53,067
Share Application Money pending Allotment		-	97,50,00,000
Non-current liabilities			
Deferred tax liabilities	4	-	24,565
Long-term provisions	5	836,580	-
		836,580	24,565
Current liabilities			
Trade payables	6	40,95,781	46,87,131
Other current liabilities	7	10,37,82,237	14,42,20,446
Short-term provisions	8	3,10,39,990	2,60,68,637
		13,89,18,008	17,49,76,214
TOTAL ASSETS		117,50,42,666	124,68,53,846
Non-current assets			
Fixed assets			
Tangible assets	9	18,23,135	31,07,033
Intangible assets	9	1,79,450	4,46,343
Deferred tax Asset	10	2,84,090	-
Long-term loans and advances	11	78,50,369	8,000
		1,01,37,044	35,61,376
Current assets			
Trade receivables	12	881,84,913	42,22,346
Cash and bank balances	13	103,43,21,341	120,82,04,754
Short-term loans and advances	14	3,91,35,029	2,56,04,950
Other current assets	15	32,64,339	52,60,420
		116,49,05,622	124,32,92,470
TOTAL		117,50,42,666	124,68,53,846

Significant accounting policies

1

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-
(A.K.Agarwal)
Chairman

Sd/-
(Saurabh Kumar)
Managing Director

Sd/-
(Pooja Shukla)
Company Secretary

As per our report of even date attached

For Jain & Anand
Chartered Accountants
Firm Reg. No. 005491N

Sd/-
(Mukesh Kumar Jain)
Partner
M No.080687
Place : New Delhi
Dated : 21.05.2013

ENERGY EFFICIENCY SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

(Amount in ₹)

Particulars	Note	31.03.2013	31.03.2012
Revenue from operations (net)	16	3,01,09,726	2,25,80,071
Other income	17	11,52,71,001	10,42,04,914
Total revenue		14,53,80,727	12,67,84,985
Expenses			
Employee benefits expense	18	2,80,92,043	2,20,26,157
Finance costs	19	1,69,502	2,89,714
Depreciation and amortization expense	9	15,54,166	14,38,595
Administration & other expenses	20	2,13,97,743	2,25,27,875
Prior period items (net)	21	2,890	5,58,995
Total expenses		5,12,16,344	4,68,41,336
Profit before exceptional and extraordinary items & tax		9,41,64,383	7,99,43,649
Exceptional items			
Profit before extraordinary items and tax		9,41,64,383	7,99,43,649
Extraordinary Items		-	-
Profit before tax		9,41,64,383	7,99,43,649
Tax expense:			
Current tax			
Current year		3,10,39,990	2,60,68,637
Earlier years		(1,963)	15,95,019
Deferred tax			
Current year		(308,655)	20,88,955
Earlier years			
Total tax expense		3,07,29,372	2,97,52,611
Profit for the year		6,34,35,011	5,01,91,038

Earnings per equity share (Par value of ₹ 10/- each)

Basic	16.11	20.08
Diluted	0.64	0.50

The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

Sd/-
(A.K.Agarwal)
Chairman
As per our report of even date attached

Sd/-
(Saurabh Kumar)
Managing Director

Sd/-
(Pooja Shukla)
Company Secretary

For Jain & Anand
Chartered Accountants
Firm Reg. No. 005491N

Sd/-
(Mukesh Kumar Jain)
Partner
M No.080687
Place : New Delhi
Dated : 21.05.2013

ENERGY EFFICIENCY SERVICES LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD FROM 01.04.2012 TO 31.03.2013

	31.03.2013	31.03.2012
	Amount (₹)	Amount (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	9,41,64,383	7,99,43,649
Adjustment for:-		
Depreciation	15,54,166	13,94,494
Interest Income	(11,50,30,303)	(10,40,12,420)
Provision for Leave Encashment	8,36,580	
Interest Expense	169,502	2,89,714
Operating Profit Before Working Capital Changes	(1,83,05,672)	(2,23,84,563)
INCREASE/(DECREASE) IN A/cs Receivables		
Sundry Debtors	(8,39,62,567)	74,17,423
Long term Loans & Advance	(78,42,369)	
short term Loans & Advance	(56,24,109)	1,96,073
Interest Accrued on Fixed Deposit with Bank	19,96,081	1,49,403
	(9,54,32,964)	77,62,899
INCREASE/(DECREASE) IN A/cs Payables		
Liabilities for Expenses	(39,930)	3,52,510
#REF!	(591,350)	37,46,055
BEE	(2,58,84,452)	3,79,83,418.58
Advance Received under Bidding Processing Fees	(10,74,000)	13,92,000
Advance Received against Project	(74,42,457)	93,46,272
TDS Payable	(51,78,014)	16,93,517
Retention Money	89,228	3,46,434
PAT Project scheme	1,15,04,826	-
Service Tax Payable	(1,22,16,851)	1,08,53,004.78
Expenses Payable	(1,96,559)	(11,31,602)
	(4,10,29,559)	645,81,609.36
INCREASE/(DECREASE) IN TAXES (Income Tax)	(3,39,72,644)	(18,87,40,839)
	(18,87,40,839)	244,34,494.36
NET CASH FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Schedule C)	(3,375)	(19,91,741)
Interest Income	11,50,30,303	10,40,12,420
NET CASH USED IN INVESTING ACTIVITIES	11,50,26,928	10,20,20,679
C. CASH FLOW FROM FINANCING ACTIVITIES		
Refund of Share Application Money	(100,000,000)	-
Bank Loan taken	20,761,000	-
Bank Loan repaid	(20,761,000)	-
Interest Expense	(169,502)	(289,714)
NET CASH FROM FINANCING ACTIVITIES	(100,169,502)	(289,714)
D. Net Change in Cash & Cash Equivalents (A+B+C)	(17,38,83,413)	12,61,65,459.36
E. Cash & Cash Equivalents (Opening Balance 1st April of Financial Year)	120,82,04,754	108,20,39,294.64
F. Cash & Cash Equivalents (Closing Balance) (D+E)	103,43,21,341	120,82,04,754

Note:-1 Cash and cash equivalents consists of cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note-13.

Cash and cash equivalents	1,80,55,588	14,37,91,055
Term Deposits (Deposits with original maturity of more than three months)	101,62,65,753	106,44,13,699
	103,43,21,341	120,82,04,754

Note:-2 Cash and Cash Equivalents (Closing Balance) includes Nil (Previous Year Rs 106.44 crore) not available for use by the company

For and on behalf of Board of Directors

Sd/-
(A.K.Agarwal)
Chairman

Sd/-
(Saurabh Kumar)
Managing Director

Sd/-
(Pooja Shukla)
Company Secretary

As per our report of even date attached

For Jain & Anand
Chartered Accountants
Firm Reg. No. 005491N
Sd/-
(Mukesh Kumar Jain)
Partner
M No.080687
Place : New Delhi
Dated : 21.05.2013

ENERGY EFFICIENCY SERVICES LIMITED

Note No.1

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The accounts have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accounting principles in India and the relevant provisions of the Companies Act, 1956 including Accounting Standards notified there under.

2. FIXED ASSETS

Fixed assets are stated at cost of acquisition including taxes, duties, identifiable direct expenses and expenses on installation, and are net of depreciation provided thereon.

3. DEPRECIATION

Depreciation on fixed assets is computed on Straight Line Method as per rates in accordance with Schedule XIV of the Companies Act, 1956 and on the pro-rata basis with respect to the date of addition, Items of Fixed Assets acquired during the year costing upto ₹5,000/- are fully depreciated (except cell phones). However in view of useful life of assets of Cell Phones, Refrigerator, Computers, software, Air conditioner, Fax Machine, Digital Lux Meter, KryKard Portable, Heater, Flow meter, Hygrometer, Manometer and Power Analyzer higher depreciation rates have been considered as per details given below:

Nature of Assets	Depreciation Rate
Cell Phones	33.33%
Refrigerator	15.00%
Computers	30.00%
Software	33.33%
Air Conditioner	15.00%
Fax Machine (CEO Secretariat & General)	15.00%
Digital Lux Meter	15.00%
Krykard Portable Lead Manager	15.00%
Heater (Oil Filled)	33.33%
Flow meter	25.00%
Hygrometer	25.00%
Manometer	25.00%
Power Analyzer	25.00%

4. 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 Profit & Loss Account.

During the period (01.04.2012 to 31.3.2013), there was no indicator as specified under AS-28, Therefore, company has not impaired its fixed assets.

5. PROVISION

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.

ENERGY EFFICIENCY SERVICES LIMITED

6. CASH FLOW STATEMENT

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

7. EMPLOYEES BENEFITS

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

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the 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.

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contribution to the Provident Fund is charged to the Income and Expenditure Account for the period when the contribution to the respective fund is due.

8. TAXES ON INCOME

Provision for taxation is based on assessable profit of the company computed in accordance with the provisions of the income tax Act, 1961, and rules framed there under.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with the income Tax Act, 1961.

In accordance with the Accounting standard AS-22, issued by The Institute of Chartered Accountants of India, the provision for deferred tax has been made in the accounts. Deferred Tax resulting from timing difference between book and tax profit is accounted for the under the liability method, at the current rate of taxes to the extent that the timing difference are expected to crystalize.

9. INVENTORY

Entity is a service organization and there is no stock in the nature of inventory hence, AS-2 is not applicable.

10. REVENUE RECOGNITION

Income from consultancy contracts are accounted for based on progress of services rendered.

11. EXPENDITURE

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

12. INVESTMENTS

Investments are classified into current and long-term investments. Investments are stated at the lower of cost and fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments.

There is no investment made by the company hence AS-13, is not applicable.

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

31.03.2013	31.03.2012
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Note No. 2 to the Financial Statements

SHARE CAPITAL

Equity Share Capital

AUTHORIZED

19,00,00,000 shares of par value of ₹10/- each (Previous year 19,00,00,000 shares of value of ₹10/- each)

1,90,00,00,000 1,90,00,00,000

ISSUED, SUBSCRIBED AND FULLY PAID-UP

9,00,00,000 Shares of par value of ₹10/- each (Previous year 25,00,000 shares of par value of ₹10/- each)

90,00,00,000 2,50,00,000

90,00,00,000 2,50,00,000

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

Equity Shares

	As at 31st March, 2013		As at 31st March, 2012	
	Number	Amount	Number	Amount
Shares Outstanding at the beginning of the Year	2,500,000	2,50,00,000	2,500,000	2,50,00,000
Add: Shares Issued during the FY	87,500,000	87,50,00,000	-	-
Shares Outstanding at the end of the Year	<u>90,000,000</u>	<u>90,00,00,000</u>	<u>2,500,000</u>	<u>2,50,00,000</u>

(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, 2013		As at 31st March, 2012	
	Number	% holding in the class	Number	% holding in the class
NTPC Limited	22,500,000	25%	625,000	25%
Powergrid Corporation Limited	22,500,000	25%	625,000	25%
Rural Electrification Corporation	22,500,000	25%	625,000	25%
Power Finance Corporation	22,500,000	25%	625,000	25%

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 both legal and beneficial ownerships of shares.

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

	31.03.2013	31.03.2012
<u>Note No. 3 to the Financial Statements</u>		
RESERVES & SURPLUS		
Surplus		
As per last balance sheet	7,18,53,067	2,16,62,029
Add: Profit for the year from statement of Profit and Loss Account	6,34,35,011	5,01,91,038
	13,52,88,078	7,18,53,067
<u>Note No. 4 to the Financial Statements</u>		
DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability		
Difference of book depreciation and tax depreciation	-	1,25,627
Gross deferred tax liability	-	1,25,627
Deferred tax assets		
Preliminary Expenses	-	1,01,062
Gross deferred tax assets	-	1,01,062
Net Balance	-	24,565
<u>Note No. 5 to the Financial Statements</u>		
LONG-TERM PROVISIONS		
Provision for Employee benefits (Leave Encashment)		
As per last balance sheet	-	-
Additions during the year	8,36,580	-
Less: Set off against paid during the year	-	-
Closing balance	836,580	-
<u>Note No. 6 to the Financial Statements</u>		
TRADE PAYABLES		
A2Z Maintenance & Engineering Services Ltd.	1,49,006	2,77,175
Darashaw & Company Pvt. Ltd.	4,64,969	8,53,875
Federation of Indian Chambers of Commerce and Industry	-	21,26,612
ICF Consulting India Pvt. Ltd.	4,65,093	4,27,500
Vayam Technologies Ltd.	-	1,36,125
Winrock International India	4,97,731	3,42,481
Logicsoft international Pvt. Ltd.	13,475	14,863
Lighting Science Group Corporation	2,00,000	-
ITP Synergy Pvt. Ltd.	-	5,08,500
Eaga Energy India Pvt. Ltd.	2,01,949	-
Inland Waterways Authority of India	13,72,414	-
TUV SUD South Asia Pvt. Ltd.	7,31,144	-
	40,95,781	46,87,131
<u>Note No. 7 to the Financial Statements</u>		
OTHER CURRENT LIABILITIES		
Liabilities for Expenses	34,54,903	34,94,833
Retention Money	4,57,662	3,68,434
Advance Received from Bureau of Energy Efficiency	8,32,21,364	10,91,05,816
Earnest Money Deposit	4,86,000	15,60,000
Service Tax Payable	-	1,22,16,851
TDS Payable	23,44,751	75,22,765
Expenses Payable	4,08,916	6,05,475
PAT PROJECT Scheme	1,15,04,826	-
Advance Received against Project	19,03,815	93,46,272
	10,37,82,237	14,42,20,446

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

Note No. 8 to the Financial Statements

SHORT TERM PROVISIONS

	31.03.2013	31.03.2012
Provision for current tax		
As per last balance sheet	2,60,68,637	1,30,40,400
Additions during the year	3,10,39,990	2,76,63,656
Less: Set off against taxes paid	2,60,68,637	1,46,35,419
Closing balance	3,10,39,990	2,60,68,637

Note No. 10 to the Financial Statements

DEFERRED TAX ASSETS (NET)

Deferred tax assets

Preliminary Expenses	50,532	-
Provision for Leave Encashment	2,71,428	-
Gross deferred tax asset	3,21,960	-

Deferred tax liability

Difference of book depreciation and tax depreciation	37,870	-
Gross deferred tax liability	37,870	-

Net Deferred Tax Asset

	2,84,090	-
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Note No. 11 to the Financial Statements

LONG TERM LOANS & ADVANCES

(i) OTHERS

Security Deposit	19,68,592	8,000
Advance Rent- (IWAI)	58,81,777	-
	78,50,369	8,000

Note No. 12 to the Financial Statements

TRADE RECEIVABLES

Debts Outstanding for a period exceeding Six Months	-	-
Considered Good	37,16,832	6,20,893
Considered Doubtful	-	-

Other Debts

Less than six months	8,44,68,081	36,01,453
	8,81,84,913	42,22,346

Note No. 13 to the Financial Statements

CASH & BANK BALANCE

(i) Cash in hand	-	-
(ii) Cheques & Drafts in Hand	-	3,55,35,867
(iii) Stale Cheque	-	-
(iv) Bank Balance		

- Current Accounts [including ₹0.083 crores (Pr Yr ₹5.20 crores), Nil crores (Pr Yr ₹0.0034 crores) & ₹0.621 crores (Pr Yr ₹0.648 crores) lying in designated account meant for specified disbursal i.e. PAT A/c, 3L A/c & S & L A/c respectively]

1,80,55,588 10,82,55,188

(v) Term Deposits (Deposits with original maturity of more than three months)

Term Deposits includes Share application money pending allotment of
NIL (Previous year ₹97.50 crore) kept as deposit with the Scheduled Bank

101,62,65,753	106,44,13,699
103,43,21,341	120,82,04,754

ENERGY EFFICIENCY SERVICES LIMITED
NOTES FORMING PART OF ACCOUNTS AS ON 31.03.2013

Note No. 9 to the Financial Statements

NON-CURRENT ASSETS

TANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	AS ON 01.04.2012	ADDITION	SALE / ADJ.	AS ON 31.03.2013	01.04.2012	FOR THE PERIOD	UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
CELL PHONES	3,09,040	3,375	-	3,12,415	142,216	1,03,601	2,45,817	66,598	1,66,824
EQUIPMENT	10,66,945	0	-	10,66,945	128,404	2,16,942	3,45,346	7,21,599	9,38,541
FURNITURE & FITTING	92,195	0	-	92,195	3,966	5,836	9,802	82,393	88,229
COMPUTERS	32,02,979	0	-	32,02,979	12,89,540	9,60,894	22,50,434	9,52,545	19,13,439
TOTAL	46,71,159	3,375	-	46,74,534	1,564,126	12,87,273	28,51,399	18,23,135	31,07,033
PREVIOUS YEAR	2,670,533	20,00,626	-	46,71,159	386,942	11,77,184	15,64,126	31,07,033	2,283,591

INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK				AMORTIZATION			NET BLOCK	
	AS ON 01.04.2012	ADDITION	SALE / ADJ.	AS ON 31.03.2013	01.04.2012	FOR THE PERIOD	UPTO 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
SOFTWARE	8,00,761	-	-	8,00,761	354,418	2,66,893	6,21,311	1,79,450	4,46,343
TOTAL	8,00,761	-	-	8,00,761	354,418	2,66,893	6,21,311	1,79,450	4,46,343
PREVIOUS YEAR	765,545	35,216	-	8,00,761	93,007	2,61,411	3,54,418	4,46,343	672,538

Depreciation/amortization of Tangible and intangible Assets for the year is allocated as given below:-

	<u>31.03.2013</u>	<u>31.03.2012</u>
Charged to Statement of Profit & Loss	15,54,166	14,38,595
	<u>15,54,166</u>	<u>14,38,595</u>

For And on behalf of Board of Directors

Sd/-
(A.K. Agarwal)
Chairman
As per our report of even date attached

Sd/-
(Saurabh Kumar)
Managing Director

Sd/-
(Pooja Shukla)
Company Secretary

For Jain & Anand
Chartered Accountants
Firm Reg. No. 005491N

Sd/-
(Mukesh Kumar Jain)
Partner
M No.080687
Place : New Delhi
Dated : 21.05.2013

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

Note No. 14 to the Financial Statements

SHORT TERM LOANS & ADVANCES

(i) OTHERS

Advance Tax & TDS	3,29,19,821	2,50,13,851
CENVAT	4,242	5,22,654
Service tax paid (Advance)	61,47,441	-
Others	63,525	68,445
	3,91,35,029	2,56,04,950

Particulars of Loans & Advances

Secured	3,91,35,029	2,56,04,950
Unsecured Considered Good	-	-
Considered Doubtful	-	-
	3,91,35,029	2,56,04,950

Note No. 15 to the Financial Statements

OTHER CURRENT ASSETS

Interest Accrued on Fixed Deposit with Bank	32,64,339	52,60,420
	32,64,339	52,60,420

Note No. 16 to the Financial Statements

REVENUE FROM OPERATION

Consultancy Income	4,59,27,721		
Less: Project Expenses	1,98,66,683	2,60,61,038	1,77,32,988
PAT advances & Expenses recovered from BEE ₹9,67,91,412/- (from advance given)(previous year ₹7,25,35,658/-) & S&L Expenses recovered ₹4,41,971/- (previous year ₹44,29,777/-), 3L Expenses recovered NIL	97,233,383	-	-
(previous year ₹53,63,539/-)			
Less: PAT, S&L and 3L Advances & Expenses paid on behalf of BEE (previous year ₹8,23,28,974)	97,233,383	-	-
Monitoring, Evaluation & Testing Fees of Energy Efficiency Equipment	4,961,250		
Less:- Monitoring, Evaluation & Testing Expense	9,12,562	40,48,688	48,47,083
	3,01,09,726	2,25,80,071	

Note No. 17 to the Financial Statements

OTHER INCOME

Tender document fees	85,000	1,83,000
Misc. Income	1,01,364	9,494
Notice Pay (Recovery)	54,334	-
Bank Interest	3,72,777	93,007
Interest Income from UBI [TDS Rs. NIL (Previous Year Rs. NIL)]	1,57,25,248	1,32,94,508
Interest Income from Vijaya Bank	9,89,32,278	9,06,24,905
	11,52,71,001	10,42,04,914

Note No. 18 to the Financial Statements

EMPLOYEE BENEFITS EXPENSES

Salary to Staff (Inclusive all Allowances)	240,61,663	1,91,03,726
Manpower Expenses	28,28,042	18,35,457
Employer Cont. to P.F	9,70,896	9,27,243
Staff Welfare Expenses	2,31,442	1,59,731
	2,80,92,043	220,26,157

Note No. 19 to the Financial Statements

FINANCE COST

Interest on Bank Loan	1,69,502	2,89,714
	1,69,502	2,89,714

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2013

(Amount in ₹)

Note No. 20 to the Financial Statements

ADMINISTRATION & OTHER EXPENSES

	31.03.2013	31.03.2012
Legal Fees & Professional Charges	1,96,290	1,33,660
Conveyance Expenses	4,16,295	4,54,591
Telephone Expenses	2,31,556	2,72,834
Misc. Expenses	9,883	-
Repair & Maintenance Expenses	2,23,277	20,58,019
Internal Audit Fees	25,000	25,000
Postage & Courier	85,626	72,567
Advertisement & Publicity Expenses	11,45,223	2,39,103
Printing & Stationery Expenses	3,58,773	2,41,226
Books & Periodicals	5,380	22,537
Website Expenses	55,000	41,250
Internet Expenses	3,23,839	4,06,915
Meeting Expense/Hospitality Expenses	1,25,318	1,64,371
Generator Expense	2,16,404	2,46,404
Tour & Traveling Expenses	10,42,448	10,48,779
Participation Fee (NCYM)	19,000	-
Rent	1,49,38,860	1,52,13,765
ROC Fee	49,100	5,000
Commission	-	19,000
Electricity Expenses	9,88,490	6,45,660
Auditor's Remuneration		
Audit fee	31,000	20,000
Tax Audit fee	15,000	15,000
Interest On Income Tax (FY 2011-12)	1,40,428	3,70,411
Training & honorarium expenses	-	17,400
Technical & Consultancy Charges	5,30,358	7,72,973
Bank Charges	15,254	4,357
Late filing fees (ROC)	14,500	6,053
Interest on Service Tax	1,03,066	11,000
Interest on late deposit of TDS	101	-
Parking Charges	78,126	-
Insurance Charges	14,148	-
	2,13,97,743	2,25,27,875

Note No. 21 to the Financial Statements

PRIOR PERIOD ITEMS (NET)

REVENUE

Sales	-	(17,437.00)
Less : Expenditure	2,890.00	5,76,432.00
	2,890.00	558,995.00

ENERGY EFFICIENCY SERVICES LIMITED
Sub Notes TO THE BALANCE SHEET AS ON 31.03.2013

SUB NOTE "A" :- BANK BALANCE	31.03.2013
<u>Bank Balance with Scheduled Banks :-</u>	
Union Bank of India (Current Account - 35231)	19
Vijaya Bank (Current Account - 421)	1,517
Vijaya Bank (Working Capital A/C - 446)	1,10,06,028
Union Bank of India(PAT A/c No. 35236), Lodhi Road- Flexi Deposit	8,35,598
Union Bank of India (S&L - A/c No.30609), Moti Bagh - Flexi Deposit	62,12,426
	1,80,55,588
SUB NOTE "B" :- TRADE RECEIVABLES	
Bureau of Energy Efficiency	8,23,29,833
Director Haryana State Energy Development Agency (WHR)	33,786
Director Haryana State Energy Development Agency (AESP)	9,73,500
Energy Management Centre Kerala (WHR)	10,35,552
Gujarat Energy Development Agency	18,181
Hubli Electricity Supply Company Ltd.	5,64,240
Maharashtra Energy Development Agency (AESP)	18,181
Punjab Energy Development Agency (AESP)	4,86,750
Non Conventional Energy Development Corporation of AP	4,86,750
West Bengal State Electricity Distribution Co. Ltd.	9,73,500
U.P State Designated Agency (Meerut)	1,93,025
Director of Energy Govt of HP(AESP)	7,38,670
Director of Energy Govt of HP(ECBC)	3,32,945
	8,81,84,913
SUB NOTE "C" :- ADVANCES OTHER	
Expenses recoverable from DVC	17,865
Admin (Imprest)	20,000
Advance for advertisement (Municipal Corporation Ludhiana)	25,660
	63,525
SUB NOTE "D" :- LIABILITIES FOR EXPENSES	
Ajay agarwal & Co.	91,955
Jain & Anand	31,500
Sarbjit Tour & Travels	20,364
Ajay Raj	53,484
Masjid Nursery	4,118
Mass Management Services Pvt. Ltd.	2,67,945
National Building Construction Corporation Ltd.	18,583
Pradeep Consultancy Service	13,500
Sandeep Tandan	800
NTPC	25,28,544
Powergrid	4,24,110
	34,54,903
SUB NOTE "E" :- EXPENSES PAYABLE	
(A) Indirect Expenses	
Electricity Expenses.	80,000
Internet Expenses	4,200
Books & Periodicals	500
Postage & Courier	8,000
Telephone Reimbursement	4,800
Staff Welfare	31,348
Telephone Expenses	20,000
Photocopy expenses	2,000
Tour & Travelling Expenses	41,000
E.P.F. Payable	1,80,670
Sationary- Computer	11,608
Out of Pocket Expenses	15,000
Legal Fees	6,790
ROC Fees	3,000
	4,08,916

ENERGY EFFICIENCY SERVICES LIMITED
Sub Notes TO THE BALANCE SHEET AS ON 31.03.2013

SUB NOTE "F" :- Advance received from Bureau of Energy Efficiency

Perform Achieve & Trade Scheme (PAT Scheme)	771,29,459
Standard & Labeling Program (S&L)	60,91,905
	<u>8,32,21,364</u>

SUB NOTE "G" :- ADVANCES AGAINST PROJECTS

Chief Electrical Inspector cum adviser (ASSAM- ASDA)	12,98,364
Mysore City Corporation	1,79,862
Punjab Energy Development Agency	4,25,589
	<u>1,903,815</u>

SUB NOTE "H" :- RETENTION MONEY

Sarbjit Tour & Travels (EESL)	30,829
Electricity research and Development Association (S&L)	6,239
UL India Private Limited (S&L)	20,120
Scientific and Industrial Testin Research Centre (S&L)	226
Intertek India private Limited (S&L)	93,755
Sarbjit Tour & Travels (S&L)	354
Sarbjit Tour & Travels (PAT)	589
MCJ Energy Pvt Ltd. (PAT)	2,08,333
Darashaw & Co. Pvt. Ltd (PAT)	97,217
	<u>4,57,662</u>

SUB NOTE "I" :- LEGEL & PROFESSIONAL CHARGES

Legal Fees	69,790
Professional charges for Tax Services	96,500
Consultancy Expenses (PF)	30,000
	<u>1,96,290</u>

SUB NOTE "J" :- PRINTING & STATIONERY EXPENSES

Printing & Stationery Expense	3,35,742
Photocopy Expenses	23,031
	<u>3,58,773</u>

SUB NOTE "K" :- Misc Expenses

Misc Expenses	9,883
	<u>9,883</u>

ENERGY EFFICIENCY SERVICES LIMITED

Other Notes

22 Contingent Liabilities:

There are no Contingent Liabilities during the year.

23 Disclosure as per Accounting Standard - 17 on 'Segment Reporting'

Segment information²

The accounting policies applicable to the reportable segment are the same as those used in the preparation of the financial statements as set out above. Segment revenue expenses include amounts which can be directly identifiable to the segment or allocable on a reasonable basis.

Segment assets include all operating assets used by the segment and consist primarily of debtors, inventories and fixed assets, segment liabilities include all operating liabilities and consist primarily of creditors and statutory liabilities.

The company has functioned under a single line of operations and has not diversified business operations, so there is no separate business/geographical segment as per AS-17 regarding 'Segment Reporting' issued by The Institute of Chartered Accountants of India.

24 Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

a) Related parties:

In accordance with the requirements of Accounting Standard 18 "Related Disclosures" issued by the Institute of chartered Accountants of India, the following disclosure have been made:

The company was having 3 No's staff on deputation from NTPC and 1 No. from Power Grid Corporation of India Ltd during the Year whose salaries are paid by the principals and the same are being reimbursed by us.

i). Salary

Name of Party	Current Year (₹)		Previous Year (₹)	
	Trnsaction during the Year	Outstanding Balance as on 31.03.2013	Transaction during the Year	Outstanding Balance as on 31.03.2012
Power Grid Corporation of India Limited	23,78,956	288,282	22,75,961	5,35,256
NTPC Limited	91,17,512	25,28,544	58,48,122	12,63,137

ii). Internet Expenses

Name of Party	Current Year (₹)		Previous Year (₹)	
	Trnsaction during the Year	Outstanding Balance as on 31.03.2013	Transaction during the Year	Outstanding Balance as on 31.03.2012
Power Grid Corporation of India Limited	2,72,793	1,35,828	3,30,968	1,20,813

iii). Refund of Share Application Money & Allotment of Equity Shares

Name of Party	Current Year (₹)		Previous Year (₹)	
	Refund of Share Application Money	Allotment of Equity Shares	Refund of Share Application Money	Allotment of Equity Shares
Power Grid Corporation of India Limited	25,000,000	218,750,000	-	-
NTPC Limited	25,000,000	218,750,000	-	-
Rural Electric Corporation Limited	25,000,000	218,750,000	-	-
Power Finance Corporation Limited	25,000,000	218,750,000	-	-

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

26 AUDITORS REMUNERATION

Nature of Transaction	Current Year (₹)	Previous Year (₹)
Statutory Audit Fees	31,000	20,000
Tax Audit Fees	15,000	15,000

27 QUANTITATIVE INFORMATION

Company is Service providing as due to nature of business the quantitative information detail is not applicable.

28 Previous year figures have been regrouped /rearranged wherever necessary to confirm to Current year's classification.

ENERGY EFFICIENCY SERVICES LIMITED

29 Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'

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

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

	Current Year (₹)	Previous Year (₹)
Net profit after tax attributed to shareholder (₹)	6,34,35,011	5,01,91,038
Weighted average number of equity shares outstanding during the year	3,938,356	2,500,000
Basic Earning per share	16.11	20.08
Face value per share (₹)	10/-	10/-
Diluted weighted average number of equity shares outstanding during the year	99,835,616	100,000,000
Diluted Earning per equity share of ₹10 each	0.64	0.50

30 TAXATION

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 certainty 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.

	Current Year (₹)	Previous Year (₹)
Deferred Tax Assets in respect of Preliminary Expenses	2,71,428	1,01,062
Deferred Tax Assets in respect of Provision for Leave Encashment	50,532	0
Deferred Tax Liabilities in respect of Depreciation on Fixed Assets	(37,870)	1,25,627
Deferred Tax Assets /Liabilities	284,090	(24,565)

- 31** Employee benefit expenses include ₹ 10,85,041/- (Previous year ₹ NIL) debited by NTPC Ltd. towards leave, supereannuation and other benefits in respect of employees posted on secondment basis from NTPC Ltd.
- 32** Employee benefit expenses include ₹ 14,43,503/- towards leave, supereannuation and other benefits pertaining to earlier years i.e. 10.12.2009 to 31.03.2012 being additional provisions made during the current year due to change in the methodology of allocation of such provisions, according to the corporate policy.

For and on behalf of the Board of Directors

Sd/-
(A.K.Agarwal)
Chairman
As per our report of even date attached

Sd/-
(Saurabh Kumar)
Managing Director

Sd/-
(Pooja Shukla)
Company Secretary

For Jain & Anand
Chartered Accountants
Firm Reg. No. 005491N

Sd/-
(Mukesh Kumar Jain)
Partner
M No.080687
Place : New Delhi
Dated : 21.05.2013



Energy Efficiency Services Limited

Corporate Office : Hall No. 2, 3rd Floor NBCC Tower, 15 Bhikaji Cama Place, New Delhi 110066, Phone : 011-26173275-76, Fax : 011-26173277

Registered Office :

4th Floor, Sewa Bhawan, R.K. Puram, New Delhi 110066, Phone : 011-26179699

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