



**ENERGY EFFICIENCY SERVICES
LIMITED**

3rd

ANNUAL REPORT

BACKGROUND

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. It is registered under the companies Act, 1956 on 10th December 2009 and the commencement of business certificate is obtained on 11th February 2010. It will be the first such company exclusively for implementation of energy efficiency in South Asia and amongst a very few such instances in the world.

VALUES

- ★ Zeal to excel and zest for change
- ★ Integrity and fairness in all matters
- ★ Respect for dignity and potential of individuals
- ★ Strict adherence to commitments
- ★ Ensure speed of response
- ★ Foster learning, creativity and team-work
- ★ Loyalty and pride in EESL

OBJECTIVES

- ★ To facilitate preparation of energy efficiency projects for Demand Side Measures including municipal functions, agriculture, public building, lighting etc.
- ★ To implement schemes, programmes and policies of central and state governments or its agencies.
- ★ Partner with private ESCO's and other companies to promote energy efficiency.
- ★ To provide consultancy services in the field of energy efficiency, CDM projects, and other related areas.
- ★ To identify and impart training to build the capacity of stakeholders.

CONTENTS

1. Notice of AGM	01
2. Director's Report	05
3. Management Discussion and Analysis Report	12
4. Auditor's Report	18
5. Balance Sheet	23
6. Statement of Profit and Loss	24
7. Significant Accounting Policies	25
8. Notes of Accounts	27
9. Cash Flow Statement	36

ENERGY EFFICIENCY SERVICES LIMITED

NOTICE

NOTICE is hereby given that the **3rd Annual General Meeting** of the members of Energy Efficiency Services Limited will be held on **Thursday, September 27, 2012 at 3.00 P.M.** at the Corporate Office of the EESL at Hall no. 2, 3rd Floor, NBCC tower, 15, Bhikaji Cama Place, New Delhi- 110 066:

Ordinary Business

1. To receive, consider and adopt Statement of Profit and Loss Account of the Company for the period starting from 1st April, 2011 to March 31st, 2012 and Balance Sheet as on that date together with Directors' Report and Auditors' Report thereon.
2. To fix the remuneration of Auditors.
3. To appoint director in place of Mr. Sisir Das, Director, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint director in place of Mr. Ashok Awasthi, Director, who retires by rotation and being eligible offers himself for re-appointment.

Special Business

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

RESOLVED THAT Shri Anil Kumar Agarwal, appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 7th December, 2011, who holds office up to the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

RESOLVED THAT Shri Rama Rao Modali Kali Venkata , appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 10th December, 2011, who holds office up to the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

RESOLVED THAT Shri Sisir Das, appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 5th September, 2011, who holds office upto the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

RESOLVED THAT Shri Ashok Awasthi, appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 1st November, 2011, who holds office up to the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

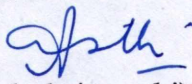
9. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

RESOLVED THAT Shri Mahender Singh, appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 11th November, 2011, who holds office up to the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

10. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

RESOLVED THAT Shri Arun Kumar, appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 20th December, 2011, who holds office up to the date of this AGM and in respect of whom, the Company has received a notice in writing from a member pursuant to the provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as Nominee Director of Company, liable to retire by rotation.

By order of the Board of Directors


(Ashok Awasthi)
Director

Place: New Delhi

Dated: September 6, 2012

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. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED. PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING.
2. Pursuant to 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 have appointed M/s Jain & Anand, Chartered Accountants as Statutory Auditors of the Company for the financial year 2012-13. The members may kindly authorize the Board to fix up an appropriate remuneration of Statutory Auditors for the year 2012-13, after taking into consideration the volume of work and prevailing inflation.

3. 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.

Explanatory statement pursuant to section 173 (2) of the Companies Act, 1956 in respect of special business set out in the notice

Item no. 5

Shri Anil Kumar Agarwal, ED (Projects), Power Finance Corporation Limited was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 7th December, 2011 vide PFC Limited Order no. 2:02:452 dated December 5th, 2011.

The above appointment of Shri Anil Kumar Agarwal shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Anil Kumar Agarwal are interested or concerned in the proposed Ordinary Resolution.

Item no. 6

Shri Rama Rao Modali Kali Venkata , ED (Commercial), NTPC Limited was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 10th December, 2011 vide NTPC Limited Order no. 01:SEC:EESL dated December 6th, 2011.

The above appointment of Shri Rama Rao Modali Kali Venkata shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Rama Rao Modali Kali Venkata are interested or concerned in the proposed Ordinary Resolution.

Item no. 7

Shri Sisir Das, Deputy Secretary (Finance), Ministry of Power was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 5th September, 2011 vide Ministry of Power Order no. 13/5/2008-EC dated June 28th, 2011.

The above appointment of Shri Sisir Das shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Sisir Das are interested or concerned in the proposed Ordinary Resolution.

Item no. 8

Shri Ashok Awasthi, ED (IC & D), Rural Electrification Corporation Limited was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 1st November, 2011 vide REC Limited Order no. 1/241/2010 (Vol I)/2240 (a)/8791 dated November 3rd, 2011.

The above appointment of Shri Ashok Awasthi shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Ashok Awasthi are interested or concerned in the proposed Ordinary Resolution.

Item no. 9

Shri Mahender Singh, ED (BDD & PI), Rural Electrification Corporation Limited was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 11th November, 2011 vide Power Grid Order no. C/COS/EESL dated November 11th, 2011.

The above appointment of Shri Mahender Singh shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Mahender Singh are interested or concerned in the proposed Ordinary Resolution.

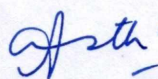
Item no. 10

Shri Arun Kumar, Director (EC), Ministry of Power was appointed as an Additional Director by the Board of Directors of the Company under Section 260 of the Companies Act, 1956 and designated as Nominee Director w.e.f. 20th December, 2011 vide Ministry of Power Order no. 13/5/2008-EC dated June 28th, 2011.

The above appointment of Shri Arun Kumar shall be liable to determination by retirement of Directors by rotation in terms of Section 255 of the Companies Act, 1956 read with Article 103 of the Articles of Association of the Company which requires approval of the Members in the General Meeting.

No other Directors except Shri Arun Kumar are interested or concerned in the proposed Ordinary Resolution.

By order of the Board of Directors


(Ashok Awasthi)
Director

Place: New Delhi

Dated: September 6, 2012

ENERGY EFFICIENCY SERVICES LIMITED

PROXY FORM

I/We of
..... in the District of
..... being a member/ members of the
above named Company, hereby appoint of
.....in the District of or failing him/her
..... of in the District of
.....as my/our proxy to vote for me/us on my/our
behalf at the 3rd Annual General Meeting of the company to be held on Thursday,
September 27, 2012 at 3.00 P.M. at the Corporate Office of EESL at Hall no. 2, 3rd floor,
NBCC Tower, Bhikaji Cama Place, New Delhi- 110 066 or any adjournment thereof.

Signed this.....day of

Signature

Please affix
necessary stamp

ENERGY EFFICIENCY SERVICES LIMITED

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the company.

NAME OF ATTENDING PERSON
(IN BLOCK LETTERS)

No. of shares held

I, HEREBY RECORD MY PRESENCE AT THE 3RD ANNUAL GENERAL MEETING OF THE COMPANY BEING HELD ON THURSDAY THE 27TH OF SEPTEMBER, 2012 AT AM AT THE CORPORATE OFFICE OF THE EESL AT HALL NO. 2, 3rd FLOOR, NBCC TOWER, BHIKAJI CAMA PLACE, NEW DELHI- 110 066

Please ✓ in the box

☐ MEMBER

☐ PROXY

Member's / Proxy's Signature

ENERGY EFFICIENCY SERVICES LIMITED

Directors' Report

To
The Members,

Your Directors have pleasure in presenting Third Annual Report on the working of the company for the financial year ended on 31st March, 2012 together with Audited Annual Accounts, Auditors' Report and Review by the Comptroller and Auditor General of India for the reporting period.

FINANCIAL RESULTS:

Particulars	Amount (₹ In lacs)	
	Current Year (2011-12)	Previous Year (2010-11)
Share Capital	250.00	250.00
Sales & Services and Other Income	1267.84	597.07
Profit Before Depreciation & Taxes	813.81	451.96
Less: Depreciation	14.38	4.80
Profit/(Loss) Before Tax	799.43	447.16
Less: Provision for Taxation		
-Current Year	276.63	130.40
-Deferred Tax Asset	20.88	(20.64)
Profit/(Loss) after Tax	501.92	337.40
Profit/(Loss) brought forward from Previous Years	216.62	(120.78)
Balance carried forward to Balance Sheet	718.54	216.62

FINANCIAL AND OPERATIONAL REVIEW

Your Directors are pleased to report the performance of the business operations of your Company as per the following details:

FINANCIAL PERFORMANCE

The total income of your Company for the year under review is ₹ 1267.84 lacs. The profit before tax (PBT) and profit after tax (PAT) stood at ₹ 799.43 lacs and ₹ 501.92 lacs respectively.

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 Company is implementing programmes like Bachat Lamp Yojana, Energy Efficiency in Buildings, Agricultural pumping and Municipal Corporations. It also acts as an energy service company (ESCO), as resource center, as Consultancy Organization for State Designated Agencies and other State and Central Government agencies and for implementing Govt. schemes like Perform Achieve and Trade (PAT), Standards & Labeling etc.

The key highlights pertaining to the business of your Company for the year 2011-12 and period subsequent thereto are given hereunder:

I. 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")

Company has signed following BLY agreements:

- (i) Punjab State Power Corporation Limited (PSPCL) and EESL signed a bilateral agreement to develop BLY projects in 7 circles of Punjab, envisaging replacement of about 5.7 million incandescent bulbs with CFLs was terminated owing to low CERs (Carbon Emission Reduction) price, which diluted the viability of the project entirely.
- (ii) Implementation of BLY in Madhya Pradesh Madhya Kshetra Vidyut Vitran Co. Ltd. (M.P.M.K.V.V.Co. Ltd.), Bhopal was planned on an investment sharing model with 40% investment by EESL and through open tendering M/s Shiva Udyog Barrels (P) Ltd. in consortium with M/s Hans Lighting Industries was selected. Further the implementation of BLY in M.P.M.K.V.V.Co. Ltd was also accorded by EESL Board of Director's in 12th Board Meeting. The total project investment is Rs.35.85Cr and EESL investment @40% is Rs.14.34Cr. However due to sudden collapse in CERs (Carbon Prices) by more than 65%, the project is less feasible and hence project need to be reviewed and may require closure envisaging investment risk.
- (iii) EESL has intended to undertake implementation of BLY projects through empanelled party in HSR Division, South and Additional West circles of Bangalore envisaging replacement of about 2 million incandescent bulbs with CFLs thereby resulting in cumulated savings of about 918 MUs across the life of the project. However due to extremely low CERs price, party is unable to secure loan for the project from banks and hence implementation has been deferred. In this view, the bilateral agreement signed with Bangalore Electricity Supply Company Ltd & Empanelled Party needs to be reviewed & may require cancellation.
- (iv) EESL has entered in to a bilateral agreement with Paschim Gujarat Vij Company Ltd. (PGVCL) for BLY implementation in Bhavnagar O&M, Botad & Morbi circles. However declination in CERs (Carbon Prices) has lead to deferment in implementation and now it needs to be reviewed.

At present majority of the BLY projects is either on hold or else been deferred due to low CERs (Carbon Prices) and hence all BLY projects need to be reviewed for viability per-se & further closure.

b. Energy Efficiency in Municipalities

Meerut Municipal Corporation (MMC), Meerut has issued no objection certificate to Company for implementation of energy efficiency measures in water pumping and street lighting part in Meerut. Estimated annual energy savings of about 3.5 MUs and 16.07 MW in water pumping and street lighting respectively are envisaged. However there is no progress with MMC due to frequent change in Commissioner and low interest shown by them.

c. Energy Efficiency in Buildings

EESL has primed a Detailed Project Reports (DPRs) for eight buildings of Maharashtra Electrical Development Agency and further planning to take up implementation on ESCO mechanism at few buildings. Discussion is on to prepare DPR for 5 more buildings at Maharashtra and one at Puduchery.

d. Energy Efficiency in Agriculture Sector.

EESL has entered in to an agreement with Hubli Electricity Company Karnataka (HESCOM) for replacement of 590no's of old agricultural pump sets with energy efficient pump sets at Byadgi & Nippani regions. DPR for these pumps has been prepared.

II. Schemes, Programmes and Policies of Central and State Governments or its agencies

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

Company has entered into agreement(s) with the State Designated Agencies (SDAs) of Kerala, Andhra Pradesh, Chhattisgarh, Arunachal Pradesh, Punjab and Haryana to facilitate implementation of the activities under the State Energy Conservation Fund (SECF) i.e. preparation of sector-specific Annual Energy Savings Plan and preparation of DPRs for waste heat recovery in Small and Medium Enterprises (SME's) and large Industries of the State. Similar assignments were explored with SDA's of Assam, West Bengal and Himachal Pradesh. Assam has awarded the work of preparation of Annual Energy Saving Plan (AESP) for buildings and industries. West Bengal has awarded the work for AESP for industries and Himachal Pradesh too has awarded the work for preparing Buildings Energy Saving Plan. A new proposal to Tripura SDA for DPR for AESP of industries and buildings has been sent.

b. Implementation of the schemes of the Bureau of Energy Efficiency(BEE)

The Company has been awarded the task of:

- (i) Conducting the baseline energy audit of the designated consumers under its Perform, Achieve & Trade ("PAT") scheme. PAT scheme concentrates on eight industrial sectors namely Thermal Power Plants, Iron & Steel, Fertilizer, Cement, Aluminum, Pulp & Paper, Textile and Chlor-alkali wherein about 478 industries (known as designated consumers (DCs) are covered. The baseline energy audit for 374 industries has been completed.

- (ii) Processing applications of 7 products under BEE's Standards & Labelling programme (S&L) of which 3 products are under the voluntary regime i.e. Ceiling Fans, Colour Television and Agricultural Pump sets and 4 products are under the mandatory regime i.e. Refrigerator, Room Air Conditioner, Tubular Fluorescent Lamp and Distribution Transformer. So far, about 12000 applications have been processed & approved by BEE. Under the S & L scheme, the company has also undertaken the task of Check testing of BEE approved Models for the equipment i.e. Ceiling Fan, Color Television, Electrical Water Heater, Agricultural Pump sets and Distribution Transformer. Check testing of about 161 samples of Water heater, Pump sets and Color Television are under process. Out of 161 samples 71 samples have failed during testing. Second check testing of the failed items is under process.

III. Energy Efficiency projects of Municipal Corporations, PHEDs and Energy Efficiency initiatives under the Corporate Social Responsibilities of other companies – Consultancy Services

a. Energy Efficiency Projects (Municipal, PHED etc)

- (i) Bruhath Bangalore Mahanagara Palike (BBMP) has awarded the task for conducting 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 covering 8 zones, about 18028 switch points and about 429194 street lights. Detailed Project Report (DPR) and draft Request for Proposal (RfP) has been submitted to BBMP.
- (ii) PHED, Rajasthan awarded the task for conducting energy audit of pumping installations of urban water supply scheme of Dausa & Chomu division along with preparation of specific action plan and roadmap for saving energy for PHED, Rajasthan. Report has been submitted to Rajasthan.

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

EESL has started the conversion/replacement of the existing 500 street lights of a popular tourist place with LED street lights at Mussoorie, Uttarakhand. Already 200 LED Street Lights has been commissioned and remaining work is under progress.

International Co-operation

During the Indo-German intergovernmental consultations conducted in November, 2010, both the governments have agreed on the provision of line of credit of 50 million Euro from KfW (German Bank) on concessional terms and a complementary accompanying grant of 1.5 million Euro to support the operations of the Company including funding energy efficiency projects in the field of buildings and other public infrastructure. Besides, the Company is in conversation with the Ministry of Power to grant its approval for receipt of 500000 Euro which comes on top of the main project funds for project

preparation from KfW. KfW has appointed Econoler and Alliance to Save Energy as consultant to EESL for helping in preparation of a business plan and Energy Performance Contracts as part of grant equivalent to 200000 Euro. For balance 300000 Euro grant, KfW is vetting the grant agreement.

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 set to increase its footprints through participation in strategic projects and assignments. The Company intends to focus on avenues available under the National Mission on Enhanced Energy Efficiency ("NMEEE") and also leveraging its consultancy expertise. 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 2012-13. Your Company is confident about the year ahead and beyond.

DIVIDEND

In order to conserve resources to meet the future growth requirements of the Company, the Directors feel it is prudent to retain the profits and not to recommend any dividend for the year ended 31st March 2012.

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 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 further comments.

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Comments on the accounts for the year ended 31st March, 2012 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.

As per Comptroller and Auditor General's comment, the above note states "The shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held" to be disclosed as per terms of revised schedule VI to the Companies Act, 1956. As such, the Financial Statement is deficient to that extent.

The management replies to above is "The Board has been empowered minor changes/adjustments as may become necessary, consequent upon advice from Comptroller and Auditor General".
The necessary correction made thereafter and communicated to Comptroller and Auditor General.

SECRETARIAL COMPLIANCE REPORT

The Company has appointed M/s Geeta Goswami & Associates, Company Secretaries, for giving the Certificate of compliance. The Certificate is attached as **Annexure-III**

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:

- 1. 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.
- 2. Export Activities:** There was no export activity in the Company during the year under review.
- 3. Foreign Exchange Earning & Outgo:** The details of foreign exchange earning & outgo are as follows:

Particulars	Current Year (₹)	Previous Year (₹)
Expenditure in Foreign Currency	357369/-	23,250/-
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, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. 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 2011-12 and of the profit of the company for that period;
3. 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;
4. The Directors had prepared the annual accounts ongoing concern basis.

BOARD OF DIRECTORS

In compliance of the provisions of Section 256 of the Companies Act, 1956, Shri Sisir Das and Shri Ashok Awasthi, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment at the ensuing Annual General Meeting.

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

- a) Shri M.K.V. Rama Rao has been appointed as Director of the Company in place of Shri I J Kapoor.
- b) Shri Mahender Singh has been appointed as Director of the Company in place of Shri R T Agarwal.
- c) Shri Arun Kumar has been appointed as Director of the Company in place of Shri Sanjeev Kumar.
- d) Shri Anil Kumar Agarwal has been appointed as Director of the Company in place of Shri Rajeev Sharma.
- e) Shri Ashok Awasthi has been appointed as Director of the Company in place of Shri Prakash Thakkar.

The Company has received a notice under section 257 of the Companies Act, 1956 from members of the Company for appointment of Shri M.K.V. Rama Rao, Shri Mahender Singh, Shri Arun Kumar, Shri Ashok Awasthi and Shri Anil Kumar Agarwal as Director(s), liable to retire by rotation in the ensuing Annual General Meeting.

AUDIT COMMITTEE

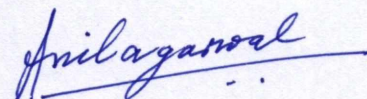
Your Directors has constituted an Audit Committee of the Board of Directors on March 24, 2011. As on 31st March, 2012, the members of Audit Committee were:

1. Shri M. K.V Rama Rao, Director
2. Shri Ashok Awasthi, Director
3. Shri Mahender Singh, 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 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



(Anil Kumar Agarwal)
Chairman

Place: New Delhi

Date: 30/08/2012

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT**ENERGY EFFICIENCY SERVICES LTD. (EESL)**

(For the Financial Year Ending 31.03.2012)

1.0 BRIEF DETAILS:

Joint Venture Partners	NTPC, PFC, POWERGRID & REC
Company Incorporated on	10.12.2009
Equity Holding	25% By each JV Partner
Authorised Capital	Rs. 190 Crore
Paid up Capital	Rs. 2.50 Crore
Share application money	Rs. 97.50 Crore
Total	Rs. 100.0 Crore

2.0 SUMMARISED FINANCIAL POSITION FOR THE LAST TWO YEARS:

	₹ (In Crore)	
	2010-11	2011-12
Total Income	5.97	12.67
Total Expenditure - Paid and provided for, except depreciation, Interest Finance charges & Tax.	1.45	4.52
Profit before depreciation , interest and financial charges & tax	4.52	8.15
Depreciation	0.05	0.14
Profit before interest, financial charges and tax	4.47	8.01
Interest and Finance cost	0	0.02
Profit before tax	4.47	7.99
Tax	1.09	2.98
Profit after tax	3.38	5.01
Dividend	0	0
Dividend tax	0	0
Retained profit	2.17	7.18

3.0 PROFITABILITY STATEMENT:**Revenue, Results and capital Employed as on 31.03.2012**

		(₹ in Crore)	
Sl. No.	Particulars	2010-11	2011-12
i)	Revenue from operation including interest Income (Net)	5.97	12.67
ii)	Profit before interest & tax	4.47	8.01
iii)	Less: Interest	-	0.02
iv)	Total Profit before tax	4.47	7.99
v)	Capital employed	102.17	107.19

4.0 BUSINESS SCENARIO:

Ministry of Power has set up Energy Efficiency Services Limited (EESL), a joint Ventures of NTPC Limited, PFC, REC and POWERGRID to facilitate implementation of energy efficiency projects. The commencement of business certificate is obtained on 11th Feb 2010. During the year 2011-12, the company carried business operation for full year.

5.0 KEY ACTIONS TAKEN/ACHIEVEMENTS IN F.Y. 2011-12.

S. No.	ORIGINALLY SET TARGETS		ACHIEVEMENT OF TARGETS	
	ACTIVITIES	SCHEDULE /TARGET DATE	ACTUAL ACHIEVEMENT	REMARKS(REAS-ONS FOR NON ACHIEVEMENT)
1	Agreement signed with MPMKV Co., Bhopal for BLY.	21.03.2011	Completed	but project yet to be started due to low CERs
2	Standard & Labeling	March 2012	Ongoing	
3	Perform Achieve and Trade (PAT) scheme implemented along with other BEE consultancy projects	March 2012	Ongoing	
4	LED Light Project at Mussorie	September 2012	Ongoing	
5	Annual Energy Saving Plan (AESP) to be taken up in various states:-			
I	Nagaland	Completed	Completed	
II	Andhra Pradesh	June 2011	Ongoing	
III	Chhattisgarh	June 2011	Ongoing	
IV	Haryana	September 2011	Ongoing	(Dates are still being collected from Haryana)
V	Himachal Pradesh	30-April 2012	Ongoing	
VI	Maharashtra	20.05.2012	Ongoing	
VII	West Bengal	02-June 2012	Ongoing	
6	DPR on Waste Heat Recovery			
I	Punjab	September 2012	Ongoing	
II	Kerala	December 2012	Ongoing	

6.0 STATEMENT SHOWING THE CAPITAL BUDGET (2012-13)

The details of total Annual planned capital budget are as follows:

PROJECT NAME	ESTIMATED BUDGET (EESL)
BACHAT LAMP YOJANA	₹ 2.0 Crores
BUILDING	₹ 1.0 Crores
AGRICULTURE DSM	₹ 10.0 Crores
MUNICIPAL DSM, DISTRIBUTION EFFICIENCY PROJECT	NIL
POWER DISTRIBUTION	₹ 1.0 Crores
TOTAL	₹ 14.0 Crores

7.0 BUSINESS ACTIVITIES PLANNED FOR F.Y 2012-13:

S. No.	PLANNED TARGETS	
	ACTIVITIES	SCHEDULE/ TARGET DATE
1	Agriculture Demand side Management at Hubli	Agreement under discussion
2	Agriculture Demand side Management at Jaipur	Agreement under discussion
3	Kanpur, Tripura, Chandigarh, BESCO BLY is under planning	BESCO agreement signed but due to low CERs prices, project yet to be started. Kanpur, Chandigarh and Tripura projects shelved
4	DPR preparation of MEDA Buildings at Maharashtra	Being done

Factor affecting our results of operations

The company commenced business operation on Feb. 2011. During the year 2011-12 the company carried business operation for full year. The factors affecting our results of operation are as below:-

- a) Our main revenue is from the savings generated after implementation of Energy Efficiency program, therefore there is apprehension from the financing partner whether saving revenue shall get return of investment as originally envisaged. Due to this there is difficulty in the finding of partners in a project.
- b) Uncertainty in CDM market and volatility in the CER prices post 2012 is of major concern among investors to participate in BLY projects.
- c) Payback period is very high. It is approx 5-7 years in Bachat Lamp Yojna, 6-10 years in LED light projects, 6-8 years in Agriculture and Municipality projects.
- d) Poor and slow response from Discoms/Municipal Corporation and inordinate delay in payments
- e) Cannot award work to party , who is currently having work from discoms/states and wants to associate EESL as partner, as it will become a single tender case.
- f) Implementing agencies are generally not willing to work in ESCO mode of payment. Parties ask for upfront payment.
- g) Payment security mechanism is not available in ESCO mode cases

9.0 Internal Control

EESL has a comprehensive internal control mechanism to verify the accounting & management system, adequacy of controls and material check. Audit plan in respect of internal audit for the F. Y 2011-12 conducted

by experience firm of Chartered Accountants. The company has an audit committee in place.

10.0 Brief Summary of Our Results of Operations:

Revenue from Services

The company has earned ₹ 2.25 crores during the FY 2011-12. The company earned revenue mainly from consultancy. Consultancy income consists of Rs. 1.77 crore and balance of Rs. 0.48 crores from Monitoring, Evaluation Testing Fees of Energy Efficiency Equipment.

Revenue from other income

The company has earned other income of ₹ 10.42 crore during the FY 2011-12. The income includes interest income of ₹ 10.389 crore and balance ₹ 0.019 crore as Bid processing fees.

Expenditure

The company's total expenditure is ₹ 4.68 crore during the FY 2011-12. The total expenditure as a percentage of total income is 36.94% in the FY 2011-12.

Employees' Remuneration & Benefit

Employees' remuneration & benefit expenses of ₹ 2.18 crore include Salaries, allowance, benefits and contributions to provident fund.

As at March 31, 2012 the company has 8 employees on payroll, 4 employees on deputation basis, 3 Project Engineers (Fixed Tenure basis) and the contractual workers from the placement agency.

Employees' remuneration & benefit represented about 17% of our total income in FY 2011-12.

Administration Expenses

Administration expenses of Rs. 20.28 Crores which is about 18% of our total income in FY 2011-12.

Administration expenses consist primarily of costs of repair & maintenance of office & computers, vehicle and hire charges, advertisement, printing and stationary, generator expense, office rent, etc.

Depreciation

Depreciation on fixed assets is computed on Straight Line Method as per rates in accordance with Schedules XIV under Companies Act, 1956 and on

the pro-rata basis with respect to the date of addition. However in view of useful life of assets higher Depreciation rates have been considered.

Nature of assets	Depreciation Rate
Cell phones	33.33%
Refrigerator	15.00%
Computers	30.00%
Software	33.33%
Air conditioner	15.00%
Fax Machine	15.00%
Digital Lux Meter	15.00%
Krykard portable Lead Manager	15.00%
Heater	33.33%
Flow Meter	25.00%
Hygrometer	25.00%
Manometer	25.00%
Power Analyzer	25.00%

Profit before tax

The company's Profit before tax in FY 2011-12 is ₹ 7.99 crore.

Provision for tax

In FY 2011-12, the company has provided ₹ 2.75 crore for income tax liability.

The deferred liability of ₹ 0.21 crore is made in respect of temporary differences on account of change in depreciation rates and treatment of preliminary expenses written off under income tax provisions.

Profit after tax

The company's Profit after tax in FY 2011-12 is ₹ 5.01 crore.

Reserve & Surplus

The total profit of ₹ 7.18 crore has been transferred to Reserve & Surplus after adjusting brought forward profit of ₹ 2.16 crore.

11.0 LIQUIDITY AND CAPITAL RESOURCES

Your company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. Historically, the expenditure has been funded with equity contributions by ₹ 25.0 crores each by our four promoters.

Cash Flows

Opening Balance	Year Ended March 31, 2012 (₹ in crore)
Opening Balance	108.20
Net cash from Operating Activities	2.44
Net Cash from Investing Activities	10.20

Net Cash from Financing Activities	(0.0289)
Cash & Cash equivalents at the end of the year	120.82

Net Cash From Operating Activities

The company's net cash flows from operating activities is ₹ 2.44 crore in FY 2011-12.

Net Cash From Investing Activities

The company's net cash flows from investing activities is ₹ 10.20 crore in FY 2011-12.

Net Cash From financing Activities

The company's net cash flows from financing activities is ₹ 0.0289 crore in FY 2011-12.

12.0 Selected Balance Sheet items

Fixed Assets

Your company's total fixed assets after depreciation are ₹ 0.35 crore as at March 31, 2012. Our fixed assets consist of computers & software.

Current Assets

Your company's total current Assets are ₹ 124.32 crore as at March 31, 2012. Current Assets include Sundry Debtors of ₹ 0.42 crore, Cash & Bank Balance of ₹ 120.82 crore and Other Current Assets of ₹ 3.08 crore.

Sundry Debtors

Sundry Debtors consist mainly of receivables relating to consulting services.

Other Current Assets

Our other current assets as at March 31, 2012 are ₹ 3.08 crore (inclusive of short term loans and advances). Other current assets mainly include interest accrued on term deposits, TDS & Advance Tax.

Current Liabilities

The company's current liabilities as at March 31, 2012 are ₹ 14.88 crore. The current liabilities include advances of ₹ 10.91 crore from BEE (for PAT, S&L and 3L Scheme) and balance of ₹ 3.97 crore as other liabilities.

गोपनीय
स./No प्रति /89-4/2012-13/322



कार्यालय
प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III,
नई दिल्ली
OFFICE OF THE
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
& EX-OFFICIO MEMBER, AUDIT BOARD-III.
NEW DELHI

दिनांक/Dated 9/7/2012

सेवा में,

अध्यक्ष,
एनर्जी इफिशिएंसी सर्विसेज लिमिटेड,
नई दिल्ली

विषय: 31 मार्च 2012 को समाप्त वर्ष के लिये एनर्जी इफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली, के वार्षिक लेखों पर
कम्पनी अधिनियम 1956 की धारा 619(4) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं एनर्जी इफिशिएंसी सर्विसेज लिमिटेड, नई दिल्ली, के वर्ष 2011-12 की समाप्ति हेतु कंपनी अधिनियम
1956 की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ अग्रेषित करता हूँ।
कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्न: यथोपरि।

प्रवीण कुमार सिंह
(प्रवीण कुमार सिंह) 9.7.12
प्रधान निदेशक

Offha
6/8/12
CM(F).

CEO office
D.No. 118
dt. 3/8/12

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
ENERGY EFFECIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH
2012

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2012 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 17 May 2012.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Energy Efficiency Services Limited for the year ended 31 March 2012. The 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. Based on my supplementary audit I would like to highlight the following significant matter under Section 619(4) of the Companies Act, 1956, which has come to my attention and which in my view, is necessary for enabling a better understanding of the financial statements and the related Audit Report:

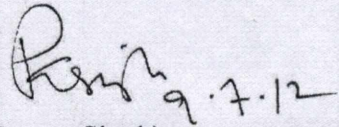
A General

Share Capital (Note No.2 to the Financial Statements)

Issued, Subscribed and fully paid up Share Capital- ₹ 2, 50, 00,000

The above note does not disclose 'The shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held' as required by the revised Schedule VI to the Companies Act, 1956. As such, the note is deficient to that extent.

Place: New Delhi
Dated: 9 July 2012


(Praveen Kumar Singh)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board – III,
New Delhi

GEETA GOSWAMI & ASSOCIATES.

6-50, 3rd Floor, Old Govind Pura, Delhi 110051,

Mobile:-91 + 9953523321,9250905881

Email: " geetagoswami15@gmail.com

COMPLIANCE CERTIFICATE

Registration No.: U40200DL2009PLC196789
Auth. Capital : Rs.1,900,000,000.00
Paid up Capital : Rs. 25,000,000.00

To,
The Members
ENERGY EFFICIENCY SERVICES LIMITED
4TH Floor, Sewa Bhawan., **R.K.Puram,**
New Delhi-110060

We have examined the registers, records, books and papers of ENERGY EFFICIENCY SERVICES LIMITED as required to be maintained under the Companies Act,1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31st March, 2012 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. the Company has duly filed the Forms and Returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other Authorities, wherever required.
3. The company being a limited Company comments are not required.
4. The Board of Directors duly met seven times during the Financial Year respectively on 07/06/2011, 05/09/2011, 26/09/2011, 11/11/2011, 07/12/2011, 23/12/2011 and 29/03/2012 in respect of which, proper notices were given and the proceedings were properly recorded and signed in the minute book maintained for the purpose.
5. The company was not required to close its Register of Members or Debenture holders during the financial year.



6. The Annual General meeting for the financial year ended on 31.03.2011 was held on 26.09.2011 after giving due notice to the members of the company and other concerned and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year.
8. the Company has not advanced any loan to its directors **and/** or persons or firms or companies referred in section 295 of the Act.
9. the company has duly complied with the provisions **of** section 297 of the Act in **respect** of contracts specified in that section.
10. the company has made necessary entries in the register maintained under Section 301 of the Act.
11. as no instances falling within the **purview** of section 314 of the Act, the Company was not required to obtain any approvals from the Board of Director, members and previous approval of the Central Government.
12. During the year no duplicate share certificate has been issued by the Company
13. The Company has:
 - (i) Not transmission and transfer of shares during the financial year.
 - (ii) Not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) Not transferred amount in unpaid dividend account, application money due for refund, matured deposits, matured debentures and interest accrued thereon which has remained unclaimed/ unpaid dividend for a period of seven years.
 - (iv) Has duly complied with the requirements of Section 217 of the Act.
14. As per information and explanations given, the board of directors of the company is duly constituted. There was 7 appointments of nominee directors and 6 cessation during the financial year.

Appointment: 1. Sisir Das : 05/09/2012 2. Ashok Awasthi: 01/11/2011 3. Sanjeev Kumar: 05/09/2011 4. Rama rao Mudali: 10/12/2011 5. Mahender Singh: 11/11/2011 6. Arun Kumar: 20/12/2011 7. Anil Kumar agarwal: 07/12/2011	Cessation 1. Devender Singh: 05/09/2011 2. Rakesh Jain: 05/09/2011 3. Inderjit kapoor: 10/12/2011 4. Arup Roy Choudhary: 12/07/2011 5. Sanjeev Kumar: 20/12/2011 6. Ram T Agarwal: 11/11/2011
---	--
15. No Managing Director/ Whole time Director/ Manager are appointed during the year.



16. As per information and explanations given, the company has not appointed any sole-selling agent during the financial year.
17. As per information and explanations given, the company was not required to obtain approval of the Company Law Board Central Government.
18. As per information and explanations given, the directors have disclosed their interest in other firms/ companies to the board of directors pursuant to the provisions of the Act and the rules made there under.
19. As per information and explanations given, the company has not issued any equity shares during the financial year.
20. As per information and explanations given, the company has not bought back shares during the financial year.
21. As per information and explanations given, the company has not redeemed preference shares/ debentures during the financial year.
22. As per information and explanations given, there was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. As per information and explanations given, the company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not borrowed any amount from directors, members, public, financial institutions, banks and others during the financial year.
25. The company has not made loans and investments, or give guarantees or provided securities to other bodies corporate to which the provision of section 372A of the Act applies.
26. the Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year.
27. The company has not altered the provisions of the memorandum with respect to the name of the company during the financial year.
28. The company has not altered the provisions of the memorandum with respect to the share capital of the company during the financial year.
29. The company has not altered its articles of association during the financial year.
30. As per information and explanations given, there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or punishment was imposed on the company during the financial year for offences under the Act.



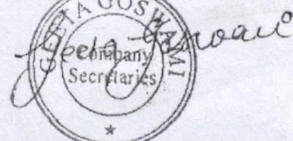
31. As per information and explanations given, the company has not received any money as security from its employees.

32. As per the records of the company and information provided to us, the company is depositing the contribution as per the provisions of section 418 of the Employees' Provident Fund & Miscellaneous Act, 1952.

Place-Delhi

Date: 10/05/2012

for Geeta Goswami & Associates,
Company Secretary



Geeta Goswami
(Prop.)
CP No. 8838

ANNEXURE-'A'

Registers as Maintained by the Company

1.	Register of members	Section 150
2.	Books of minutes of proceedings of General Meetings	Section 193
3.	Books of minutes of proceedings of directors meeting	Section 193
4.	Books of Accounts	Section 209
5.	Register of contracts in which directors are interested	Section 301
6.	Register of Director, Managing Director, a manager and Secretary	Section 303
7.	Register of Director's Shareholding	Section 307
8.	Register of share transfer	

ANNEXURE - B

Details of Forms and Returns as filed by the **Company** with the Registrar of the Companies Regional Director, Central Government or other authorities during the financial year ending 31st March, 2012

S.No.	Description of documents	Filed U/s	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite addition of fee paid
1.	Form 66	383A	08/11/2011	No	Yes
2.	Form 23AC & 23ACA	220(1)	01/05/2012	No	Yes
3.	Form 20B	159	01/05/2012	No	Yes
4.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	27/04/2012	No	Yes
5.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	12/04/2012	No	Yes
6.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	13/04/2012	No	Yes
7.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	12/04/2012	No	Yes
8.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	12/04/2012	No	Yes
9.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	12/04/2012	No	Yes
10.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	12/04/2012	No	Yes
11.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	02/04/2012	No	Yes
12.	Form 32	302(2) 264(2), 264(1)(a), 266(1)(b)(iii)	08/11/2011	No	Yes





AUDITORS' REPORT

TO,

THE MEMBERS OF
ENERGY EFFICIENCY SERVICES LIMITED.

1. We have audited the attached Balance Sheet of ENERGY EFFICIENCY SERVICES LIMITED as at 31st March 2012, the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date annexed there to. These Financial Statements are the responsibility of the Company's management. Our Responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan & perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order 2003 issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956, there is no transaction applicable on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments referred to in paragraph 3 above we report as follow: -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts, 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 & Loss and Cash Flow Statement dealt by this report are in agreement with the books of accounts.
 - d) In our opinion the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act 1956.



e) Disclosure in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 is not required as per notification number GSR 829(E) dated October 21,2003 issued by department of Company Affairs.

f) In our opinion and the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and Notes thereon give the information required by the Companies Act, 1956 in the manner so required and gives a true and fair view in conformity with the Accounting Principles generally accepted in India: -

i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.

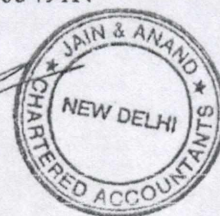
ii) In case of the Statement of Profit & Loss, of the Profit for the year ended on that date.

iii) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

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



M K Jain
Partner
M No. 080687



Place: New Delhi
Date: 17.05.2012

Annexure referred to in paragraph (2) of **our** report of even date

Energy Efficiency Services Limited

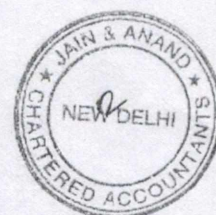
- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management during the year and no material discrepancies **were** noticed on such verification.
(c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) There is no inventory maintained by the company.
- (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 inventory, fixed assets and with regard to the sale of goods and 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 complied with 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. No order has been **passed** by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.



- (vii) The Company is not required to maintain the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
- (viii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including 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 generally regularly deposited with the appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

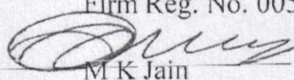
- (b) According to the information and explanations given to us, no undisputed amounts payables in respect of income tax, sales tax, service tax, customs duty, service tax and excise duty were in arrears, as at 31st March 2012 for a period of more than six months from the date they became payable.
- (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.
- (ix) 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.
- (x) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.
- (xi) 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.
- (xii) 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.

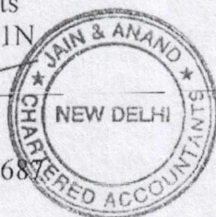


JAIN & ANAND
Chartered Accountants

- (xiii) 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.
- (xiv) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xv) No term loan have been raised by the company.
- (xvi) 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.
- (xvii) 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.
- (xviii) The Company did not have any outstanding debentures during the year.
- (xix) The Company has not raised any money through a public issue during the year.
- (xx) In our opinion and 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. 005491N


M K Jain
Partner
Membership No. 080687



Place: New Delhi
Date : 17.05.2012

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2012

(Amount in ₹)

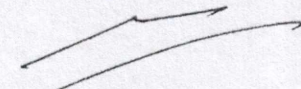
Particulars	Note	31.03.2012	31.03.2011
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	2,50,00,000.00	2,50,00,000.00
Reserves and surplus	3	7,18,53,067.00	2,16,62,029.00
		9,68,53,067.00	4,66,62,029.00
Share Application Money pending Allotment		97,50,00,000.00	97,50,00,000.00
Non-current liabilities			
Deferred tax liabilities		24,565.00	
Current liabilities			
Trade payables	5	46,87,131.00	9,41,076.00
Other current liabilities	6	14,42,20,446.00	8,33,84,891.64
Short-term provisions	7	2,60,68,637.00	1,30,40,400.00
		17,49,76,214.00	9,73,66,367.64
TOTAL ASSETS		124,68,53,846.00	111,90,28,396.64
Non-current assets			
Fixed assets			
Tangible assets	8	31,07,033.00	22,83,591.00
Intangible assets	8	4,46,343.00	6,72,538.00
Deferred tax Asset		-	20,64,390.00
		35,53,376.00	50,20,519.00
Current assets			
Trade receivables	9	42,22,346.00	1,16,39,769.00
Cash and bank balances	10	120,82,04,754.00	108,20,39,294.64
Short-term loans and advances	11	2,56,12,950.00	1,49,18,991.00
Other current assets	12	52,60,420.00	54,09,823.00
		124,33,00,470.00	111,40,07,877.64
TOTAL		124,68,53,846.00	111,90,28,396.64

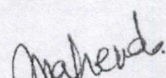
Significant accounting policies

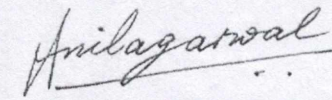
1

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

For and on behalf of the Board of Directors

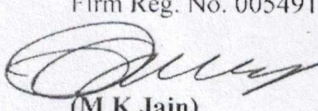

(M.K.V. Rama Rao)
 Director


(Mahender Singh)
 Director


(A.K. Agarwal)
 Chairman Cum Chief Executive Officer

As per our report of even date attached

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


(M K Jain)

Partner

M No.080687

Place : New Delhi

Dated : 17/5/2012



ENERGY EFFICIENCY SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2012

(Amount in ₹)

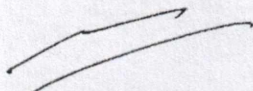
Particulars	Note	31.03.2012	31.03.2011
Revenue from operations (net)	13	2,25,80,071.00	1,54,49,019.00
Other income	14	10,42,04,914.00	4,42,58,241.00
Total revenue		12,67,84,985.00	5,97,07,260.00
Expenses			
Employee benefits expense	15	2,17,64,077.00	79,58,919.00
Finance costs	16	2,89,714.00	-
Depreciation and amortization expense	8	14,38,595.00	4,79,949.00
Administration & other expenses	17	2,27,89,955.00	65,52,247.00
Prior period items (net)	18	5,58,995.00	-
Total expenses		4,68,41,336.00	1,49,91,115.00
Profit before exceptional and extraordinary items & tax		7,99,43,649.00	4,47,16,145.00
Exceptional items			
Profit before extraordinary items and tax		7,99,43,649.00	4,47,16,145.00
Extraordinary items		-	-
Profit before tax		7,99,43,649.00	4,47,16,145.00
Tax expense:			
Current tax			
Current year		2,60,68,637.00	1,30,40,400.00
Earlier years		15,95,019.00	
Deferred tax			
Current year		20,88,955.00	(20,64,390.00)
Earlier years			
Total tax expense		2,97,52,611.00	1,09,76,010.00
Profit for the year		5,01,91,038.00	3,37,40,135.00

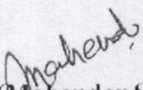
Earnings per equity share (Par value of ₹ 10/- each)

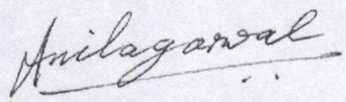
Basic	20.08	13.50
Diluted	0.50	0.44

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

For and on behalf of the Board of Directors


(M.K.V. Rama Rao)
 Director

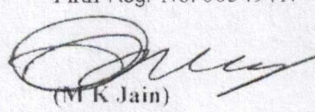

(Mahender Singh)
 Director


(A.K. Agarwal)
 Chairman Cum Chief Executive Officer

As per our report of even date attached

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




(M.K. Jain)
 Partner

M No.080687

Place : New Delhi

Dated : 17/5/2012

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. 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 year, 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 year in which the related service is rendered.

There is no 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 wst, 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 31.03.2012

(Amount in ₹)

31.03.2012	31.03.2011
------------	------------

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)

1,90,00,00,000.00 1,90,00,00,000.00

ISSUED, SUBSCRIBED AND FULLY PAID-UP

Paid up share capital at the begning of the year

2,50,00,000.00 2,50,00,000.00

Additions of the year

Nil Nil

Closing Balance

2,50,00,000.00 2,50,00,000.00

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

NTPC holds 6,25,000 equity shares (25%), REC holds 6,25,000 equity share (25%), PFC holds 6,25,000 equity share (25%) and PGCIL holds equity shares (25%) of the total paid up equity shares of the Company.

2,50,00,000.00 2,50,00,000.00

Note No. 3 to the Financial Statements

RESERVES & SURPLUS

Surplus

As per last balance sheet

2,16,62,029.00 (1,20,78,106.00)

Add: Profit for the year from statement of Profit and Loss Account

5,01,91,038.00 3,37,40,135.00

7,18,53,067.00 2,16,62,029.00

Note No. 4 to the Financial Statements

DEFERRED TAX LIABILITIES (NET)

Difference of book depreciation and tax depreciation

1,25,627.00

Less: Deferred tax assets

Provisions & other disallowances for tax purposes

(1,01,062.00)

Net Balance

24,565.00

Note No. 5 to the Financial Statements

TRADE PAYABLES

A2Z Maintenance & Engineering Services Ltd

2,77,175.00 67,500.00

Darashaw & Company Pvt. Ltd

8,53,875.00 -

Federation of Indian Chambers of Commerce and Industry

21,26,612.00 -

ICF Consulting India Pvt. Ltd.

4,27,500.00 -

Vayam Technologies Ltd.

1,36,125.00 -

Winrock International India

3,42,481.00 -

Logisoft international Pvt. Ltd.

14,863.00 -

ITP Synergy Pvt. Ltd

5,08,500.00 -

EMT International

- 8,73,576.00

46,87,131.00 9,41,076.00

Note No. 6 to the Financial Statements

OTHER CURRENT LIABILITIES

Liabilities for Expenses

34,94,833.00 31,42,323.00

Retention Money

3,68,434.00 22,000.00

Advance Received from Bureau of Energy Efficiency

10,91,05,816.00 7,11,22,397.42

Earnest Money Deposit

15,60,000.00 1,68,000.00

Service Tax Payable

1,22,16,851.00 13,63,846.22

TDS Payable

75,22,765.00 58,29,248.00

Expenses Payable

6,05,475.00 17,37,077.00

Advance Received against Project

93,46,272.00 -

14,42,20,446.00 8,33,84,891.64



Shri. Anand

Maheeds

ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2012

(Amount in ₹)

31.03.2012	31.03.2011
------------	------------

Note No. 7 to the Financial Statements

SHORT TERM PROVISIONS

Provision for current tax

As per last balance sheet

Additions during the year

Less: Set off against taxes paid

Closing balance

1,30,40,400.00	-
2,76,63,656.00	1,30,40,400.00
1,46,35,419.00	-
2,60,68,637.00	1,30,40,400.00

Note No. 9 to the Financial Statements

TRADE RECEIVABLES

Debts Outstanding for a period exceeding Six Months

Considered Good

Considered Doubtful

6,20,893.00

Other Debts

Less than six months

36,01,453.00	1,16,39,769.00
42,22,346.00	1,16,39,769.00

Note No. 10 to the Financial Statements

CASH & BANK BALANCE

(i) Cash in hand

(ii) Cheque & Drafts on Hand

(iii) Bank Balance

- Current Accounts [including? 9.95 crores (Pr Yr ₹ 6.61 crores), ₹ 0.0034 crores (Pr Yr ₹ 0.495 crores) & ₹ 0.668 crores (Pr Yr NIL) lying in designated account meant for specified disbursement i.e. PAT A/c, 3L A/c & S & L A/c respectively]

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

(Includes Share application money pending allotment of

₹ 97.50 crore kept as deposit with the Scheduled Bank)

-	75,000.00
3,55,35,867.00	-
10,82,55,188.00	7,76,84,199.64

106,44,13,699.00	100,42,80,095.00
120,82,04,754.00	108,20,39,294.64

Note No. 11 to the Financial Statements

SHORT TERM LOANS & ADVANCES

Advance Tax & TDS

CENVAT

Security Deposit (MTNL)

Advance for advertisement (Municipal Corporation Ludhiana)

Others

2,50,13,851.00	1,41,23,819.00
5,22,654.00	-
8,000.00	8,000.00
25,660.00	6,76,323.00
42,785.00	1,10,849.00
2,56,12,950.00	1,49,18,991.00

Particulars of Loans & Advances

Secured

Unsecured Considered Good

Considered Doubtful

2,56,12,950.00	1,49,18,991.00
2,56,12,950.00	1,49,18,991.00



ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2012

(Amount in ₹)

Note No. 12 to the Financial Statements

OTHER CURRENT ASSETS

Interest Accrued on Fixed Deposit with Rank

31.03.2012	31.03.2011
52,60,420.00	54,09,823.00
<u>52,60,420.00</u>	<u>54,09,823.00</u>

Note No. 13 to the Financial Statements

REVENUE FROM OPERATION

Consultancy Income	2,51,49,782.00		1,19,40,569.00
Less: Project Expenses	<u>74,16,794.00</u>	1,77,32,988.00	
PAT advances & Expenses recovered from BEE (from advance given)(previous year ₹ 5,10,18,649.58) & S&L Expenses recovered ₹ 44,29,777/- (previous year Nil), 3L Expenses recovered ₹ 53,63,539/- (previous year Nil)	823,28,974.00		
Less: PAT, S&L and 3L Advances & Expenses paid on behalf of BEE (previous year 5,10,649.58)	<u>823,28,974.00</u>		
Monitoring, Evaluation & Testing Fees of Energy Efficiency Equipment	6,258,600.00		
Less:- Monitoring, Evaluation & Testing Expense	<u>1,411,517.00</u>	<u>48,47,083.00</u>	<u>35,08,450.00</u>
		<u>225,80,071.00</u>	<u>1,54,49,019.00</u>

Note No. 14 to the Financial Statements

OTHER INCOME

Bid Processing Fees	1,83,000.00	4,61,000.00
Misc. Income	9,494.00	-
Bank Interest	93,007.00	-
Interest Income from UBI [TDS Rs. NIL (Previous Year Rs. NIL)]	1,32,94,508.00	21,34,167.00
Interest Income from Vijaya Bank [TDS ₹ 90,40,529/- (Previous Year ₹ 42,58,322/-)]	<u>9,06,24,905.00</u>	<u>4,16,63,074.00</u>
	<u>10,42,04,914.00</u>	<u>4,42,58,241.00</u>

Note No. 15 to the Financial Statements

EMPLOYEE BENEFITS EXPENSES

Salary to Staff (Inclusive all Allowances)	1,91,03,726.00	60,79,389.00
Manpower Expenses	15,73,377.00	15,37,378.00
Employer Cont. to PF	9,27,243.00	1,26,602.00
Staff Welfare Expenses	1,59,731.00	2,15,550.00
	<u>217,64,077.00</u>	<u>79,58,919.00</u>

Note No. 16 to the Financial Statements

FINANCE COST

Interest on Bank Loan	2,89,714.00	-
	<u>2,89,714.00</u>	<u>-</u>



ENERGY EFFICIENCY SERVICES LIMITED

BALANCE SHEET AS AT 31.03.2012

(Amount in ₹)

Note No. 17 to the Financial Statements

ADMINISTRATION & OTHER EXPENSES

	31.03.2012	31.03.2011
Legal Fees & Professional Charges	1,33,660.00	1,08,500.00
Conveyance Expenses	4,54,591.00	6,28,866.00
Telephone Expenses	2,72,834.00	72,160.00
Misc. Expenses	-	9,528.00
Repair & Maintenance Expenses	20,58,019.00	2,47,761.00
Internal Audit Fees	25,000.00	25,000.00
Postage & Courier	72,567.00	19,354.00
Advertisement & Publicity Expenses	2,39,103.00	19,08,355.00
Printing & Stationery Expenses	2,41,226.00	4,93,445.00
Books & Periodicals	22,537.00	5,772.00
Website Expenses	41,250.00	2,05,000.00
Internet Expenses	4,06,915.00	48,373.00
Meeting Expense/Hospitality Expenses	1,64,371.00	1,00,280.00
Generator Expense	2,46,404.00	5,67,185.00
Tour & Traveling Expenses	10,48,779.00	29,279.00
Sponsorship Expenses	-	1,81,324.00
Corporate Membership Fee	-	8,500.00
Rent	1,52,13,765.00	9,70,000.00
ROC Fee	5,000.00	10,000.00
Commission	19,000.00	12,000.00
Electricity Expenses	6,45,660.00	40,000.00
Auditor's Remuneration	35,000.00	35,000.00
Interest On Income Tax (FY 2010-11)	3,70,411.00	-
Training & honorarium expenses	17,400.00	-
Security Expenses	2,62,080.00	-
Technical & Consultancy Charges	7,72,973.00	8,15,393.00
Bank Charges	4,357.00	11,172.00
Late filing fees (ROC)	6,053.00	-
Interest on Service Tax	11,000.00	-
	2,27,89,955.00	65,52,247.00

Note No. 18 to the Financial Statements

PRIOR PERIOD ITEMS (NET)

REVENUE

Sales

Less : Expenditure

(17,437.00)

576,432.00

558,995.00



ENERGY EFFICIENCY SERVICES LIMITED
Sub Notes TO THE BALANCE SHEET AS ON 31.03.2012

<u>SUB NOTE "A" :- BANK BALANCE</u>	<u>31.03.2012</u>
<u>Bank Balance with Scheduled Banks :-</u>	
Vijaya Bank (Current Account - 421)	1,527.00
Vijaya Bank (Working Capital A/c - 446)	19,94,293.00
Cheque & Drafts in hand	3,55,35,867.00
Union Bank of India(PAT A/c No. 35236). Lodhi Road- Flexi Deposit	9,95,44,446.00
Union Bank of India (3L - A/c No.30602), Moti Bagh - Flexi Deposit	34,017.00
Union Bank of India (S&L - A/c No.30609), Moti Bagh - Flexi Deposit	66,80,905.00
	<u>14,37,91,055.00</u>
<u>SUB NOTE "B" :- SUNDRYDEBTORS</u>	
Addl. Chief Engineer Phed , Jaipur	1,34,143.00
Hubli Electricity Supply Company Ltd.	28,77,280.00
Bureau Energy Efficiency Limited	5,31,148.00
New & Renewable Energy Development Corporation of AP	4,86,750.00
U.P State Designated Agency	1,93,025.00
	<u>42,22,346.00</u>
<u>SUB NOTE "C" :- ADVANCES OTHER</u>	
Advance (Finance)	10,000.00
Expense recoverable from PFC	12,785.00
Admin (Imprest)	20,000.00
	<u>42,785.00</u>
<u>SUB NOTE "D" :- LIABILITIES FOR EXPENSES</u>	
Staff for BEE - On Deputation (PF)	7,993.00
Damodar Valley Corporation	11,20,415.00
Power Grid	6,56,069.00
Ajay agarwal & Co.	61,740.00
Masjid Nursery	10,555.00
Mass Management Services Pvt. Ltd.	2,52,406.00
National Building Construction Corporation	17,539.00
Pradeep Consultancy Service	10,800.00
Sarbjit Tour & Travels	17,891.00
Shree sai Aqua Minerals	8,100.00
Sunshine Travels	57,824.00
Dalip Lumar bahl	10,364.00
NTPC Ltd.	12,63,137.00
	<u>34,94,833.00</u>
<u>SUB NOTE " E:-EXPENSES PAYABLE</u>	
Electricity Expenses.	48,330.00
Internet Expenses	8,360.00
Books & Periodicals	365.00
Postage & Courier	9,000.00
Printing & Stationery Expense	44,687.00
Telephone Reimbursement	4,800.00
Food & Beverages	18,353.00
Medical Reimbursement	3,242.00
Telephone Expenses	22,000.00
Photocopy expenses	4,425.00
Tour & Travel (Foreign)	2,27,042.00
Tour & Travel (Domestic)	53,810.00
E.P.F. Payable	1,29,561.00
Jain & Anand	31,500.00
	<u>6,05,475.00</u>



ENERGY EFFICIENCY SERVICES LIMITED
Sub Notes TO THE BALANCE SHEET AS ON 31.03.2012

SUB NOTE "F" :- BEE ADVANCES

Perform Achieve 8 Trade Scheme (PAT Scheme)	9,95,36,623.00
Life long Learning (3L)	34,017.00
Standard & Labeling Program (S&L)	65,60,565.00
Bureau of energy efficiency (withheld a/c of S&L Program)	4,74,611.00
Bureau of energy efficiency (Bachat Lamp Yojana)	25,00,000.00
	<u>10,91,05,816.00</u>

SUB NOTE "G" :-ADVANCES AGAINST PROJECTS

Chief Electrical Inspector cum adviser (ASSAM- ASDA)	22,66,546.00
Directorate of Energy Govt of H.P.	6,25,026.00
Energy Management Centre (Kerala)	8,70,604.00
GCI Power Pvt. Ltd (Bangalore)	2,71,985.00
Gujrat Energy Development Agency	4,41,296.00
Maharashtra Energy Development Agency	4,41,296.00
Mysore City Corporation	2,11,033.00
Power Finance Corporation	33,51,601.00
Punjab Energy Development Agency	4,25,589.00
West Bengal State Electricity Distribution Co. Ltd.	4,41,296.00
	<u>9,346,272.00</u>

SUB NOTE "H" :- RETENTION MONEY

Digilab India (EESL)	1,04,625.00
FICCI (EESL)	77,900.00
EAGA Energy India Pvt. Ltd.(EESL)	46,500.00
A2Z Maintenance & Engineering Services Ltd. (EESL)	11,246.00
Ask Infosystems Pvt. Ltd under(PAT)	7,823.00
Electrical Research and Development Association (S&L)	6,239.00
UL India Privat Limited (S&L)	20,120.00
Scientific and Industrial Testing & Research Centre (S&L)	226.00
Intertek India Private Limited (S&L)	93,755.00
	<u>3,68,434.00</u>

SUB NOTE "I" :- REPAIR & MAINTENANCE

Computer Repair & Maintenance	2,73,447.00
Other Repair & Maintenance	17,84,572.00
	<u>20,58,019.00</u>

SUB NOTE "J" :- LEGAL & PROFESSIONAL CHARGES

Legal Fees	35,000.00
Professional charges for Tax Services	70,660.00
Consultancy Charges (PF)	28,000.00
	<u>1,33,660.00</u>

SUB NOTE "K" :- TOUR & TRAVELLING EXPENSES

Domestic Travel	3,57,369.00
Foreign Travel	6,91,410.00
	<u>10,48,779.00</u>

SUB NOTE "L" :- TECHNICAL & CONSULTANCY EXPENSES

Technical Expenses	2,34,124.00
Financial Appraisal Fee	4,50,000.00
Feasability Fee for DPR	88,849.00
	<u>7,72,973.00</u>



ENERGY EFFICIENCY SERVICES LIMITED

NOTES FORMING PART OF ACCOUNTS AS ON 31.03.2012

Note No. 8 to the Financial Statements

NON-CURRENT ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS ON 01.04.2011	SALE / ADJ. 31.03.2012	AS ON 01.04.2011	FOR THE PERIOD 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
CELL PHONES	1,66,410.00	1,42,630.00	-	39,965.00	1,02,251.00	1,26,445.00
EQUIPMENT	23,900.00	10,43,045.00	-	88.00	1,28,316.00	9,38,541.00
FURNITURE & FITTING	26,296.00	65,899.00	-	826.00	3,140.00	88,229.00
COMPUTERS	24,53,927.00	7,49,052.00	-	3,46,063.00	9,43,477.00	19,13,439.00
TOTAL	26,70,533.00	20,00,626.00	-	386,942.00	11,77,184.00	15,64,126.00
PREVIOUS YEAR	-	26,70,533.00	-	3,86,942.00	3,86,942.00	22,83,591.00

INTANGIBLE ASSETS

DESCRIPTION	GROSS BLOCK		AMORTIZATION		NET BLOCK	
	AS ON 01.04.2011	SALE / ADJ. 31.03.2012	AS ON 01.04.2011	FOR THE PERIOD 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
SOFTWARE	7,65,545.00	35,216.00	-	8,00,761.00	93,007.00	2,61,411.00
TOTAL	7,65,545.00	35,216.00	-	8,00,761.00	93,007.00	2,61,411.00
PREVIOUS YEAR	-	7,65,545.00	-	7,65,545.00	93,007.00	93,007.00

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

	31.03.2012	31.03.2011
Charged to Statement of Profit & Loss	14,38,595.00	4,79,949.00
	14,38,595.00	4,79,949.00

For And on behalf of Board of Directors

(M.K.V. Rama Rao)
Director

(Mahender Singh)
Director

(A.K. Agarwal)
Chairman cum Chief Executive officer

As per our report of even date attached

FOR JAIN & ANAND
CHARTERED ACCOUNTANTS
Firm Regn. No. 005491N



(M.K. Jain)
Partner
M No. 080687
PLACE : New Delhi
DATE : 17/5/2012

ENERGY EFFICIENCY SERVICES LIMITED

Other Notes

19 Contingent Liabilities:

There are no Contingent Liabilities during the year.

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

Segment information:

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.

21 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 having 2 No's staff on deputation from NTPC and 1 No. from Power Grid Corporation of India Ltd whose salaries are paid by the principals, the same to be reimburse by us.

i). Salary

Name of Party	Current Year (₹)	Previous Year (₹)
Power Grid Corporation of India Limited	22,75,961.00	16,10,782.00
NTPC Limited	58,48,122.00	28,57,774.00

ii). Share Application Money & Share Capital

Name of Party	Current Year (₹)	Previous Year (₹)
Power Grid Corporation of India Limited	-	NIL
NTPC Limited	-	24,37,50,000.00
Rural Electric Corporation Limited		24,37,50,000.00
Power Finance Corporation Limited		24,37,50,000.00

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

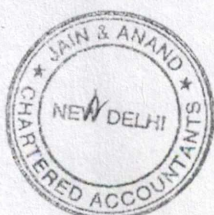
23 AUDITORS REMUNERATION

Nature of Transaction	Current Year (₹)	Previous Year (₹)
Statutory Audit Fees	20,000.00	20,000.00
Tax Audit Fees	15,000.00	15,000.00

24 QUANTITATIVE

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

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



ENERGY EFFICIENCY SERVICES LIMITED

26 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 - ₹	5,01,91,038.00	3,37,40,135.00
Weighted average number of equity shares outstanding during the	25,00,000.00	25,00,000.00
Basic Earning per share	20.08	13.50
Face value per share - ₹	10/-	10/-
Diluted weighted average number of equity shares outstanding	10,00,00,000.00	7,58,67,166.00
Diluted Earning per equity share of ₹ 10 each	0.50	0.44

27 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	1,01,062.00	21,83,170.00
Deferred Tax Liabilities in respect of Depreciation on Fixed Assets	1,25,627.00	(1,18,780.00)
Deferred Tax Assets Liabilities	(24,565.00)	20,64,390.00

For and on behalf of the Board of Directors

(M.K.V. Rama Rao)

Director

(Mahender Singh)

Director

(A.K. Agarwal)

Chairman & Chief Executive Officer

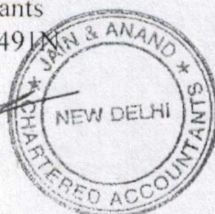
As per our report of even date

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

(M K Jain)

Partner

M No.080687




Place : New Delhi

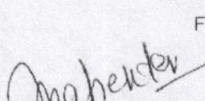
Dated : 17/5/2012

ENERGY EFFICIENCY SERVICES LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD FROM 01.04.2011 TO 31.03.2012

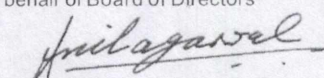
	Amount (₹)	Amount (₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	7,99,43,649.00	
Adjustment for:		
Depreciation	13,94,494.00	
Interest Income	(10,40,12,420.00)	
Interest Expense	2,89,714.00	
Operating Profit Before Working Capital Changes	(2,23,84,563.00)	
INCREASE/(DECREASE) IN A/cs Receivables		
Sundry Debtors	(74,17,423.00)	
Loans & Advance	(1,96,073.00)	
Interest Accrued on Fixed Deposit with Bank	(1,49,403.00)	77,62,899.00
INCREASE/(DECREASE) IN A/cs Payables		
Liabilities for Expenses	3,52,510.00	
Trade Payable	37,46,055.00	
BEE	3,79,03,418.58	
Advance Received under Bidding Processing Fees	13,92,000.00	
Advance Received against Project	93,46,272.00	
TDS Payable	16,93,517.00	
Retention Money	3,46,434.00	
Service Tax Payable	1,08,53,004.78	
Expenses Payable	(11,31,602.00)	6,45,81,609.36
INCREASE/(DECREASE) IN TAXES (Income Tax)	(2,55,25,451.00)	2,44,34,494.36
NET CASH FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Schedule C)	(19,91,741.00)	
Interest Income	10,40,12,420.00	
NET CASH USED IN INVESTING ACTIVITIES		10,20,20,679.00
C. CASH FLOW FROM FINANCING ACTIVITIES		
Bank Loan		
Interest Expense	(2,89,714.00)	
NET CASH FROM FINANCING ACTIVITIES		(2,89,714.00)
D. Net Change in Cash & Cash Equivalents (A+B+C)		12,61,65,459.36
E. Cash & Cash Equivalents (Opening Balance)		108,20,39,294.64
F. Cash & Cash Equivalents (Closing Balance) (D+E)		120,82,04,754.00

Note:- Cash and Cash Equivalents (Closing Balance) consist of Cash in hand and balance with banks and it includes 106.44 crore not available for use by the company


(M.K.V. Rama Rao)
Director


(Mahender Singh)
Director

For and on behalf of Board of Directors


(A.K. Agarwal)
Chairman & Chief Executive Officer

As per our report of even date attached

FOR JAIN & ANAND
CHARTERED ACCOUNTANTS
Firm Regn. No. 005491N


(M.K. Jain)
Partner
M No. 080687
PLACE : New Delhi
DATE :

