ANNUAL REPORT

2016-17

#ENABLING MORE

Creating an Energy Efficient India

EESL

National Workshop on Energy Efficiency in Buildings

Memorandum of Understanding betweeen The Energy and Resources Institute (TERI) and Energy Efficiency Services Limited (EESL)

VISION

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

MISSION

Creating Energy Efficient India

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

GOVERNMENT OF INDIA
MINISTRY OF POWER

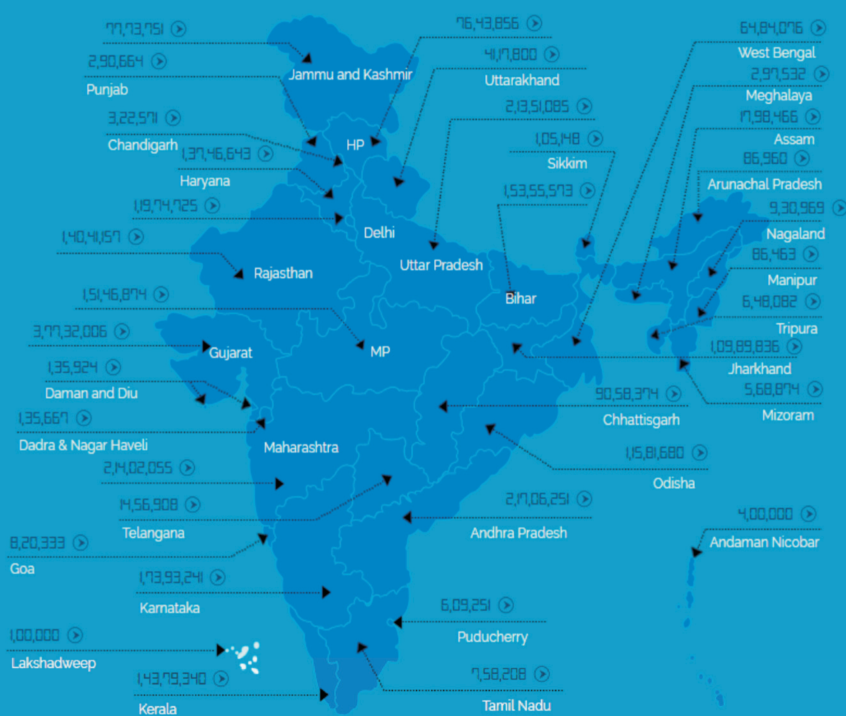
NATIONAL UJALA DASHBOARD

EESL

Total LEDs distributed as on 28 OCT 2017 10:51

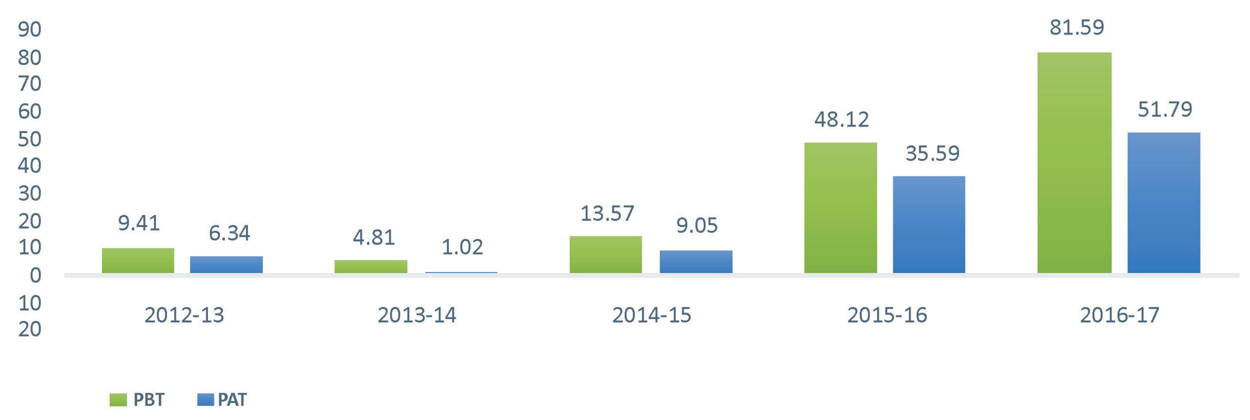
27,14,30,344

35,250 mn kWh	INR 14,100 Cr	7,057 MW	2,85,52,374 t CO_2
Energy saved per year	Cost saving per year	Avoided Peak Demand	CO_2 Reduction per year

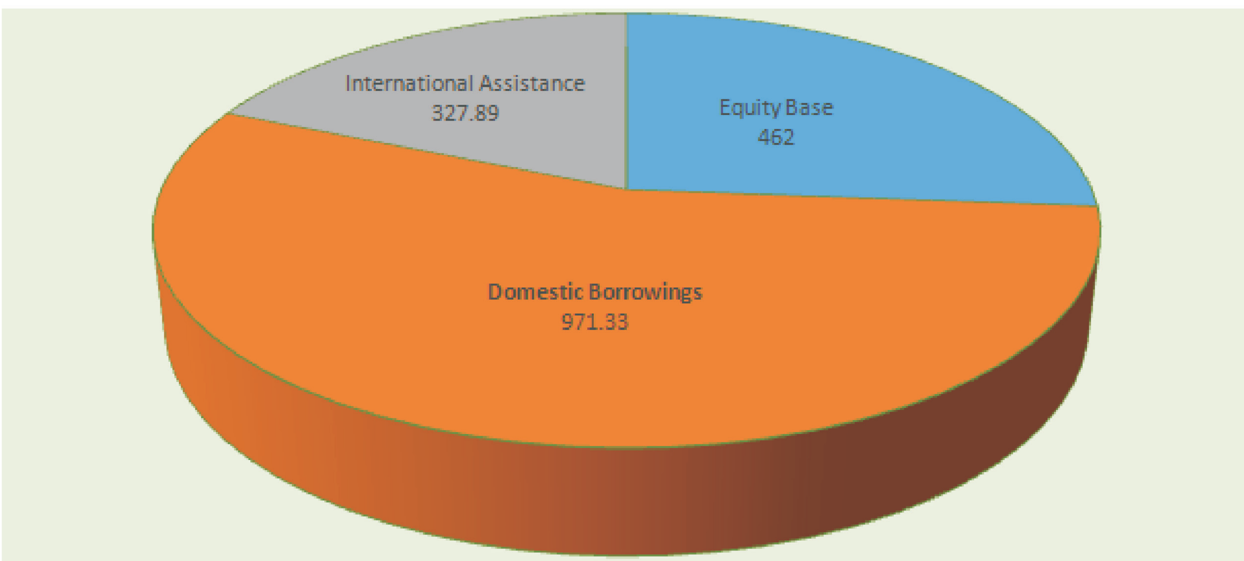


UJALA Distribution Scheme
Institutional Distribution Scheme

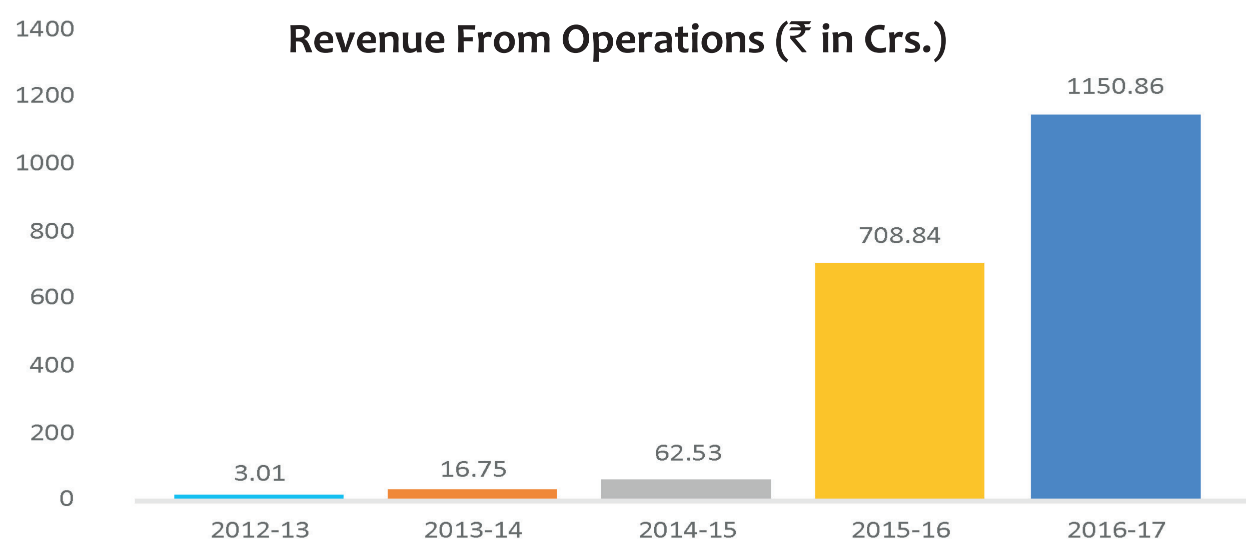
EESL's Working Results (₹ in Crs.)



EESL's Resource Base 2016-17 (₹ in Crs.)



Revenue From Operations (₹ in Crs.)



Street Light Programme Implemented at Udaipur

CONTENTS

Company Information

Chairman :	Shri K.K. Sharma (w.e.f. 21.10.2016) Shri Rajeev Sharma (upto 20.10.2016)
Managing Director:	Shri Saurabh kumar
Directors:	Shri Raj pal (w.e.f 14th July, 2016) Shri V.K. Singh (w.e.f 21st October, 2016) Shri Avkash Saxena (w.e.f 22nd September, 2016) Shri Pankaj Kumar (w.e.f 4th August, 2017) Shri Anil Kumar Gupta (upto 26th December, 2016) Shri Shrirang Narayanrao Gaikwad (upto 3rd November, 2016) Smt. Seema Gupta(upto 25th April, 2016) Shri P.K.Ravi (upto 6th July, 2016) Shri R.K. Srivastava (upto 6th September, 2016) Shri Arunava Chakravarti (upto 12th September, 2016) Shri Sanjay Seth (upto 16th September, 2016)
Chief Financial Officer :	Shri Sameer Agarwal (upto 7th June, 2016) Shri S. Gopal (w.e.f. 8th June, 2016)
Company Secretary :	Ms. Pooja Shukla
CIN:	U40200DL2009PLC196789
Registered Office :	4th floor, Sewa Bhawan, R.K.Puram, New Delhi-110066
Corporate Office:	4th & 5th floor, IWAI building, A-13, Sector-1, Noida-201301(U.P)
Internal Auditors :	M/s Jain & Malhotra, Chartered Accountants, 42-B, Hanuman Lane, Near Hanuman Mandir, Connaught Place, New Delhi - 110001
Statutory Auditors :	V P G S & Co., Chartered Accountants; E-149, Opp. Sainik Vihars Gate No.-1, Rishi Nagar, Rani Bagh, New Delhi-110034
Bankers :	State Bank of India Canara Bank Union Bank Vijaya Bank ICICI Bank AXIS Bank Yes Bank IDFC Bank IndusInd Bank
Stock Exchange:	BSE Limited (for Bonds); Floor 25, P J Towers, Dalai Street, Mumbai-400001
Depositories:	National Securities Depository Limited; 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Marg, Lower Parel, Mumbai - 400013 Central Depository Services Limited; Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Fort, Mumbai – 400 001
Registrar and Share Transfer Agent:	Karvy Computershare Private Limited; 'Karvy House', 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500034
Debenture Trustee:	Axis Trustee Services Limited; 2nd Floor E, Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025

MINISTRY OF POWER

SLNP - DASHBOARD

STREETLIGHT NATIONAL PROGRAMME

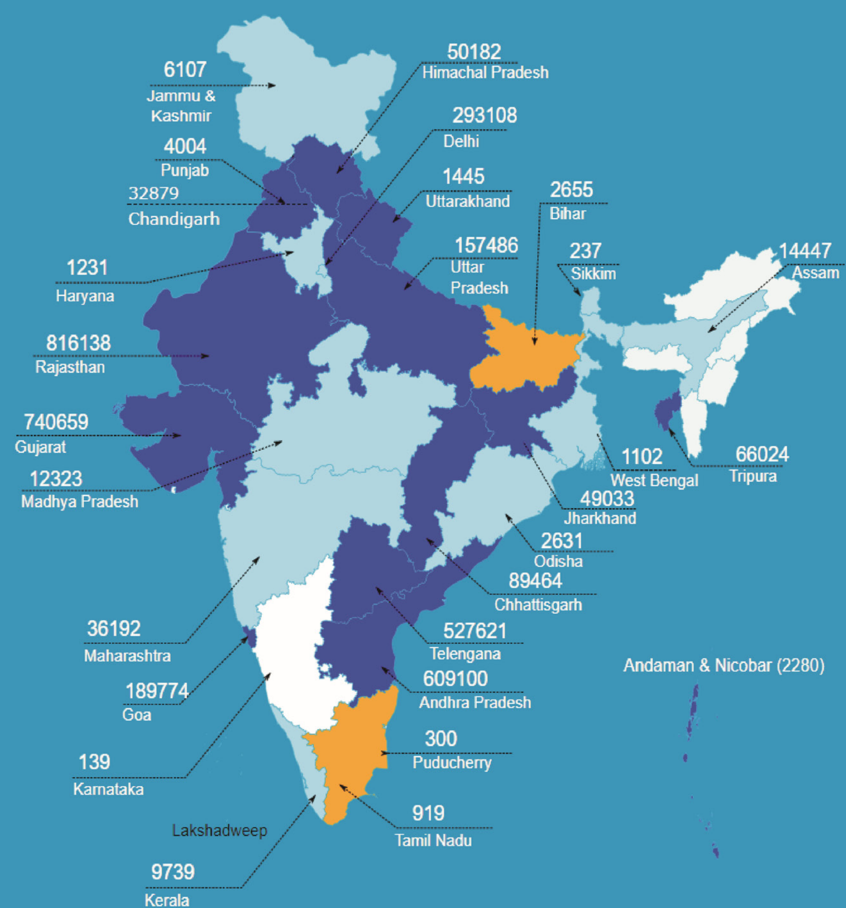
EESL

Total Streetlight Completed as on Date: 28/10/2017

3,716,982

0.385 kWh	1431038.07 kWh	1187.76 tCO2	130.09 MW
Average energy savings per light per day	Average Energy Savings per day	GHG Emissions Reductions	Avoided Capacity

State Level Projects | Individual ULB Level Projects | Institutional Projects | Project under discussions



NOTICE OF 8TH ANNUAL GENERAL MEETING

Notice is hereby given that the 8th Annual General Meeting of the Shareholders of Energy Efficiency Services Limited will be held on Friday, 29.09.2017 at 10:30 a.m. at Old Board Room, NTPC Limited, Core-7, 5th Floor, Scope Complex, Lodhi Road, New Delhi-110003 to transact the following business:-

Ordinary Business:-

1. **To receive, consider and adopt the Audited Balance Sheet as at 31stMarch 2017 and Statement of Profit & Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditor's Report thereon (Standalone and Consolidated Financial Statements).**

   Members are requested to consider the above proposal and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution: -

   "RESOLVED THAT the Standalone and Consolidated Audited Balance Sheet & Profit and Loss Account and Cash Flow Statement (along with the Accounting Policies and notes to the accounts) for the financial year ended March 31, 2017 along with the Auditor's Report (Standalone and Consolidated Financial Statements) and the Directors' Report as circulated to the shareholders and laid before the meeting, be received, considered and adopted.

   FURTHER RESOLVED THAT any Director or the Company Secretary be and is hereby severally authorised to file statutory application and other forms, remit fees and to do all such acts, deeds and things as may be necessary and incidental to give effect to the aforesaid Resolution."

2. **To declare the dividend of Rs. 27.76 crores plus applicable dividend taxes for the financial year ended March 31, 2017.**

   Members are requested to consider the above proposal and if thought fit to, pass with or without modification(s) the following resolution as an Ordinary Resolution:-

   "RESOLVED THAT, dividend of Rs. 27.76 crores plus applicable dividend taxes, as recommended by the Board of Directors of the Company, for the year ended March 31, 2017 be and is hereby declared and the same be paid to the eligible members of the Company."

3. **To consider the fixation of remuneration of M/s. V P G S & Co., as Statutory Auditors for the Financial Year 2017-18.**

   Members are requested to consider the above proposal and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution: -

   "RESOLVED THAT, M/s V P G S & Co., Chartered Accountants, who has been appointed as the Statutory Auditor of the company by the C & AG for the financial year 2017-18 vide Letter No. CA.V/COY/CENTRAL GOVERNMENT, EESL(1)/190 dated 21.07.2017, shall be paid the consolidated fee as may be decided by the Board for the financial year 2017-18."

4. To appoint a Director in place of Shri Raj Pal (DIN: 02491831), who retires by rotation and being eligible, offers himself for reappointment.

5. To appoint a Director in place of Shri AvkashSaxena (DIN: 00529340), who retires by rotation and being eligible, offers himself for reappointment.

Special Business:-

6. **To increase Authorized Share Capital**

   To pass and if thought fit, with or without modification, the following resolution as **Ordinary Resolution:-**

   "RESOLVED THATpursuant to Section 61 and other applicable provisions of the Companies Act, 2013, if any, and Rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), and Article 5 of Articles of Association of the Company, approval be and is hereby accorded to increase Authorised Share Capital of the Company from Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) divided into 50,00,00,000 (Fifty Crore only) equity shares of Rs. 10/- (Rupee ten only) each to Rs. 1500,00,00,000/- (Rupees Fifteen Hundred Crore only) divided into 150,00,00,000 (One Hundred and Fifty Crores only) Equity shares of Rs.10 /- (Rupees Ten only) each.

   FURTHER RESOLVED THAT any Director or the Company Secretary be and is hereby jointly and severally authorised to file statutory application and other forms, remit fees and to do all such acts, deeds and things as may be necessary and incidental to give effect to the aforesaid Resolution."

7. **To alter existing clause V of Memorandum of Association of the Company**

To pass and if thought fit, with or without modification, the following resolution as **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the Section 13 of Companies Act, 2013 and other applicable provisions, if any and the rules made thereunder, Clause V of Memorandum of Association of the Company be and hereby substituted with following clause:

V. The Authorised Share Capital of the Company is Rs. 1500,00,00,000/- (Rupees Fifteen hundred Crore only) divided into 150,00,00,000(One Hundred and Fifty Crore only) Equity shares of face value of Rs.10 /- (Rupees Ten only) each, with power to increase and reduce the capital of the Company.

FURTHER RESOLVED THAT any Director or the Company Secretary be and is hereby severally authorised to file statutory application and other forms, remit fees and to do all such acts, deeds and things as may be necessary and incidental to give effect to the aforesaid Resolution"

8. **To alter Article III(1) & Article 102 (iv) of Articles of Association of the Company**

To pass and if thought fit, with or without modification, the following resolution as **Special Resolution:-**

"**RESOLVED THAT** pursuant to Section 14 of Companies Act, 2013 and Clause 8.0(f) of Joint Venture and Supplementary Agreement dated 29.08.2017 and other applicable provisions if any and the rules made thereunder, following Articles be and hereby altered as under:

Article III (1) - The Authorised Share Capital of the Company is Rs. 1500,00,00,000/- (Rupees Fifteen hundred Crore only) divided into 150,00,00,000 (One Hundred and Fifty Crore only)Equity shares of face value of Rs. 10/- (Rupees Ten only) each. The Company shall have only one class of shares namely Equity Shares.

Article 102 (iv) - Subject to the provisions of the Act and Clause 7.3 of Joint Venture and Supplementary Agreement dated 29.08.2017, Director (Finance) and Director (Projects & Business Development) of the Company shall be selected by selection committee comprising of Chairman, EESL; Managing Director, EESL; One representative each from promoter companies, Ministry of Power(Government of India), Bureau of Energy Efficiency, from the promoter companies for period upto 5 years on terms and conditions as approved by the Board from time to time.

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

9. **To consider appointment of Shri Pankaj Kumar (DIN: 07893712) as Director of the Company and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Section 152 and other applicable provisions, if any of the Companies Act, 2013 and rules made thereunder, Shri Pankaj Kumar (DIN: 07893712), who was nominated by Bureau of Energy Efficiency as its nominee on the Board of EESL vide Letter Ref. No. 02/17/Dir(EESL)/Admin.-2013/3601 dated 3rdJuly, 2017 and subsequently, appointed by the Board as Additional Director in the 55th Board Meeting held on 4th August, 2017 and whose term of office expires at this Annual General Meeting ('AGM'), be and is hereby appointed as a Director of the Company, liable to retire by rotation.
RESOLVED FURTHER THAT Managing Director and/or Company Secretary be and are hereby severally authorised to do all such acts, deeds and things as may be required to give effect to above resolution".

By the Order of Board of Directors
For Energy Efficiency Services Limited

(Pooja Shukla)
Company Secretary
M. No.: ACS 18008

Place: Noida
Date: 21.09.2017

Notes:-

1. Pursuant to Section 139 of the Companies Act, 2013, the Statutory Auditors of the company are to be appointed by the Comptroller and Auditor General of India (C & AG) and in terms of Section 142, their remuneration has to be fixed by the Company in Annual General Meeting or in such manner as the Company may in AGM may determine. C & AG in exercise of power conferred under Section 139 of Companies Act, 2013 has appointed M/s V P G S & Co., Chartered Accountants (Firm Registration No. 507971C), New Delhi as Statutory Auditor of the Company. The members may kindly authorise the Board to fix appropriate remuneration of Statutory Auditors for Financial Year 2017-18 after taking into consideration the volume of work and prevailing inflation.

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

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

4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

5. All relevant documents referred to in the Notice and accompanying statement shall be available for inspection at the Registered/Corporate Office of the Company between 11.00 A.M. to 2.00 P.M. on all working days and will also be available for inspection at the meeting.

6. The Notice of the AGM is being sent by electronic mode to all the Members, whose email addresses are available with the Company, unless any Member has requested for a physical copy of the same.

7. Route Map: Annexed

Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 6 & 7

Presently, the Authorised Share Capital of the Company stands at Rs. 500,00,00,000 (Rupees Five Hundred Crore) divided into 50,00,00,000 (Fifty Crore) Equity Shares of Rs. 10 (Rupees Ten) each.
Over the years, the volume of business has been increasing constantly and the company has also embarked upon expansion plans. In order to expand the capital base, it is now proposed to increase the authorised equity share capital from the existing limit of Rs.500,00,00,000/- (comprising 50,00,00,000 equity shares of Rs. 10/- each) to Rs.1500,00,00,000/- (comprising 150,00,00,000 equity shares of Rs.10/- each) taking the total authorized capital to Rs. 1500,00,00,000/-.

The Board of Directors in their 45th Board Meeting held on 26th July, 2016 have accorded approval to increase the Authorised Share Capital of the company from Rs. 500 Crores to Rs.1500 Crores subject to applicable provision of the Companies Act, 2013 and Joint venture & supplementary agreement of the Company. The Joint Venture and Supplementary Agreement-3 has been executed on 29.08.2017.

As per the provisions of the Section 61(1) of the Companies Act, 2013, any increase in the Authorised Share Capital, alteration in capital clause and Articles of Association, requires approval of the Shareholders in the General Meeting. Hence, the Resolution no.6 & 7 is put up for approval.

None of the Directors and / or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution. Board of Directors recommend the Resolution for your approval as an Ordinary Resolution.

Item no. 8

After passing of the above Resolution (at Item No. 6 & 7), it is necessary to amend Article III(1) of the Articles of Association (Articles) of the Company as the same depicts the Authorised Share Capital. The Article III(1) presently describes the Authorised Share Capital as Rs. 500 crore which now shall stand increased to Rs. 1,500 Crore. It is, therefore, proposed to substitute the present Article III(1) of the Articles of Association with the Article as proposed in the Resolution in order to bring the same in line with the amendment to Clause V of the Memorandum of Association of the Company.

In addition to above, Board of Directors in its 45thBoard Meeting held on 26th July, 2016 have approved the proposal to appoint one full time Director in Finance and one full time Director in Projects Division through open recruitment process which shall be overseen by the selection committee of EESL on terms and conditions approved by the Board from time to time.

A Joint venture and Supplementary Agreement has executed on 29.08.2017. Consequential alteration is to be made in articles of association of the Company.

As per Section 14 of the Companies Act, 2013, any alteration requires approval of the Shareholders by Special Resolution in the general meeting. Hence, the Resolution is placed before the Shareholders for approval. None of the Directors and / or Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution.

Item No. 9

Bureau of Energy Efficiency vide letter No. 02/17/Dir(EESL)/Admin.-2013/3601 dated 3rd July, 2017 has nominated Shri Pankaj Kumar as Government Nominee Director. Accordingly, Board appointed him as Additional Director w.e.f. 4th August, 2017 in the 55th Board Meeting held on 4th August, 2017. The Company has received a notice in writing from a member pursuant to provisions of Section 160 of the Companies Act, 2013, signifying his intention to propose the appointment of Shri Pankaj Kumar as Government Nominee Director on the Board of EESL. Shri Pankaj Kumar, if appointed, shall be liable to retire by rotation. Shri Pankaj Kumar is not disqualified being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

The Memorandum and Articles of Association of the Company are open for inspection of the members at the Registered Office of the Company during the normal business hours at any time upto the date of the Annual General Meeting and at the Meeting.

By the Order of Board of Directors
For Energy Efficiency Services Limited

(Pooja Shukla)
Company Secretary
M. No.: ACS 18008

Place: Noida
Date: 21.09.2017

ENERGY EFFICIENCY SERVICES LIMITED

(A Joint Venture Company of PSUs Of Ministry of Power, Govt of India)
Corporate Office: A-13, 4th & 5th Floor, IWAI Building, Sec-1, Noida-201301 (U.P.)
Registered Office: -4th Floor, Sewa Bhawan, R.K.Puram, New Delhi
CIN: -U40200DL2009PLC196789

PROXY FORM

(Form no. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014.]

Name: ……………………………………… Folio No.: ……………………….

Registered Address:……………………………………… No of Share held -………..Shares

………………………………………

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

1.	Name of the Proxy			
	Registered address		Signature	
	E-mail ID			
Or failing him				

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of Energy Efficiency Services Limited, to be held on Friday, 29th September, 2017 at 10:30 a.m. at Old Board Room, NTPC Limited, Core- 7, 5th Floor, SCOPE Complex, Lodhi Road, New Delhi – 110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
Ordinary Business			
1.	To consider, approve and adopt Audited Standalone and Consolidated Financial Statement for FY 2016-17		
2.	To declare dividend for FY 2016-17		
3.	To fix remuneration of statutory auditors for FY 2017-18		
4.	To appoint a Director in place of Shri Raj Pal (DIN02491831), who retires by rotation and being eligible, offers himself for reappointment		
5.	To appoint a Director in place of Shri AvkashSaxena (DIN00529340), who retires by rotation and being eligible, offers himself for reappointment.		
Special Business			
6.	To increase Authorized Share Capital		
7.	To alter existing capital clause of Memorandum of Association of the Company		
8.	To alter Articles of Association of the Company		
9.	To consider appointment of Shri Pankaj Kumar (DIN07893712) as Director of the Company		

Signed this………. day of ………20….

Signature of Shareholder(s) ________________________

Signature of proxy holder(s)

Affix Revenue Stamp of Rs. 1/0

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

1. A Proxy need not be a member of the company.

2. Please put a √ in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

ENERGY EFFICIENCY SERVICES LIMITED

(A Joint Venture Company of PSUs Of Ministry of Power, Govt of India)
Corporate Office: A-13, 4th & 5th Floor, IWAI Building, Sec-1, Noida-201301 (U.P.)
Registered Office: -4th Floor, Sewa Bhawan, R.K.Puram, New Delhi
CIN: -U40200DL2009PLC196789

ATTENDANCE SLIP

Venue of the Meeting: Old Board Room, NTPC Limited, Core-7, 5th Floor, Scope Complex, Lodhi Road, New Delhi-110003

Date and Time: 29.09.2017 at 10:30 a.m.

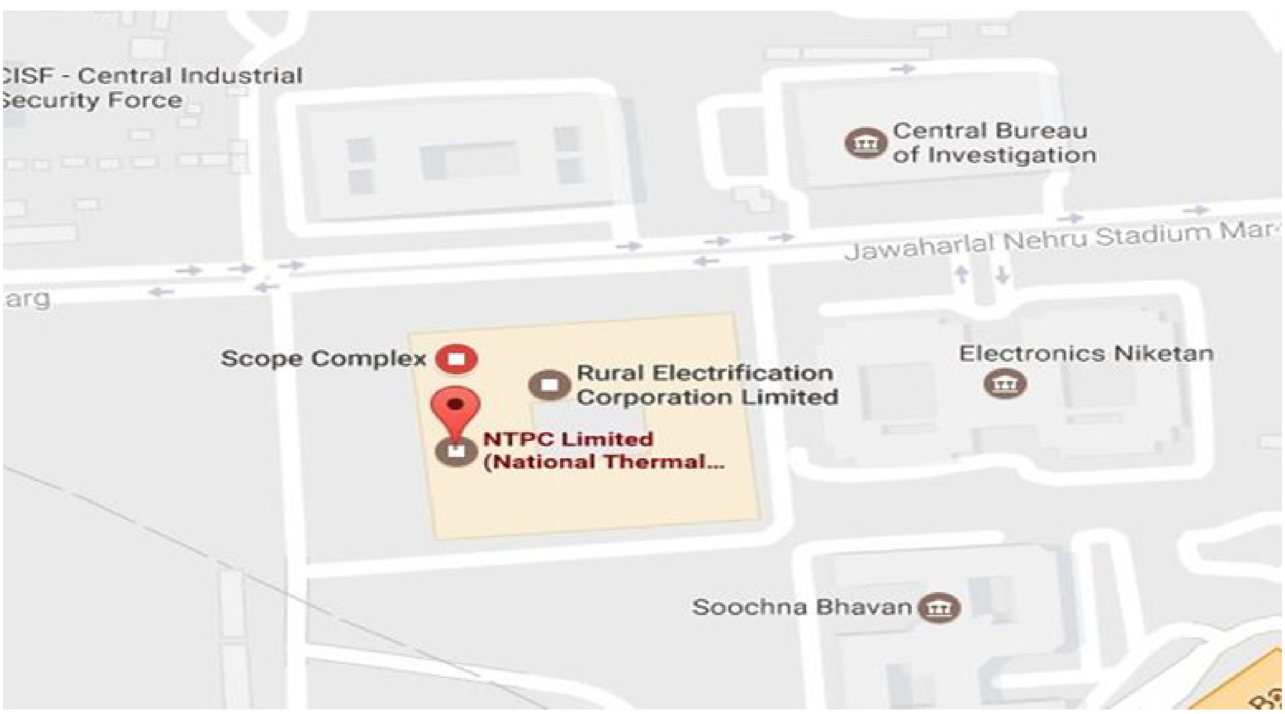
PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name of the Attending Member	
*Folio No.	
DP ID No.	
Client ID No.	
No. of Shares Held	
Name of Proxy (to be filled in if the proxy attends instead of the member)	

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the Annual General Meeting of the Company on Friday, 29.09.2017 at 10:30 a.m. at Old Board Room, NTPC Limited, Core-7, 5th Floor, Scope Complex, Lodhi Road, New Delhi-110003.

Member's/Proxy's Signature

* Applicable in case of shares held in Physical Form.



DIRECTORS' REPORT

To
The Members,
Energy Efficiency Services Limited

Your Directors are pleased to present 8th Annual Report on the business and operations of the company along with the Audited Financial Statement for the financial year ended on 31st March, 2017.

Revenue from operations was Rs. 1150.86 crores and total revenue was Rs. 1227.18 crores. Net profit of the Company in 2016-17 is Rs.51.80 crores, an increase of Rs. 14.72 crore over the previous year.

1. FINANCIAL PERFORMACE

1.1 Financial Highlights (Standalone):

The highlights of performance of the Company for financial year 2016-17 were as under with comparative position of previous year's performance:

(in Lacs)

Particulars	31st March, 2017	31st March, 2016
Share capital	46200.00	16500.00
Total Revenue (including Other Income)	122718.40	80311.45
Profit Before Depreciation & Taxes	13702.84	6774.23
Less: Depreciation	5543.57	1755.00
Profit/(Loss) Before Tax	8159.27	5019.23
Less: Prior Period Adjustments (Net)	-	-
Less: Provision for Taxation		
-Current Year	3104.83	1355.02
-Deferred Tax Asset	(125.26)	(43.92)
Profit/(Loss) after Tax	5179.70	3708.13
Profit/(Loss) brought forward from Previous Years	5463.02	2173.99
Balance carried forward to Balance Sheet	7874.86	5463.02

1.2 Dividend

The Board of Directors of your Company hasrecommend a dividend of ₹ 27.76 crores for the year 2016-17 subject to the approval of shareholders at 8th Annual General Meeting.

1.3 Share Capital

As on 31st March, 2017, the issued and paid up share capital of the Company was ₹ 462 Crs divided into 46,20,00,000 equity shares of ₹ 10 each against authorised share capital of ₹ 500 Crs divided into 50,00,00,000 equity shares of ₹ 10 each. During the financial year 2016-17, Company has allotted 29,70,00,000 Crs equity shares of ₹ 10 each to three promoter companies on 25th April, 2016 i.e. NTPC, REC and PFC on private placement basis. Accordingly, as on date, NTPC, PFC and REC hold 32% (approx.) of the paid up equity share capital of the Company, respectively and PGCIL holds 4% (approx.) of paid up share capital of the Company.

1.4 Net Worth

Your Company's net worth as on 31st march, 2017 was Rs. 555.25 crore as against Rs. 417.63 crore in the previous year.

1.5 Resource Mobilization

The Company mobilized ₹ 103.09 crores from Kreditanstalt für Wiederaufbau (KfW) and Agence française de développement, (AFD). The amount outstanding as on 31st March, 2017 is ₹ 326.24 crores. EESL has also issued Secured, Redeemable, Taxable, Non-Cumulative, Non-Convertible Bonds [Series–I (2016-17)] amounting to ₹ 500 crores which are listed on BSE Limited. The basic details of issue are as under:

	STRPP A	STRPP B	STRPP C
Securities Description	Secured Redeemable Taxable Non-Cumulative Non-Convertible Bonds Series 1 (STRPP A) issued on private placement basis	Secured Redeemable Taxable Non-Cumulative Non-Convertible Bonds Series 1 (STRPP B) issued on private placement basis	Secured Redeemable Taxable Non-Cumulative Non-Convertible Bonds Series 1 (STRPP C) issued on private placement basis
Quantity	1250	1250	1250
ISIN Number	INE688V07017	INE688V07025	INE688V07033
Face Value	₹10,00,000/-	₹ 10,00,000/-	₹ 20,00,000/-
Date of Issue	20.09.2016	20.09.2016	20.09.2016
Coupon Rate	8.07%	8.07%	8.07%

1.6 Cash Credit/ Short-Term Facility

As on 31st March, 2017, Company has availed Short Term Loan amounting to ₹ 350 Crs.

2. NATIONAL PROGRAMME

2.1 UJALA

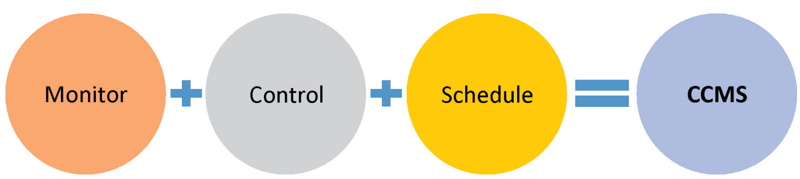
The Hon'ble Prime Minister launched National Programme on 5th January, 2015 to convert the conventional street lights with smart and energy efficient LED street lights and Domestic Efficient Lighting Programme (DELP) to provide LED lights to domestic households. Lighting sector accounts for about 20%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

Under DELP, EESL has evolved a service model where it works with electricity distribution companies (DISCOMs). The Domestic Efficient lighting Programme (DELP) obviates the need for DISCOMs to invest in the upfront cost of LED bulbs. As on 31st March, 2017, 214581545 bulbs, 1598967 Tube Lights & 587795 Fans have been distributed.

2.2 STREET LIGHT NATIONAL PROGRAM (SLNP)

Street Light National Program is launched by Hon'ble Prime Minister on 5th January, 2015 to replace the approx. 1.34 crore numbers of conventional street lights with smart and energy efficient LED street lights by March, 2019 that may result into energy saving of 9 billions kWh and reduction in installed street lighting load of 150 MW and CHG emission reductions of 6.2 million tonnes of CO2. Under the programme, EESL replaces the conventional street lights with smart and efficient LED street lights. The service model enables the municipalities to go in for state of the art street lights with no upfront capital cost and repayments to EESL are within the present level of expenditure.As on 31st March 2017, 544 ULBs have enrolled for SLNP and 19.67 Lakhs streetlights have been installed. Out of 544 ULBs, work has completed in 193 ULBs (across 24 states) leading to an estimated annual energy savings of 338.81 MUs.

Under SLNM, Central Control and Monitoring System is being used to monitor and Control LED lighting system of civic bodies in the country, remotely. CCMS results in automatic identification of failures, real-time control of any individual lamp, increase lamp lifetime, reduce onsite maintenance costs, remove night patrols, automatic generation of alarms and notification to operations managers and crews to optimize their maintenance schedules. Andhra Pradesh, Hon'ble CM of Andhra Pradesh Sh. Chandrababu Naidu has launched the Street light dashboard for more than 50 ULBs. The monitoring of all these 50 ULBs are being monitored through a Common Command Centre in the capital city of Vijayawada.



More than 3,00,000 lights in 51 Municipalities (aprox) of Andhra Pradesh are connected to Hon'ble CM CORE dashboard.In Rajasthan, CCMS technology has been implemented in more than 10 towns & around 1,00,000 lights have been configured to the dashboard. CCMS has been successfully running for more than 30,000 lights in Tripura. Around 2,00,000 LED lights are connected through CCMS technology in South Delhi Municipal Corporation. In Aligarh Uttar Pradesh, more than 14,000 LED Lights are being maintained through CCMS.

2.3 Agriculture Demand Side Management (AgDSM)

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

Your Company has come into an agreement(s) with the DISCOMs of Andhra Pradesh for distribution of 1 lac EEPS on similar lines and the free of cost distribution of Pumpsets along with the Smart Control Panels has commenced in the last week of July, 2017. For the said project, EESL is acting as Project Management Consultant (PMC) and facilitating the DISCOM(s) for successful implementation.

2.4 Buildings Energy Efficiency Retrofit program (BEERP)

High rise government and commercial establishments are one of the major load centres consuming about 15% of country's electricity. Considering huge infrastructure growth and consequent rise in peak demand, DSM is recognized as one of the major solutions in building sector for reduced energy bill as well as for flattening the demand curve of utilities. Recognizing the above need, EESL has focused on "Building Sector" as one of the major interventions to create market transformation in energy efficiency.

BEEP division of EESL has an ambitious plan for next 2-3 years wherein it is striving to bring investment to the tune of INR 2,000 Crores by 2020 covering more than 10,000 buildings in next couple of years. It is expected that about 10 million LED lights, 1.5 million ceiling fans and 150,000 ACs would be retrofitted by EESL in these buildings. Apart from retrofit intervention, EESL also aims to widen its services in areas like centralized AC system, Energy Audits and New Generation Energy Management System in buildings.EESL building division has already retrofitted energy efficient appliances in 35 prominent buildings located across India, which has resulted an estimated cumulative energy savings of about 18.5 million units and 39% reduction from baseline electricity consumption.

Apart from above completed projects, EESL is at various level of engagement with major agencies like Indian Railways, governments of Odisha, Maharashtra, Andhra Pradesh and Himachal Pradesh, Central Government ministries etc. to cover about 5000 buildings for energy efficiency interventions. EESL also launched its "National Building Dashboard" which was inaugurated by Hon'ble Power Minister, Sh. Piyush Goyal during our first National building workshop at Mumbai. The Dashboard provides information of real time/deemed energy savings subsequent to energy efficiency intervention by EESL in buildings on PAN India basis. It also provides annual CO_2 reduction and avoided peak demand due to retrofit of energy efficient equipment (<http://www.eeslbeep.com>).

In recognition of the services being rendered by EESL in implementation of energy efficiency measures, Dept. of Expenditure, Ministry of Finance, Government of India has issued an office memorandum directing all central government ministries and departments to replace the existing lighting / equipment in their buildings with LED based lighting and energy efficient equipment on priority, utilizing the services of EESL. This will further boost EESL's efforts in its mission of converting all buildings into energy efficient ones.

2.5 Consultancy and Advisory Services

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

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

Accordingly, EESL deployed 64 consultants from technical and financial background to support to the DSM cell of the DISCOMs. During this year, 29 LR reports and 30 DSM action plans have been submitted to BEE. 5 LR reports and 4 DSM Action plans are pending.

b) **Perform, Achieve and Trade (PAT) Scheme** – Your Company supported BEE in the PAT Scheme, a flagship program of Government of India for improving energy efficiency in industrial sectors.

The PAT Scheme is being implemented in three phases. The first phase (PAT – I Cycle) runs from 2012-2015 covering 478 facilities from eight energy-intensive sectors.These eight sectors accounts for roughly 38% of India's total primary energy consumption. It targets energy consumption reductions of 6.686 million tons of oil equivalent (mtoe) in the 478 covered facilities.

The second phase of the PAT Scheme (PAT Cycle II) runs from 2016-2019, covering 707 units from the eleven energy intensive sectors (Table). PAT Cycle-II focuses on deepening and widening of PAT-I Cycle and addition of new DCs from 3 new sectors namely Railways, Refineries, and Electricity distribution companies (DISCOM). This would expand the coverage from 38% to 70% of total primary energy consumption. There are around 188 units from four sectors (Cement, Pulp & Paper, Iron & Steel and Textiles) and around 130 units from remaining existing four sectors (Aluminium, Fertilizers, Chlor-alkali and Thermal Power Plants). The new sectors (Railway, Refineries and DISCOM) include around 170 units till date. More DCs are under identification and the total would be around 707.

Table: The targeted savings for PAT Cycle I and PAT Cycle II

S. No.	Sectors	Unit of SEC	PAT I cycle	PAT II cycle		
			Number of DCs	Targeted Savings (mtoe)	Number of DCs	Targeted Savings (mtoe)
1.	Power (Thermal)	Kcal/kWh	144	3.21	154	3.13
2.	Iron and Steel	toe / ton of product	67	1.47	71	2.28
3.	Cement	toe / ton of product	85	0.82	111	1.12
4.	Aluminium	toe / ton of product	10	0.46	12	0.47
5.	Fertilizer	toe / ton of product	29	0.48	37	0.45
6.	Paper & Pulp	toe / ton of product	31	0.12	29	0.15
7.	Textile	toe / ton of product	90	0.07	99	0.09
8.	Chlor - Alkali	toe / ton of product	22	0.05	24	0.10
9.	Petroleum Refinery	Million British Thermal Unit per Thousand Barrel per Energy Factor	-	-	20	1.11
10.	Railways	Litres /1000 GTKm	-	-	100	NA
11.	DISCOMs	% of Transmission and Distribution losses	-	-	50	0.94
		Total	478	6.686	707	18.00

For the majority of the sectors (for the new DCs) last financial year of three year reported data will be considered as the baseline year in PAT Cycle II. For the new sectors, proper workshops will be first given to the empanelled agencies for filling up Data in the Pro-forma and Target Fixation methodology. This will be carried out by BEE for all the three new sectors included in PAT II cycle i.e. Railway, Refineries and DISCOMs.

The PAT II cycle targets for individual DCs have been notified by the Ministry of Power on March 31, 2016. The notification clearly mentions that any entity that has consumed 30 ktoe in a year would be a Designated Consumer. Detailed methodologies for measurement and verifications are also provided through a Performance Assessment Document. The gazette of PAT-II cycle mentions that the Designated Consumers shall comply with the energy consumption norms and standards specified against their names by the target year 2018-2019, a period of three years from April 1, 2016 until March 31, 2019.

c) **Standard and Labelling (S & L) Program** – EESL acts as an Independent Agency for Monitoring and Evaluation (IAME) for BEE in the S & L Program. This flagship program of BEE sets minimum energy performance standard (MEPS) for different appliances and gives the consumers an informed choice to purchase/use energy efficient appliances. As an IAME, EESL scrutinizes all applications received by BEE from different manufacturers seeking Star-rating for different product models. After due verification of documents and other requirements, EESL recommends the star-rating of each application to BEE to take further action. Apart from this, EESL is also conducting the market surveillance and check-testing as per the provisions of S & L Scheme. During the year, EESL has scrutinised and processed about 5341 number of applications generating a total revenue of Rs. 82,91,906.00.

3. NEW INITIATIVES

3.1 Atal Jyoti Yojana (AJAY)

Atal Jyoti Yojana (AJAY) a sub scheme under off grid and decentralized solar application scheme of Ministry of New and Renewable Energy (MNRE), is approved by Government of India for installation of solar street lights in the states of Assam, Bihar, Jharkhand, Odisha and Uttar Pradesh where household grid connectivity is less than 50%. MNRE has appointed EESL as the implementing agency for the scheme in the aforesaid states vide letter no. 42/12/2016-17/PVSE dated 2nd Sep, 2016. Total cost of the scheme is Rs. 499.30 Crs. The scheme is jointly funded by MNRE and Member of Parliament Local Area Development funds (MPLAD). MNRE is to provide 75% of the cost of street lights and remaining 25% will come from MPLAD, Panchayat funds or Municipalities and other Urban Local Bodies (ULBs) Funds. The scheme is to be implemented as per the guidelines in mission mode and installation of street lighting systems is to be ensured by 31st March, 2018. As on 5th Sep 2017, EESL has received 61 nos. sanction letters out of 169 nos. and commissioned over 20,000 Solar Street LED Lights in various constituencies of Bihar, Jharkhand and Uttar Pradesh.

3.2 Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The scheme was launched by Hon'ble Prime Minister in June 2015 with focus on providing basic services (e.g. water supply, sewerage, urban transport) to households and build amenities in cities which will improve the quality of life for all, especially the poor and the disadvantaged is a national priority. There are a total of 500 nos. of Cities identified across India as AMRUT Mission Cities.

Under the reforms mentioned in the AMRUT Mission, energy and water audit & making Sewage Treatment Plants (STPs) and Water Treatment Plants (WTPs) more energy efficient is a major reform. To facilitate market transformation and replication of the Municipal Energy Efficiency Projects in Public Water Works and Sewerage Systems on a large scale in India, Ministry of Urban Development, Govt. of India signed a Memorandum of Understanding on 28th Sep, 2016 with Energy Efficiency Services Limited (EESL). Under the MoU, EESL may undertake preparation of Investment Grade Energy Audit (IGEA) Reports of the identified Energy Efficiency Projects in the Cities and may enter into separate tri-partite agreements with the State Government and respective Urban Local Bodies (ULBs) for implementation of the Project, based upon the findings of the Report.

3.3 Smart Metering Programme

The Govt. of India has the vision of ensuring smart meter installation to all consumers with a consumption of more than 200 units by financial year 2019 thereby revamping the current manual system of revenue collection system which leads to low billing and poor collection efficiencies. To achieve this, your company has proposed to roll out AMI (Advanced Metering Infrastructure) solution comprising of a Smart meter + Communication + Head end system + Back end requirements and its integration with utility legacy systems. Your company will undertake procurement of smart meters with GPRS compatible NIC Cards, Deployment of system Integrator Agency for Installation of Smart Meters and IT Infra (Head End and MDM Software and hardware), deployment of Cloud Hosting and GPRS Service provider, testing, commissioning and integration of the AMI system, O&M for project period.

The project is proposed under the BOOT model on cost plus approach which means all Capex/ Opex is done by your company with states/ utilities not required to invest upfront. Under cost-plus model, the contract price will be determined by adding to the actual cost of material supplied, labor associated and expenses incurred along with an overhead costs and an agreed RoE. Uttar Pradesh and Haryana have been tentatively identified for roll-out of Advanced Metering Infrastructure (AMI).

3.4 Super-Efficient Air Conditioning Programme

The Air Conditioners market is growing at 10 – 15% growth rate and will contribute significantly in Peak Load demand. EESL is implementing Super Energy Efficient AC program on PAN India basis to promote high energy efficient and low GWP Air Conditioners. The program is launched initially to cover Buildings sector and Institutional demand. The key features of the program are:

a. EESL will undertake to replace existing Zero Star / 3 Star and 5 Star ACs with Super Energy Efficient ACs in Building and Institutional Sector.

b. EESL will implement the program as CAPEX (Up Front Sale) and Instalment (Annuity) model based upon the requirement and financial conditions of Customers.

c. Initially, 1 lakh ACs of ISEER 5.2 is being procured, this product is 30 – 40% more Energy Efficient than the 5 Star ACs.

d. The mandate from Ministry of Finance to replace all lighting, Fans and Air Conditioners with Energy Efficient equipment will lead to a high demand in Govt. Buildings and Institutional sector.

e. The ordered quantity will be delivered in Building Energy Efficiency Programme over the period of 4 months.

3.5 Electric Vehicle Programme

EESL, in association with Government of India has initiated the electric vehicle programme in India from a market based perspective. EESL has successfully revolutionised the LED based domestic and municipal lighting wherein over 260 million LED bulbs were distributed, and 3.2 million LED street lights installed without any grant or subsidies on a market aggregation and innovative business model. The innovative and flexible business model of EESL is being applied to electric mobility to replace about half a million petrol/diesel cars used by Government agencies/officials over a period of 3-4 years. EESL will aggregate demand and procure e-vehicles that will be leased to these agencies. In parallel, it will also encourage setting up charging infrastructure. EESL has started the process of procurement of 10,000 EVs and 4000 chargers.India can save 64% of anticipated passenger road-based mobility-related energy demand and 37% of carbon emissions in 2030 by pursuing an electric mobility future. The government leading the mandate to mitigate climate change and switching to EVs will send a strong message to the citizens and also help in generating demand.

4. INTERNATIONAL PROGRAMMES

4.1 Partial Risk Guarantee Fund for Energy Efficiency (PRGFEE)

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

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

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

EESL has conducted several workshops for promotion of the scheme; the first workshop in Mumbai (October 3, 2015) saw participation from prominent Financial Institutions and ESCOs. The workshop was chaired by Shri B.P. Pandey, Additional Secretary, Ministry of Power. The second workshop was conducted in New Delhi on November 4, 2015 which was aimed at understanding the concerns of the Financial Institutions. The third workshop-cum-launch event was recently organised in March 24, 2017 at Mumbai chaired by Shri B P Pandey, Special Secretary, Ministry of Power, where the PRGFEE logo, brochure and operations manual was launched. EESL also conducted a National Workshop on Energy Efficiency in Vijayawada in April 2016, which had a dedicated session on Energy Efficiency Financing.

As a result of this outreach and one-to-one meetings with ESCOs, the Implementing Agency has submitted a pipeline of projects to the Bureau of Energy Efficiency (BEE).

Till date, four FIs have been empanelled under PRGFEE which are Andhra Bank, Yes Bank, Tata Cleantech Capital Ltd. and IDFC Bank.

4.2 Partial Risk Sharing Facility (PRSF)

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

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

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

The above two components are designed to strengthen the market-driven energy efficiency ecosystem conditions necessary for addressing EE market barriers and development objectives identified in Section II. SIDBI and Energy Efficiency Services Limited (EESL), which are leading institutions in their respective fields are the Project Execution Agency (PEA) for the scheme. The $43 million project consists of a partial risk sharing facility of $37 million, funded from a Global Environment Facility (GEF) contribution of $12 million and backstopped by a Clean Technology Fund (CTF) contingent guarantee of $25 million and a technical assistance and capacity building component of $6 million funded from GEF.

Technical Assistance and Capacity Building: The technical assistance and capacity building component of US$6 million, is funded by GEF and to be managed by SIDBI and EESL. This component supports technical assistance, capacity building, and operations support comprising, market development, management and information systems, and standard documentation systems. The project has since become effective on August 31, 2015. The website of the PRSF project (http://prsf.sidbi.in) has been developed and made live. Memorandum of Understanding (MoU) has been executed with 05 organizations viz. Electronica Finance Ltd., Tata Cleantech Capital Ltd., Religare Finvest Ltd, Yes Bank Limited and Corporation Bank; Master Guarantee Agreement (MGA) has been with all except Religare Finvest Ltd.

First guarantee under PRSF was issued in August 2016 with guarantee coverage of Rs. 281.25 lakh. The EE project is implemented by Yantra Harvest Energy Private Limited at Kamachi Sponge & Power Corporation Limited, Tamil Nadu. As on date, 7 energy efficiency projects have been guaranteed under the scheme with a coverage of Rs. 16.73 Crore or US$ 2.57 Million.

4.3 Global Environment Facility-5 (GEF-5) - Promoting Market Transformation for Energy Efficiency in Micro, Small & Medium Enterprises

Global Environment Facility (GEF) is the designated funding mechanism of the multilateral environmental conventions, providing incremental finance to developing country parties for incorporating global environmental benefits into their national developmental efforts and has now partnered with your company to support the transformational shift towards a low-emission economy, without compromising development through the path of energy efficiency.

To stimulate long-term sustainable change in MSME industry, The Indian Government and UNIDO has launched a programme for MSME industry in India i.e. **Promoting Market Transformation for Energy Efficiency in Micro, Small & Medium Enterprises.** This project is to be implemented by UNIDO, executed by MoMSME as leading executing agency and EESL as main executing partner. And, it will be GEF-5 funded project and co-financed by your Company, BEE, MoMSME (in-kind) & SIDBI (loan).The duration of the project is 60 months. Total cost reserved for this project is 31.3 million USD that includes grant of USD 4,465,455.

4.4 Global Environment Facility-6 (GEF-6) - India: "Creating and Sustaining markets for Energy Efficiency"

To operationalize and achieve objective of reducing Greenhouse Gas (GHG) emissions through energy efficiency and to scale up new technology applications, GEF-6 has been launched (2017-2022 cycle time). GEF-6 project envisages to mitigate 750 million tons of CO2eq & direct energy savings of 38.3 million GJ by 2022 and 137.5 million GJ by 2032. This project also aims to create enabling conditions for your company's future growth strategy for investments across all seven technologies (Phase I - Street Lighting, Domestic Lighting, BEE 5 Star Ceiling Fans, and Agricultural Pumps & Phase 2 - Super- Efficient Ceiling Fans, Tri-Generation and Smart Grids/ Meters).United Nations Environment Programme (UNEP) & Asian Development Bank (ADB) are implementing agencies and your company would be executing agency for the programme. Total funding for this projectis US$ 453 million that includes grant of $18.85 million and Co- Financing of $434.2 million (in form of a mix of loans, equity, technical assistance and in-kind contributions) from your company and various multilateral & bilateral agencies.

Under GEF-6, an Energy Efficiency Revolving Fund (EERF) is also proposed to establish to support 'proof of concept' investments and scale up energy efficiency financing and program development to assist in covering initial investment cost of identified Energy Efficiency projects/ programs in the country.GEF Grant and technical assistance resources will help to address some of the upfront risk in such investments. The accrued savings from these technologies can then be used to finance additional projects, which would then allow capital to revolve as a sustainable funding mechanism.EERF facility, will provide complementary inputs through screening of the business growth strategy, qualifying investment opportunities identified therein, providing recommendations for additional resources mobilization, and assistance in preparation of investment-ready proposals, scaling up energy efficiency financing and supporting demand side energy management in India.

The project has been endorsed by the GEF CEO & Chairperson and currently, EESL is in the process of signing the Project Cooperation Agreement with UNEP.

5. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has following subsidiary as on 31st March, 2017:-

Name of Subsidiary	Details of Joint Venture Partners	Performance of the Company during FY 2016-17
EESL Energy Pro Assets Limited (EEPAL)	Energy Efficiency Services Limited (80%) Energy Pro Assets Management Limited (20%)	EEPAL has 7 operating energy efficiency agreement with 7 clients in the education and leisure sectors (schools, district council, golf course) across the UK. The tenure of these contracts ranges from 9 to 18 years. During the year 2016-17, revenue from operations was GBP 0.53 million. EEPAL is also exploring possibilities for business opportunities available in Combined Heat and Power segment as well as in Battery storage devices.

A report on the financial position of subsidiary, as per the Companies Act, 2013 has been provided as annexure to the consolidated financial statements and hence, not repeated here for sake of brevity.

6. INFORMATION TECHNOLOGY INITIATIVES

Your Company has a robust information technology and communication infrastructure. Your Company has implemented Enterprise Resource Planning (ERP) application to integrate all its business functions to improve Information availability, transparency and decision-making. Your Company is deploying a digital platform and a system to make sure the entire workflow from sourcing, assembly, delivery and servicing to cater the project objectives. Some of the highlights are as under:-

ERP- The employee self-serviceportal was lunched on internet. A number of new processes such as travel booking, employee directory have been developed. Benefits of ERP system are being extended to the borrowers also as part of better service.

E-procurement- EESL has implemented on-line 'e-procurement' system for procurement of goods and services, as per CVC guidelines. All the tenders are available on e-procurement side.

Paperless Communication- Travel claims, telephone claims were made paperless as Go Green initiatives

New Policy - To make employees IT enabled, desktop computer and laptops have been provided to nearly 100%.

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

Complaint handling system (CHS)- Your Company has implemented Complaint handling system (CHS) to address concerned user/consumers/Customers queries and complaints on time with quick problem resolution with Multi language support, SMS on ticket status, Social Media Integration

Dash Board- Your company has implemented dashboards for various projects UJALA, SNLP, Ajay to track the overall progress of the project digital dashboard reporting and mobile apps for ease in communication.

Video Conferencing (VC) solution-In order to improved internal efficiency and transparency your company has implemented suitable Video Conferencing (VC) solution at corporate office and in progress to implement across all offices of the Company. Major EESL office site has been connected with more safe and secure network MPLS.

Security- Your company has implemented guidelines of NIC for ransom ware attack, to ensure the internal systems are well protected.

7. INSTITUTIONAL STRENGTHENING

Considering the increasing project investment portfolio, institutional strengthening is being undertaken as a continuous process in your company for which PwC is appointed as a consultant to provide technical support for institutional strengthening, process standardization, enhancing quality of design, implementation and monitoring of projects, etc.

8. OFFICIAL LANGUAGE IMPLEMENTATION

Various steps have been taken to promote Hindi by the Official Language section at EESL headquarters (Corporate office). In order to promote the official language, employees were made aware of the provisions of the Official Language Act and they were encouraged to comply with Official Language Policy of the Union Government.

During the year, training was provided for Hindi language, Hindi typing / shorthand for doing work in Hindi on computer system. All the forms used in the office and standard bids were made bilingual (Hindi / English). EESL's annual report was also translated into Hindi. The information sought under the Right to Information is given in Hindi, bilingual telephone directory is available, Scientific lectures are organized in Hindi, Hindi software / font facility has been provided on computer, Hindi translation of EESL's website is in progress.

EESL is always ready to promote Hindi language and take appropriate actions as per the instructions of the Government of India.

9. HUMAN RESOURCES MANAGEMENT

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

9.1 Manpower Strength

During the year, your company has developed in-house Online Recruitment application and signed MOU with outsourcing agencies for engagement of Consultants/Workers overseas, Initiated Campus Placements- IIM, Introduced system of Online Rolling Advertisement for hiring Consultants/Sector Experts and Apprentices. During the f.y. 2016-17, your Company has appointed 180 employees in various cadres through open advertisement through four Cycles of Open Recruitments, two rounds of FT Absorption and region based Apprentices' Recruitments.The total employee strength of the company as on 31st March 2017 stood at 329.

9.2 Industrial Relations

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

9.3 Employee Welfare

The welfare and employee engagement activities in the company are designed in a manner to keep the employees oriented towards organizational goals, team building, to bring in a sense of belongingness, attain a proper work-life balance and to retain employees in a competitive business scenario. Cashless health care facilities to the employees, and their dependent family members, in our company are being provided through empanelled hospitals in Delhi/NCR. In addition to this, subsidized lunch scheme, cultural activities and sport activities for the employees are being conducted for harnessing a creative and happy culture at the workplace. For providing long term financial security, during the financial year 2016-17 your company has introduced Superannuation Fund for our employees besides providing coverage under Group Personal

Accident Insurance policy. During the financial year 2016-17, various initiatives for welfare of employees have been taken viz-a-viz Birthday Gifts initiative, Waste Recycle Management system, 10 Health check-up Camps, collaboration with local Hospital for availing the facility of a Visiting Doctors thrice a week and introduction of Group Insurance Scheme through LIC in lieu of EDLI, In house camp for National Pension Scheme.

9.4 Human Resource Development

Your company believes that objectives of an organization can be achieved in sustainable manner, if its human resources are ready to embrace the change, overcome with competitive edge and to unleash their potential and this is possible only through a step-by-step long term and short term need based training programs. During the year, your company has set up in house Learning Centre and provided non-residential induction programme at corporate office & residential induction programmeat PMI Noida for New Executives,sponsored approx. 270 executives to various training programmes, workshops etc. within country and abroad. Your company in collaboration with PMI, TERI, NPTI, Dale Carnegie Institute has organized multidisciplinary programme to develop behavioral, managerial and cross functional competency of employees. The above programmes have been organized in various areas including health & lifestyle management, functional competency, Leadership & Communication.

9.5 MOU Rating and Awards

The performance of your company in terms of MOU signed with promoter companies for the financial year 2015-16 has been rated as “Excellent”.

9.6 Right to Information Act, 2005

The Company implemented “Right to Information Act, 2005” and in year 2016-17, 83% of the queries have been disposed successfully. Name of the officers for coordinating the work relating to receipt of applications and appeals and furnishing information thereto have been placed on EESL’s website.

9.7 Disclosure under the ‘Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In line with provisions of “Sexual Harassment of women at Work Place (Prevention, Prohibition & Redressal) Act, 2013 an “Internal Complaints Committee” has been constituted for redressal of complaints against sexual harassment of women employees. During the financial year 2016-17, the Company did not receive any compliant of sexual harassment.

9.8 National and International Training Programme

To cater the training and development needs of executives and to upgrade the employee’s skill sets and high delivery performance, the company has sponsored 27 executives to various training programmes, workshops etc. within country and abroad.

9.9 Redressal of public grievances

Your Company is committed for resolution of public grievance in efficient and time bound manner. A dedicated officer is handing and facilitating earliest resolution of public grievances received on web based monitoring system i.e. www.pgportal.gov.in

As per directions of GoI, public grievances are to be resolved within 60 days of receipt of grievance. If it is not possible to resolve the same within two months period, an interim reply is to be given. Your company is not only giving emphasis on timely response but also on qualitative aspect while resolving the grievances. All the responses are uploaded on web based monitoring system i.e. www.pgportal.gov.in. Your Company is making all efforts to resolve grievances in above time frame.

10. CORPORATE SOCIAL RESPONSIBILITY

The CSR Budget of EESL of Rs. 44.33 Lacs for the financial year 2016-17 was approved in its Board Meeting.

In this regard, several options were explored as where to utilize this fund to the best possible way so that its purpose is met. In the meantime, a request letter was received from Jagdei Gram Panchayat, Paurigarhwal District of Uttarakhand regarding construction of Toilets for use of Households and this project may be taken up as our CSR activity under Swachh Bharat Abhiyan launched by Hon’ble Prime Minister of India. We are in process to get the “Base Line Study” done in Paurigarhwal District so that maximum deprived Households may be identified for construction of Toilets as described above. Since, Paurigarhwal is one of our project areas under SLNP Programme and UJALA Programme, clause 2.3 of CSR Policy is complied. Hence, this project will be undertaken as our CSR activity.We are fully committed to utilize the CSR fund allocated for FY 2016-17.The Corporate Social Responsibility Policy of the Company as required under Section 135 of Companies Act, 2013 is available on our website (www.eeslindia.org).

11. NOMINATION AND REMUNERATION POLICY

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

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

Foreign earnings and outgo:

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

Particulars	Year ended 31.03.2017 (in Rs.)	Year ended 31.03.2016 (in Rs.)
Expenditure in Foreign currency	10,33,49,851	30,624,023
Earning in Foreign Exchange	1,317,281	5,498,316

13. KEY MANAGERIAL PERSONNEL

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

14. BOARD & COMMITTEE OF THE BOARD

The Board of Directors duly met 9 times during the financial year from 2016-17. The dates on which meetings were held are as follows: 25th April, 2016, 26th July, 2016, 23rd August, 2016, 16th September, 2016, 22nd November, 2016, 24th December, 2016, 18th January, 2017, 2nd March, 2017 and 15th March, 2017.

During the financial year 2016-17, Ms. Seema Gupta ceased to be Nominee Director of PGCIL w.e.f 25.04.2016 due to fall in percentage of shareholding of PGCIL in EESL below 10%. Also, Ministry of Power vide letter dated 06.07.2016 nominated Joint Secretary in – charge of Energy Conservation/Economic Advisor as Government Nominee Director in place of Deputy Secretary (Finance). Therefore, Shri Raj Pal was appointed as Government Nominee Director w.e.f. 14.07.2016 in place of Shri P.K. Ravi. NTPC Limited vide letter dated 01.09.2016 withdrew nomination of Shri R.K. Srivastava and nominated Shri K.K. Sharma in his place. Power Finance Corporation Limited vide office order no. 277/2016 dated 12.09.2016 nominated Shri Avkash Saxena as its nominee director in place of Shri A. Chakravarti and BEE withdrew nomination of Shri Sanjay Seth as director in EESL vide letter dated 14.09.2016 consequent upon his resignation from the organisation. Rural Electrification Corporation Limited vide letter dated 05.10.2016 nominated Shri V.K. Singh, General Manager, REC Limited as nominee on the Board of EESL in place of Shri Rajeev Sharma. Shri S.N. Gaikwad who was appointed as additional Director and designated as Director (Projects & Business Development) ceased to be director in the company w.e.f. 3rd November, 2016. Shri Anil Kumar Gupta who was appointed as additional director and designated as Director (Finance) ceased to be director in the company w.e.f. 26th December, 2016 consequent upon his superannuation.

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

A. Audit Committee:

Four (4) Audit Committee Meetings were held during the financial year on 26.07.2016, 16.09.2016, 24.12.2016 and 02.03.2017. The constitution of Audit Committee as on the date of this report is as under:

Shri Avkash Saxena, Director

Shri V.K. Singh, Director

Shri Raj Pal, Director

Special Invitee:

CGM (Finance)/CFO

In attendance:

Company Secretary

B. CSR Committee

During the financial year, One CSR Committee meeting was held on 23.08.2016.The constitution of CSR Committee as on the date of this report is as under:

Shri Avkash Saxena, Director

Shri V.K. Singh, Director

Shri Raj Pal, Director

Special Invitee:

Head of CSR Cell

CGM (Finance)/CFO

In attendance:

Company Secretary

C. Nomination and Remuneration Committee

Two (2) Nomination and Remuneration Committee meetings were held during the financial year on 23.08.2016 and 02.03.2017. The constitution of Nomination and Remuneration Committee as on the date of this report is as under:

Shri Avkash Saxena, Director

Shri V.K. Singh, Director

Shri Raj Pal, Director

Special Invitee:

CGM (Finance)/CFO

In attendance:

Company Secretary

Detail of number meetings attended by each Director during the financial year 2016-17 is as under:

Name of Director	No. of Board Meetings		No. of Audit Committee Meetings		No. of CSR Committee Meetings		No. of NRC Meetings	
	Entitled	**Attended**	**Entitled**	**Attended**	**Entitled**	**Attended**	**Entitled**	**Attended**
Shri K.K. Sharma	5	5	-	-	-	-	-	-
Shri Saurabh Kumar	9	9	-	-	-	-	-	-
Shri Raj Pal	8	6	1	1	-	-	1	1
Shri Avkash Saxena	5	4	2	1	-	-	1	1
Shri V. K. Singh	5	4	2	2	-	-	1	1
Shri A.K. Gupta	6	6	3	3	1	1	-	-
Shri S.N. Gaikwad	4	4	1	1	-	-	-	-
Shri Rajeev Sharma	4	4	1	1	-	-	-	--
Shri R.K. Srivastava	3	2	1	1	1	0	1	0
Shri Sanjay Seth	3	1	1	0	1	1	1	1
Shri A. Chakravarti	3	2	1	1	-	-	1	1
Shri P.K. Ravi	1	1	-	-	-	-	-	-
Ms. Seema Gupta	1	1	-	-	-	-	-	-

15. DIRECTOR'S RESPONSIBILITY STATEMENTS:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost auditors, secretarial auditors and external consultants and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;

b) They have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.

c) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) They have prepared the annual accounts on a going concern basis.

e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSE) ORDER, 2012

The Government of India has notified Public Procurement Policy on Micro & Small Enterprises (MSEs) Order, 2012. In terms of the said policy, the total value of annual procurement of goods produced and services rendered during the year 2016-17 was ₹ 2366.42 Crs. (₹ 2366,41,91,283.06). The total procurement made from MSEs (including SC/ST entrepreneurs) was approx. ₹ 271.66 Crs. (₹ 271,66,24,589.40).

17. VIGILANCE

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

18. ABSTRACT OF THE ANNUAL RETURN:

The Abstract of the Annual Return for the year 2016-17 is being attached with the Board report in Form No. MGT-9 marked as **Annexure-I**.

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

20. PARTICULARS OF LOANS AND INVESTMENTS

Your company has made investment in equity shares of a UK based company in terms of Section 186 of Companies Act, 2013. EESL has acquired 80% equity shares of EESL EnergyPro Assets Limited (EEPAL) for GBP 230,680 (INR 1.89 crores) on 21st March, 2017.

21. SINGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

NIL

22. DEPOSITS

a. Accepted during the year: NIL

b. Remained unpaid or unclaimed as at the end of the year: NIL

c. Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

1. At the beginning of the year: NIL

2. Maximum during the year: NIL

3. At the end of the year: NIL

d. Deposits which are not in compliance with the requirements of Chapter V of the Act: NIL

23. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD

As required under the Companies Act, 2013, evaluation of performance of directors including that of the Independent Directors / Board / Committees is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent/Nominee Directors.

24. AUDITORS

24.1 STATUTORY AUDITOR

The Comptroller and Auditor General of India (C&AG), in exercise of power conferred under Section 139 of the Companies Act, 2013 has vide letter dated 21st July, 2017 appointed **M/s V P G S& Co, Chartered Accountants (Firm Reg. No FRN. 507971C), New Delhi** as statutory auditor of the Company for financial year 2017-18. Approval of members of the Company will be obtained in ensuing Annual General Meeting to authorise Board of Directors, to fix auditor's remuneration for financial year 2017-18.

24.2 SECRETARIAL AUDITOR

M/s Astik Tripathi & Associates, practicing Company Secretaries was appointed as Secretarial Auditors of the Company to carry out Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report for the same annexed as **Annexure-II** to this report.

25. MANAGEMENT REPLY:

The Management's Reply to the observation /advice of Statutory Auditors and Secretarial Auditors are submitted as per **Annexure III and Annexure IV** to this report, respectively.

26. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated 14th September, 2017 has given comments on the audited Standalone and Consolidated Financial Statements of the Company for the year ended **31st March, 2017** under section 143(6)(a) of the Companies Act, 2013. The comments of C&AG for the financial year 2016-17 have been placed as **Annexure – V** to this Report.

27. STATUTORY DISCLOSURE

There was no change in the nature of business of the Company during the financial year 2016-17.

a) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies.

b) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2017 and the date of this report.

c) The Company has not issued any stock options to the Directors or any employee of the Company.

28. PARTICULARS OF EMPLOYEES:

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

29. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

30. ACKNOWLEDGEMENT:

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

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

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

K.K. Sharma
Chairman
(DIN: 03014947)

Date: 21.09.2017
Place: New Delhi

Annexure - 1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	U40200DL2009PLC196789
ii.	**REGISTRATION DATE**	10/12/2009
iii.	**NAME OF COMPANY**	ENERGY EFFICIENCY SERVICES LIMITED
iv.	**CATEGORY OF COMPANY**	Company Limited by Shares
v.	**SUB-CATEGORY OF COMPANY**	Indian Non-Government Company
vi.	**ADDRESS OF COMPANY**	4th Floor, Sewa Bhawan, R. K. Puram, New Delhi-110066
vii.	**LISTED/UNLISTED**	Listed (Debentures of the company are listed)
viii.	**NAME & ADDRESS OF REGISTRAR & TRANSFER AGENT**	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032, India Tel No.: +91 (40) 6716 2222; Fax: +91 (040) 2343 1551

II. PRINCIPAL BUSINESS ACTIVTIES OF THE COMPANY

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

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Sale of Goods (LED Bulbs/Fans/ Tubelights/Street Lights)	47990	88.85%
2.	Sale of Services	74909	11.15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S.N.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	%OF SHARES HELD	APPLICABLE SECTION
1.	EESL Energy Pro Assets Limited Reg. Office: Nicholas House, River Front, Enfield, Middlesex, United Kingdom, EN1 3FG	--	Subsidiary	80	2(87)

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

i. Category-wise share Holding

Category of Shareholders	No. of shares held at the beginning of the year i.e. 01.04.2016				No. of shares held at the end of the year i.e. 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTORS									
1. Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central govt.	-	-	-	-	-	-	-	-	-

c) State Govt.(s)		-	-	-	-	-	-	-	-
d) Bodies corp.	-	165000000	165000000	100	292999800	169000200	462000000	100	180
e) Banks/FI		-	-	-	-	-	-	-	-
f) Any Others		-	-	-	-	-	-	-	-
Sub Total A (1):	-	165000000	165000000	100	292999800	169000200	462000000	100	180
2. Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Sub Total A (2):									
Total Shareholding of Promoter (A)=(A)(1)+ (A)(2)	**-**	**165000000**	**165000000**	**100**	**292999800**	**169000200**	**462000000**	**100**	**180**
B. Public Share holding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/ FI	-	-	-	-	-	-	-	-	-
c) Central govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2. Non Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Bodies Corp.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
i. Indian	-	-	-	-	-	-	-	-	-
ii. Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(i) Individual Shareholders Holding nominal share capital up to Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
sub-total (B) (2):-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B)= (B) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

C. Share held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**165000000**	**165000000**	**100**	**292999800**	**169000200**	**462000000**	**100**	**180**

ii. Share Holding of Promoters

Shareholder's Name	Shareholding at the beginning of the year i.e. 01/04/2016			Shareholding at the end of the year i.e. 31/03/2017			% change in shareholding during the year
	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
NTPC Limited	4,75,00, 000	28.78%	Nil	14,65,00,000	31.7%	Nil	208.42
Power Finance Corporation Limited	4,75,00, 000	28.78%	Nil	14,65,00,000	31.7%	Nil	208.42
Power Grid Corporation of India Limited	2,25,00, 000	13.66%	Nil	2,25,00,000	4.87%	Nil	Nil
Rural Electrification Corporation Limited	4,75,00, 000	28.78%	Nil	14,65,00,000	31.7%	Nil	208.42
TOTAL	**16,50,00,000**	**100%**	-	**46,20,00,000**	**100%**	-	-

iii. Change in Promoters shareholding:

PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of Total of share of the company	No. of shares	% of Total shares of the company
At the beginning of the year	16,50,00,000	100	-	-
Private Placement of 29,70,00,000 equity shares of Rs. 10 each on 25.04.2016 amounting to addition of Rs. 2,97,00,00,000	-	-	46,20,00,000	100
At the end of year	-	-	46,20,00,000	100

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

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

v. Shareholding of Director and Key Managerial Personnel:

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
For Each of the Directors and KMP	**No. of Shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
At the beginning of the year	0	0	-	-
Transfer of 100 Equity Shares to Shri Vijay Kumar Singh (Nominee Director of Rural Electrification Corporation Limited)	-	-	100	0.00002
At the end of year			100	0.00002

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at beginning of the year (01.04.2016)				
(i) Principal Amount	35000	26028.65	0	61028.65
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	34.68	110.40	0	145.08
Total (i+ii+iii)	**35034.68**	**26139.05**	**0**	**61173.73**
Change in Indebtedness during the financial year • Addition • Reduction	85000 (25000)	10308.86 (3500)	0 0	95308.86 (28500)
Net Change	**60000**	**6808.86**	**0**	**66808.86**
Indebtedness at end of the year (31.03.2017)				
(i) Principal Amount	95000	32623.86	0	127623.86
(ii) Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	2133.57	165.43	0	2299
Total (i+ii+iii)	**97133.57**	**32789.29**	**0**	**129922.86**

VI. REMUNARATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl.No.	**Particulars of Remuneration**	**Name of MD/WTD/ Manager**
a.		Shri Saurabh Kumar
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profit in lieu of salary under section 17(3) Income tax Act,1961	 39,71,097 6,419 NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - As % of profit - Others, Specify…	NIL
5.	Others, please specify	NIL
	Total (A)	39,77,516
	Ceiling as per the Act	As per Schedule V

B. Remunerations to other Director

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
		------	------	------	------	
	1. Independent Directors • Fee for attending board committee meetings • Commission • Others, Please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)					
	2. Other Non – Executive Directors • Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
	Total (B) = (1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MAMAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD:

(Amount in Rs.)

SL. No.	Particulars of Remuneration	Chief Financial Officer		Company Secretary	Total
		Sameer Agarwal	**S. Gopal**	**Pooja Shukla**	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income –tax Act,1961	3,01,035	25,43,172	12,03,693	40,47,900
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	25,994	NIL	NIL	25,994
	(c) Profit in lieu of salary under section 17(3) Income tax Act,1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission				
-	As % of profit				
-	Others specify…..	NIL	NIL	NIL	NIL
5.	Others, Please specify	NIL	NIL	NIL	NIL
	Total	**3,27,029**	**25,43,172**	**12,03,693**	**40,73,894**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on Behalf of the Board of Directors
Energy Efficiency Services Limited

K.K. Sharma
Chairman
(DIN: 03014947)

Date: 21.09.2017
Place: New Delhi

Annexure-II

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 20141]

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

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

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

Based on our verification of the **Energy Efficiency Services Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st Day of March, 2017 ('Audit Period')** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the mariner and subict to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Energy Efficiency Services Limited** ('The Company') for the financial year ended on **31st Day of March, 2017** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the company during the audit period)**

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the company during the audit period)**

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment.

   Company has made Overseas Direct Investment during the financial year and complied all the provision of Foreign Exchange Management Act, 1999 along with Companies Act 2013 as applicable.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the audit period)**

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the company during the audit period)**

   d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999; **(Not applicable to the company during the audit period)**

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Applicable to the company during the audit period as the debt securities of the company is listed on BSE Limited).**

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding theCompanies Act and dealing with client; **(Not applicable to the company during the audit period)**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the company during the audit period)**

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

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **(Applicable to the company during the audit period as the debt securities of the company is listed on BSE Limited and company has complied all the provisions of SEBI (Listing Obligations and Disclosure Requirements), 2015 w.r.t listed debt securities.**

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

1. ***The company has not appointed Independent director during the audit period as per the provisions of section 149 (5) of the Companies Act, 2013 .***

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

We further report that:

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

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

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

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

For Astik Tripathi and Associates
Company Secretaries

Astik Mani Tripathi
Proprietor
FCS No. 8670
C P No.: 10384

Place: New Delhi
Date: 15.09.2017

Astik Tripathi & Associates

Company Secretaries

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

Annexure- A

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

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

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

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

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

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

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

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

For Astik Tripathi and Associates
Company Secretaries

Astik Mani Tripathi
Proprietor
FCS No: 8670
C P No.: 10384

Place: New Delhi
Date: 15.09.2017

Annexure-III

MANAGEMENT REPLY TO STATUTORY AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2016-17

SL No.	Auditor's Qualified Opinion	Management Reply
1.	Attention is invited to the note 1(C) (10.6) to the Financial Statements on the accounting treatment of Advertisement expense. During the financial year 2016-17, the company has incurred expenditure amounting to Rs. 37.95 cr on advertisement out of which Rs. 20.98 cr has been deferred as prepaid expenses shown under the head "Other Current Assets" (note- 13 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "intangible Assets". This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.	EESL has a target to distribute 77 crores LED bulbs in entire country in 4 year commencing from the FY 2015-16 under the Energy Efficiency Programme (DELP/UJALA) of Government of India. The programme cost per LED bulb is determined by regulatory cornmission and includes cost of procurement of LED bulbs, cost of distribution & awareness, return on equity, other financial cost and applicable taxes. EESL has incurred the substantial amount on advertisement/awareness of DELP/UJALA programme on national level as well as in the states in the initial stage to create awareness about the programme in the general public to encourage greater participation. The cost of awareness is approved by the regulatory commission and is part of the programme cost. As such the cost of awareness needs to be spread over the entire number of LED bulbs that are targeted during the programme period. Accordingly in the annual accounts for FY 2016-17, only that part of awareness expenses which are in proportion to the actual numbers of bulb distributed for FY 2016-17 vis-a-vis the total targeted LED bulb distribution at the beginning of the year are accounted for charging in the Statement of Profit & Loss and the balance amount is carried over for charging in the Statement of Profit and Loss of subsequent years on the basis of bulbs distribution in the subsequent years. The above treatment has been disclosed in the accounting policy for Revenue Recognition and the same is as under: **"Expenses incurred on advertisement/awareness on DELP/UJALA programme in the state is charged to Statement of profit & loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution at the beginning of the year for that respective state and balance amount is carried forward for charging to statement of Profit and loss in subsequent years. Similarly expenses incurred on National Media campaigning for DELP/UJALA programme is charged to statement of profit and loss in proportionate to the total LED bulbs distributed in current Financial year vis-a-vis the overall targeted LED bulbs distribution at the beginning of the year under DELP/UJALA programme and balance amount is carried forward for charging to statement of Profit and loss in subsequent years."** Accordingly, out of Rs. 37.95 crores incurred on advertisement during 2016-17, Rs. 20.98 crores has been carried over as prepaid expenses. Hence, the treatment made by EESL for carry forward of awareness expenses is in order.
2.	We further report that, the company has raised invoices for the composite supply, installation and commissioning of "LED Based Solar lighting System" amounting to Rs. 1.48 crores under the agreement with PFC, but company did not charge value added tax (at the rate specified under the applicable state laws in which state is executed) on the value supply part and company also did not charge service tax under the work contract services on the value of services part which	EESL is providing consultancy services in the field of energy efficiency, CDM projects which include implementation of Corporate Social Responsibility (CSR) & Sustainability projects. EESL facilitates PSUs to achieve target of investment in CSR related activities. It includes installation of energy efficiency equipment like LED Street lights, Solar Water Pump etc. on behalf of a PSU, the cost of which is directly funded by the PSU. EESL is not in the business of sale, purchase of any equipment while implementing CSR projects. EESL is simply undertaking this activity as it was worked on behalf of PSU clients. As per the legal position regarding transactions that are covered under the ambit of effect, the following tests are prescribed. • Goods must be movables, i.e. immovable property is outside the scope of VAT

	is in contravention to rule 2A (ii) of the service tax (determination of value) Rules,2006. This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.	• There must be transfer, supply or delivery of goods • The goods must be delivered for cash, deferred payment or any other valuable consideration The scope of CSR projects is reflected in the MOU that is signed between the client PSU and EESL. The operative part of the agreement requires EESL to undertake: a) Consultancy work to identify locations for installation b) Procurement and installation of equipment's as required under the CSR project on behalf of client PSUs. c) Maintain those projects for a specified period on behalf of client PSUs. The infrastructure created under CSR project is the property of client PSU for which EESL is paid consultancy charges for services rendered to the PSU. All payments for creation of infrastructure, based on competitive bidding process of EESL is reimbursed on actuals by client PSU. There is no procurement that is done by EESL using the resources and then transferring to PSU
		In light of the above, it is concluded that there is no transfer, supply or delivery of goods by EESL The work done is 'deposit work' for client PSU and EESL is a transaction advisor and or project management consultant. The goods are received and installed on behalf of the client PSU and remain the property of PSU. The value of the goods is not received by EESL but payment is made by EESL to the supplier on behalf of the client PSU. Therefore, the tests that would render a transaction applicable to VAT are not applicable in this case and there is no applicability of VAT in the CSR projects. This is also very similar to several works that are undertaken by various entities on behalf of the government or its agencies. From the above, it can be concluded that the treatment made by EESL is correct.
3.	We further report that the company has not appointed independent directors during the financial year 2016-17 which is in contravention of section 149 (4) & (5) of the act read with companies (Appointment and qualification of directors) Rules, 2014.	As per the directions of Ministry of Power, promoter companies were requested to nominate one of their independent directors to serve as Independent Directors on the Board of EESL. Power Finance Corporation Limited has informed that there is no Independent Director on their Board. NTPC Limited shared the list of independent Directors on their Board. The matter is under discussion with MOP.

Annexure – IV

MANAGEMENT REPLY TO SECRETARIAL AUDITOR'S REPORT FOR THE FINANCIAL YEAR 2016-17

S. No.	Secretarial Auditor's Observation	Management's Reply
1.	The Company has not spent the minimum amount on the CSR activities as per the provisions of section 135 of the Companies Act, 2013 & its schedule VII read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.	The CSR Budget of EESL of Rs. 44.33 Lacs for the financial year 2016-17 was approved in its Board Meeting. In this regard, several options were explored as where to utilize this fund to the best possible way so that its purpose is met. In the meantime, a request letter was received from Jagdei Gram Panchayat, Paurigarhwal District of Uttarakhand regarding construction of Toilets for use of Households and this project may be taken up as our CSR activity under Swachh Bharat Abhiyan launched by Hon'ble Prime Minister of India. We are in process to get the "Base Line Study" done in Paurigarhwal District so that maximum deprived Households may be identified for construction of Toilets as described above. Since, Paurigarhwal is one of our project areas under SLNP Programme and UJALA Programme, clause 2.3 of CSR Policy is complied. Hence, this project will be undertaken as our CSR activity. We are fully committed to utilize the CSR fund allocated for FY 2016-17.
2.	The company has not appointed Independent director during the audit period as per the provisions of section 149 (5) of the Companies Act, 2013.	As per the directions of Ministry of Power, promoter companies were requested to nominate one of their independent directors to serve as Independent Directors on the Board of EESL. Power Finance Corporation Limited has informed that there is no Independent Director on their Board. Nominations have been received from NTPC Limited. The matter is under discussion with MOP.

सं/ MAB-III/Rep./01-53/A/cs-EESL/2017-18/ 793

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

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-III
New Delhi

Dated: 14/9/2017

सेवा में

प्रबंध निदेशक,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नोएडा

विषय:- 31 मार्च 2017 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के वार्षिक लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के 31 मार्च 2017 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

रितिका

(रितिका भाटिया)
प्रधान निदेशक

संलग्न: यथोपरि

छठा एवं सातवाँ तल, सी.ए.जी. भवन एनेक्सी, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली-110002
6th & 7th Floor, C.A.G. Building Annexe, 10, Bahadurshah Zafar Marg, New Delhi-110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211 Email : mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of Energy Efficiency Services Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Energy Efficiency Services Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Ritika Bhatia

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

Place: New Delhi
Dated: 14 **September, 2017**

No.: MAB-III/Rep./26-12/CFS-EESL/2017-18/791

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-III
नई दिल्ली
INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-III
New Delhi

Dated: 14/9/2017

सेवा में

प्रबंध निदेशक,
एनर्जी एफिशिएंसी सर्विसेज लिमिटेड,
नोएडा

विषय: 31 मार्च 2017 को समाप्त वर्ष के लिये एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं एनर्जी एफिशिएंसी सर्विसेज लिमिटेड के 31 मार्च 2017 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

रितिका

(रितिका भाटिया)
प्रधान निदेशक

संलग्नः यथोपरि

छठा एवं सातवाँ तल, सी.ए.जी. भवन एनेक्सी, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली-110002
6th & 7th Floor, C.A.G. Building Annexe, 10, Bahadurshah Zafar Marg, New Delhi-110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211 Email : mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ENERGY EFFICIENCY SERVICES LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04 August, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of Energy Efficiency Services Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of Energy Efficiency Services Limited. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to EESL EnergyPro Assets Limited being entity incorporated in Foreign country under the respective laws, for appointment of its Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Ritika Bhatia

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

Place: New Delhi
Dated: 14 September, 2017

Annexure - VI

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry structure and development

In 2010, the 'National Mission for Enhanced Energy Efficiency' (NMEEE), a policy by govt. of India, has indicated ₹ 74,000 crores of investment potential for energy efficiency and conservation (EE&C) out of which ₹ 30,000 crores of potential exists in energy intensive industries and remaining ₹ 44,000 crores in the other key demand side economic sectors. World Bank's study report in Nov 2016 indicates that India's Energy Efficiency Market is at ₹ 1.6 Lakh Crores. The renewed Demand Side Management (DSM) market potential is estimated to be 178 billion kWh of energy savings per annum.

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

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

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

Outlook

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

Riding on the success and investments of the last year, EESL envisions installation of around 77 crore domestic LEDs through its UJALA program and 1.34 crore energy efficient street lights through its street lighting program. This would form the backbone of the projects for EESL. Street light programme will be expanded to cover states which are yet to join the programme. In case of UJALA, efforts will be made to increase the off-take of fans and tube lights. This year EESL would try to adopt the best practices from its UJALA and SLN Pprograms to other technologies including Electric Vehicle and Smart Meters, etc. Similarly, EESL would strengthen its programs for Micro-grid based Solar Pump sets, Municipal Energy Efficiency Program (MEEP), Roof top Solar and Building Energy Efficiency Program (BEEP).

With the approval of EESL's proposed GEF-6 project "Creating and sustaining market for energy efficiency", EESL will start working with multi and bilateral agencies in promotion of other energy efficient technologies including trigeneration, industrial chillers and smart grids.

EESL's Strengths

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

EESL's Weaknesses

EESL is projected to grow at a break neck pace in the coming future. Availability of sufficient resources is a key challenge for EESL. The current equity base is small to fuel EESL growth in future. Efforts will be made for listing of EESL with Stock Exchange during the financial year 2017-18. Promoters will be asked to infuse equity before the public issue. Considering the growth of EESL, availability of experienced human resources is also a significant weakness for EESL. For which, EESL has already started systematic recruitment.

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

Opportunities

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

EESL can also work with funding agencies to develop viable business models for large scale deployment of other innovative EE technologies including smart grids, tri-generation, and industrial chillers among other.

Overseas Opportunities

EESL's success in India also paves way for EESL to look at other emerging markets in South Asia particularly Bangladesh, Sri Lanka and Nepal. International operations of EESL will focus on those locations, where revenues are high and profit margin are significant. Apart from South Asia, scaling up of LED lighting in UK markets will be aggressively pursued. EESL has set up office in UK and has started operations with the current turnover of £ 1 m. The EESL Board has approved a business plan of £ 150 m over the next two years and the turnover from UK operations next FY will be over £ 100 m. Further, a pipeline of 40 m LEDs has been identified in UK.

UJALA will be launched in Malaysia. Orders of 2 crore LED bulbs have been received from Nepal and similar orders are being finalized in Thailand and Vietnam.

Threats, Risks and Concerns

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

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

Internal Control System and their Adequacy

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

Further to complement the internal controls, EESL has implemented an ERP system in FY 17.

Material Developments in Human Resources/Industrial Relations

In order to meet the fast augmenting project requirements i.e. effective implementation, maintenance, quality assurance and timely execution,180 employees were appointed in various cadres through open advertisement during the financial year 2016-17. The Total manpower of the Company as on 31st March, 2017 stands at 329. With this talent pool bearing a unique mix of experienced and fresh executives and staff, the project execution capabilities are enhanced manifold.

Discussion on Financial Performance

During the financial year, the Company registered an increase of ₹ 375.97 crore in revenue from operations which went up to ₹ 1150.86 crore from ₹ 774.89 crore during the financial year 2016-17. Profit before tax was at ₹ 81.59 crore in 2016-17 in comparison to ₹ 50.19 crore in 2015-16. Net profit of the Company in 2016-17 is ₹ 51.80 crore, an increase of ₹ 14.72 crore over the previous year. Net worth of the Company as on March 31, 2017 has increased by 32.95% (from ₹ 417.63crore to ₹ 555.25crore).

During the financial year 2016-17, fixed assets increased to ₹ 968.01 crores in comparison to ₹ 419.18 crores in 2015-16. Increase in fixed asset was contributed by increase in implementation of projects in FY 2016-17.

Environmental Protection and Conservation

The projects executed by EESL till the end of last financial year i.e. 2016-17 savedover30 billion kWh of energy per year, avoided peak demand of over 6100 MW and over 24 milliontonnes of CO_2 annually.. The numbers may increase as more projects are planned in future.

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

Segment-Wise or Product-Wise Performance

In financial year 2016-17, EESL has executed UJALA projects across 33States and Union Territories. Through these projects EESL has distributed around 23crore LED bulbs to around 6crore consumers. Similarly,in 2016-17 the street lighting projects were executed in 21States and Union Territories, and approximately 20 lakh street lights have been replaced as on the31st March 2017. EESL is also working with multiple governmental agencies including CPWD, UPSC and DMRC to develop and implement building energy efficiency projects.

Cautionary Note

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

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

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Energy Efficiency Services Limited (`the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other - comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

Basis of Qualified Opinion

1. Attention is invited to the note 1(C)(9.6) to the Financial Statements on the accounting treatment of Advertisement expense. During the financial year 2016-17, the company has incurred expenditure amounting to Rs. 37.95 cr on advertisement out of which Rs. 20.98 cr has been deferred as prepaid expenses shown under the head "Other Current Assets" (note- 13 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "Intangible Assets". This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.

2. We further report that, the company has raised invoices for the composite supply, installation and commissioning of "LED Based Solar lighting System" amounting to Rs. 1.48 crores under the agreement with PFC, but company did not charge value added tax (at the rate specified under the applicable state laws in which state is executed) on the value supply part and company also did not charge service tax under the work contract services on the value of services part which is in contravention to rule 2A (ii) of the service tax (determination of value) Rules,2006. This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.

3. We further report that the company has not appointed independent directors during the financial year 2016-17 which is in contravention of section 149 (4) & (5) of the act read with companies (Appointment and qualification of directors) Rules, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in paragraphs 1 to 3 of the basis for qualified opinion paragraph above, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31

March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

1. The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 16th Sep 2016 and 3rd July 2015 respectively expressed an qualified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in the Annexure 1, a revised statement on the directions issued by the Comptroller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on and financial statements of the company.

2. As required by the Companies (Auditor's Accounts) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) we have sought and, except for the matter described in sub paragraph 1 to 3 of the basis for the qualified opinion above, 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, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper records adequate for the purpose of our audit have been received from the branches not visited by us;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial;

   ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. no amount is required to be transferred, to the Investor Education and Protection Fund by the Company; and

   iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management —Refer Note 45 to the standalone Ind AS financial statements.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gurkirpal Singh Bedi
Partner
Membership Number: 090637

Place: Noida
Date: 30th May, 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph)

Sr. No.	Details /Directions	Auditor'reply	Action Taken and Impact on Accounts & Finanical Statement
1.	Whether the company has clear title/lease deeds for freehold and Leasehold land respectively? If Not, please state the area of the free-Hold and leasehold land for which title/ Lease deeds are not available.	During the financial year company has purchased one freehold land. The company has clear title in respect of above land.	Nil
2.	Whether there are any cases of waiver/ write off of debts / loans / interest etc. if yes, the reasons there for and the amount involved.	During the financial year, company has not waived / write off any debts / loans /interest etc.	Nil
3.	Whether proper records are maintained for Inventories lying with third parties & assets received as gift / grants from govt. or other authorities.	The company has maintained proper records for inventories lying with third parties (sub contractor). In our opinion, there should be proper method to verify inventories lying with third party at reasonable intervals and the system of physical verification also needs to be strengthened. The company has not received any assets as a gift/grants from govt. or other authorities.	Nil

Place: Noida
Date: 30th May, 2017

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2017, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for the project equipments and Capital work in progress (CWIP). In our opinion proper records showing full particulars, including quantitative details and situation of project equipment's and CWIP should also be maintained.

(b) According to the information and explanations given to us there is a regular program of physical verification of its fixed assets except for project equipments for which verification is done at the time of installation only. In our opinion, verification of the project equipments should be done at reasonable intervals. As per management no material discrepancies were noticed on physical verification of fixed assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) (a) The management has conducted the physical verification of inventory at year end. In our opinion, there should be a method to verify stocks at reasonable intervals and the system of physical verification also needs to be strengthened and also extended to stocks kept for capital work in progress.

(b) According to the information and explanations, the discrepancies noticed on physical verification of the inventory as compared to book records has been properly dealt with in the books of account and were not material.

(iii) The Company has granted a loan to one person covered in the register maintained u/s 189 of the Companies Act, 2013

(a) The terms and conditions of the grant of such loan are not prejudicial to the company's interest;

(b) The schedule of repayment of principal and payment of interest has been stipulated and receipts are regular;

(c) No amount is outstanding in relation to such loan.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Employees State Insurance, Investor Education and Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty / Cess and other material statutory dues appropriate authorities except for the matters described in Basis of Qualified Opinion Paragraph of Independent Auditor's report:

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, Income Tax, duty of customs which have not been deposited with the appropriate authorities on account of any dispute except as follows:

Name of the statute	Nature of dues	Amount (Rs. In Cr)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax Penalty	37.04* 34.79	F.Y 2015-16 F.Y 2015-16	Sales Tax Appellate Tribunal, Andhra Pradesh

*Deposited under protest & shown as recoverable.

(viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of have any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement to NTPC, PFC, & REC of 29.7 Cr equity shares of Rs. 10 each of the company for an aggregate value of Rs. 297 Cr, and further company has made private placement of secured, redeemable, non-convertible debentures of Rs. 500 Cr during the year.

(xv) According to the information and explanations given to us and based on our the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gurkirpal Singh Bedi
Partner
Membership Number: 090637

Place: Noida
Date: 30th May, 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Energy Efficiency Services Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, except for the effects under the paragraphs "Basis of Qualified opinion" of Independent Audit Report described above on the achievement of the objectives of the control criteria, Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VPGS & Co.
Chartered Accountants
Firm's registration number: 507971C

Gurkirpal Singh Bedi
Partner
Membership Number: 090637

Place: Noida
Date: 30^{th} May, 2017

ENERGY EFFICIENCY SERVICES LIMITED BALANCE SHEET AS AT 31 MARCH 2017

₹ in Lakhs

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
Non-current Assets				
Property, plant & equipment	2	60,109.90	27,600.34	5,580.67
Capital work-in-progress	3	36,618.37	14,284.41	533.07
intangible assets	2	72.78	33.89	21.82
Investments in joint venture		189.04		
Financial Assets				
Loans	4	127.59	41.62	28.97
Other financial assets	5	10,116.07	10,360.95	5,765.06
Other non-current assets	6	594.62	962.96	52.27
Total non-current assets		**1,07,828.37**	**53,284.17**	**11,981.86**
Current assets				
Inventories	7	15,464.97	18,890.39	97.69
Financial assets				
Trade receivables	8	80,140.76	34,499.82	3,679.50
Cash and cash equivalent	9	26,467.08	24,497.02	3,519.68
Bank balances other than cash and cash equivalent	9A	5,767.04	425.28	7,431.75
Loans	10	66.36	36.30	4.28
Other financial assets	11	8,050.65	8,890.97	3,865.84
Current tax assets (Net)	12	622.74	670.49	86.36
Other current assets	13	13,247.35	4,790.56	107.76
Total current assets		**1,49,826.95**	**92,700.83**	**18,792.86**
TOTAL ASSETS		**2,57,655.32**	**1,45,985.00**	**30,774.72**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	46,200.00	16,500.00	9,000.00
Other equity	15	9,333.79	25,263.02	2,173.99
Total equity		**55,533.79**	**41,763.02**	**11,173.99**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	82,623.86	30,124.96	8,776.35
Other financial liabilities	17	5,194.96	3,014.00	384.08
Provisions	18	223.16	92.59	49.77
Deffered tax liabilities (net)	19	8.38	135.95	180.55
Other non-current liabilities	20	43.95	29.38	12.38
Total non-current liabilities		**88,094.31**	**33,396.88**	**9,403.13**
Current liabilities				
Financial liabilities				
Borrowings	21	35,000.00	28,500.00	
Trade payables	22	45,869.51	34,794.41	9,377.27
Other financial liabilities	23	17,214.64	5,959.19	588.18
Other current liabilities	24	15,607.95	1,567.98	72.45
Provisions	25	10.82	3.52	2.20
Current Tax Liabilities		324.30	-	157.50
Total current liabilities		**1,14,027.22**	**70,825.10**	**10,197.60**
TOTAL EQUITY AND LIABILITIES		**2,57,655.32**	**1,45,985.00**	**30,774.72**

Significant Accounting Policies 1
Notes on Financial Statement's 2 to 49

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Noida
Date : 30th May 2017

ENERGY EFFICIENCY SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016.
Revenue			
Revenue from operations	26	1,15,086.03	77,488.64
Other income	27	7,632.37	2,822.81
Total revenue		**1,22,718.40**	**80,311.45**
Expenses			
Purchase of stock-in-trade		80,002.15	78,470.71
Distribution expenses (Lliala)		8,188.53	4,783.34
Media expenses (t.Tjala)		2,015.12	1,454.55
(Increase)/Decrease in inventories	28	2,485.60	(17,937.25)
Employee benefits expense	**29**	**2,090.66**	**1,278.43**
Finance costs	30	6,156.09	1,387.65
Depreciation, amortization and impairment expense	**2**	**5,543.57**	**1,755.00**
Other expenses	31	8,071.47	4,099.79
Total expenses		**1,14,553.19**	**75,292.22**
Profit before tax		8,165.21	5,019.23
Tax expense	32		
Current tax			
Current year		3,110.27	1,576.88
Earlier years		(5.44)	(221.86)
Deferred tax		(125.26)	(43.92)
Total tax expense		**2,979.57**	**1,311.10**
Profit for the year		**5,185.64**	**3,708.13**
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		(4.35)	(1.29)
Other comprehensive income for the year, net of income tax		(4.35)	(1.29)
Total comprehensive income for the year		**5,181.29**	**3,706.84**
Earnings per equity share (Par value ₹ 10/- each)	**33**		
Basic (₹)		**1.25**	**2.73**
Diluted (₹)		**1.25**	**2.71**

Significant Accounting Policies	1	
Notes on Financial Statement'	2 to 49	As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Noida
Date : 30th May 2017

ENERGY EFFIECIENCY SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

₹ in Lakhs

	Year Ended 31.03.2017	Year Ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	8,165.21	5,019.23
Adjustment for:-		
Depreciation and Amortisation	5,543.57	1,755.00
Interest Income	(1,493.49)	(596.16)
Foreign Exchange gain or loss	(1,974.18)	71.32
Deferred Rent Expenses	16.56	17.01
Finance Cost	3,681.33	719.84
Operating Profit Before Working Capital Changes	**13,939.00**	**6,986.24**
CHANGE IN WORKING CAPITAL		
DECREASE/(INCREASE) IN		
Trade Receivable	(45,640.95)	(30,820.31)
Inventories	3,425.42	(18,792.70)
Loans, other financial assets and other assets	(7,491.02)	(14,361.20)
Other bank balances	(5,341.76)	7,006.47
	(55,048.31)	(56,967.74)
INCREASE/(DECREASE) IN		
Trade payables, other financial liabilities and other liabilities	46,394.61	32,406.34
Provisions	131.22	42.16
	46,525.83	32,448.50
Income tax paid	(2,732.79)	(2,096.66)
NET CASH FROM OPERATING ACTIVITIES	**2,683.73**	**-19,629.66**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant & equipment and intangible assets	(38,395.81)	(23,479.99)
Capital Work in Progress	(22,333.96)	(13,751.34)
Interest Income	1,493.49	596.16
Investments in joint venture	(189.04)	
NET CASH USED IN INVESTING ACTIVITIES	**(59,425.32)**	**(36,635.17)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	51,648.58	50,976.25
Finance Cost	(1,527.41)	(616.94)
Issue of Share Capital	9,900.00	7,500.00
Share Application Money (Pending Allotement)		19,800.00
Share issue costs	(19.42)	(90.69)
Dividend Paid	(1,067.72)	(271.79)
Dividend Tax paid	(223.37)	(55.33)
Axis Credit Card	0.99	0.66
NET CASH FROM FINANCING ACTIVITIES	**58,711.65**	**77,242.16**
D. Net Change in Cash & Cash Equivalents (A+B+C)	1,970.06	20,977.33
E. Cash & Cash Equivalents (Opening Balance 1st April of Financial Year)	24,497.02	3,519.69
F. Cash & Cash Equivalents (Closing Balance) (11-FE)	**26,467.08**	**24,497.02**

Cash and Cash equivalents consists of cash in hand and balances with banks. Cash and Cash equivalents included in the Cash Flow Statement comprise of following balance sheet amounts as per Note-9

Components of Cash and Cash Eaulvalents

Cash in hand- Imprest	8.04	3.17
Current accounts with banks	26,459.03	24,493.86
	(26,467.07)	(24,497.03)

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Avkash Saxena
Director
DIN : 00529340

Pooja Shukla
Company Secretary

S Gopal
Chief Financial Officer

Gurkirpal Singh Bedi
Partner
M. No. 090637

Place : Noida
Date : 30th May 2017

ENERGY EFFICIENCY SERVICES LIMITED STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2017

₹ in Lakhs

Balance as at 1 April 2016	Changes In equity share capital during the year	Balance as at 31 March 2017
16,500.00	29,700.00	46,200.00

For the year ended 31 March 2016

₹ in Lakhs

Balance as at 1 April 2015	Changes In equity share capital during the year	Balance as at 31 March 2016
9,000.00	7,500.00	16,500.00

(B) Other equity

For the year ended 31 March 2017

Particulars	**Reserves & surplus**			**Total**
	Share application money pending allotment	**Debenture redemption reserve**	**Retained earnings**	
Balance as at 1 April 2016	19,800.00	-	5,463.02	25,263.02
Profit for the year			5,185.63	5,185.63
Other comprehensive income			(4.35)	(4.35)
Total comprehensive income	-	-	5,181.28	5,181.28
Tax on dividend for earlier years				-
Issue of equity shares	(19,800.00)		-	(19,800.00)
Transfer to/(from) retained earnings		1,452.99	(1,452.99)	-
Transaction cost arising on issue of equity shares, net of tax			(19.42)	(19.42)
Final dividend (including tax) 2015-16 (refer note 15)			(1,291.09)	(1,291.09)
Balance as at 31 March 2017	-	1,452.99	7,880.80	9,333.79

For the year ended 31 March 2016

Particulars	**Reserves & surplus**			**Total**
	Share application money pending allotment	**Debenture redemption reserve**	**Retained earnings**	
Balance as at 1 April 2015	-	-	2,173.99	2,173.99
Profit for the year	-	-	3,708.13	3,708.13
Other comprehensive income			(1.29)	(1.29)
Total comprehensive income	-	-	3,706.84	3,706.84
Tax on dividend for earlier years			1.53	1.53
Issue of share application money	19,800.00			19,800.00
Transfer to/(from) retained earnings			-	-
Transaction cost arising on issue of equity shares, net of tax			(90.69)	(90.69)
Final dividend (including tax) 2015-16 (refer note 15)			(328.65)	(328.65)
Balance as at 31 March 2016	19,800.00	-	5,463.02	25,263.02

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Avkash Saxena
Director
DIN : 00529340

Pooja Shukla
Company Secretary

S Gopal
Chief Financial Officer

Gurkirpal Singh Bedi
Partner
M. No. 090637

Place : Noida
Date : 30th May 2017

Notes to financial statements

1. Company Information and Significant Accounting Policies

A. Reporting entity

Energy Efficiency Services Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40200DL2009PLC196789). The Company has its debt securities listed on BSE Limited. The address of the Company's registered office is 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi - 110066.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited and is engaged in implementation of energy efficiency projects. The Company is working as Energy service companies ('ESCO'), as consultancy organisation for CDM, Energy Efficiency, etc.; as a Resource Centre for capacity building of SDAs, Utilities, financial institutions, etc.

B. Basis of preparation

1. Statement of Compliance

These financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956, to the extent applicable. These are Company's first Ind AS compliant financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied. For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956, to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015. Some of the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2015, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognised directly through retained earnings as at 1 April 2015. This is the effect of the general rule of Ind AS 101 which is to apply Ind AS retrospectively.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 42. These financial statements were approved for issue by Board of Directors on 30 May 2017.

2. Basis of measurement

The financial statements have been prepared on the historical cost.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in ₹ has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements. The Company has elected to utilise the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects other than LED projects undertaken by the Company are recognised as property, plant and equipments.

Project Development Cost includes purchase price, taxes and duties, labour cost and any other cost directly attributable to the implementation of the project or acquisition of property, plant and equipment are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use. When parts of an item of property, plant and equipment have different useful lives, they are recognised separately. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

1.2. Subsequent costs

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

1.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

1.4. Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

1.5 Depreciation/amortisation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

Nature of assets	Life of Property, plant and equipment
Cell phones	2 Years
ESCO Projects other than LED projects	Project period
Lease hold improvement	Lease period

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions to/ deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation. Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

2. Capital work-in-progress

The Capital work in Progress includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

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

3. Intangible assets

3.1. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

3.2. Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

3.3. Amortisation

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is less.

4. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Other borrowing costs are recognised as an expense in the year in which they are incurred.

The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization of qualifying assets being carried forward for capitalization in the subeseqent year of utilization.

5. Inventories

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

6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

7. Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

9. Revenue

9.1. Revenue from sale of goods

Revenue from sale of goods including LED-ESCO projects is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

9.2. Revenue from services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognized when the following conditions are met:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The revenue recognition in respect of the various streams of revenue is described as follows:

Streetlight and agricultural pumps projects:

Revenue from supply & installation of street lights and agricultural pumps projects is recognised in profit or loss based on the agreement with the customer.

Consultancy service projects:

Revenue from consultancy services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective contracts.

9.3. Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). For debt instruments measured either at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

9.4. Expenses

Expenses are accounted for on accural basis and provision is made for all known losses and liabilites.

9.5. Expenses on Consultancy Contracts

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

9.6. Expenses on Awareness on UJALA programme

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

10. Employee benefits

10.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value. The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. The contributions to the fund for the year are recognised as expense and are charged to the profit or loss.

10.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity are in the nature of defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs. Any actuarial gains or losses are recognised in OCI in the period in which they arise.

10.3. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefit.

The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

10.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

11. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in OCI or equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

12. Leases

Accounting for operating leases- As lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Lease payments in respect of assets taken on operating lease are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

13. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses. Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill. Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments. Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

15. Dividends

Dividends and interim dividends payable to a Company's shareholders are recognised as changes in equity in the period in which they are recommended by Board of Directors and approved by the shareholders' meeting respectively.

16. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

17. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

18. Cash flow statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

19. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

19.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Equity Investments

Equity investments in joint ventures are measured at cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

19.2. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and retention money.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

2. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the projects. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

3. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

4. Revenue

The company has recognized revenue at fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. The company has used incremental rate of borrowing as discount rate to compute the fair value of future cash inflows.

5. Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

2. Property, plant & equipment

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land	-	743.64		743.64	-			-	743.64	-
Leasehold Improvements	161.72	33.76	-	195.48	8.78	26.53	-	35.31	160.17	152.94
Project Equipment	28,683.16	36,932.52	-	65,615.68	1,664.12	5,363.95	-	7,028.07	58,587.61	27,019.04
Cell Phones	11.38	26.08	-	37.46	3.94	9.95	-	13.89	23.57	7.44
Office Equipment	63.07	105.75	-	168.82	9.76	22.75	-	32.51	136.31	53.31
Furniture & Fitting	289.65	33.41	-	323.06	27.52	30.54	-	58.05	265.00	262.13
Computers	142.19	152.26	-	294.45	36.71	64.14	-	100.85	193.60	105.48
Total	**29,351.17**	**38,027.42**	**-**	**67,378.59**	**1,750.83**	**5,517.86**	**-**	**7,268.69**	**60,109.90**	**27,600.34**

2. Property, plant & equipment

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ adjustments	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
Project Equipment	5,083.93	23,599.23	-	28,683.16	-	1,664.12	-	1,664.12	27,019.03	5,083.93
Cell Phones	4.69	7.83	1.14	11.38	-	4.50	0.56	3.94	7.44	4.69
Office Equipment	38.12	24.95	-	63.07	-	9.76	-	9.76	53.31	38.12
Furniture & Fitting	261.79	27.86	-	289.65	-	27.52	-	27.52	262.13	261.79
Computers	58.40	85.82	2.03	142.19	-	37.59	0.88	36.71	105.48	58.40
Leasehold Improvements	133.74	27.98	-	161.72	-	8.78	-	8.78	152.94	133.74
Total	**5,580.67**	**23,773.67**	**3.17**	**29,351.17**	**-**	**1,752.27**	**1.44**	**1,750.83**	**27,600.34**	**5,580.67**

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block as at 1 April 2015	Accumulated depreciation as at 1 April 2015	Net Block as at 1 April 2015 (Deemed cost)	Ind AS adjustments as at 1 April 2015	Opening balance as at 1 April 2015
Project Equipment	14,366.81	555.27	13,811.54	(8,727.61)	5,083.93
Cell Phones	10.38	5.69	4.69	-	4.69
Office Equipment	48.52	10.40	38.12	-	38.12
Furniture & Fitting	279.02	17.23	261.79	-	261.79
Computers	111.41	53.01	58.40	-	58.40
Leasehold Improvements	137.98	4.24	133.74	-	133.74
Total	**14,954.12**	**645.84**	**14,308.28**	**(8,727.61)**	**5,580.67**

Intangible assets

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software	36.62	64.60	-	101.22	2.73	25.71		28.44	72.78	33.89
Total	**36.62**	**64.60**	**-**	**101.22**	**2.73**	**25.71**	**-**	**28.44**	**72.78**	**33.89**

As at 31 March 2016 ₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ adjustments	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
Software	21.82	14.80	-	36.62	-	2.73	-	2.73	33.89	21.82
Total	**21.82**	**14.80**	**-**	**36.62**	**-**	**2.73**	**-**	**2.73**	**33.89**	**21.82**

a) Information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block as at 1 April 2015	Accumulated depreciation as at 1 April 2015	Net Block as at 1 April 2015 (Deemed cost)	Ind AS adjustments as at 1 April 2015	Opening balance as at 1 April 2015
Software	30.78	8.96	21.82	-	21.82
Total	**30.78**	**8.96**	**21.82**	**-**	**21.82**

3. Capital work-in-progress

As at 31 March 2017 ₹ in Lakhs

Particulars	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017
Capital work-in progress				
CWIP-SAP	-	437.11	-	**437.11**
Bihar Sharif Street Light	4.02	15.09	19.11	-
Dharamshala Stree Light H.P	0.06	-	-	**0.06**
CWIP - SL LED Rajasthan	4,319.39	23,942.68	20,179.83	**8,082.24**
CWIP - SL LED Andhra Pradesh	1,800.12	17,565.03	12,435.95	**6,929.20**
Chattisgard Project	11.40	456.23	2.94	**464.69**
Kerala LED Street Lighting	35.54	464.06	6.64	**492.96**
Marine Drive Mumbai LED SL	246.24	3,036.80	485.06	**2,797.98**
CWIP - SL LED Punjab	-	236.78	-	**236.78**
CWIP - AgDSM - Andhra Pradesh	22.83	908.34	931.17	-
CWIP - AgDSM - Karnataka	-	1.95	1.95	-
CWIP - AgDSM - Maharashtra	-	13.97	-	**13.97**
CWIP-AgDSM-Rajasthan	-	16.74	-	**16.74**
Capital Work in Progress - Building J&K	-	108.32	0.17	**108.15**
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	-	4.81	-	**4.81**
CWIP - CPWD - IP Bhawan Delhi	-	623.58	-	**623.58**
CWIP - UPSC - Delhi	-	4.56	-	**4.56**
GVMC Street Lighting	6.83	-	-	**6.83**
South Delhi LED Street Light	6,560.47	9,178.19	12,878.14	**2,860.52**
CWIP - SL LED - Dibrugarh	-	32.77	-	**32.77**
CWIP - SL LED - GHMC	-	52.68	-	**52.68**
CPWD - IP Bhawan DELHI	217.99	2.42	131.20	**89.21**
CWIP- DMRC Rajeev Chowk (Direct Expenses)	-	53.22	-	**53.22**
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	-	2.25	-	**2.25**
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	-	26.89	-	**26.89**
Goa Street Light Project	0.23	3,836.46	43.79	**3,792.90**
CWIP - SL LED Gujarat	-	3,820.71	-	**3,820.71**
Guwahati Street Lighting	6.89	404.34	6.61	**404.62**
H.P LED Street Light	0.58	1,853.39	940.65	**913.32**
CWIP - SL LED - Jharkhand	-	688.87	-	**688.87**
CWIP - SL LED J&K	-	40.16	-	**40.16**
CWIP - SL LED Telangana	-	302.58	-	**302.58**
Lucknow LED Street Lighting	5.25	-	-	**5.25**
MES DELHI Cantt. LED Street Lighting	1.25	-	-	**1.25**
Shimla LED Street Light	1.82	-	-	**1.82**
Varanasi LED Street Lighting	1,033.45	2,083.51	275.68	**2,841.27**
Medak Agdsm telangana	10.06	0.03	10.09	-
CWIP - Jaipur Property	-	334.56	-	**334.56**
CWIP - Kolkata Property	-	55.29	-	**55.29**
CWIP - Trade Mark	-	0.77	-	**0.77**
CWIP- SL GOA (mumbai)	-	0.31	-	**0.31**
CWIP- SL- Gujrat (Mumbai)	-	13.14	-	**13.14**
CWIP- SL- Maharashtra (Mumbai)	-	11.04	-	**11.04**
CWIP- Interest on Bond (unallocated) *	-	53.32	-	**53.32**
Total	**14,284.41**	**70,682.95**	**48,348.98**	**36,618.37**

* The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization for acquisition or construction of qualifying assets being carried forward for capitalization in the subsequent year of utilization. However, income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation, as stated in Note No. C 4 of Accounting Policies i.r.t 'Borrowing Costs.'

3. Capital work-in-progress

As at 31 March 2016 ₹ in Lakhs

Particulars	Deemed cost as at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016
Capital work-in progress				
Bihar Sharif Street Light	-	4.02	-	**4.02**
Dharamshala Stree Light H.P	-	0.06	-	**0.06**
Rajasthan SL Phase- II	-	4,639.29	936.52	**3,702.77**
Rajasthan SL & Ph-IV	-	1.54	0.01	**1.53**
13 ULB AP LED Street Light	11.29	1,374.65	1,372.42	**13.52**
51 ULB's AP LED Street Lighting	-	10,090.73	8,304.13	**1,786.60**
CESC Mysore	20.62	388.65	409.26	**-**
Agartala MC LED Street Light	133.52	31.68	165.19	**0.01**
Aligarh MC LED Street Light	1.75	1,024.60	1,026.35	**0.01**
Chattisgard Project	11.39	0.22	0.21	**11.40**
Kerala LED Street Lighting	12.34	23.20	-	**35.54**
Marine Drive Mumbai LED SL	107.20	139.03	-	**246.23**
Mumbai (DELP and Street Light)	23.35	15.56	38.90	**0.01**
Rajasthan LED DELP and Street Light)	4.75	14.23	18.98	**-**
AgDSM Rajanagaram APEPDCL	0.22	22.60	-	**22.82**
GVMC Street Lighting	18.94	2,568.84	2,580.95	**6.83**
South Delhi LED Street Light	187.70	354.45	196.85	**345.30**
CPWD - IP Bhawan DELHI	-	217.99	-	**217.99**
Goa Street Light Project	-	0.23	-	**0.23**
Guwahati Street Lighting	-	6.88	-	**6.88**
H.P LED Street Light	-	0.58	-	**0.58**
Lucknow LED Street Lighting	-	5.25	-	**5.25**
MES DELHI Cantt. LED Street Lighting	-	1.25	-	**1.25**
Rajasthan SL Phase-III	-	2.46	-	**2.46**
Rajasthan Street Light Phase-I	-	3,728.26	3,115.63	**612.63**
Shimla LED Street Light	-	1.82	-	**1.82**
South DMC LED SL Ph-I	-	12,780.68	6,565.51	**6,215.17**
Varanasi LED Street Lighting	-	1,045.03	11.59	**1,033.44**
Medak Agdsm telangana	-	10.06	-	**10.06**
Total	**533.07**	**38,493.84**	**24,742.50**	**14,284.41**

4. Non-current loans

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans to employees (Including interest accrued) Unsecured	**41.61**	**3.79**	**2.73**
Security deposits (Unsecured, considered good)	85.98	37.83	26.24
Total	**127.59**	**41.62**	**28.97**

5. Other non-current financial assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unbilled revenue	5,301.33	10348.39	5765.06
Deposits with banks under lien*	4,814.74	12.56	-
Total	**10,116.07**	**10,360.95**	**5,765.06**

* Deposits with banks under lien includes FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EnergyPro Assets Limited (joint venture company) amounting to ₹ 4,800 Lakhs and FDs for CST & VAT amounting to ₹ 14.74 Lakhs.

6. Other non current assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Capital advances	557.02	928.73	30.76
Advances other than capital advances Security deposits	12.33	11.85	-
Deferred rent	25.27	22.38	21.51
Total	**594.62**	**962.96**	**52.27**

7. Inventories

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Stock in trade (including goods in transit: ₹ 1,142.58 Lakhs; 31 March 2016: ₹ 1,162.96 Lakhs; 01 April 2015: ₹ Nil)	15,464.97	18860.87	84.37
Old Pumps	-	29.52	13.32
Total	**15,464.97**	**18,890.39**	**97.69**

a) Inventory items have been valued as per accounting policy no. C.5.

b) Goods-in-transit have been valued at cost.

c) The cost of inventories recognised as expense during the year was ₹ 88,559.59 lakhs (including ₹ 71.84 lakhs as business promotion) ; previous year figures ₹ 60,533.46 lakhs.

d) Loans are secured on first pari-passu charge on stock and book debts (Refer Note 16 & 21).

8. Trade receivables

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good	80,140.77	34,499.82	3,679.50
Total	**80,140.77**	**34,499.82**	**3,679.50**

Refer Note 38 for details with respect to credit risk.

Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 16 and 21)

9. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks Current accounts	26,459.04	24493.85	3516.69
Cash in hand-Imprest	8.04	3.17	2.99
Total	**26,467.08**	**24,497.02**	**3,519.68**

9A. Other bank balances

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deposits with original maturity of more than three months and maturing within one year (including interest accrued) *	5,767.04	425.28	7431.75
Total	**5,767.04**	**425.28**	**7,431.75**

* Deposits include FDs under lien for CST and VAT amounting to ₹ 4.47 Lakhs.

10. Current loans

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans to employees (including interest accrued) Unsecured	32.07	2.19	1.21
Security deposits (Unsecured, considered good)	34.29	34.11	3.07
Total	**66.36**	**36.30**	**4.28**

11. Other current financial assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Project advances	542.73	1131.92	1026.62
Unbilled revenue	6,742.83	7494.93	2795.59
Others *	765.09	264.12	43.63
Total	**8,050.65**	**8,890.97**	**3,865.84**

* Other includes expenses incurred on behalf of third parties which are recoverable.

12. Current tax assets (Net)

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance Tax	-	376.60	-
Self assessment refund	608.51	18.46	18.46
Tax on regular assessment	14.23	14.23	-
TCS recoverable	-	-	-
TDS recoverable	-	261.20	67.90
Total	**622.74**	**670.49**	**86.36**

13. Other current assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Receivable from statutory authorities *	4,427.53	1138.74	76.80
Prepaid Expenditure	5,115.03	3610.29	10.24
Deferred rent	8.92	4.78	3.51
Others **	3,695.87	36.75	17.21
Total	**13,247.35**	**4,790.56**	**107.76**

* Receivable from statutory authorities include amount of ₹ 3,715.19 Lakhs (31 March 2016: Nil, 1 April 2015: Nil) paid under protest to sales tax authorities.

**Expenses incurred on advertisement / awareness on DELP / UJALA programme in a State is charged to Statement of profit & loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective State at the begining of year and balance amount is carried forward for charging to statement of profit & Loss in subsequent years. Similary expenses incurred on National Media Campaining for DELP / UJALA programme is charged to statement of profit & loss in proptionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the begining of the year and balance amount is carried forward for charging to statement of Profit & Loss in subsequent years. Accordingly, out of ₹ 37.95 Crores incurred on advertisement during the year 2016-17, ₹ 20.98 Crores has been deferred as Prepaid expenses under the head, "Other Current Assets"

*** Others include advances given to vendors and to employees.

14. Share capital

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity share capital			
Authorised 50,00,00,000 shares of par value ₹10/- each (50,00,00,000 shares of par value ₹10/- each as at 31 March 2016 and 1 April 2015)	50,000.00	50,000.00	19,000.00
Issued, subscribed and fully paid up 46,20,00,000 shares of par value ₹10/- each (16,50,00,000 shares of par value ₹ 10/- each as at 31 March 2016 and 9,00,000,000 shares of par value ₹ 10/- each as at 1 April 2015)	46,200.00	16,500.00	9,000.00

a) Movements in equity share capital:

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	16,50,00,000	16,500	9,00,00,000	9,000
Add: Shares issued during the financial year	29,70,00,000	29,700	7,50,00,000	7,500
Outstanding at the end of the year	**46,20,00,000**	**46,200**	**16,50,00,000**	**16,500**

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Dividends:

	Paid during the year	
	2016-17	**2015-16**
(i) Equity shares Final dividend for the year ended 31 March 2016 of ₹ 0.65/- (31 March 2015: ₹ 0.30/-) per fully paid share	1,067.72	271.79
(ii) Dividends not recognised at the end of the reporting period In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ XX (31 March 2016: ₹ 0.65/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		1,067.72

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	31.03.2017		31.03.2016		01.04.2015	
	No. of shares	**%age holding**	No. of shares	%age holding	No. of shares	%age holding
NTPC Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Powergrid Corporation of India Limited	**2,25,00,000**	**4.87**	2,25,00,000	13.63	2,25,00,000	25.00
Rural Electrification Corporation Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Power Finance Corporation Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Total	**46,20,00,000**		16,50,00,000		9,00,00,000	

15. Other equity

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Share application money pending allotment	-	19,800.00	-
Debenture redemption reserve	1,452.99	-	-
Retained earnings	7,880.80	5,463.02	2,173.99
Total	9,333.79	25,263.02	2,173.99

	For the year ended 31.03.2017	31.03.2016
(a) Debenture redemption reserve		
Opening balance	-	-
Add: Transfer from retained earnings	1,452.99	-
Closing balance	1,452.99	-

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

(a) Retained earnings		
Opening balance	5,463.02	2,173.99
Add: Tax on dividend for earlier years	-	1.53
Add: Profit for the year as per Statement of Profit and Loss	5,185.64	3,708.13
Less: Dividend paid	1,067.72	271.79
Tax on dividend paid	223.37	56.86
Transfer to debenture redemption reserve	1,452.99	-
Transaction cost arising on issue of equity shares, net of tax	19.42	90.69
	7,885.15	5,464.31
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(4.35)	(1.29)
Closing balance	7,880.80	5,463.02

16. Non current Borrowings

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Term loan from other than banks			
Unsecured			
(i) KFW Loan -Guaranteed by Govt of India (1.96% Loan repayable in half yearly basis starting from 30.06.2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	**30,193.76**	22,639.05	8,818.53
(ii) AFD Loan -Guaranteed by Govt of India (1.87% p.a. Loan repayable in half yearly basis starting from 30.10.2020 in 20 equal instalments of Euro 2,500,000 each)	**2,595.53**	-	-
Secured			
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the Stock and Receivables both present and future (8.07% Secured non-cumulative non-convertible redeemable taxable bonds with three unequal separately transferable redeemable principal parts (STRPP) of ₹ 12,500.00 Lakhs, ₹ 12,500.00 Lakhs and ₹ 25,000.00 Lakhs redeemable at par on 20/03/2020, 20/09/2021 and 20/09/2023, respectively (First Issue - Private Placement)	**52,133.57**	-	-
(ii) PTC India Financial Services Limited (PFS) Loan - Secured by first pari-passu charge by way of hypothecation of Company's entire stock incl. book debts, bills, outstanding monies, receivables, both present and future (ROI varying between 10.25% p.a. to 10.50% p.a. (linked to the PFS Reference Rate) repayable in 4 equated quarterly instalments starting from 01.04.2017)	**10,000.00**	10,034.68	-
	94,922.86	32,673.73	8,818.53
Less : Current Maturities of long term borrowings	**10,000.00**	2,403.69	-
Less: Interest accrued on long term borrowings	**2,299.00**	145.08	42.18
Total	**82,623.86**	**30,124.96**	**8,776.35**

There has been no default in repayment of the loans/ interest thereon as at the end of the year.

17. Other non current financial liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Retention money	**5,194.96**	3,014.00	384.08
Total	**5,194.96**	3,014.00	384.08

18. Non current provisions

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for employee benefits			
Gratuity	**61.30**	26.76	14.37
Leave encashment	**161.86**	65.83	35.40
	223.16	92.59	49.77

Disclosure as per Ind AS 19 on 'Employee benefits' is made in Note 34.

19. Deferred tax liabilities (net)

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred tax liability			
Revenue measured at fair value	**4,197.71**	6,204.68	2,737.93
Financial assets and liabilities measured at amortised cost	**709.47**	524.35	54.97
Less: Deferred tax assets			
Difference in book depreciation and tax depreciation	**4,576.68**	6,448.28	2,580.56
Leave encashment	**59.55**	23.84	12.09
Provisions for Bonus	**21.43**	0.88	-
Provisions for Gratuity	**0.88**	9.42	4.77
Operating lease liablities	**15.90**	10.17	4.01
Revenue measured at fair value	**211.78**	-	-
Financial assets and liabilities measured at amortised cost	**12.58**	10.00	-
Others	**0.00**	90.51	10.91
Total	**8.38**	135.93	180.55

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

31 March 2017 ₹ in Lakhs

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Revenue measured at fair value	6,204.68	(2,006.98)	-	4,197.71
Financial assets and liabilities measured at amortised cost	524.35	185.12	-	709.47
Less:				
Difference in book depreciation and tax depreciation	6,448.28	(1,871.59)	-	4,576.68
Leave encashment	23.84	35.71	-	59.55
Provisions for Gratuity	9.42	9.70	2.30	21.43
Provisions for Bonus	0.88	-	-	0.88
Operating lease liablities	10.17	5.73	-	15.90
Revenue measured at fair value	-	211.78	-	211.78
Financial assets and liabilities measured at amortised cost	10.00	2.58	-	12.58
Others	90.51	(90.51)	-	0.00
Tax assets/(liabilities)	**135.95**	**(125.26)**	**(2.30)**	**8.38**

31 March 2017 ₹ in Lakhs

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Revenue measured at fair value	2,737.93	3,466.76	-	6,204.68
Financial assets and liabilities measured at amortised cost	54.97	469.38	-	524.35
Less:				
Difference in book depreciation and tax depreciation	2,580.56	3,867.72	-	6,448.28
Leave encashment	12.09	11.75	-	23.84
Provisions for Gratuity	4.77	3.97	0.68	9.42
Provisions for Bonus	-	0.88	-	0.88
Operating lease liablities	4.01	6.15	-	10.17
Revenue measured at fair value	-	-	-	-
Financial assets and liabilities measured at amortised cost	-	10.00	-	10.00
Others	10.91	79.60	-	90.51
Tax assets/(liabilities)	**180.55**	**(43.92)**	**(0.68)**	**135.95**

20. Other non-current liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Operating Lease liabilities	**43.95**	29.38	12.38
Total	**43.95**	29.38	12.38

21. Current borrowings

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans from banks			
Secured			
(i) ICICI Bank - Secured by first pari passu charge on the Stock and Receivables both present and future	18,000.00	15,000.00	-
(ROI varying between 8.20% p.a. to 8.90% p.a. depending on the date of disbursement of the respective tranches repayable as Bullet payment of the respective tranche starting from Dec 2017 to March 2018 in the range of ₹ 450.00 Lakhs to ₹ 5,000.00 Lakhs)			
(ii) Canara Bank - Secured by pari-passu charge on the Book Debts	-	10,000.00	-
(10.55% Loan repayment on monthly basis starting from 19th September, 2016 in 6 equal installments of ₹ 1,666.67 Lakhs each)			
(iii) HDFC - Secured by first pari passu charge on the Stock and Debtors both present and future	4,000.00	-	-
(ROI: 8.15% p.a. repayable as Bullet payment of the respective tranche starting from Feb 2018 to March 2018 in the range of ₹ 500.00 Lakhs to ₹ 2,000.00 Lakhs)			
(iv) SBI - Secured by first pari passu charge on the Stock and Receivables both present and future	13,000.00	-	-
(ROI varying between 8.20% p.a. to 9.10% p.a. depending on the date of disbursement of the respective tranches repayable as Bullet payment of the respective tranche starting from Dec 2017 to March 2018 in the range of ₹ 1,000.00 Lakhs to ₹ 12,000.00 Lakhs)			
Unsecured			
(i) IndusInd Bank	-	3,500.00	-
(10.00% Loan repayment in two installments of ₹ 1,500.00 Lakhs and ₹ 2,000.00 Lakhs due on 28.02.2017 & 7.03.2017 respectively and fully hedged foregin currency loan equavalent to ₹ 3500.00 Lakhs)			
Total	**35,000.00**	**28,500.00**	**-**

22. Trade Payables

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Creditors for goods and services	**45,869.51**	34,794.41	9,377.27

There are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

23. Other current financial liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current maturities of long term borrowings			
From Others			
Secured			
Rupee term loans	**10,000.00**	2,403.69	-
	10,000.00	2,403.69	-
Interest accued on borrowings	**2,299.00**	145.08	42.18
Liabilities for Expenses	**77.12**	511.62	79.04
Retention Money	**4,084.26**	2,495.33	169.01
Earnest Money Deposit	**691.17**	398.97	297.09
Payable to employees	**57.63**	3.38	0.39
Commitment fee payable	**3.36**	-	-
Axis credit card	**2.10**	1.12	0.47
Total	**17,214.64**	5,959.19	588.18

Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 16.

24. Other current liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Statutory dues	**4,978.37**	1505.01	68.30
Liquidated damages	**0.67**	1.73	-
Advance Received against Project	**10,473.86**	61.24	4.15
Unearned income	**153.06**	-	-
Operating Lease liabilities	**1.99**	-	-
Total	**15,607.95**	1,567.98	72.45

25. Current provisions

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for employee benefits			
Gratuity	**0.62**	0.47	0.33
Lease encashment	**10.20**	3.05	1.87
Total	**10.82**	3.52	2.20

Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 34.

26. Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Sale of goods (LED Bulbs)	1,02,248.73	72060.16
Sale of services	12,837.30	5412.85
Other operating revenue *	-	15.63
Total	**1,15,086.03**	77,488.64

* Other operating revenue includes Nil (31 March 2016: ₹ 15.63 Lakhs) towards forfeiture of bank guarantee.

27. Other income

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Tender document fees	**59.75**	41.52
E- Tendering registration fee	**14.67**	6.51
Forfiet of Bank Guarantee/EMD	**-**	17.19
Interest Income on loans to employees	**2.00**	0.25
Interest income on security deposits measured at amortised cost	**8.38**	4.73
Interest income on revenue measured at fair value	**2,885.82**	1,852.81
Interest income from customers	**1,111.61**	284.29
Interest Income - others	**1,493.49**	596.16
Net gain on foreign currency transactions and translation	**1,974.18**	-
Misc. Income	**82.47**	19.35
Total	**7,632.37**	2,822.82

28. (Increase)/ Decrease in inventory

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Opening Stock	**17,950.57**	13.32
Closing Stock	**(15,464.97)**	(17,950.57)
Total	**2,485.60**	(17,937.25)

29. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries and wages	**1,806.27**	1140.09
Contribution to provident funds	**128.09**	96.02
Staff welfare expenses	**156.30**	42.32
Total	**2,090.66**	1,278.43

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 34.

30. Finance Costs

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Finance charges on financial liabilities measured at amortised cost		
Loans	**3,681.33**	719.84
Debentures	**1,497.96**	-
Unwinding of discount on retention money	**389.66**	65.01
Others	**199.14**	10.79
	5,768.09	795.64
Net loss on foreign currency transactions and translation	**-**	71.32
Other borrowing costs		
Commitment Fees (KFW Loan)	**23.19**	18.74
Guarantee Fee	**364.81**	501.95
	388.00	520.69
Total	**6,156.09**	1,387.65

31. Other expenses

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Annual Maintenance Charges (Projects)	**601.06**	166.33
Legal Fees & Professional Charges	**272.93**	200.06
Conveyance Expenses	**90.14**	20.61
Misc.Expenses	**163.99**	215.89
Repair & Maintenance Expenses		
- Building maintenance	**23.36**	15.53
- Computer maintenance	**6.00**	5.72
- House maintenance	**0.60**	-
Internal Audit Fees	**2.26**	1.50
Advertisement & Publicity Expenses	**457.08**	234.66
Printing & Stationery Expenses	**56.39**	62.80
Books & Periodicals	**2.53**	0.47
Meeting Expense/Hospitality Expenses	**75.97**	35.71
Tour & Traveling Expenses	**508.95**	126.06
Rent	**438.93**	118.16
ROC Fee	-	0.21
Electricity Expenses	**48.52**	31.29
Payment to auditors (refer note a)	**18.08**	7.00
Bank Charges	**77.10**	8.28
Sponsorship Expenses	**1.25**	39.09
Manpower Expenses	**347.54**	48.01
Subscription fees	-	0.34
Insurance charges	**30.75**	11.03
Deferred Rent Expenses	**16.56**	17.01
Testing expenses	**39.24**	106.21
Business promotion	**581.64**	207.22
Rate and Taxes	**430.04**	400.36
Awareness Creation, Training & Outreach Activities	**37.71**	0.00
Diwali gift Expenses	**58.20**	0.00
Annual Day Celebration expenses	**28.89**	0.00
UJALA Scheme		
- Software expenses	**391.66**	202.90
- Project maintenance expenses	**25.78**	106.63
- Other project expenses related to Ujala	**2,745.44**	824.01
Other project Expenses	**492.88**	886.70
Total	**8,071.47**	4,099.79

a) Details in respect of payment to auditors:

As auditor		
Audit fee	10.53	5.00
Tax audit fee	5.01	2.00
Limited review	-	-
In other capacity		
Other services (certification fee)	-	-
Reimbursement of expenses	2.54	-
Reimbursement of service tax	-	-
Total	18.08	7.00

32. Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

	For the year ended 31.03.2017	For the year ended 31.03.2016
Current tax expense		
Current year	**3,110.27**	1,576.88
Adjustment for prior periods	**(5.44)**	(221.86)
	3,104.83	1,355.02
Deferred tax expense		
Origination and reversal of temporary differences	**(125.26)**	(43.92)
	(125.26)	(43.92)
Total income tax expense	**2,979.57**	1,311.10

ii) Income tax recognised in other comprehensive income

₹ in Lakhs

	31 March 2017			31 March 2016		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(6.65)	2.30	(4.35)	(1.97)	**0.68**	(1.29)
	(6.65)	2.30	(4.35)	(1.97)	**0.68**	(1.29)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

	31 March 2017	31 March 2016
Profit before tax	**8,165.21**	5,019.23
Tax using the Company's domestic tax rate of 34.61 % (31 March 2016 - 34.61 %)	**2,825.81**	1,737.06
Tax effect of:		
Non-deductible tax expenses	**124.90**	71.21
Tax-exempt income	**(5.44)**	(221.86)
Others	**34.30**	(275.31)
At the effective income tax rate of 36.49% (31 March 2016: 26.12%)	**2,979.57**	1,311.10

33. Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share ₹ in Lakhs

	31 March 2017	31 March 2016
Basic earnings per share	**1.25**	2.73
Diluted earnings per share	**1.25**	2.71
Nominal value per share	**10**	10
(a) Profit attributable to equity shareholders (used as numerator)		₹ in Lakhs
	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit attributable to equity holders for basic earnings	5,185.64	3,708.13
Profit attributable to equity holders	5,185.64	3,708.13

(b) Weighted average number of equity shares (used as denominator) In numbers

	31 March 2017	31 March 2016
Opening balance of issued equity shares	**13,59,01,639**	9,00,00,000
Effect of shares issued during the year, if any	**27,74,71,233**	4,59,01,639
Weighted average number of equity shares for Basic EPS	**41,33,72,872**	13,59,01,639
Effect of dilution	-	8,11,475
Weighted average number of equity shares for Diluted EPS	**41,33,72,872**	13,67,13,114

34. Disclosure as per Ind AS 19 'Employee benefits'

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government, which invests the funds in permitted securities. Amount of ₹ 128.09 Lakhs (31 March 2016: ₹ 96.02 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in Note 29.

B. Superannuation Fund

The Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 58.73 Lakhs (31 March 2016: Nil) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense"in Note 29.

(ii) Defined benefit plans:

A. Gratuity

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and pension plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Net defined benefit liability:			
Gratuity (unfunded)	**61.91**	27.23	14.70
	61.91	27.23	14.70
Non-current	**61.30**	26.76	14.37
Current	**0.61**	0.47	0.33
Movement in net defined benefit (asset)/liability ₹ in Lakhs			
		Defined benefit obligation	
		31 March 2017	31 March 2016
Opening balance		**27.23**	14.70
Included in profit or loss:			
Current service cost		**27.32**	9.38
Past service cost		-	-
Net Interest cost		**2.17**	1.17
Total amount recognised in profit or loss		**29.49**	10.55
Included in OCI:			
Remeasurement loss (gain):			
Actuarial loss (gain) arising from:			
Demographic assumptions		-	-
Financial assumptions		**4.96**	1.99
Experience adjustment		**1.69**	(0.01)
Total amount recognised in other comprehensive income		**6.65**	1.98
Other			
Contributions paid by the employer		-	-
Benefits paid		**1.46**	-
Closing balance		**61.91**	27.23

B. Defined benefit obligations

i. Actuarial assumptions

The following are the actuarial assumptions at the reporting date:

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.35%	**8.00%**	8.00%
Salary escalation rate	**6.00%**	6.00%	5.50%
Retirement age (years)	**60**	60	60
Mortality rates inclusive of provision for disability **		**100% of IALM (2006 - 08)**	
Ages			
Movement in net defined benefit (asset)/liability ₹ in Lakhs	**Withdrawal Rate (%)**	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	**3.00**	**3.00**	**3.00**
From 31 to 44 years	**2.00**	**2.00**	2.00
Above 44 years	**1.00**	**1.00**	1.00

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

B. Defined benefit obligations

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

₹ in Lakhs

	31 March 2017		31 March 2016	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.5% movement)	**(4.75)**	**5.28**	(2.02)	2.24
Salary escalation rate (0.5% movement)	**5.33**	**(4.83)**	2.27	(2.07)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

C. Risk exposure

The post employment benefit plan exposes the company to actuarial risks such as interest rate risk and market (investment) risk.

D. Expected maturity analysis of the defined benefit plans in future years

₹ in Lakhs

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2017					
Gratuity	**0.62**	**0.34**	**3.09**	**57.87**	**61.91**
31 March 2016					
Gratuity	0.47	0.24	1.82	24.71	27.23
1 April 2015					
Gratuity	0.33	0.29	0.81	13.27	14.70

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 19.68 years (31 March 2016: 19.67 years, 1 April 2015: 17.68 years).

(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave (EL) benefit (including compensated absences) to the employees of the Company which accrue annually at 30 days. Leave Encashment subject to maximum of 300 days (Earned Leave) is permissible on Superannuation/ Separation. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. An amount of ₹ 40.88 Lakhs (31 March 2016: ₹ 33.00 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

B. Performance Based Pay

Out of Performance Related Pay of ₹ 74,59,392/- charged to Profit & Loss Account, ₹ 72,76,529/- have been paid during the year.

Out of Emoluments of ₹ 54,75,038/- charged to Profit & Loss Account, the entire amount has been paid during the year.

35. Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

Leases as lessee

The Company has taken certain residential/office premises and warehouses under non-cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to ₹ 438.93 Lakhs (31 March 2016: ₹ 135.17 Lakhs).

Total future minimum lease payments due under non-cancellable operating leases are as follows:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Less than one year	**373.81**	**281.53**	173.34
Between one and five years	**1,079.01**	1,009.83	693.34
More than five years	**1,813.93**	1,411.29	1,574.48
	3,266.75	2,702.65	2,441.16

36. Contingent liabilities and commitments

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Contingent liabilties			
Irrevocable Stand By Letter of Credit for GBP 5.5 Millions in the favour of M/s EnergyPro Assets Limited in London, UK valid upto 31 March 2018 with claim expiry upto 30 April 2018	**4,800.00**	-	-
Claims against the Company not acknowledged as debt	**7,183.28**	3,703.55	-
Bank Guarantees- Lien against Fixed Deposits	**19.21**	-	-
	12,002.49	**3,703.55**	-

Claim not acknowledged as debt: Show cause notice was issued by AP commercial tax department on 31/03/2016 to the company for imposing penalty of Rs. 34.79 Crores for under declaration of equivalent amount of VAT payable by the company. The matter is still pending before the Assessing Authority and there is no stay on the above penalty proceedings initiated by the department.

Contingent liabilties			
Estimated value of contract to be executed on Capital Account and not provided	**79,964.54**	32,780.49	5,997.13
Estimated value of contract of revenue nature to be executed and not provided	**1,43,749.09**	55,665.11	9,058.57
	2,23,713.63	**88,445.60**	15,055.70

37. Fair Value Measurements

(a) Financial instruments by category

All of the Company's financial assets and liabilities viz. borrowings, payable for capital expenditure, other payables, loans, cash and cash equivalents, other bank balances, unbilled revenue and trade and other receivables are measured at amortised cost.

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, ' Fair value measurement' details of which are as under:

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2017 (Level 3*)	31 March 2017	31 March 2016	1 April 2015
Financial assets:			
Security deposits	**121.00**	67.00	26.00
Unbilled revenue	**15,100.00**	20,500.00	9,800.00
Loan to employees	**70.00**	4.80	3.40
Total	**15,291.00**	20,571.80	9,829.40
Financial liabilities:			
Borrowings	**87,155.00**	33,824.00	8,982.00
Retention money	**3,501.00**	5,216.00	427.00
Total	**90,656.00**	39,040.00	9,409.00

'*'Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level

3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

(c) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security deposits	**120.27**	**121.00**	71.94	67.00	29.31	26.00
Unbilled revenue	**12,044.16**	**15,100.00**	17,843.33	20,500.00	8,560.65	9,800.00
Loan to employees	**73.68**	**70.00**	5.98	4.80	3.94	3.40
	12,238.11	**15,291.00**	17,921.24	20,571.80	8,593.90	9,829.40
Financial liabilities						
Borrowings	**82,623.85**	**87,155.00**	32,528.65	33,824.00	8,776.35	8,982.00
Retention money	**5,194.96**	**3,501.00**	3,014.00	5,216.00	384.08	427.00
	87,818.81	**90,656.00**	35,542.65	39,040.00	9,160.43	9,409.00

The carrying amounts of short term trade receivables, short term advances and cash & cash equivalents, capital creditors, short term retention money and short term earnest money deposit are considered to be the same as their fair values, due to their short-term nature/receivable or payable on demand.

The fair values for security deposits, unbilled revenue, conveyence advance,employee loans term loans,borrowings and retention money were calculated based on cash flows discounted using a current lending rate/borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

38. Financial Risk Management

(The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk

- Liquidity risk

- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, unbilled revenue,loans & advances, cash & cash equivalents and deposits with banks.

Trade receivables

The Company earns its revenue from government controlled entities (both central and state government). The risk of default in case of such entities is considered to be insignificant.The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.

As per the agreed terms, company allows payment against invoices within a period of thirty days from the date of invoice and levy of surcharge/interest @ 18% p.a. on delayed payment beyond thirty days.

The company has allowed the payment against invoices within a period of 30 days from the date of invoice, and has started levying from the current FY 2016-17 a surcharge/ interest @ 18% per annum on delayed payments beyond 30 days as per their respective agreements with APEPDCL & APSPDCL amounting to Rs. 13.96 crores which includes interest of Rs. 2.84 crores related to previous FY 2015-16.

Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Loans & advances

The company has given loans & advances to employees. The company manages its credit risk in respect of loan and advances to employee through settlement of dues against full & final payment to employees.

Cash and cash equivalents and deposits with banks

The Company held cash and cash equivalents and bank deposits with scheduled/nationalised banks with high rating.

₹ in Lakhs

Particulars Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)	31 March 2017	31 March 2016	1 April 2015
Non-current loans	**127.59**	**41.62**	28.97
Other non-current financial assets	**10,116.07**	10,360.95	5,765.06
Cash and cash equivalents	**26,467.08**	24,497.02	3,519.68
Deposits with banks	**5,767.04**	425.28	7,431.75
Current loans	**66.36**	36.30	4.28
Other current financial assets	**8,050.65**	8,890.97	3,865.84
	50,594.79	44,252.14	20,615.58
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	**80,140.76**	34,499.82	3,679.50
	80,140.76	34,499.82	3,679.50

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (State government utilities and distribution companies) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as 31.03.2017	**-**	**17,194.46**	**39,385.22**	**2,541.82**	**2,754.26**	**18,265.00**	**80,140.76**
Gross carrying amount as 31.03.2016	-	22,256.44	10,735.85	142.68	38.10	1,326.75	**34,499.82**
Gross carrying amount as 01.04.2015	-	2,762.31	278.63	121.98	97.11	419.47	**3,679.50**

38. **Financial Risk Management (Continued)**

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Lakhs

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
Fixed-rate borrowings			
Term loans	**15,000.00**	**10,000.00**	-
Foreign currency loans	**4,575.27**	15,019.10	24,920.26
Total	**19,575.27**	25,019.10	24,920.26

(ii) Maturitites of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2017 ₹ in Lakhs

Contractual maturities of financial liabilities	**Contractual cash flows**					
	3 months or less	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Non-current borrowings (including interest accrued)	2,299.00	10,000.00	3,535.12	30,560.21	48,528.52	94,922.85
Current borrowings	-	35,000.00	-	-	-	35,000.00
Trade payables	-	45,869.51	-	-	-	45,869.51
Retention money	-	8,533.01	-	1,644.39	1,096.26	11,273.66
Liability for expenses	-	77.12	-	-	-	77.12
Payable to employees	57.63	-	-	-	-	57.63
Others	-	696.63	-	-	-	696.63
	2,356.63	1,00,176.27	3,535.12	32,204.60	49,624.78	1,87,897.40

31 March 2017 ₹ in Lakhs

Contractual maturities of financial liabilities	**Contractual cash flows**					
	3 months or less	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**	**Total**
Non-current borrowings (including interest accrued)	145.08	2,403.00	7,597.00	3,975.64	18,553.01	32,673.73
Current borrowings	-	28,500.00	-	-	-	28,500.00
Trade payables	-	34,794.41	-	-	-	34,794.41
Retention money	-	2,462.40	-	3,624.15	910.72	6,997.27
Liability for expenses	511.62	-	-	-	-	511.62
Payable to employees	3.38	-	-	-	-	3.38
Others	-	400.10	-	-	-	400.10
	660.08	**68,559.91**	**7,597.00**	**7,599.79**	**19,463.73**	**1,03,880.51**

1 April 2015

₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	42.18	-	-	1,032.51	7,743.84	8,818.53
Trade payables	-	9,377.27	-	-	-	9,377.27
Retention money	-	257.71	1.94	462.04	-	721.69
Liability for expenses	79.04	-	-	-	-	79.04
Payable to employees	0.39	-	-	-	-	0.39
Others	-	297.56	-	-	-	297.56
	121.61	9,932.54	1.94	1,494.55	7,743.84	19,294.48

38. Financial Risk Management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Particulars	**EURO**	**EURO**	**EURO**
Financial liabilities			
Foreign currency borrowings	**32,623.86**	22,528.65	8,776.35

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against Euro at 31 March would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

₹ in Lakhs

	Profit and loss (before tax)	
Particulars	**Strengthening**	**Weakening**
31 March 2017	**(3,262.50)**	**3,262.50**
INR/EUR	**(3,262.50)**	**3,262.50**

₹ in Lakhs

	Profit and loss (before tax)	
Particulars	**Strengthening**	**Weakening**
31 March 2016	**(2,253.00)**	2,253.00
INR/EUR	**(2,253.00)**	2,253.00

38. Financial Risk Management (Continued)

Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Financial Assets:			
Fixed-rate instruments			
Employee Loans	**73.68**	5.98	3.94
Total	**73.68**	5.98	3.94
Financial Liabilities:			
Fixed-rate instruments			
Foreign currency loans	**32,623.86**	22,528.65	8,776.35
Debentures	**50,000.00**	-	-
Rupee term loans	**35,000.00**	28,500.00	
	1,17,623.86	51,028.65	8,776.35
Variable-rate instruments			
Rupee term loans	**10,000.00**	10,000.00	-
	10,000.00	10,000.00	-
Total	**1,27,623.86**	61,028.65	8,776.35

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ in Lakhs

	Profit and loss (before tax)	
	50 bp increase	**50 bp decrease**
31 March 2017		
Rupee term loans	**(481.70)**	**481.70**
Total	**(481.70)**	**481.70**

₹ in Lakhs

	Profit and loss (before tax)	
	50 bp increase	**50 bp decrease**
31 March 2016		
Rupee term loans	(476.19)	476.19
Total	(476.19)	476.19

39. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and
- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Maintain a current ratio of >= 1

(ii) Maintain a minimum Asset Coverage of 1.00 times

(iii) Maintain a Debt:Equity ratio of 80:20

(iv) Borrower shall inform the Bank simultaneously along with Stock Exchange if substantial effect on their profit or business means an adverse variance of 20% or more.

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Total liabilities	**1,29,922.86**	61,173.73	8,818.53
Less : Cash and cash equivalent	**26,467.08**	24,497.02	3,519.68
Net debt	**1,03,455.78**	36,676.71	5,298.85
Total equity	**55,533.79**	41,763.02	11,173.99
Net debt to equity ratio	**1.86**	0.88	0.47

40. Disclosure as per Ind AS 108 'Operating segments'

A. General Information

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

The following summary describes the operations in each of the Company's reportable segments:

Trading: ₹ 6394.47

Services including consultancy & ESCO Model : ₹ 6,980.47

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements:

₹ in Lakhs

	Trading		Services		Others		Total	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Segment revenue								
Sale of products/ ESCO Project income/ Other consultancy	1,02,248.73	72,060.16	12,837.30	5,428.48	-	-	1,15,086.03	77,488.64
Segment expenses	95,854.27	66,771.35	5,856.83	3,364.56	-	-	1,01,711.10	70,135.91
Segment results	6,394.48	5,288.81	6,980.47	2,063.92	-	-	13,374.93	7,352.73
Unallocated corporate interest and other income							7,632.37	2,822.81
Unallocated corporate expenses, finance charges, depreciation and amortisation							12,842.10	5,156.31
Profit before tax							8,165.21	5,019.23
Income tax (net)							2,979.57	1,311.10
Profit after tax							5,185.64	3,708.13

₹ in Lakhs

Particulars	Trading			Services			Others			Total		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Segment assets	**79,964.66**	64,445.17	13.32	1,22,891.21	48,091.81	9,296.50	-	-	-	2,02,855.87	1,12,536.98	9,309.82
Unallocated corporate and other assets										54,799.45	33,448.02	21,464.90
Total assets	79,964.66	64,445.17	13.32	1,22,891.21	48,091.81	9,296.50	-	-	-	2,57,655.32	1,45,985.00	30,774.72
Segment liabilities	14,615.18	20,155.76	-	31,254.34	20,147.98	9,377.27	-	-	-	45,869.52	40,303.74	9,377.27
Unallocated corporate and other liabilities										1,56,252.01	63,918.24	10,223.46
Total liabilities	**14,615.18**	20,155.76	-	31,254.34	20,147.98	9,377.27	-	-	-	2,02,121.53	1,04,221.98	19,600.73

Disclosure as per IND AS - 108 on 'Operating Segment'

The Company has not disclosed geographical segments as operations of the Company are mainly carried out within the country.

a) Business segments:

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

b) Segment revenue and expense:

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

c) Segment assets and liabilities:

Segment assets include all operating assets in respective segments comprising of net fixed assets, capital work-in-progress, capital advances and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

Accounting Policy on Segment reporting

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

C. Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2017 and 2016.

41. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

i) Entities having joint control over the company:

1. NTPC Limited
2. Power Grid Corporation of India Limited
3. Rural Electrification Corporation Limited
4. Power Finance Corporation Limited

ii) Subsidiaries, joint ventures and associates of entities having joint control over the company:

1. PFC Capital Advisory Services Limited
2. PFC Consulting Limited
3. PFC Green Energy Limited
4. REC Power Distribution Co. Limited
5. Utility Powertech Limited

iii) Subsidiaries, joint ventures and associates of entities controlled by the company:

1. Energy Pro

iv) Key Managerial Personnel (KMP):

Kaushal Kishore Sharma	Chairman & Director	w.e.f. 21st October, 2016
Rajeev Sharma	Chairman	w.e.f. 21st October, 2015 till 21st October, 2016
Saurabh Kumar	Managing director	w.e.f. 7th May, 2013
Vijay Kumar Singh	Nominee Director	w.e.f. 21st October, 2016
Anil Kumar Gupta	Director (Finance)	w.e.f. 5th February, 2016 till 26th December, 2016
S.N. Gaikwad	Director (Projects & Business Development)	w.e.f. 5th February, 2016 till 3rd November, 2016
Avkash Saxena	Nominee Director	w.e.f. 22nd September, 2016
Raj Pal	Nominee Director	w.e.f. 14th July, 2016
Seema Gupta	Nominee director	w.e.f. 10th July, 2013 till 25th April, 2016
A Chakravati	Nominee director	w.e.f. 16th January, 2014 till 12th September, 2016
Radha Krishna Srivastava	Nominee director	w.e.f. 24th September, 2015 till 6th September, 2016
Sanjay Seth	Nominee director	w.e.f. 3rd July, 2015 till 16thSeptember, 2016
Puliyar Krishnaswamy Ravi	Government nominee director	w.e.f. 20th June, 2013 till 6th July, 2016
S. Gopal	Chief Financial Officer	w.e.f. 8th June, 2016
Sameer Agarwal	Chief Financial Officer	w.e.f. 27th September, 2014 till 8th June, 2016
Pooja Shukla	Company Secretary	w.e.f. 27th December, 2012

v) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust

vi) Entities under the control of the same government:

Bureau of Energy Efficiency

NHPC Limited

ONGC Limited

BHEL Limited

Coal India Limited

Indian Renewable Energy Development Agency Limited (IREDA)

₹ in Lakhs

Particulars	NTPC Limited	Power Grid Corporation of India Limited	Rural Electrification Corporation Limited	Power Finance Corporation Limited	Utility Powertech Limited	EnergyPro Assets Limited	Total
i) Sales/purchase of goods and services during the year							
- Manpower services received by the Company	-	-	-	-	**1,083.26**	-	**1,083.26**
	(-)	(-)	(-)	(-)	(407.69)	(-)	(407.69)
- Consultancy services provided by the Company	**261.47**	**16.30**	**91.93**	**285.13**	-	-	**654.82**
	(101.56)	(376.61)	(146.05)	(371.46)	(-)	(-)	(995.68)
- Sales of goods	**1,455.16**	-	-	**3.35**	-	-	**1,458.50**
	(-)	(-)	(-)	(-)	(-)	(-)	-
ii) Deputation of employees	**181.67**	-	-	-	-	-	**181.67**
	(139.08)	(-)	(-)	(-)	(-)	(-)	(139.08)
iii) Equity contribution received	**9,900.00**	-	**9,900.00**	**9,900.00**	-	-	**29,700.00**
	(2,500.00)	(-)	(2,500.00)	(2,500.00)	(-)	(-)	(7,500.00)
iv) Equity contribution paid	-	-	-	-	-	**189.04**	**189.04**
	(-)	(-)	(-)	(-)	(-)	(-)	-
v) Final dividend paid	**338.57**	**52.00**	**338.57**	**338.57**	-	-	**1,067.72**
	(67.95)	(67.95)	(67.95)	(67.95)	(-)	(-)	(271.79)

Figures in negative represents previous year figures.

₹ in Lakhs

	2016-17	2015-16
Transactions with post employment benefit plans		
- Contributions made during the year	**58.73**	-
Compensation to Key management personnel		
- Short term employee benefits	**80.51**	**68.64**
- Post employment benefits	**10.99**	8.34
- Other long term benefits	**11.62**	**9.48**
Total Compensation to Key management personnel	**103.12**	86.46
Outstanding compensation (1 April 2015: ₹ 0.39 Lakhs)	**0.80**	**0.87**

₹ in Lakhs

Transactions with the related parties under the control of the same government:				
Sl. No.	**Name of the Company**	**Nature of transaction**	**2016-17**	2015-16
1	Coal India Limited	Consultancy services	-	96.74
2	**Indian Renewable Energy Development Agency Limited (IREDA)**	Consultancy services	-	96.74
3	Bureau of Energy Efficiency	Sale of goods	**170.93**	-
4	NHPC Limited	Consultancy services	**19.55**	-
5	ONGC Limited	Sale of goods	**8.40**	-
6	BHEL Limited	Sale of goods	**62.26**	-
7			**261.14**	193.48

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Amount recoverable for sale/purchase of goods and services			
- From NTPC Limited	**1,645.00**	101.56	-
- From Power Grid Corporation of India Limited	**9.32**	(6.17)	-
- From Rural Electrification Corporation Limited	**402.08**	310.24	173.45
- From Power Finance Corporation Limited	**394.87**	456.36	138.47
- From PFC Capital Advisory Services Limited	**2.32**	2.32	2.32
- From PFC Consulting Limited	**0.69**	18.00	18.00
- From PFC Green Energy Limited	**2.79**	2.79	2.79
Amount payable (other than loans)			
- To Utility Powertech Limited	**1,133.92**	50.66	-

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017 which were not at Arm's Length Price.

(3) The Company is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.

(4) The Company provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.

(5) Outstanding balances of related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: ` Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42. First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2015 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2017, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at 1 April 2015, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2015 are generally recognized and measured according to Ind AS in effect as on 31 March 2017. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

i) Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii) Long term foreign currency monetary items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP.

Reconciliation of equity as at 1st April 2015 and as 31st March 2016

₹ in Lakhs

		1 April 2015			31 March 2016		
	Note	Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
ASSETS							
Non-current assets							
Property, plant and equipment	a	14,308.28	(8,727.61)	5,580.67	46,877.71	(19,277.37)	27,600.34
Capital work in progress	a	834.94	(301.87)	533.07	15,278.83	(994.41)	14,284.41
Other Intangible assets		21.82	-	21.82	33.89	-	33.89
Financial assets							
Loans	c	57.56	(28.59)	28.97	104.61	(62.99)	41.62
Other financial assets	a	-	5,765.06	5,765.06	12.55	10,348.40	10,360.95
Other non-current assets	c	30.76	21.51	52.27	940.58	22.38	962.96
Current Assets							
Inventories	a	13.32	84.37	97.69	17,950.57	939.82	18,890.39
Financial assets							
Trade receivables	b	3,668.35	11.15	3,679.50	34,414.68	85.14	34,499.82
Cash and cash equivalents		3,519.68	0.00	3,519.68	24,497.02	(0.00)	24,497.02
Other bank balances		7,431.75	0.00	7,431.75	425.28	-	425.28
Loans	c	1.21	3.07	4.28	2.19	34.11	36.30
Other financial assets	a	1,070.25	2,795.59	3,865.84	1,396.04	7,494.93	8,890.97
Current tax assets (Net)		86.36	0.00	86.36	670.49	(0.00)	670.49
Other current assets	c	104.25	3.51	107.76	4,785.77	4.79	4,790.56
Total Assets		31,148.53	**(373.81)**	**30,774.72**	**1,47,390.20**	**(1,405.20)**	**1,45,985.00**
EQUITY & LIABILITIES							
Equity							
Equity Share capital		9,000.00	-	9,000.00	16,500.00	-	16,500.00
Other equity	i	2,033.17	140.82	2,173.99	24,102.69	1,160.33	25,263.02
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		8,776.35	-	8,776.35	30,124.96	-	30,124.96
Other financial liabilities	d	554.01	(169.93)	384.08	4,501.95	(1,487.95)	3,014.00
Provisions		49.77	-	49.77	92.58	0.01	92.59
Deferred tax liabilities (Net)	f	230.24	(49.69)	180.55	176.26	(40.31)	135.95
Other non-current liabilities		12.37	0.01	12.38	37.11	(7.73)	29.38
Current liabilities							
Financial liabilities							
Borrowings		-	-	-	28,500.00	-	28,500.00
Trade payables		9,377.27	-	9,377.27	34,794.41	-	34,794.41
Other financial liabilities		554.55	33.63	588.18	5,697.65	261.54	5,959.19
Other current liabilities		72.45	-	72.45	1,567.97	0.01	1,567.98
Provisions	g	330.85	(328.65)	2.20	1,294.62	(1,291.10)	3.52
Current Tax Liabilities (Net)		157.50	-	157.50	-	-	-
Total equity and liabilities		31,148.53	**(373.81)**	**30,774.72**	**1,47,390.20**	**(1,405.20)**	**1,45,985.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of statement of total comprehensive income for the year ended 31 March 2016

₹ in Lakhs

	Note	Previous GAAP*	Adjustments	Ind ASs
INCOME				
Revenue from operations	a,b	70,257.92	7,230.72	77,488.64
Other income	a,c	680.99	2,141.82	2,822.81
Total Income		**70,938.91**	**9,372.54**	**80,311.45**
EXPENDITURE				
Purchase of stock-in-trade	a	66,408.27	12,062.44	78,470.71
Distribution expenses (UJALA)		4,783.34	-	4,783.34
Media expenses (UJALA)		1,454.55	-	1,454.55
(Increase)/Decrease in Inventories		(17,937.25)	-	(17,937.25)
Employee benefits expense	h	1,280.40	(1.97)	1,278.43
Finance costs	d	1,322.64	65.01	1,387.65
Depreciation, amortization and impairment expense	a,d	4,756.10	(3,001.10)	1,755.00
Other expenses	a,d	4,036.25	63.54	4,099.79
Prior period items (Net)		22.48	(22.48)	-
Total Expenses		**66,126.78**	**9,165.44**	**75,292.22**
Profit before tax		**4,812.13**	**207.10**	**5,019.23**
Current tax				
Current year		1,528.89	47.99	1,576.88
Earlier years		(221.86)	-	(221.86)
Deferred tax				
Current year	e	(53.99)	10.06	(43.92)
		1,253.04	58.05	1,311.10
Profit after tax		**3,559.08**	**149.05**	**3,708.13**
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of tax)				
- Net actuarial gains/(losses) on defined benefit plans	h	-	(1.29)	(1.29)
Other comprehensive income for the year, net of income tax		**-**	**(1.29)**	**(1.29)**
Total comprehensive income for the year		**3,559.08**	**147.76**	**3,706.84**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

₹ in Lakhs

	Note	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		40,602.69	11,033.17
Adjustments:			
Proposed dividend and tax	f	1,291.09	328.65
Recognition of financial assets/liabilities at amortised cost	c,d	189.92	169.43
Depreciation and amortization	d	48.10	-
Error rectification	a	(217.68)	(406.94)
Revenue recognised at fair value	b	(199.15)	-
Others		7.73	-
Tax impact due to Ind AS adjustments	f	40.32	49.68
Total adjustments		**1,160.33**	**140.82**
Total equity as per Ind AS		**41,763.02**	**11,173.99**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in Lakhs

	Note	31 March 2016
Profit after tax as per previous GAAP		3,559.08
Adjustments:		
Depreciation and amortization	d	48.10
Recognition of financial assets/liabilities at amortised cost	c,d	20.49
Revenue recognised at fair value	b	(199.15)
Transaction cost on issue of equity shares, net of tax	e	90.69
Actuarial loss on defined benefit plans recognised in Other Comprehensive Income (net of tax)	h	1.29
Error rectification		189.27
Others	a	7.74
Tax impact due to Ind AS adjustments	f	(9.38)
Total adjustments		**149.05**
Profit after tax as per Ind AS		**3,708.13**
Other comprehensive income (net of tax):		
Actuarial loss on defined benefit plans	h	(1.29)
Total comprehensive income as per Ind AS		**3,706.84**

Notes to first-time adoption:

(a) Error rectification

(i) Under previous GAAP, the company errorneously capitalised the expenditure incurred on LED-ESCO projects as property, plant and equipment. Revenue was recognised on accrual basis as per the terms of the agreement. On transition to Ind AS, the above said error was rectified by decapitalising property, plant & equipment and recognising the same as expense in retained earnings as at 1 April 2015 and in the statement of profit & loss for the year ended 31 March 2016. Also, since risk and rewards got transferred as the products were sold, the revenue was recognised at present value of future payments to be received. In addition to above, company capitalised certain administration and general overheads in the cost of property, plant and equipment which have been decapitalised under Ind AS."

(ii) Under previous GAAP, the company recognised prior period income and expenses separately in the Statement of profit and loss.

Under Ind AS, material prior period errors are required to be adjusted retrospectively by restating the comparative amounts of the prior period presented in which the error occured or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Accordingly, the company has retrospectively restated the assets, liabilities and equity for the prior period errors identified.

b) Revenue under OBF model

Under previous GAAP, revenue from sale of goods under LED-OBF model was being recognised at the value of total proceeds received or receivable (both under upfront payment option and EMI option).

Under Ind AS, financing component under EMI option was segregated from the upfront revenue (amount received under upfront option) and recognised as and when it accrued.

(c) Security deposits

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value.

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent.

(d) Financial liabilities

Under previous GAAP, company recognised its liabilities pertaining to retention money at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. Therefore, such financial liabilities have been discounted to present value since they do not carry any interest.

(e) Transaction cost on issue of equity shares

Under previous GAAP, the company charged off the transaction costs incurred on issue of equity shares.

Under Ind AS, the same is required to be netted off from equity and hence, the company has adjusted the transaction cost of ₹ 90.69 lakhs (net of related tax benefit of ₹ 48.01 Lakhs) from retained earnings.

The impact arising from above-mentioned adjustments is summarised as below:

₹ in Lakhs

Particulars	Footnote reference	As at 1 April 2015	FY 2015-16	As at 31 March 2016
Property, plant & equipment:				
Gross Block of LED-ESCO expenditure decapitalised (Purchase of stock-in-trade)	a (i)	(9,102.50)	(12,184.85)	(21,287.35)
Gross Block of LED-ESCO expenditure decapitalised (Capital work-in-progress)	a (i)	-	(95.09)	(95.09)
Decapitalisation of general and administrative overheads	a (i)	-	(29.20)	(29.20)
Accumulated Depreciation	a (i)	374.89	2,952.99	3,327.88
Discounting of retention money	d	-	(1,241.71)	(1,241.71)
Depreciation impact due to discounting of retention money	d	-	48.10	48.10
Total		**(8,727.61)**	**(10,549.76)**	**(19,277.37)**
Capital work-in-progress:				
Decapitalisation of LED-ESCO expenditure (Inventories)	a (i)	(84.37)	(939.82)	(1,024.19)
Retained earnings (indirect cost)	a (i)	(217.50)	-	(217.50)
Reversal of capitalisation to property, plant & equipment	a (i)	-	95.09	95.09
Decapitalisation of LED-ESCO expenditure (Purchase of stock-in-trade)	a (i)		206.78	206.78
Discounting of retention money	d	-	(54.60)	(54.60)
Total		**(301.87)**	**(692.55)**	**(994.42)**
Loans (Non current and current):				
Discounting of security deposits	c	(25.52)	(8.09)	(33.61)
Finance income recognised on security deposits	c	-	4.73	4.73
Total		**(25.52)**	**(3.36)**	**(28.88)**
Other financial assets (Non current and current):				
Unbilled revenue (revenue measured at fair value)	a (i)	8,560.65	7,509.95	16,070.60
Revenue on account of AMC recognised on LED-ESCO projects	a (i)	-	119.07	119.07
Finance income recognised on LED-ESCO projects	a (i)	-	1,653.66	1,653.66
Total		**8,560.65**	**9,282.68**	**17,843.33**
Other assets (Non current and current):				
Deferred rent (discounting of security deposits)	c	25.03	8.09	33.12
Amortisation of deferred rent	c		(5.96)	(5.96)
Total		**25.03**	**2.13**	**27.16**
Inventories:				
Decapitalisation of LED-ESCO expenditure (Capital work-in-progress)	a (i)	84.37	939.82	1,024.19
Recognised as expense (Purchase of stock-in-trade)	a (i)	-	(84.37)	(84.37)
Total		**84.37**	**855.45**	**939.82**
Trade receivables:				
Revenue measured at fair value	b	-	(199.15)	(199.15)
Rectification of prior period error	a (ii)	11.15	273.14	284.29
Total		**11.15**	**73.99**	**85.14**
Other financial liabilities (Non current and current):				
Discounting of retention money	d	(169.92)	(1,383.04)	(1,552.96)
Unwinding of discounting of retention money	d	-	65.01	65.01
Rectification of prior period error	a (ii)	33.63	227.90	261.53
Total		**(136.29)**	**(1,090.13)**	**(1,226.42)**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in Lakhs

Particulars	Footnote reference	31 March 2016
Revenue:		
LED-ESCO revenue recognised at fair value	a (i)	7,629.02
Adjustment of financing component under OBF model	b	(398.30)
Total		**7,230.72**
Other Income:		
Finance income on LED-ESCO projects	a (i)	1,653.66
Finance income on LED-OBF projects	b	199.15
Finance income on security deposits	c	4.73
Rectification of prior period error	a (ii)	284.28
Total		**2,141.82**
Depreciation, amortization and impairment expense:		
Decapitalisation of LED-ESCO expenditure	a (i)	(2,952.99)
Discounting of retention money	d	(48.10)
Total		**(3,001.09)**
Other expenses:		
Discounting of retention money	d	(86.72)
Amortisation of deferred rent	c	5.96
Transaction costs on issue of equity shares	e	(138.70)
Rectification of prior period error	a (ii)	290.73
Others		(7.73)
Total		**63.54**

(f) Deferred taxes

The above changes increased (decreased) the deferred tax liability as follows based on a tax rate of 34.608% (1 April 2015: 32.445%):

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 : Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temprorary differences which was not required under Indian GAAP.

The above changes increased (decreased) the deferred tax liability as follows:

₹ in Lakhs

Particulars	31 March 2016	1 April 2015
Difference in book depreciation and tax depreciation	6,671.51	2,831.67
Revenue measured at fair value	(6,204.68)	(2,734.31)
Financial assets and liabilities measured at amortised cost	(514.35)	(54.97)
Others	87.84	7.29
Total	**40.32**	**49.68**

(g) Proposed Dividend

Under Indian GAAP, the Company had accounted for proposed dividends relating to year ended 31 March 2015 in that year, though the approval of that dividend took place after the reporting date. Under Ind AS, proposed dividends do not meet the definition of liability until they have been approved by shareholders at the Annual General Meeting. Therefore, the Company has not recognized a liability for dividend that has been proposed but will not be approved until after the reporting date.

The effect of the adjustment is to increase the retained earnings by ₹ 328.65 Lakhs with corresponding decrease in provisions as at 1 April 2015 and ₹ 1,291.09 Lakhs as at 31 March 2016.

(h) Employee benefits :

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

As a result, profit for the year ended 31 March 2016 increased by ₹ 1.29 lakhs (net of tax) with corresponding decrease in Other compreshensive income during the year .

(i) Retained earnings :

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2016 and 1 April 2015' as given above for details.

(j) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other compreshensive income pertains to remeasurement of defined benefit plans. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(k) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

43. Disclosure as per Ind AS 27 'Separate financial statements'

a) Investment in Joint Venture Entities:

Company Name	**Country of incorporation**	**Proportion of ownership interest (%)**		
		31 March 2017	31 March 2016	1 April 2015
EnergyPro Assets Limited (EPAL) *	United Kingdom	80.00	-	-

* The company has measured Equity investments in joint ventures at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

44. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

₹ in Lakhs

Particulars	**31 March 2017**	**31 March 2016**
A. Amount required to be spent during the year	45.72	18.53
B. Shortfall amount of previous year	NIL	NIL
C. Total (A+B)	45.72	18.53
D. Amount spent during the year on-		
- Construction/ acquisition of any asset	NIL	NIL
- On purposes other than (i) above	NIL	NIL
Total	NIL	NIL
Shortfall amount appropriated to CSR reserve	NIL	NIL

₹ in Lakhs

a) Amount spent during the year ended 31 March 2017:

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset	NIL	NIL	NIL
On purposes other than (i) above	NIL	NIL	NIL

₹ in Lakhs

b) Amount spent during the year ended 31 March 2016:

Particulars	**In cash**	**Yet to be paid in cash**	**Total**
Construction/acquisition of any asset	NIL	NIL	NIL
On purposes other than (i) above	NIL	NIL	NIL

₹ in Lakhs

E. Break-up of the CSR expenses under major heads is as under:

Particulars	31 Mrach 2017	31 Mrach 2016
1. Swachh Vidyalaya Abhiyan	NIL	NIL
2. Healthcare and sanitation	NIL	NIL
3. Education and skill development	NIL	NIL
4. Rural development	NIL	NIL
5. Environment	NIL	NIL
6. Drinking water	NIL	NIL
7. Sports	NIL	NIL
8. Capacity building	NIL	NIL
9. Protection of national heritage, art and culture	NIL	NIL
10.Other CSR activities	NIL	NIL
Total	NIL	NIL

45. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

During the year, the Company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBN's and other notes as per the notification are as follows:

₹ in Lakhs

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016 in the hands of Collecting/ Distributing Agencies	314.83	1089.74	1404.57
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks*	314.83	1089.74	1404.57
Closing cash in hand as on 30.12.2016	-	-	-

*The distribution agents directly deposited specified bank notes during the specified period from 09-11-2016 to 30-12-2016 on account of sales of LED bulbs/ lights prior to 08/11/2016 in different states across India, but records of cash sales & cash deposit slips on the basis of denomination of bank notes have not been maintained & hence not available.

46. (a) The Company has issued Secured, Redeemable, Taxable, Non Cumulative, Non Convertible Bonds in the nature of debenture of the face value of ₹ 40,00,000/- each comprising of 2 STRPP of the value of ₹ 10,00,000/- each and 1 STRPP of the value of ₹ 20,00,000/- for cash at par having total issue size of ₹ 50,000 Lakhs (Series-1), secured by way of first pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times. Bonds have been allotted on 20.09.2016 and listed on the Bombay Stock Exchange (BSE).

(b) The Company is creating Debenture Redemption Reserve (DRR) for Bonds issued @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014).

(c) The Company raises funds through various sources including series of Non-Convertible Bond issue.

As regards non-convertible Rupee denominated bonds, the first due date for payment of annual interest is 20.09.2017 and principal shall be 20/03/2020, 20/09/2021 and 20/09/2023 amounting ₹ 12,500.00 Lakhs, ₹ 12,500.00 Lakhs and ₹ 50,000.00 Lakhs respectively.

47. Major Investments made during the year:

(i) The Company has subscribed to 230,680 shares having Face Value of £1/- each in M/s. Energypro Assets Limited in London, UK equivalent to 80% shares in Equity for GBP 230,680.00 (` 189.04 Lakhs) on 21.03.2017.

(ii) The Company has made a purchase of Land in Jaipur Institutional Area, Jaipur having registered stamp value based on circle rate at ` 743.64 Lakhs during the year ended 31.03.2017.

(iii) The Company has made an advance payment towards the purchase of property at NBCC Center, Sahkar Marg, Jaipur for its Regional Office at Jaipur. Total cost of the area, admeasuring 4590 Sq. Ft. is, ` 460.77 Lakhs. The last installment of the property is due on or before 26/04/2017.

(iv) The Company has also made an advance payment towards the Built up offices in NBCC Square, Action Area-III, Rajarhat, Kolkata, for ` 55.29 Lakhs; the possession of the said property shall be available from next Financial Year.

48. Central Board of Direct Taxes on 31 March 2015 notified 10 ICDS vide Notification no. 32/2015 [F. No. 134/48/2010 – TPL]/ SO 892(E), which is applicable to all taxpayers (corporate and non-corporate) following mercantile method of accounting including nonresident taxpayers. It applies to income computed under the head Profit and Gains of Business and Profession and Income from Other Sources. However, there is no impact on computation of Book Profits for the purposes of MAT (Minimum Alternate Tax), which will continue to be governed by the methodology according to the Companies Act, 2013.

Accordingly, the Company has made the Current Tax and Provision for Taxes calculations as per the applicable Income Computation and Disclosure Standards.

49. While computing provision for incometax as per income computation & disclosure standards (ICDS), sum of ₹ 21 crores an accounts of unrealized gain on difference in foreign currency exchange fluctuations on receipt of loan in foreign currency as on Mach 31, 2017, which is utilized in the acquisition and constroction of a capital assets has been reduced from that capital assets, which is in contravention of the provisions of Ind AS 16 and ICDS, which state that the same should from part of the income of the company and should have been routed through profit and loss account. But relying on vairous court cases of high court and supreme court, the same has been treated as capital receipt.

As per our audit report of
date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Noida
Date : 30th May 2017

Independent Auditor's Report

To the Members of Energy Efficiency Services Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of Energy Efficiency Services Limited (hereinafter referred to as "company") and its Jointly Controlled Entity, comprising the consolidated balance sheet as at 31" March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the company including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the company and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and its jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

We draw your attention to the following qualification to the audit opinion of the financial statements of Energy Efficiency Services Limited, issued by us vide our Report dated 30th May 2017 reproduced by us as under:

1. Attention is invited to the note 1(C) (10.6) to the Financial Statements on the accounting treatment of Advertisement expense. During the financial year 2016-17, the company has incurred expenditure amounting to Rs. 37.95 cr on advertisement out of which Rs. 20.98 cr has been deferred as prepaid expenses shown under the head "Other Current Assets" (note- 13 to the financial statements). Such treatment of revenue expenditure is not consistent with the principles enunciated under Ind AS 38, "Intangible Assets". This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.

2. We further report that, the company has raised invoices for the composite supply, installation and commissioning of "LED Based Solar lighting System" amounting to Rs. 1.48 crores under the agreement with PFC, but company did not charge value added tax (at the rate specified under the applicable state laws in which state is executed) on the value supply part and company also did not charge service tax under the work contract services on the value of services part which is in contravention to rule 2A (ii) of the service tax (determination of value) Rules,2006. This was also a subject matter of qualification in previous auditor's report on the financial statements for the year ended 31 March 2016.

3. We further report that the company has not appointed independent directors during the financial year 2016-17 which is in contravention of section 149 (4) & (5) of the act read with companies (Appointment and qualification of directors) Rules, 2014.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the information contained in unaudited financial statements of the jointly controlled entity and other financial information of the jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Act and except for the effects of the matter referred to in the Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the company and jointly controlled entity as at 31st March, 2017, and their consolidated profit/loss (financial performance including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information of jointly Controlled entity, whose financial statements/ financial information reflect total assets of Rs.94,98,22,306/- and net assets of Rs.2,25,78,377/- as at 31st March, 2017, total revenues of Rs. Nil and net cash inflows amounting to Rs.52,41,12,937/- for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Company's share of net loss of Rs.8,40,994/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Company and its jointly controlled entity.

(b) Joint controlled entity is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which are unaudited. The Company's management has converted the financial statements of such joint entity located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such joint entity located outside India is based on the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements/ financial information certified by the Management.

(C) The comparative financial information of the company including its jointly controlled entity for the year ended 31st March, 2016 and transition date opening balance sheet as at 1st April, 2015, included in these consolidated Ind AS financial statements, are based on previously issued annual statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by predecessor auditor, whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 16th September, 2016 and 3rd July, 2015 respectively expressed an modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind-AS, which have been audited by us. However, there is no impact of interest in Joint controlled entity's accounts on above as it was acquired by the company during the Financial Year 2016-17.

Report on Other Legal and Regulatory Requirements

1. As required under section 143(5) of the Companies Act, 2013, we give in the Annexure 1, a revised statement on the directions issued by the Controller and Auditor General of India after complying with the suggested methodology of Audit, the action taken thereon and its impact on the accounts and financial statements of the company.

2. As required by Section 143(3) of the Act, based on our audit of the company and on the unaudited separate financial statements and the other financial information of jointly controlled entity, La, noted in the other matter paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books of the company and the unaudited financial statements of Joint controlled entity prepared by their respective management.

(c) The Consolidated Balance Sheet the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Company as on 31st March, 2017 taken on record by the Board of Directors of the Company incorporated in India, none of the directors of the company incorporated in India is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **Annexure-A.**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us, as noted in the Other matter paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company. Refer Note 36 to the consolidated financial statements.

(ii) The Company and jointly controlled entity did not have any material foreseeable losses on long¬term contracts including derivative contracts during the year ended 31st March 2017.

(iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2017.

(iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. However, we are unable to obtain sufficient and appropriate audit evidence to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management —Refer Note 45 to the standalone Ind AS financial statements.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Gurkirpal Singh Bedi
Partner
M. No. 090637

Date: 04.08.2017
Place : New Delhi

ANNEXURE "A"

To The Independent Auditor's Report - 31 March 2017
(Referred to in our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of Energy Efficiency Services Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion onn the Company incorporated in India, internal financial control system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles. and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls (her Financial Reporting

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

Opinion

In our opinion, the Company incorporated in India, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls over financial reporting criteria established by the Company, considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For VPGS & Co.
Chartered Accountants
FRN 507971C

Gurkirpal Singh Bedi
Partner
M. No. 090637

Place : New Delhi
Date : 4th August 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph)

Sr. No.	DETAILS /DIRECTIONS	AUDITOR'REPLY	ACTION TAKEN AND IMPACT ON ACCOUNTS & FINANICAL STATEMENT
1.	Whether the company has clear title/lease deeds for freehold and Leasehold land respectively? If Not, please state the area of the free-Hold and leasehold. land for which title/ Lease deeds are not available.	During the financial year company has purchased one freehold land. The company has clear title in respect of above land.	Nil
2.	Whether there are any cases of waiver/ write off of debts/loans/ interest etc. if yes, the reasons there for and the amount involved.	During the financial year, company has not waived/ write off any debts/loans/interest etc.	Nil
3.	Whether proper records are maintained for Inventories lying with third parties & assets received as gift/grants from govt. or other authorities.	The company has maintained proper records for inventories lying with third parties (sub contractor). In our opinion, ' there should be proper , method to verify inventories lying with third party at reasonable intervals and the system of physical verification also needs to be strengthened. The company has not received any assets as a gift/grants from govt. or other authorities.	Nil

ENERGY EFFICIENCY SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

₹ in Lakhs

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
ASSETS				
Non-current assets				
Property, plant & equipment	2	60,109.90	27,600.34	5,580.67
Capital work-in-progress	3	36,618.37	14,284.41	533.07
Intangible assets	2	72.78	33.89	21.82
Investments in joint venture		180.63	-	-
Financial Assets				
Loans	4	127.59	41.62	28.97
Other financial assets	5	10,116.07	10,360.95	5,765.06
Other non-current assets	6	594.62	962.96	52.27
Total non-current assets		**1,07,819.96**	**53,284.17**	**11,981.86**
Current assets				
Inventories	7	15,464.97	18,890.39	97.69
Financial assets				
Trade receivables	8	80,140.76	34,499.82	3,679.50
Cash and cash equivalent	9	26,467.08	24,497.02	3,519.68
Bank balances other than cash and cash equivalent	9A	5,767.04	425.28	7,431.75
Loans	10	66.36	36.30	4.28
Other financial assets	11	8,050.65	8,890.97	3,865.84
Current tax assets (Net)	12	622.74	670.49	86.36
Other current assets	13	13,247.35	4,790.56	107.76
Total current assets		1,49,826.95	92,700.83	18,792.86
TOTAL ASSETS		2,57,646.91	1,45,985.00	30,774.72
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	46,200.00	16,500.00	9,000.00
Other equity	15	9,325.38	25,263.02	2,173.99
Total equity		55,525.38	41,763.02	11,173.99
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	16	82,623.86	30,124.96	8,776.35
Other financial liabilities	17	5,194.96	3,014.00	384.08
Provisions	18	223.16	92.59	49.77
Deferred tax liabilities (net)	19	8.38	135.95	180.55
Other non-current liabilities	20	43.95	29.38	12.38
Total non-current liabilities		88,094.31	33,396.88	9,403.13
Current liabilities				
Financial liabilities				
Borrowings	21	35,000.00	28,500.00	-
Trade payables	22	45,869.51	34,794.41	9,377.27
Other financial liabilities	23	17,214.64	5,959.19	588.18
Other current liabilities	24	15,607.95	1,567.98	72.45
Provisions	25	10.82	3.52	2.20
Current Tax Liabilities		**324.30**	-	**157.50**
Total current liabilities		**1,14,027.22**	**70,825.10**	**10,197.60**
TOTAL EQUITY AND LIABILITIES		**2,57,646.91**	**1,45,985.00**	**30,774.72**

Significant Accounting Policies 1
Notes on Financial Statement' 2 to 49

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Varanasi
Date : 4th August 2017

Place : New Delhi
Date : 4th August 2017

ENERGY EFFICIENCY SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2017	For the year ended 31.03.2016.
Revenue			
Revenue from operations	26	**1,15,086.03**	77,488.64
Other income	27	**7,632.37**	2,822.81
Total revenue		**1,22,718.40**	80,311.45
Expenses			
Purchase of stock-in-trade		**80,002.15**	78,470.71
Distribution expenses (Ujala)		**8,188.53**	4,783.34
Media expenses (Ujala)		**2,015.12**	1,454.55
(Increase)/Decrease in inventories	28	**2,485.60**	(17,937.25)
Employee benefits expense	29	**2,090.66**	1,278.43
Finance costs	30	**6,156.09**	1,387.65
Depreciation, amortization and impairment expense	2	**5,543.57**	1,755.00
Other expenses	31	**8,071.47**	4,099.79
Total expenses		**1,14,553.19**	75,292.22
Profit before share of net profits/(losses) of investments accounted for using equity method and tax		**8,165.21**	5,019.23
Add: Share of net profits/(losses) of joint ventures accounted for using equity method		**(5.94)**	-
Profit before tax		**8,159.27**	5,019.23
Tax expense	32		
Current tax			
Current year		**3,110.27**	1,576.88
Earlier years		**(5.44)**	(221.86)
Deferred tax		**(125.26)**	(43.92)
Total tax expense		**2,979.57**	1,311.10
Profit for the year		**5,179.70**	3,708.13
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		**(4.35)**	(1.29)
Items that will be reclassified to profit or loss (net of tax)			
- Exchange differences on translation of foreign operations		**(2.47)**	-
Other comprehensive income for the year, net of income tax		**(6.82)**	(1.29)
Total comprehensive income for the year		**5,172.88**	3,706.84
Earnings per equity share (Par value ₹ 10/- each)	33		
Basic (₹)		**1.25**	2.73
Diluted (₹)		**1.25**	2.71

Significant Accounting Policies 1
Notes on Financial Statement' 2 to 50

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Varanasi
Date : 4th August 2017

Place : New Delhi
Date : 4th August 2017

ENERGY EFFIECIENCY SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

₹ in Lakhs

	Year Ended 31.03.2017	Year Ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	8,159.27	5,019.23
Adjustment for:-		
Depreciation and Amortisation	5,543.57	1,755.00
Interest Income	(1,493.49)	(596.16)
Foreign Exchange gain or loss	(1,974.18)	71.32
Deferred Rent Expenses	16.56	17.01
Share of loss of Joint venture	5.94	-
Finance Cost	3,681.33	719.84
Operating Profit Before Working Capital Changes	**13,939.00**	**6,986.24**
CHANGE IN WORKING CAPITAL		
DECREASE/(INCREASE) IN		
Trade Receivable	(45,640.95)	(30,820.31)
Inventories	3,425.42	(18,792.70)
Loans, other financial assets and other assets	(7,491.02)	(14,361.20)
Other bank balances	(5,341.76)	7,006.47
	(55,048.31)	(56,967.74)
INCREASE/(DECREASE) IN		
Trade payables, other financial liabilities and other liabilities	46,394.61	32,406.34
Provisions	131.22	42.16
	46,525.83	32,448.50
Income tax paid	(2,732.79)	(2,096.66)
NET CASH FROM OPERATING ACTIVITIES	**2,683.73**	**-19,629.66**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant & equipment and intangible assets	(38,395.81)	(23,479.99)
Capital Work in Progress	(22,333.96)	(13,751.34)
Interest Income	1,493.49	596.16
Investments in joint venture	(189.04)	
NET CASH USED IN INVESTING ACTIVITIES	**(59,425.32)**	**(36,635.17)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	51,648.58	50,976.25
Finance Cost	(1,527.41)	(616.94)
Issue of Share Capital	9,900.00	7,500.00
Share Application Money (Pending Allotement)		19,800.00
Share issue costs	(19.42)	(90.69)
Dividend Paid	(1,067.72)	(271.79)
Dividend Tax paid	(223.37)	(55.33)
Axis Credit Card	0.99	0.66
NET CASH FROM FINANCING ACTIVITIES	**58,711.65**	**77,242.16**
D. Net Change in Cash & Cash Equivalents (A+B+C)	1,970.06	20,977.33
E. Cash & Cash Equivalents (Opening Balance 1st April of Financial Year)	24,497.02	3,519.69
F. Cash & Cash Equivalents (Closing Balance) (11-FE)	**26,467.08**	**24,497.02**

Cash and Cash equivalents consists of cash in hand and balances with banks. Cash and Cash equivalents included in the Cash Flow Statement comprise of following balance sheet amounts as per Note-9

Components of Cash and Cash Eaulvalents

Cash in hand- Imprest	8.04	3.17
Current accounts with banks	26,459.04	24,493.85
	26,467.08	24,497.02

As per our audit report of date annexed.

For VPGS & Co.
Chartered Accountants
FRN 507971C

For and on behalf of the Board of Directors

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Varanasi
Date : 4th August 2017

Place : New Delhi
Date : 4th August 2017

ENERGY EFFICIENCY SERVICES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

For the year ended 31 March 2017

₹ in Lakhs

Balance as at 1 April 2016	Changes In equity share capital during the year	Balance as at 31 March 2017
16,500.00	29,700.00	46,200.00

For the year ended 31 March 2016

₹ in Lakhs

Balance as at 1 April 2015	Changes In equity share capital during the year	Balance as at 31 March 2016
9,000.00	7,500.00	16,500.00

(B) Other equity

For the year ended 31 March 2017

₹ in Lakhs

Particulars	Reserves & surplus			Foreign Currency Translation Reserve	Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings		
Balance as at 1 April 2016	19,800.00	-	5,463.02	-	25,263.02
Profit for the year	-	-	5,179.70	-	5,179.70
Other comprehensive income	-	-	(4.35)	(2.47)	(6.82)
Total comprehensive income	**-**	**-**	**5,175.35**	**(2.47)**	**5,172.88**
Tax on dividend for earlier years	-	-	-	-	-
Issue of equity shares	(19,800.00)		-	-	(19,800.00)
Transfer to (from) retained earnings	-	1,452.99	(1,452.99)	-	-
Transaction cost arising on issue of equity shares, net of tax	-	-	(19.42)	-	(19.42)
Final dividend (including tax) 2015-16 (refer note 15)	-	-	(1,291.09)	-	(1,291.09)
Balance as at 31 March 2017	-	**1,452.99**	**7,874.87**	**(2.47)**	**9,325.38**

For the year ended 31 March 2016

₹ in Lakhs

Particulars	Reserves & surplus			Foreign Currency Translation Reserve	Total
	Share application money pending allotment	Debenture redemption reserve	Retained earnings		
Balance as at 1 April 2015	-	-	2,173.99	-	2,173.99
Profit for the year	-	-	3,708.13	-	3,708.13
Other comprehensive income	-	-	(1.29)	-	(1.29)
Total comprehensive income	**-**	**-**	**3,706.84**	**-**	**3,706.84**
Tax on dividend for earlier years	-	-	1.53	-	1.53
Issue of share application money	19,800.00	-	-	-	19,800.00

Transfer to/(from) retained earnings	-	-	-	-	-
Transaction cost arising on issue of equity shares, net of tax	-	-	(90.69)	-	(90.69)
Final dividend (including tax) 2015-16 (refer note 15)	-	-	(328.65)	-	(328.65)
Balance as at 31 March 2016	19,800.00	-	5,463.02	-	25,263.02

As per our audit report of date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

Avkash Saxena
Director
DIN : 00529340

Pooja Shukla
Company Secretary

S Gopal
Chief Financial Officer

Gurkirpal Singh Bedi
Partner
M. No. 090637

Place : Varanasi
Date : 4th August 2017

Place : New Delhi
Date : 4th August 2017

Notes to financial statements

1. Company Information and Significant Accounting Policies

A. Reporting entity

Energy Efficiency Services Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: U40200DL2009PLC196789). The Company has its debt securities listed on BSE Limited.

The address of the Company's registered office is 4th Floor, Sewa Bhawan, R.K. Puram, New Delhi - 110066.

The Company is a Joint Venture of NTPC Limited, Power Finance Corporation Limited, Rural Electrification Corporation Limited and Power Grid Corporation of India Limited and is engaged in implementation of energy efficiency projects. The Company is working as Energy service companies ('ESCO'), as consultancy organisation for CDM, Energy Efficiency, etc.; as a Resource Centre for capacity building of SDAs, Utilities, financial institutions, etc. These consolidated financial statements comprise the financial statements of the Company and its interest in a jointly controlled foreign entity, namely EESL EnergyPro Assets Ltd. located in UK details of which are mentioned in Note no. 43 hereinafter referred to as "Joint Venture".

B. Basis of preparation

1. Statement of Compliance

These consolidated financial statements are prepared on accrual basis of accounting and comply with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable) and applicable provisions of the Companies Act, 1956, to the extent applicable. These are Company's first Ind AS compliant Consolidated financial statements and Ind AS 101 'First Time Adoption of Indian Accounting Standards' has been applied.

For all the periods upto and including 31 March 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India, accounting standards specified under Section 133 of the Companies Act, 2013, and other provisions of the Companies Act, 2013 (to the extent notified and applicable) and also the provisions of the Companies Act, 1956, to the extent applicable. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition, viz. 1 April 2015. Some of the Company's Ind AS accounting policies used in the opening Balance Sheet are different from its previous GAAP policies applied as at 31 March 2015, and accordingly the adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognised directly through retained earnings as at 1 April 2015. This is the effect of the general rule of Ind AS 101 which is to apply Ind AS retrospectively.

An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in note 42.

These Consolidated financial statements were approved for issue by Board of Directors on August 4, 2017.

2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost, except for certain items which have been measured at fair values, and are specifically covered under separate clauses of these notes to the accounts.

3. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (`), which is the Company's functional currency. All financial information presented in ` has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets/liabilities are classified as non-current.

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

The Company has elected to utilise the option under Ind AS 101 by not applying the provisions of Ind AS 16 & Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e. the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Basis of Consolidation

The unaudited consolidated financial statements of the joint venture drawn by its management as mentioned in Note no. 43(ii) up to the same reporting date as of the Company have been relied upon for the purpose of consolidation. Since the interest in joint venture foreign entity was acquired by the Company in the month of March'2017, the previous years consolidated figures to the extent of interest in such joint venture entity are not applicable in these consolidated financial statements of the Company.

1.1 Interest in Joint Venture

Interests in joint venture based on its unaudited consolidated financial statements as mentioned in Note No.43 (ii) is accounted for using the equity method (see C.1.2 below), after initially being recognised at cost in the consolidated balance sheet.

1.2 Equity Method

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture is recognised as a reduction in the carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted material investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in C.14 below.

When the Company ceases to apply equity method of accounting for an investment because of a loss of joint control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2. Property, plant and equipment

2.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses.

Project Development Cost incurred on ESCO Model Energy Efficiency Projects other than LED projects undertaken by the Company are recognised as property, plant and equipments.

Project Development Cost includes purchase price, taxes and duties, labour cost and any other cost directly attributable to the implementation of the project or acquisition of property, plant and equipment are allocated on systematic basis on implementation of projects, incurred up to the date when the asset is ready for its intended use. When parts of an item of property, plant and equipment have different useful lives, they are recognised separately. In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalisation is done on provisional basis subject to necessary adjustment in the year of final settlement.

2.2. Subsequent costs

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2.3. Decommissioning costs

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

2.4. Derecognition

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the statement of profit and loss.

2.5. Depreciation/amortisation

Depreciation is recognised in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is provided on pro rate basis on Straight Line Method using the rates arrived based on useful lives of assets, specified in Part C of Schedule II thereto of the Companies Act, 2013. However, depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation by the management:

Nature of assets	Life of Property, plant and equipment
Cell phones	2 Years
ESCO Projects other than LED projects	Project period
Lease hold improvement	Lease period

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/disposed. Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, the unamortised balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation/ amortisation. Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortised depreciable amount is charged off prospectively over the revised useful life determined by technical assessment

3. Capital work-in-progress

The Capital work in Progress includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

4. **Intangible assets**

4.1. Initial recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

4.2. Derecognition

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

4.3. Amortisation

Cost of software recognised as intangible asset, is amortised on straight line method over a period of legal right to use or 3 years, whichever is applicable.

5. **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalised. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalisation of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition or construction of the qualifying asset.

Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Other borrowing costs are recognised as an expense in the year in which they are incurred."

The borrowing cost proportionate to the borrowings, remaining unutilized, are being kept for utilization of qualifying assets being carried forward for capitalization in the subeseqent year of utilization.

6. **Inventories**

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

7. **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

8. **Provisions and contingent liabilities**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

9. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the prevailing exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated by applying the RBI reference rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant & equipment recognised upto 31 March 2016 are adjusted to carrying cost of property, plant & equipment. Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

10. Revenue

10.1. Revenue from sale of goods

Revenue from sale of goods including LED-ESCO projects is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably.

10.2. Revenue from services

Revenue from services rendered is generally recognized in proportion to the stage of completion of the transaction at the reporting date. Revenue is recognized when the following conditions are met:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The revenue recognition in respect of the various streams of revenue is described as follows:

Streetlight and agricultural pumps projects:

Revenue from ESCO Model of Street Lights and Agricultural Pumps Projects is recognised in profit or loss based on the agreement with the customer, on accrual basis.

Consultancy service projects:

Revenue from consultancy services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/technical assessment of work executed, in line with the terms of the respective contracts.

10.3. Other income

Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR), wherever applicable. For debt instruments measured either at amortised cost, interest income is recorded using the EIR. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in Other Income in the Statement of Profit and Loss.

10.4. Expenses

Expenses are accounted for on accural basis and provision is made for all known losses and liabilites.

10.5. Expenses on Consultancy Contracts

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

10.6. Expenses on Awareness on UJALA programme

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

11. Employee benefits

11.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions to a defined contribution plan that are due after more than 12 months after the end of the period in which the employees render the service are discounted to their present value. The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. The contributions to the fund for the year are recognised as expense and are charged to the profit or loss.

11.2. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity are in the nature of defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs. Any actuarial gains or losses are recognised in OCI in the period in which they arise.

11.3. Other long-term employee benefits

Benefits under the Company's leave encashment constitute other long term employee benefit. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

11.4. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

12. Income tax

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in OCI or equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority. Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in OCI or equity, in which case it is recognised in OCI or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of interest in joint arrangements where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

13. Leases

Accounting for operating leases- As lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Lease payments in respect of assets taken on operating lease are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

14. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Operating segments

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, finance expenses and income tax expenses. Revenue directly attributable to the segments is considered as segment revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill. Segment assets comprise property, plant and equipment, intangible assets, trade and other receivables, inventories and other assets that can be directly or reasonably allocated to segments. For the purpose of segment reporting for the year, property, plant and equipment have been allocated to segments based on the extent of usage of assets for operations attributable to the respective segments. Segment assets do not include investments, income tax assets, capital work in progress, capital advances, corporate assets and other current assets that cannot reasonably be allocated to segments. Segment liabilities include all operating liabilities in respect of a segment and consist principally of trade and other payables, employee benefits and provisions. Segment liabilities do not include equity, income tax liabilities, loans and borrowings and other liabilities and provisions that cannot reasonably be allocated to segments.

16. Dividends

Dividends payable to a Company's shareholders are recognised as liability and recorded as changes in equity in the period in which they are approved by the shareholders' meeting. Interim dividends are recorded as a liability on the date of declaration by Company's Board of Directors.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

18. Earnings per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

19. Cash flow statement

Consolidated Cash flow statement is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

20. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

20.1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

Debt instruments at amortised cost

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI (Solely Payment of Principal & Interest)

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

20.2. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and retention money.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date, and reported amounts of incomes and expenses during the period. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company determines at the time of acquisition the useful life of property, plant and equipment, and reviews it periodically, including at each financial year end. Accordingly, useful life is revised wherever management deems it necessary.

2. Recoverable amount of property, plant and equipment

The recoverable amount of plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the projects. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

3. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the discount rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

4. Revenue

The company has recognized revenue at fair value of consideration received or receivable, net of returns, trade discounts and volume rebates. The company has estimated incremental rate of borrowing to be the discount rate to compute the fair value of future cash inflows.

5. Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to the potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

6. Equity method accounting of entity with more than 50% voting interest

The management has concluded that company jointly controls EESL EnergyPro Assets Limited even though it holds 80% of voting rights in the same. This is because decisions regarding the relevant activities are to be taken uninamously by both the shareholders by virtue of shareholders' Joint Venture agreement executed between them.

2. Property, plant & equipment

As at 31 March 2017 ₹ in Lakhs

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Land	-	743.64		743.64	-			-	743.64	-
Leasehold Improvements	161.72	33.76	-	195.48	8.78	26.53	-	35.31	160.17	152.94
Project Equipment	28,683.16	36,932.52	-	65,615.68	1,664.12	5,363.95	-	7,028.07	58,587.61	27,019.04
Cell Phones	11.38	26.08	-	37.46	3.94	9.95	-	13.89	23.57	7.44
Office Equipment	63.07	105.75	-	168.82	9.76	22.75	-	32.51	136.31	53.31
Furniture & Fitting	289.65	33.41	-	323.06	27.52	30.54	-	58.06	265.00	262.13
Computers	142.19	152.26	-	294.45	36.71	64.14	-	100.85	193.60	105.48
Total	**29,351.17**	**38,027.42**	**-**	**67,378.59**	**1,750.83**	**5,517.86**	**-**	**7,268.69**	**60,109.90**	**27,600.34**

2. Property, plant & equipment

As at 31 March 2016 ₹ in Lakhs

Particulars	Gross block				Depreciation/amortisation and impairment				Net block	
	As at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ adjustments	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
Project Equipment	5,083.93	23,599.23	-	28,683.16	-	1,664.12	-	1,664.12	27,019.04	5,083.93
Cell Phones	4.69	7.83	1.14	11.38	-	4.50	0.56	3.94	7.44	4.69
Office Equipment	38.12	24.95	-	63.07	-	9.76	-	9.76	53.31	38.12
Furniture & Fitting	261.79	27.86	-	289.65	-	27.52	-	27.52	262.13	261.79
Computers	58.40	85.82	2.03	142.19	-	37.59	0.88	36.71	105.48	58.40
Leasehold Improvements	133.74	27.98	-	161.72	-	8.78	-	8.78	152.94	133.74
Total	**5,580.67**	**23,773.67**	**3.17**	**29,351.17**	**-**	**1,752.27**	**1.44**	**1,750.83**	**27,600.34**	**5,580.67**

a) Refer Note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

b) Information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

₹ in Lakhs

Particulars	Gross block as at 1 April 2015	Accumulated depreciation as at 1 April 2015	Net Block as at 1 April 2015 (Deemed cost)	Ind AS adjustments as at 1 April 2015	Opening balance as at 1 April 2015
Project Equipment	14,366.81	555.27	13,811.54	(8,727.61)	5,083.93
Cell Phones	10.38	5.69	4.69	-	4.69
Office Equipment	48.52	10.40	38.12	-	38.12
Furniture & Fitting	279.02	17.23	261.79	-	261.79
Computers	111.41	53.01	58.40	-	58.40
Leasehold Improvements	137.98	4.24	133.74	-	133.74
Total	**14,954.12**	**645.84**	**14,308.28**	**(8,727.61)**	**5,580.67**

Intangible assets

As at 31 March 2017

₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017	Upto 01.04.2016	For the year	Deductions/ adjustments	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
Software	36.62	64.60	-	101.22	2.73	25.71		28.44	72.78	33.89
Total	**36.62**	**64.60**	**-**	**101.22**	**2.73**	**25.71**	**-**	**28.44**	**72.78**	**33.89**

Intangible assets

As at 31 March 2016

₹ in Lakhs

Particulars	Gross block				Amortisation				Net block	
	As at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016	Upto 01.04.2015	For the year	Deductions/ adjustments	Upto 31.03.2016	As at 31.03.2016	As at 01.04.2015
Software	21.82	14.80	-	36.62	-	2.73	-	2.73	33.89	21.82
Total	**21.82**	**14.80**	**-**	**36.62**	**-**	**2.73**	**-**	**2.73**	**33.89**	**21.82**

a) Information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:

₹ in Lakhs

Particulars	Gross block as at 1 April 2015	Accumulated depreciation as at 1 April 2015	Net Block as at 1 April 2015 (Deemed cost)	Ind AS adjustments as at 1 April 2015	Opening balance as at 1 April 2015
Software	30.78	8.96	21.82	-	21.82
Total	**30.78**	**8.96**	**21.82**	**-**	**21.82**

3. Capital work-in-progress

As at 31 March 2017 ₹ in Lakhs

Particulars	As at 01.04.2016	Additions	Deductions/ adjustments	As at 31.03.2017
Capital work-in progress				
CWIP-SAP	-	437.11	-	**437.11**
Bihar Sharif Street Light	4.02	15.09	19.11	**0.00**
Dharamshala Stree Light H.P	0.06	-	-	**0.06**
CWIP - SL LED Rajasthan	4,319.39	23,942.68	20,179.83	**8,082.24**
CWIP - SL LED Andhra Pradesh	1,800.12	17,565.03	12,435.95	**6,929.20**
Chattisgard Project	11.40	456.23	2.94	**464.69**
Kerala LED Street Lighting	35.54	464.06	6.64	**492.96**
Marine Drive Mumbai LED SL	246.24	3,036.80	485.06	**2,797.98**
CWIP - SL LED Punjab	-	236.78	-	**236.78**
CWIP - AgDSM - Andhra Pradesh	22.83	908.34	931.17	**-**
CWIP - AgDSM - Karnataka	-	1.95	1.95	**-**
CWIP - AgDSM - Maharashtra	-	13.97	-	**13.97**
CWIP-AgDSM-Rajasthan	-	16.74	-	**16.74**
Capital Work in Progress - Building J&K	-	108.32	0.17	**108.15**
CWIP- CPWD BUILDINGS DELHI (Direct Expenses)	-	4.81	-	**4.81**
CWIP - CPWD - IP Bhawan Delhi	-	623.58	-	**623.58**
CWIP - UPSC - Delhi	-	4.56	-	**4.56**
GVMC Street Lighting	6.83	-	-	**6.83**
South Delhi LED Street Light	6,560.47	9,178.19	12,878.14	**2,860.52**
CWIP - SL LED - Dibrugarh	-	32.77	-	**32.77**
CWIP - SL LED - GHMC	-	52.68	-	**52.68**
CPWD - IP Bhawan DELHI	217.99	2.42	131.20	**89.21**
CWIP- DMRC Rajeev Chowk (Direct Expenses)	-	53.22	-	**53.22**
CWIP- DMRC Rajeev Chowk (Indirect Expenses)	-	2.25	-	**2.25**
CWIP- Niti Aayog CPWD Ph-II Building (Direct Expenses)	-	26.89	-	**26.89**
Goa Street Light Project	0.23	3,836.46	43.79	**3,792.90**
CWIP - SL LED Gujarat	-	3,820.71	-	**3,820.71**
Guwahati Street Lighting	6.89	404.34	6.61	**404.62**
H.P LED Street Light	0.58	1,853.39	940.65	**913.32**
CWIP - SL LED - Jharkhand	-	688.87	-	**688.87**
CWIP - SL LED J&K	-	40.16	-	**40.16**
CWIP - SL LED Telangana	-	302.58	-	**302.58**
Lucknow LED Street Lighting	5.25	-	-	**5.25**
MES DELHI Cantt. LED Street Lighting	1.25	-	-	**1.25**
Shimla LED Street Light	1.82	-	-	**1.82**
Varanasi LED Street Lighting	1,033.44	2,083.51	275.68	**2,841.27**
Medak Agdsm telangana	10.06	0.03	10.09	**0.00**
CWIP - Jaipur Property	-	334.56	-	**334.56**
CWIP - Kolkata Property	-	55.29	-	**55.29**
CWIP - Trade Mark	-	0.77	-	**0.77**
CWIP- SL GOA (mumbai)	-	0.31	-	**0.31**
CWIP- SL- Gujrat (Mumbai)	-	13.14	-	**13.14**
CWIP- SL- Maharashtra (Mumbai)	-	11.04	-	**11.04**
CWIP- Interest on Bond (unallocated) *	-	53.32	-	**53.32**
Total	**14,284.41**	**70,682.95**	**48,348.98**	**36,618.37**

* The borrowing cost proportionate to the unutilised amount of borrowings are being kept for utilization for acquisition or construction of qualifying assets being carried forward for capitalization in the subsequent year of utilization. However, income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation, as stated in Note No. C 4 of Accounting Policies i.r.t 'Borrowing Costs.'

3. Capital work-in-progress

As at 31 March 2016 ₹ in Lakhs

Particulars	Deemed cost as at 01.04.2015	Additions	Deductions/ adjustments	As at 31.03.2016
Capital work-in progress				
Bihar Sharif Street Light	-	4.02	-	**4.02**
Dharamshala Stree Light H.P	-	0.06	-	**0.06**
Rajasthan SL Phase- II	-	4,639.29	936.52	**3,702.77**
Rajasthan SL & Ph-IV	-	1.54	0.01	**1.53**
13 ULB AP LED Street Light	11.29	1,374.65	1,372.42	**13.52**
51 ULB's AP LED Street Lighting	-	10,090.73	8,304.13	**1,786.60**
CESC Mysore	20.62	388.65	409.26	**-**
Agartala MC LED Street Light	133.52	31.68	165.19	**.01**
Aligarh MC LED Street Light	1.75	1,024.60	1,026.35	**.01**
Chattisgard Project	11.39	0.22	0.21	**11.40**
Kerala LED Street Lighting	12.34	23.20	-	**35.54**
Marine Drive Mumbai LED SL	107.20	139.03	-	**246.23**
Mumbai (DELP and Street Light)	23.35	15.56	38.90	**.01**
Rajasthan LED DELP and Street Light)	4.75	14.23	18.98	**-**
AgDSM Rajanagaram APEPDCL	0.22	22.60	-	**22.82**
GVMC Street Lighting	18.94	2,568.84	2,580.95	**6.83**
South Delhi LED Street Light	187.70	354.45	196.85	**345.30**
CPWD - IP Bhawan DELHI	-	217.99	-	**217.99**
Goa Street Light Project	-	0.23	-	**0.23**
Guwahati Street Lighting	-	6.88	-	**6.88**
H.P LED Street Light	-	0.58	-	**0.58**
Lucknow LED Street Lighting	-	5.25	-	**5.25**
MES DELHI Cantt. LED Street Lighting	-	1.25	-	**1.25**
Rajasthan SL Phase-III	-	2.46	-	**2.46**
Rajasthan Street Light Phase-I	-	3,728.26	3,115.63	**612.63**
Shimla LED Street Light	-	1.82	-	**1.82**
South DMC LED SL Ph-I	-	12,780.68	6,565.51	**6,215.17**
Varanasi LED Street Lighting	-	1,045.03	11.59	**1,033.44**
Medak Agdsm telangana	-	10.06	-	**10.06**
Total	**533.07**	**38,493.84**	**24,742.50**	**14,284.41**

4. Non-current loans

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans to employees (Including interest accrued) Unsecured	**41.61**	**3.79**	**2.73**
Security deposits (Unsecured, considered good)	85.98	37.83	26.24
Total	**127.59**	**41.62**	**28.97**

5. Other non-current financial assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unbilled revenue	5,301.33	10348.39	5765.06
Deposits with banks under lien*	4,814.74	12.56	-
Total	**10,116.07**	**10,360.95**	**5,765.06**

* Deposits with banks under lien includes FD with ICICI Bank Limited, India against Standby letter of credit issued by latter to ICICI Bank UK Plc with respect to term loan facility availed by EnergyPro Assets Limited (joint venture company) amounting to ₹ 4,800 Lakhs and FDs for CST & VAT amounting to ₹ 14.74 Lakhs.

6. Other non current assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Capital advances	557.02	928.73	30.76
Advances other than capital advances Security deposits	12.33	11.85	-
Deferred rent	25.27	22.38	21.51
Total	**594.62**	**962.96**	**52.27**

7. Inventories

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Stock in trade (including goods in transit: ₹ 1,142.58 Lakhs; 31 March 2016: ₹ 1,162.96 Lakhs; 01 April 2015: ₹ Nil)	15,464.97	18860.87	84.37
Old Pumps	-	29.52	13.32
Total	**15,464.97**	**18,890.39**	**97.69**

a) Inventory items have been valued as per accounting policy no. C.5.

b) Goods-in-transit have been valued at cost.

c) The cost of inventories recognised as expense during the year was ₹ 82,559.59 lakhs (including ₹ 71.84 lakhs as Business Promotion); (Previous Year Figures: ₹ 60,533.46 lakhs)

d) Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 16 and 21)

8. Trade receivables

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Unsecured, considered good	80,140.76	34,499.82	3,679.50
Total	**80,140.76**	**34,499.82**	**3,679.50**

Refer Note 38 for details with respect to credit risk.
Loans are secured on first pari-passu charge on stock and book debts. (Refer Note 16 and 21)

9. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Balances with banks Current accounts	26,459.04	24493.85	3516.69
Cash in hand-Imprest	8.04	3.17	2.99
Total	**26,467.08**	**24,497.02**	**3,519.68**

9A. Other bank balances

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deposits with original maturity of more than three months and maturing within one year (including interest accrued) *	5,767.04	425.28	7431.75
Total	**5,767.04**	**425.28**	**7,431.75**

* Deposits include FDs under lien for CST and VAT amounting to ₹ 4.47 Lakhs.

10. Current loans

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans to employees (including interest accrued)	32.07	2.19	1.21
Unsecured			
Security deposits (Unsecured, considered good)	34.29	34.11	3.07
Total	**66.36**	**36.30**	**4.28**

11. Other current financial assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Project advances	542.73	1131.92	1026.62
Unbilled revenue	6,742.83	7494.93	2795.59
Others *	765.09	264.12	43.63
Total	**8,050.65**	**8,890.97**	**3,865.84**

* Other includes expenses incurred on behalf of third parties which are recoverable.

12. Current tax assets (Net)

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Advance Tax	-	376.60	-
Self assessment refund	608.51	18.46	18.46
Tax on regular assessment	14.23	14.23	-
TCS recoverable	-	-	-
TDS recoverable	-	261.20	67.90
Total	**622.74**	**670.49**	**86.36**

13. Other current assets

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Receivable from statutory authorities *	4,427.53	1138.74	76.80
Prepaid Expenditure**	5,115.03	3610.29	10.24
Deferred rent	8.92	4.78	3.51
Others ***	3,695.87	36.75	17.21
Total	**13,247.35**	**4,790.56**	**107.76**

* Receivable from statutory authorities include amount of ₹ 3,715.19 Lakhs (31 March 2016: Nil, 1 April 2015: Nil) paid under protest to sales tax authorities.

**Expenses incurred on advertisement / awareness on DELP / UJALA programme in a State is charged to Statement of profit & loss in proportionate to LED bulbs distributed in current year vis-a-vis the total targeted LED bulbs distribution for that respective State at the begining of year and balance amount is carried forward for charging to statement of profit & Loss in subsequent years. Similary expenses incurred on National Media Campaining for DELP / UJALA programme is charged to statement of profit & loss in proptionate to the total LED bulbs distributed in current financial year vis-a-vis the overall targeted LED bulbs distribution under DELP/ UJALA programme at the begining of the year and balance amount is carried forward for charging to statement of Profit & Loss in subsequent years. Accordingly, out of ₹ 37.95 Crores incurred on advertisement during the year 2016-17, ₹ 20.98 Crores has been deferred as Prepaid expenses under the head, "Other Current Assets"

*** Others include advances given to vendors and to employees.

14. Share capital

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Equity share capital			
Authorised 50,00,00,000 shares of par value ₹10/- each (50,00,00,000 shares of par value ₹10/- each as at 31 March 2016 and 1 April 2015)	50,000.00	50,000.00	19,000.00
Issued, subscribed and fully paid up 46,20,00,000 shares of par value ₹10/- each (16,50,00,000 shares of par value ₹ 10/- each as at 31 March 2016 and 9,00,000,000 shares of par value ₹ 10/- each as at 1 April 2015)	46,200.00	16,500.00	9,000.00

a) Movements in equity share capital:

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	16,50,00,000	16,500	9,00,00,000	9,000
Add: Shares issued during the financial year	29,70,00,000	29,700	7,50,00,000	7,500
Outstanding at the end of the year	**46,20,00,000**	**46,200**	**16,50,00,000**	**16,500**

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

c) Dividends:

	Paid during the year	
	2016-17	2015-16
(i) Equity shares Final dividend for the year ended 31 March 2016 of ₹ 0.65/- (31 March 2015: ₹ 0.30/-) per fully paid share	1,067.72	271.79
(ii) Dividends not recognised at the end of the reporting period In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ XX (31 March 2016: ₹ 0.65/-) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		1,067.72

d) Details of shareholders holding more than 5% shares in the Company:

Particulars	31.03.2017		31.03.2016		01.04.2015	
	No. of shares	**%age holding**	No. of shares	%age holding	No. of shares	%age holding
NTPC Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Powergrid Corporation of India Limited	**2,25,00,000**	**4.87**	2,25,00,000	13.63	2,25,00,000	25.00
Rural Electrification Corporation Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Power Finance Corporation Limited	**14,65,00,000**	**31.71**	4,75,00,000	28.79	2,25,00,000	25.00
Total	**46,20,00,000**		16,50,00,000		9,00,00,000	

15. Other equity

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Share application money pending allotment	-	19,800.00	-
Debenture redemption reserve	**1,452.99**	-	-
Retained earnings	**7,874.86**	5,463.02	2,173.99
Foreign currency translation reserve	**(2.47)**	-	-
Total	**9,325.38**	25,263.02	2,173.99

	For the year ended 31.03.2017	For the year ended 31.03.2016
(a) Debenture redemption reserve		
Opening balance	-	-
Add: Transfer from retained earnings	**1,452.99**	-
Closing balance	**1,452.99**	-

The company is required to create a debenture redemption reserve out of the profits which is available for payment of dividend for the purpose of redemption of debentures.

	For the year ended 31.03.2017	For the year ended 31.03.2016
(b) Retained earnings		
Opening balance	**5,463.02**	2,173.99
Add: Tax on dividend for earlier years	-	1.53
Add: Profit for the year as per Statement of Profit and Loss	**5,179.70**	3,708.13
Less: Dividend paid	**1,067.72**	271.79
Tax on dividend paid	**223.37**	56.86
Transfer to debenture redemption reserve	**1,452.99**	-
Transaction cost arising on issue of equity shares, net of tax	**19.43**	90.69
	7,879.21	5,464.31
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(4.35)	(1.29)
Closing balance	**7,874.86**	5,463.02
(c) Foreign currency translation reserve		
Opening balance	-	-
Add: Currency translation adjustments	**(2.47)**	-
Closing balance	**(2.47)**	-

Exchange differences arising on translation of the joint ventures are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

16. Non current Borrowings

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Term loan from other than banks			
Unsecured			
(i) KFW Loan -Guaranteed by Govt of India (1.96% Loan repayable in half yearly basis starting from 30.06.2018 in 14 instalments of Euro 2,941,000 each and 3 instalments of Euro 2,942,000 each)	**30,193.76**	22,639.05	8,818.53
(ii) AFD Loan -Guaranteed by Govt of India (1.87% p.a. Loan repayable in half yearly basis starting from 30.10.2020 in 20 equal instalments of Euro 2,500,000 each)	**2,595.53**	-	-
Secured			
(i) 8.07% Debentures (Domestic bonds)- Secured by pari passu charge on the Moveable Fixed Assets both present and future (8.07% Secured non-cumulative non-convertible redeemable taxable bonds with three unequal separately transferable redeemable principal parts (STRPP) of ₹ 12,500.00 Lakhs, ₹ 12,500.00 Lakhs and ₹ 25,000.00 Lakhs redeemable at par on 20/03/2020, 20/09/2021 and 20/09/2023, respectively (First Issue - Private Placement))	**52,133.57**	-	-
(ii) PTC India Financial Services Limited (PFS) Loan - Secured by first pari-passu charge by way of hypothecation of Company's entire stock incl. book debts, bills, outstanding monies, receivables, both present and future (ROI varying between 10.25% p.a. to 10.50% p.a. (linked to the PFS Reference Rate) repayable in 4 equated quarterly instalments starting from 01.04.2017)	**10,000.00**	10,034.68	-
	94,922.86	32,673.73	8,818.53
Less : Current Maturities of long term borrowings	**10,000.00**	2,403.69	-
Less: Interest accrued on long term borrowings	**2,299.00**	145.08	42.18
Total	**82,623.86**	**30,124.96**	**8,776.35**

There has been no default in repayment of the loans/ interest thereon as at the end of the year.

17. Other non current financial liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Retention money	**5,194.96**	3,014.00	384.08
Total	**5,194.96**	3,014.00	384.08

18. Non current provisions

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for employee benefits			
Gratuity	**61.30**	26.76	14.37
Leave encashment	**161.86**	65.83	35.40
	223.16	92.59	49.77

Disclosure as per Ind AS 19 on 'Employee benefits' is made in Note 34.

19. Deferred tax liabilities (net)

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred tax liability			
Revenue measured at fair value	**4,197.71**	6,204.68	2,737.93
Financial assets and liabilities measured at amortised cost	**709.47**	524.35	54.97
Less: Deferred tax assets			
Difference in book depreciation and tax depreciation	**4,576.68**	6,448.28	2,580.56
Leave encashment	**59.55**	23.84	12.09
Provisions for Bonus	**21.43**	0.88	-
Provisions for Gratuity	**0.88**	9.42	4.77
Operating lease liablities	**15.90**	10.17	4.01
Revenue measured at fair value	**211.78**	-	-
Financial assets and liabilities measured at amortised cost	**12.58**	10.00	-
Others	**0.00**	90.51	10.91
Total	**8.38**	**135.95**	**180.55**

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax balances

31 March 2017

₹ in Lakhs

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Revenue measured at fair value	6,204.68	(2,006.98)	-	4,197.71
Financial assets and liabilities measured at amortised cost	524.35	185.12	-	709.47
Less:				
Difference in book depreciation and tax depreciation	6,448.28	(1,871.59)	-	4,576.68
Leave encashment	23.84	35.71	-	59.55
Provisions for Gratuity	9.42	9.70	2.30	21.43
Provisions for Bonus	0.88	-	-	0.88
Operating lease liablities	10.17	5.73	-	15.90
Revenue measured at fair value	-	211.78	-	211.78
Financial assets and liabilities measured at amortised cost	10.00	2.58	-	12.58
Others	90.51	(90.51)	-	0.00
Tax assets/(liabilities)	**135.95**	**(125.26)**	**(2.30)**	**8.38**

31 March 2016

₹ in Lakhs

Particulars	Net balance 1 April 2015	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2016
Revenue measured at fair value	2,737.93	3,466.76	-	6,204.68
Financial assets and liabilities measured at amortised cost	54.97	469.38	-	524.35
Less:				
Difference in book depreciation and tax depreciation	2,580.56	3,867.72	-	6,448.28
Leave encashment	12.09	11.75	-	23.84
Provisions for Gratuity	4.77	3.97	0.68	9.42
Provisions for Bonus	-	0.88	-	0.88
Operating lease liablities	4.01	6.15	-	10.17
Revenue measured at fair value	-	-	-	-
Financial assets and liabilities measured at amortised cost	-	10.00	-	10.00
Others	10.91	79.60	-	90.51
Tax assets/(liabilities)	**180.55**	**(43.92)**	**(0.68)**	**135.95**

20. Other non-current liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Operating Lease liabilities	**43.95**	29.38	12.38
Total	**43.95**	29.38	12.38

21. Current borrowings

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Loans from banks			
Secured			
(i) ICICI Bank - Secured by first pari passu charge on the Stock and Receivables both present and future	18,000.00	15,000.00	-
(ROI varying between 8.20% p.a. to 8.90% p.a. depending on the date of disbursement of the respective tranches repayable as Bullet payment of the respective tranche starting from Dec 2017 to March 2018 in the range of ₹ 450.00 Lakhs to ₹ 5,000.00 Lakhs)			
(ii) Canara Bank - Secured by pari-passu charge on the Book Debts	-	10,000.00	-
(10.55% Loan repayment on monthly basis starting from 19th September, 2016 in 6 equal installments of ₹ 1,666.67 Lakhs each)			
(iii) HDFC - Secured by first pari passu charge on the Stock and Debtors	4,000.00	-	-
(ROI: 8.15% p.a. repayable as Bullet payment of the respective tranche starting from Feb 2018 to March 2018 in the range of ₹ 500.00 Lakhs to ₹ 2,000.00 Lakhs)			
(iv) SBI - Secured by first hypothecation charge on stocks and receivables and other chargeable current assets on pari passu basis with all other bank in MBA	13,000.00	-	-
(ROI varying between 8.20% p.a. to 9.10% p.a. depending on the date of disbursement of the respective tranches repayable as Bullet payment of the respective tranche starting from Dec 2017 to March 2018 in the range of ₹ 1,000.00 Lakhs to ₹ 12,000.00 Lakhs)			
Unsecured			
(i) IndusInd Bank	-	3,500.00	-
(10.00% Loan repayment in two installments of ₹ 1,500.00 Lakhs and ₹ 2,000.00 Lakhs due on 28.02.2017 & 7.03.2017 respectively and fully hedged foregin currency loan equavalent to ₹ 3500.00 Lakhs)			
Total	**35,000.00**	**28,500.00**	-

22. Trade Payables

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Creditors for goods and services	**45,869.51**	34,794.41	9,377.27

There are no outstanding dues to micro and small enterprises. There are no interests due or outstanding on the same.

23. Other current financial liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current maturities of long term borrowings			
From Others			
Secured			
Rupee term loans	**10,000.00**	2,403.69	-
	10,000.00	2,403.69	-
Interest accued on borrowings	**2,299.00**	145.08	42.18
Liabilities for Expenses	**77.12**	511.62	79.04
Retention Money	**4,084.26**	2,495.33	169.01
Earnest Money Deposit	**691.17**	398.97	297.09
Payable to employees	**57.63**	3.38	0.39
Commitment fee payable	**3.36**	-	-
Axis credit card	**2.10**	1.12	0.47
Total	**17,214.64**	5,959.19	588.18

Details in respect of rate of interest and terms of repayment of current maturities of secured long term borrowings indicated above are disclosed in Note 16.

24. Other current liabilities

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Statutory dues	**4,978.37**	1505.01	68.30
Liquidated damages	**0.67**	1.73	-
Advance Received against Project	**10,473.86**	61.24	4.15
Unearned income	**153.06**	-	-
Operating Lease liabilities	**1.99**	-	-
Total	**15,607.95**	1,567.98	72.45

25. Current provisions

₹ in Lakhs

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Provision for employee benefits			
Gratuity	**0.62**	0.47	0.33
Lease encashment	**10.20**	3.05	1.87
Total	**10.82**	3.52	2.20

Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 34.

26. Revenue from operations

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Sale of goods (LED Bulbs)	1,02,248.73	72060.16
Sale of services	12,837.30	5412.85
Other operating revenue *	-	15.63
Total	**1,15,086.03**	77,488.64

* Other operating revenue includes Nil (31 March 2016: ₹ 15.63 Lakhs) towards forfeiture of bank guarantee.

27. Other income

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Tender document fees	59.75	41.52
E- Tendering registration fee	14.67	6.51
Forfiet of Bank Guarantee/EMD	-	17.19
Interest Income on loans to employees	2.00	0.25
Interest income on security deposits measured at amortised cost	8.38	4.73
Interest income on revenue measured at fair value	2,885.82	1,852.81
Interest income from customers	1,111.61	284.29
Interest Income - others	1,493.49	596.16
Net gain on foreign currency transactions and translation	1,974.18	-
Misc. Income	82.47	19.35
Total	7,632.37	2,822.81

28. (Increase)/ Decrease in inventory

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Opening Stock	17,950.57	13.32
Closing Stock	(15,464.97)	(17,950.57)
Total	2,485.60	(17,937.25)

29. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Salaries and wages	1,806.27	1140.09
Contribution to provident funds	128.09	96.02
Staff welfare expenses	156.30	42.32
Total	2,090.66	1,278.43

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 34.

30. Finance Costs

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Finance charges on financial liabilities measured at amortised cost		
Loans	3,681.33	719.84
Debentures	1,497.96	-
Unwinding of discount on retention money	389.66	65.01
Others	199.14	10.79
	5,768.09	795.64
Net loss on foreign currency transactions and translation	-	71.32
Other borrowing costs		
Commitment Fees (KFW Loan)	23.19	18.74
Guarantee Fee	364.81	501.95
	388.00	520.69
Total	6,156.09	1,387.65

31. Other expenses

₹ in Lakhs

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Annual Maintenance Charges (Projects)	**601.06**	166.33
Legal Fees & Professional Charges	**272.93**	200.06
Conveyance Expenses	**90.14**	20.61
Misc.Expenses	**163.99**	215.89
Repair & Maintenance Expenses		
- Building maintenance	**23.36**	15.53
- Computer maintenance	**6.00**	5.72
- House maintenance	**0.60**	-
Internal Audit Fees	**2.26**	1.50
Advertisement & Publicity Expenses	**457.08**	234.66
Printing & Stationery Expenses	**56.39**	62.80
Books & Periodicals	**2.53**	0.47
Meeting Expense/Hospitality Expenses	**75.97**	35.71
Tour & Traveling Expenses	**508.95**	126.06
Rent	**438.93**	118.16
ROC Fee	**-**	0.21
Electricity Expenses	**48.52**	31.29
Payment to auditors (refer note a)	**18.08**	7.00
Bank Charges	**77.10**	8.28
Sponsorship Expenses	**1.25**	39.09
Manpower Expenses	**347.54**	48.01
Subscription fees	**-**	0.34
Insurance charges	**30.75**	11.03
Deferred Rent Expenses	**16.56**	17.01
Testing expenses	**39.24**	106.21
Business promotion	**581.64**	207.22
Rate and Taxes	**430.04**	400.36
Awareness Creation, Training & Outreach Activities	**37.71**	0.00
Diwali gift Expenses	**58.20**	0.00
Annual Day Celebration expenses	**28.89**	0.00
UJALA Scheme		
- Software expenses	**391.66**	202.90
- Project maintenance expenses	**25.78**	106.63
- Other project expenses related to Ujala	**2,745.44**	824.01
Other project Expenses	**492.88**	886.70
Total	**8,071.47**	4,099.79

a) Details in respect of payment to auditors:

As auditor		
Audit fee	10.53	5.00
Tax audit fee	5.01	2.00
Limited review	-	-
In other capacity		
Other services (certification fee)	-	-
Reimbursement of expenses	2.54	-
Reimbursement of service tax	-	-
Total	18.08	7.00

32. Disclosure as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

	For the year ended 31.03.2017	For the year ended 31.03.2016
Current tax expense		
Current year	3,110.27	1,576.88
Adjustment for prior periods	(5.44)	(221.86)
	3,104.83	1,355.02
Deferred tax expense		
Origination and reversal of temporary differences	(125.26)	(43.92)
	(125.26)	(43.92)
Total income tax expense	2,979.57	1,311.10

ii) Income tax recognised in other comprehensive income

₹ in Lakhs

	31 March 2017			31 March 2016		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
- Net actuarial gains/(losses) on defined benefit plans	(6.65)	(2.30)	(4.35)	(1.97)	(0.68)	(1.29)
- Exchange differences on translation of foreign operations	(2.47)	-	(2.47)	-	-	-
	(9.12)	(2.30)	(6.82)	(1.97)	(0.68)	(1.29)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ in Lakhs

	31 March 2017	31 March 2016
Profit before tax	8,165.21	5,019.23
Tax using the Company's domestic tax rate of 34.61 % (31 March 2016 - 34.61 %)	2,825.81	1,737.06
Tax effect of:		
Non-deductible tax expenses	124.90	71.21
Tax-exempt income	(5.44)	(221.86)
Others	34.30	(275.31)
At the effective income tax rate of 36.49% (31 March 2016: 26.12%)	2,979.57	1,311.10

33. Disclosure as per Ind AS 33 'Earnings per Share'

Basic and diluted earnings per share

₹

	31 March 2017	31 March 2016
Basic earnings per share	1.25	2.73
Diluted earnings per share	1.25	2.71
Nominal value per share	10	10

(a) Profit attributable to equity shareholders (used as numerator)

₹ in Lakhs

	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit attributable to equity holders for basic earnings	5,179.70	3,708.13
Profit attributable to equity holders	5,179.70	3,708.13

(b) Weighted average number of equity shares (used as denominator)

In numbers

	31 March 2017	31 March 2016
Opening balance of issued equity shares	13,59,01,639	9,00,00,000
Effect of shares issued during the year, if any	27,74,71,233	4,59,01,639
Weighted average number of equity shares for Basic EPS	41,33,72,872	13,59,01,639
Effect of dilution	-	8,11,475
Weighted average number of equity shares for Diluted EPS	41,33,72,872	13,67,13,114

34. Disclosure as per Ind AS 19 'Employee benefits'

(i) Defined contribution plans:

A. Provident fund

The Company pays fixed contribution to provident fund at predetermined rates to a registered provident fund administered by the Government, which invests the funds in permitted securities. Amount of ₹ 128.09 Lakhs (31 March 2016: ₹ 96.02 Lakhs) pertaining to employers' contribution to provident fund is recognised as an expense and included in "Employee benefits expense" in Note 29.

B. Superannuation Fund

The Company pays fixed contribution to superannuation fund to a separate trust. Amount of ₹ 58.73 Lakhs (31 March 2016: Nil) pertaining to employers' contribution to superannuation fund is recognised as an expense and included in "Employee benefits expense" in Note 29.

(ii) Defined benefit plans:

A. Gratuity

The Company operates a gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and pension plan and the amounts recognised in the Company's financial statements as at balance sheet date:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Net defined benefit liability:			
Gratuity (unfunded)	**61.91**	27.23	14.70
	61.91	27.23	14.70
Non-current	**61.30**	26.76	14.37
Current	**0.61**	0.47	0.33

Movement in net defined benefit (asset)/liability

₹ in Lakhs

	Defined benefit obligation	
	31 March 2017	31 March 2016
Opening balance	27.23	14.70
Included in profit or loss:		
Current service cost	27.32	9.38
Past service cost	-	-
Net Interest cost	2.17	1.17
Total amount recognised in profit or loss	**29.49**	**10.55**
Included in OCI:		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	-
Financial assumptions	4.96	1.99
Experience adjustment	1.69	(0.01)
Total amount recognised in other comprehensive income	**6.65**	**1.98**
Other		
Contributions paid by the employer	-	-
Benefits paid	1.46	-
Closing balance	**61.91**	**27.23**

B. Defined benefit obligations

i. Actuarial assumptions

The following are the actuarial assumptions at the reporting date:

	31 March 2017	31 March 2016	1 April 2015
Discount rate	**7.35%**	8.00%	8.00%
Salary escalation rate	**6.00%**	6.00%	5.50%
Retirement age (years)	**60**	60	60
Mortality rates inclusive of provision for disability **	**100% of IALM (2006 - 08)**		
Ages	**Withdrawal Rate (%)**	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00	3.00
From 31 to 44 years	2.00	2.00	2.00
Above 44 years	1.00	1.00	1.00

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

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2017		31 March 2016	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (0.5% movement)	(4.75)	5.28	(2.02)	2.24
Salary escalation rate (0.5% movement)	5.33	(4.83)	2.27	(2.07)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

C. Risk exposure

The post employment benefit plan exposes the company to actuarial risks such as interest rate risk and market (investment) risk.

D. Expected maturity analysis of the defined benefit plans in future years

₹ in Lakhs

	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2017					
Gratuity	**0.62**	**0.34**	**3.09**	**57.87**	**61.91**
31 March 2016					
Gratuity	0.47	0.24	1.82	24.71	27.23
1 April 2015					
Gratuity	0.33	0.29	0.81	13.27	14.70

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is **19.68 years** (31 March 2016: 19.67 years, 1 April 2015: 17.68 years).

(iii) Other long term employee benefit plans

A. Leave

The Company provides for earned leave (EL) benefit (including compensated absences) to the employees of the Company which accrue annually at 30 days. Leave Encashment subject to maximum of 300 days (Earned Leave) is permissible on Superannuation/ Separation. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date and accumulated leave is treated as Long Term Employee Benefit. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. An amount of ₹ 40.88 Lakhs (31 March 2016: ₹ 33.00 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

B. Performance Based Pay

Out of Performance Related Pay of ₹ 74,59,392/- charged to Profit & Loss Account, ₹ 72,76,529/- have been paid during the year.

Out of Emoluments of ₹ 54,75,038/- charged to Profit & Loss Account, the entire amount has been paid during the year.

35. Disclosure as per Ind AS 17 on 'Leases'

a) Operating leases

Leases as lessee

The Company has taken certain residential/office premises and warehouses under non-cancellable operating lease arrangements. Lease rental expenses charged during the year to the Statement of Profit and Loss amounts to ₹ **438.93 Lakhs** (31 March 2016: ₹ 135.17 Lakhs).

Total future minimum lease payments due under non-cancellable operating leases are as follows:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Less than one year	**373.81**	281.53	173.34
Between one and five years	**1,079.01**	1,009.83	693.34
More than five years	**1,813.93**	1,411.29	1,574.48
	3,266.75	2,702.65	2,441.16

36. Contingent Liabilities and Commitments

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Contingent liabilties			
Irrevocable Stand By Letter of Credit for GBP 5.5 Millions in the favour of ICICI Bank, UK for GBP 5.5 Million for loan disbursement in favour of M/s EESL EnergyPro Assets Limited in London, UK valid upto 31 March 2018 with claim expiry upto 30 April, 2018	4,800.00	-	-
Claims against the Company not acknowledged as debt* (VAT paid under Protest)	7,183.28	3,703.55	-
Bank Guarantees- Lien against Fixed Deposits	19.21	-	-
	12,002.49	3,703.55	-

***Claim not acknowledged as debt:** It includes ₹ 34.79 Crores (Previous Year: Nil) on account of penalty proposed vide Notice of Demand under Section 53(3) of the APVAT Act, issued by AP commercial tax department on 31/03/2016 to the company for under declaration of equivalent amount of VAT payable by the company. The matter is still pending before the Assessing Authority and there is no stay on the above penalty proceedings initiated by the department.

	31 March 2017	31 March 2016	1 April 2015
Contractual Commitments			
Estimated value of contract to be executed on Capital Account and not provided	79,964.54	32,780.49	5,997.13
Estimated value of contract of revenue nature to be executed and not provided	1,43,749.09	55,665.11	9,058.57
	2,23,713.63	88,445.60	15,055.70

37. Fair Value Measurements

(a) Financial instruments by category

All of the Company's financial assets and liabilities viz. borrowings, payable for capital expenditure, other payables, loans, cash and cash equivalents, other bank balances, unbilled revenue and trade and other receivables are measured at amortised cost

(b) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value of financial instruments measured at amortised cost for which fair value is being disclosed, the company has classified these into levels prescribed under the Ind AS 113, ' Fair value measurement' details of which are as under:

₹ in Lakhs

Assets and liabilities which are measured at amortised cost for which fair values are disclosed As at 31 March 2017 (Level 3*)	31 March 2017	31 March 2016	1 April 2015
Financial assets:			
Security deposits	**121.00**	67.00	26.00
Unbilled revenue	**15,100.00**	20,500.00	9,800.00
Loan to employees	**70.00**	4.80	3.40
Total	**15,291.00**	20,571.80	9,829.40

Financial liabilities:			
Borrowings	**87,155.00**	33,824.00	8,982.00
Retention money	**3,501.00**	5,216.00	427.00
Total	**90,656.00**	39,040.00	9,409.00

'*'Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes of similar instruments.

(c) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31 March 2017		31 March 2016		1 April 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Security deposits	**120.27**	**121.00**	71.94	67.00	29.31	26.00
Unbilled revenue	**12,044.16**	**15,100.00**	17,843.32	20,500.00	8,560.65	9,800.00
Loan to employees	**73.68**	**70.00**	5.98	4.80	3.94	3.40
	12,238.11	**15,291.00**	17,921.24	20,571.80	8,593.90	9,829.40
Financial liabilities						
Borrowings	**82,623.85**	**87,155.00**	32,528.65	33,824.00	8,776.35	8,982.00
Retention money	**5,194.96**	**3,501.00**	3,014.00	5,216.00	384.08	427.00
	87,818.81	**90,656.00**	35,542.65	39,040.00	9,160.43	9,409.00

The carrying amounts of short term trade receivables, short term advances and cash & cash equivalents, capital creditors, trade payables, short term retention money and short term earnest money deposit are considered to be the same as their fair values, due to their short-term nature/receivable or payable on demand.

The fair values for security deposits, unbilled revenue, conveyence advance,employee loans term loans,borrowings and retention money were calculated based on cash flows discounted using a current lending rate/borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of observable market inputs.

38. Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings in foreign as well as domestic currency, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade & other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks.

Trade receivables

The Company earns its revenue mainly from government controlled entities (both central and state government). The risk of default in case of such entities is considered to be insignificant.The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. However, the balances of Trade Receivables as on 31/03/2017 are subject to confirmation and reconciliation.

The company has allowed the payment against invoices within a period of 30 days from the date of invoice, and has started levying from the current FY 2016-17 a surcharge/ interest @ 18% per annum on delayed payments beyond 30 days as per their respective agreements with APEPDCL & APSPDCL amounting to Rs. 13.96 crores which includes interest of Rs. 2.84 crores related to previous FY 2015-16.

Based on the business environment in which the Company operates, management considers that the trade receivables are in default (credit impaired) if the payments are more than 90 days past due. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years.

Since the Company has its customers within different states of India, geographically there is no concentration of credit risk. However, management considers the factors that may influence the credit risk of its customer base, including the default risk of the industry.

Loans & advances

The company has given loans & advances to employees. The company manages its credit risk in respect of loan and advances to employee through settlement of dues against full & final payment to employees.

Cash and cash equivalents and deposits with banks

The Company held cash and cash equivalents and bank deposits with scheduled/nationalised banks with high rating.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Non-current loans	**127.59**	41.62	28.97
Other non-current financial assets	**10,116.07**	10,360.95	5,765.06
Cash and cash equivalents	**26,467.08**	24,497.02	3,519.68
Deposits with banks	**5,767.04**	425.28	7,431.75
Current loans	**66.36**	36.30	4.28
Other current financial assets	**8,050.65**	8,890.97	3,865.84
	50,594.79	44,252.14	20,615.58
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	**80,140.76**	34,499.82	3,679.50
	80,140.76	34,499.82	3,679.50

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (State government utilities and distribution companies) with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

₹ in Lakhs

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as 31.03.2017	-	17,194.46	39,385.22	2,541.82	2,754.26	18,265.00	80,140.76
Gross carrying amount as 31.03.2016	-	22,256.44	10,735.85	142.68	38.10	1,326.75	34,499.82
Gross carrying amount as 01.04.2015	-	2,762.31	278.63	121.98	97.11	419.47	3,679.50

38. Financial Risk Management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk through undrawn borrowing facilities by continuously monitoring forecast and actual cash flows. The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Fixed-rate borrowings			
Term loans	**15,000.00**	10,000.00	-
Foreign currency loans	**4,575.27**	15,019.10	24,920.26
Total	**19,575.27**	25,019.10	24,920.26

(ii) Maturitites of financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

31 March 2017 ₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	2,299.00	10,000.00	3,535.12	30,560.21	48,528.52	94,922.85
Current borrowings	-	35,000.00	-	-	-	35,000.00
Trade payables	-	45,869.51	-	-	-	45,869.51
Retention money	-	8,533.01	-	1,644.39	1,096.26	11,273.66
Liability for expenses	-	77.12	-	-	-	77.12
Payable to employees	57.63	-	-	-	-	57.63
Others	-	696.63	-	-	-	696.63
	2,356.63	**1,00,176.27**	**3,535.12**	**32,204.60**	**49,624.78**	**1,87,897.40**

31 March 2016 ₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	145.08	2,403.00	7,597.00	3,975.64	18,553.01	32,673.73
Current borrowings	-	28,500.00	-	-	-	28,500.00
Trade payables	-	34,794.41	-	-	-	34,794.41
Retention money	-	2,462.40	-	3,624.15	910.72	6,997.27
Liability for expenses	511.62	-	-	-	-	511.62
Payable to employees	3.38	-	-	-	-	3.38
Others	-	400.10	-	-	-	400.10
	660.08	**68,559.91**	**7,597.00**	**7,599.79**	**19,463.73**	**1,03,880.51**

1 April 2015 ₹ in Lakhs

Contractual maturities of financial liabilities	Contractual cash flows					
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including interest accrued)	42.18	-	-	1,032.51	7,743.84	8,818.53
Trade payables	-	9,377.27	-	-	-	9,377.27
Retention money	-	257.71	1.94	462.04	-	721.69
Liability for expenses	79.04	-	-	-	-	79.04
Payable to employees	0.39	-	-	-	-	0.39
Others	-	297.56	-	-	-	297.56
	121.61	**9,932.54**	**1.94**	**1,494.55**	**7,743.84**	**19,294.48**

38. Financial Risk Management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015 are as below:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Particulars	**EURO**	**EURO**	**EURO**
Financial liabilities			
Foreign currency borrowings	**32,623.86**	22,528.65	8,776.35

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against Euro at 31 March would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below.

₹ in Lakhs

10% movement	**Profit and loss (before tax)**	
	Strengthening	**Weakening**
31 March 2017		
INR/EUR	(3,262.50)	3,262.50
	(3,262.50)	3,262.50

₹ in Lakhs

10% movement	**Profit and loss (before tax)**	
	Strengthening	**Weakening**
31 March 2016		
INR/EUR	(2,253.00)	2,253.00
	(2,253.00)	**2,253.00**

38. Financial Risk Management (Continued)

Interest rate risk

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
Financial Assets:			
Fixed-rate instruments			
Employee Loans	**73.68**	5.98	3.94
Total	**73.68**	5.98	3.94
Financial Liabilities:			
Fixed-rate instruments			
Foreign currency loans	**32,623.86**	22,528.65	8,776.35
Debentures	**50,000.00**	-	-
Rupee term loans	**35,000.00**	28,500.00	
	1,17,623.86	51,028.65	8,776.35
Variable-rate instruments			
Rupee term loans	**10,000.00**	10,000.00	-
Total	**1,27,623.86**	**61,028.65**	**8,776.35**

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

₹ in Lakhs

	Profit or loss (before tax)	
	50 bp increase	**50 bp decrease**
31 March 2017		
Rupee term loans	**(481.70)**	**481.70**
Total	**(481.70)**	**481.70**

₹ in Lakhs

	Profit or loss (before tax)	
	50 bp increase	**50 bp decrease**
31 March 2016		
Rupee term loans	**(476.19)**	**476.19**
Total	**(476.19)**	**476.19**

39. Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and

- maintain an appropriate capital structure of debt and equity.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds and sourcing by leveraging opportunities in domestic and international financial markets so as to maintain investors, creditors & markets' confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

Under the terms of major borrowing facilities, the Company is required to comply with the following financial covenants:

(i) Maintain a current ratio of >= 1

(ii) Maintain a minimum Asset Coverage of 1.00 times

(iii) Maintain a Debt:Equity ratio of 80:20

(iv) Borrower shall inform the Bank simultaneously along with Stock Exchange if substantial effect on their profit or business means an adverse variance of 20% or more.

There have been no breaches in the financial covenants of any interest bearing borrowings.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ in Lakhs

	31 March 2017	31 March 2016	1 April 2015
Long Term & Short Term Borrowings	**1,29,922.86**	61,173.73	8,818.53
Less : Cash and cash equivalent	**26,467.08**	24,497.02	3,519.68
Net debt	**1,03,455.78**	36,676.71	5,298.85
Total equity	**55,533.79**	41,763.02	11,173.99
Net debt to equity ratio	**1.86**	0.88	0.47

40. Disclosure as per Ind AS 108 'Operating segments'

A. General Information

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Company's reportable segments:

Trading: ₹ 6394.47

Services including Consultancy & ESCO Model: ₹ 6980.47

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Board. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

B. Information about reportable segments and reconciliations to amounts reflected in the financial statements:

₹ in Lakhs

Particulars	Trading		Services		Others		Total	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016	**31 March 2017**	31 March 2016
Segment revenue								
Sale of products/ ESCO Project income/ Other consultancy	**1,02,248.73**	72,060.16	**12,837.30**	5,428.48	-	-	**1,15,086.03**	77,488.64
Segment expenses	**95,854.27**	**66,771.35**	**5,856.83**	**3,364.56**	-	-	**1,01,711.10**	**70,135.91**
Segment results	**6,394.48**	**5,288.81**	**6,980.47**	**2,063.92**	-	-	**13,374.93**	**7,352.73**
Unallocated corporate interest and other income							**7,632.38**	2,822.81
Unallocated corporate expenses, finance charges, depreciation and amortisation							**12,842.10**	5,156.31
Profit before tax							**8,165.21**	**5,019.23**
Income tax (net)							**2,979.57**	1,311.10
Profit after tax							**5,185.64**	**3,708.13**

₹ in Lakhs

Particulars	Trading			Services			Others			Total		
	31 March 2017	**31 March 2016**	1 April 2015	**31 March 2017**	31 March 2016	1 April 2015	**31 March 2017**	31 March 2016	1 April 2015	**31 March 2017**	31 March 2016	1 April 2015
Segment assets	**79,964.66**	**64,445.17**	13.32	**1,22,891.21**	48,091.81	9,296.50	-	-	-	**2,02,855.87**	1,12,536.98	9,309.82
Unallocated corporate and other assets										**54,799.45**	33,448.02	21,464.90
Total assets	**79,964.66**	**64,445.17**	**13.32**	**1,22,891.21**	**48,091.81**	**9,296.50**	-	-	-	**2,57,655.32**	**1,45,985.00**	**30,774.72**
Segment liabilities	**14,615.18**	**20,155.76**	-	**31,254.34**	**20,147.98**	**9,377.27**	-	-	-	**45,869.52**	**40,303.74**	**9,377.27**
Unallocated corporate and other liabilities										**1,56,252.01**	63,918.24	10,223.46
Total liabilities	**14,615.18**	**20,155.76**	-	**31,254.34**	20,147.98	9,377.27	-	-	-	**2,02,121.53**	1,04,221.98	19,600.73

Disclosure as per IND AS - 108 on 'Operating Segment'

The Company has not disclosed geographical segments as operations of the Company are mainly carried out within the country.

a) Business segments:

The Company's principal business consist of two segments- (1) sale of energy efficient appliances to the different set of consumers, and (2) providing the energy efficient technology services on ESCO mode and consultancy services.

b) Segment revenue and expense:

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

c) Segment assets and liabilities:

Segment assets include all operating assets in respective segments comprising of net fixed assets, capital work-in-progress, capital advances and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

Accounting Policy on Segment reporting

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

C. Information about major customers

No external customer individually accounted for more than 10% of the revenues during the year ended 31 March 2017 and 2016.

41. Disclosure as per Ind AS 24 'Related Party Disclosures'

a) List of Related parties:

i) Entities having joint control over the company:

1. NTPC Limited
2. Power Grid Corporation of India Limited
3. Rural Electrification Corporation Limited
4. Power Finance Corporation Limited

ii) Subsidiaries, joint ventures and associates of entities having joint control over the company:

1. PFC Capital Advisory Services Limited
2. PFC Consulting Limited
3. PFC Green Energy Limited
4. REC Power Distribution Co. Limited
5. Utility Powertech Limited

iii) Subsidiaries, joint ventures and associates of entities controlled by the company:

1. EESL EnergyPro Assets Limited

iv) Key Managerial Personnel (KMP):

Kaushal Kishore Sharma	Chairman & Director	w.e.f. 21st October, 2016
Rajeev Sharma	Chairman	w.e.f. 21st October, 2015 till 21st October, 2016
Saurabh Kumar	Managing director	w.e.f. 7th May, 2013
Vijay Kumar Singh	Nominee Director	w.e.f. 21st October, 2016
Anil Kumar Gupta	Director (Finance)	w.e.f. 5th February, 2016 till 26th December, 2016
S.N. Gaikwad	Director (Projects & Business Development)	w.e.f. 5th February, 2016 till 3rd November, 2016
Avkash Saxena	Nominee Director	w.e.f. 22nd September, 2016
Raj Pal	Nominee Director	w.e.f. 14th July, 2016
Seema Gupta	Nominee director	w.e.f. 10th July, 2013 till 25th April, 2016
A Chakravati	Nominee director	w.e.f. 16th January, 2014 till 12th September, 2016
Radha Krishna Srivastava	Nominee director	w.e.f. 24th September, 2015 till 6th September, 2016
Sanjay Seth	Nominee director	w.e.f. 3rd July, 2015 till 16thSeptember, 2016
Puliyar Krishnaswamy Ravi	Government nominee director	w.e.f. 20th June, 2013 till 6th July, 2016
S. Gopal	Chief Financial Officer	w.e.f. 8th June, 2016
Sameer Agarwal	Chief Financial Officer	w.e.f. 27th September, 2014 till 8th June, 2016
Pooja Shukla	Company Secretary	w.e.f. 27th December, 2012

v) Post Employment Benefit Plans:

Energy Efficiency Services Limited Employees Group Superannuation Defined Contribution Scheme Trust

vi) Entities under the control of the same government:

Bureau of Energy Efficiency

NHPC Limited

ONGC Limited

BHEL Limited

Coal India Limited

Indian Renewable Energy Development Agency Limited (IREDA)

b) Transactions with the related parties are as follows:

₹ in Lakhs

Particulars	NTPC Limited	Power Grid Corporation of India Limited	Rural Electrification Corporation Limited	Power Finance Corporation Limited	Utility Powertech Limited	Energy Pro Assets Limited	Total
i) Sales/purchase of goods and services during the year							
- Manpower services received by the Company	-	-	-	-	**1,083.26**	-	**1,083.26**
	(-)	(-)	(-)	(-)	(407.69)	(-)	(407.69)
- Consultancy services provided by the Company	**261.47**	**16.30**	**91.93**	**285.13**	-	-	**654.82**
	(101.56)	(376.61)	(146.05)	(371.46)	(-)	(-)	(995.68)
- Sales of goods	**1,455.16**	-	-	**3.35**	-	-	**1,458.50**
	(-)	(-)	(-)	(-)	(-)	(-)	-
ii) Deputation of employees	**181.67**	-	-	-	-	-	**181.67**
	(139.08)	(-)	(-)	(-)	(-)	(-)	(139.08)
iii) Equity contribution received	**9,900.00**	-	**9,900.00**	**9,900.00**	-		**29,700.00**
	(2,500.00)	(-)	(2,500.00)	(2,500.00)	(-)	(-)	(7,500.00)
iv) Equity contribution paid	-	-	-	-	-	**189.04**	**189.04**
	(-)	(-)	(-)	(-)	(-)	(-)	-
v) Final dividend paid	**338.57**	**52.00**	**338.57**	**338.57**	-	-	**1,067.72**
	(67.95)	(67.95)	(67.95)	(67.95)	(-)	(-)	(271.79)

*Figures in negative represents previous year figures.

₹ in Lakhs

	2016-17	**2015-16**
Transactions with post employment benefit plans		
- Contributions made during the year	**58.73**	-
Compensation to Key management personnel		
- Short term employee benefits	**80.51**	**68.64**
- Post employment benefits	**10.99**	8.34
- Other long term benefits	**11.62**	**9.48**
Total Compensation to Key management personnel	**103.12**	86.46
Outstanding compensation (1 April 2015: ₹ 0.39 Lakhs)	**0.80**	**0.87**

₹ in Lakhs

Transactions with the related parties under the control of the same government:

Sl. No.	**Name of the Company**	**Nature of transaction**	**2016-17**	2015-16
1	Coal India Limited	Consultancy services	-	96.74
2	Indian Renewable Energy Development Agency Limited (IREDA)	Consultancy services	-	96.74
3	Bureau of Energy Efficiency	Sale of goods	**170.93**	-
4	NHPC Limited	Consultancy services	**19.55**	-
5	ONGC Limited	Sale of goods	**8.40**	-
6	BHEL Limited	Sale of goods	**62.26**	-
7			**261.14**	193.48

c) Outstanding balances with related parties are as follows:

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Amount recoverable for sale/purchase of goods and services			
- From NTPC Limited	**1,645.00**	101.56	-
- From Power Grid Corporation of India Limited	**9.32**	(6.17)	-
- From Rural Electrification Corporation Limited	**402.08**	310.24	173.45
- From Power Finance Corporation Limited	**394.87**	456.36	138.47
- From PFC Capital Advisory Services Limited	**2.32**	2.32	2.32
- From PFC Consulting Limited	**0.69**	18.00	18.00
- From PFC Green Energy Limited	**2.79**	2.79	2.79
Amount payable (other than loans)			
- To Utility Powertech Limited	**1,133.92**	50.66	-

d) Terms and conditions of transactions with the related parties

(1) Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

(2) There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017 which were not at Arm's Length Price.

(3) The Company is receiving manpower services from M/s Utility Powertech Ltd (UPL), a 50:50 joint venture between NTPC Limited and Reliance Infrastructure Ltd.

(4) The Company provides consultancy services and sell goods to companies having joint control on which it recovers cost plus services charges from such companies.

(5) Outstanding balances of related parties at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42. First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended 31 March 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2015 (the date of transition to Ind AS).

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS Balance Sheet at 1 April 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2017, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2015 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemption and exceptions availed

In the Ind AS Opening Balance Sheet as at 1 April 2015, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2015 are generally recognized and measured according to Ind AS in effect as on 31 March 2017. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

i) Property, plant and equipment & Intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

ii) Long term foreign currency monetary items

The Company has elected to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP.

Reconciliation of equity as at 1 April 2015 and as at 31 March 2016

₹ in Lakhs

		1 April 2015			31 March 2016		
	Note	Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
ASSETS							
Non-current assets							
Property, plant and equipment	a	14,308.28	(8,727.61)	5,580.67	46,877.71	(19,277.37)	27,600.34
Capital work in progress	a	834.94	(301.87)	533.07	15,278.82	(994.41)	14,284.41
Other Intangible assets		21.82	-	21.82	33.89	-	33.89
Financial assets							
Loans	c	57.56	(28.59)	28.97	104.61	(62.99)	41.62
Other financial assets	a	-	5,765.06	5,765.06	12.55	10,348.40	10,360.95
Other non-current assets	c	30.76	21.51	52.27	940.58	22.38	962.96
Current Assets							
Inventories	a	13.32	84.37	97.69	17,950.57	939.82	18,890.39
Financial assets							
Trade receivables	b	3,668.35	11.15	3,679.50	34,414.68	85.14	34,499.82
Cash and cash equivalents		3,519.68	0.00	3,519.68	24,497.02	-	24,497.02
Other bank balances		7,431.75	0.00	7,431.75	425.28	-	425.28
Loans	c	1.21	3.07	4.28	2.19	34.11	36.30
Other financial assets	a	1,070.25	2,795.59	3,865.84	1,396.04	7,494.93	8,890.97
Current tax assets (Net)		86.36	0.00	86.36	670.49	-	670.49
Other current assets	c	104.25	3.51	107.76	4,785.77	4.79	4,790.56
Total Assets		31,148.53	**(373.81)**	**30,774.72**	**1,47,390.20**	**(1,405.20)**	**1,45,985.00**
EQUITY & LIABILITIES							
Equity							
Equity Share capital		9,000.00	-	9,000.00	16,500.00	-	16,500.00
Other equity	i	2,033.17	140.82	2,173.99	24,102.69	1,160.33	25,263.02
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		8,776.35	-	8,776.35	30,124.96	-	30,124.96
Other financial liabilities	d	554.01	(169.93)	384.08	4,501.95	(1,487.95)	3,014.00
Provisions		49.77	-	49.77	92.58	0.01	92.59
Deferred tax liabilities (Net)	f	230.24	(49.69)	180.55	176.26	(40.31)	135.95
Other non-current liabilities		12.37	0.01	12.38	37.11	(7.73)	29.38
Current liabilities							
Financial liabilities							
Borrowings		-	-	-	28,500.00	-	28,500.00

Trade payables		9,377.27	-	9,377.27	34,794.41	-	34,794.41
Other financial liabilities		554.55	33.63	588.18	5,697.65	261.54	5,959.19
Other current liabilities		72.45	-	72.45	1,567.97	0.01	1,567.98
Provisions	g	330.85	(328.65)	2.20	1,294.62	(1,291.10)	3.52
Current Tax Liabilities (Net)		157.50	-	157.50	-	-	-
Total equity and liabilities		31,148.53	**(373.81)**	**30,774.72**	**1,47,390.20**	**(1,405.20)**	**1,45,985.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of statement of total comprehensive income for the year ended 31 March 2016

₹ in Lakhs

	Note	Previous GAAP*	Adjustments	Ind ASs
INCOME				
Revenue from operations	a,b	70,257.92	7,230.72	77,488.64
Other income	a,c	680.99	2,141.82	2,822.81
Total Income		70,938.91	9,372.54	80,311.45
EXPENDITURE				
Purchase of stock-in-trade	a	66,408.27	12,062.44	78,470.71
Distribution expenses (UJALA)		4,783.34	-	4,783.34
Media expenses (UJALA)		1,454.55	-	1,454.55
(Increase)/Decrease in Inventories		(17,937.25)	-	(17,937.25)
Employee benefits expense	h	1,280.40	(1.97)	1,278.43
Finance costs	d	1,322.64	65.01	1,387.65
Depreciation, amortization and impairment expense	a,d	4,756.10	(3,001.10)	1,755.00
Other expenses	a,d	4,036.25	63.54	4,099.79
Prior period items (Net)		22.48	(22.48)	-
Total Expenses		**66,126.78**	**9,165.44**	**75,292.22**
Profit before tax		**4,812.13**	**207.10**	**5,019.23**
Current tax				
Current year		1,528.89	47.99	1,576.88
Earlier years		(221.86)	-	(221.86)
Deferred tax				
Current year	e	(53.99)	10.06	(43.92)
		1,253.04	**58.05**	**1,311.10**
Profit after tax		3,559.08	149.05	3,708.13
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of tax)				
- Net actuarial gains/(losses) on defined benefit plans	h	-	(1.29)	(1.29)
Other comprehensive income for the year, net of income tax		-	(1.29)	(1.29)
Total comprehensive income for the year		3,559.08	147.76	3,706.84

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2016 and 1 April 2015

₹ in Lakhs

	Note	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		40,602.69	11,033.17
Adjustments:			
Proposed dividend and tax	f	1,291.09	328.65
Recognition of financial assets/liabilities at amortised cost	c,d	189.92	169.43
Depreciation and amortization	d	48.10	-
Error rectification	a	(217.68)	(406.94)
Revenue recognised at fair value	b	(199.15)	-
Others		7.73	-
Tax impact due to Ind AS adjustments	f	40.32	49.68
Total adjustments		**1,160.33**	**140.82**
Total equity as per Ind AS		**41,763.02**	**11,173.99**

Reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in Lakhs

	Note	31 March 2016
Profit after tax as per previous GAAP		3,559.08
Adjustments:		
Depreciation and amortization	d	48.10
Recognition of financial assets/liabilities at amortised cost	c,d	20.49
Revenue recognised at fair value	b	(199.15)
Transaction cost on issue of equity shares, net of tax	e	90.69
Actuarial loss on defined benefit plans recognised in Other Comprehensive Income (net of tax)	h	1.29
Error rectification		189.27
Others	a	7.74
Tax impact due to Ind AS adjustments	**f**	**(9.38)**
Total adjustments		**149.05**
Profit after tax as per Ind AS		**3,708.13**
Other comprehensive income (net of tax):		
Actuarial loss on defined benefit plans	h	(1.29)
Total comprehensive income as per Ind AS		**3,706.84**

Notes to first-time adoption:

(a) Error rectification

(i) Under previous GAAP, the company errorneously capitalised the expenditure incurred on LED-ESCO projects as property, plant and equipment. Revenue was recognised on accrual basis as per the terms of the agreement.

On transition to Ind AS, the above said error was rectified by decapitalising property, plant & equipment and recognising the same as expense in retained earnings as at 1 April 2015 and in the statement of profit & loss for the year ended 31 March 2016. Also, since risk and rewards got transferred as the products were sold, the revenue was recognised at present value of future payments to be received.

In addition to above, company capitalised certain administration and general overheads in the cost of property, plant and equipment which have been decapitalised under Ind AS.

(ii) Under previous GAAP, the company recognised prior period income and expenses separately in the Statement of profit and loss.

Under Ind AS, material prior period errors are required to be adjusted retrospectively by restating the comparative amounts of the prior period presented in which the error occured or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. Accordingly, the company has retrospectively restated the assets, liabilities and equity for the prior period errors identified.

b) Revenue under OBF model

Under previous GAAP, revenue from sale of goods under LED-OBF model was being recognised at the value of total proceeds received or receivable (both under upfront payment option and EMI option).

Under Ind AS, financing component under EMI option was segregated from the upfront revenue (amount received under upfront option) and recognised as and when it accrued.

(c) Security deposits

Under previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value.

Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent.

(d) Financial liabilities

Under previous GAAP, company recognised its liabilities pertaining to retention money at cost.

However, under Ind AS, liabilities in which the Company has a contractual obligation to deliver cash are classified as financial liabilities and recorded at amortized cost. Therefore, such financial liabilities have been discounted to present value since they do not carry any interest.

(e) Transaction cost on issue of equity shares

Under previous GAAP, the company charged off the transaction costs incurred on issue of equity shares.

Under Ind AS, the same is required to be netted off from equity and hence, the company has adjusted the transaction cost of ₹ 90.69 lakhs (net of related tax benefit of ₹ 48.01 Lakhs) from retained earnings.

The impact arising from above-mentioned adjustments is summarised as below:

₹ in Lakhs

Particulars	Footnote reference	As at 1 April 2015	FY 2015-16	As at 31 March 2016
Property, plant & equipment:				
Gross Block of LED-ESCO expenditure decapitalised (Purchase of stock-in-trade)	a (i)	(9,102.50)	(12,184.85)	(21,287.35)
Gross Block of LED-ESCO expenditure decapitalised (Capital work-in-progress)	a (i)	-	(95.09)	(95.09)
Decapitalisation of general and administrative overheads	a (i)	-	(29.20)	(29.20)
Accumulated Depreciation	a (i)	374.89	2,952.99	3,327.88
Discounting of retention money	d	-	(1,241.71)	(1,241.71)
Depreciation impact due to discounting of retention money	d	-	48.10	48.10
Total		**(8,727.61)**	**(10,549.76)**	**(19,277.37)**
Capital work-in-progress:				
Decapitalisation of LED-ESCO expenditure (Inventories)	a (i)	(84.37)	(939.82)	(1,024.19)
Retained earnings (indirect cost)	a (i)	(217.50)	-	(217.50)
Reversal of capitalisation to property, plant & equipment	a (i)	-	95.09	95.09
Decapitalisation of LED-ESCO expenditure (Purchase of stock-in-trade)	a (i)		206.78	206.78
Discounting of retention money	d	-	(54.60)	(54.60)
Total		**(301.87)**	**(692.55)**	**(994.42)**
Loans (Non current and current):				
Discounting of security deposits	c	(25.52)	(8.09)	(33.61)
Finance income recognised on security deposits	c	-	4.73	4.73
Total		**(25.52)**	**(3.36)**	**(28.88)**
Other financial assets (Non current and current):				
Unbilled revenue (revenue measured at fair value)	a (i)	8,560.65	7,509.95	16,070.60
Revenue on account of AMC recognised on LED-ESCO projects	a (i)	-	119.07	119.07
Finance income recognised on LED-ESCO projects	a (i)	-	1,653.66	1,653.66
Total		**8,560.65**	**9,282.68**	**17,843.33**
Other assets (Non current and current):				
Deferred rent (discounting of security deposits)	c	25.03	8.09	33.12

Amortisation of deferred rent	c		(5.96)	(5.96)
Total		**25.03**	**2.13**	**27.16**
Inventories:				
Decapitalisation of LED-ESCO expenditure (Capital work-in-progress)	a (i)	84.37	939.82	1,024.19
Recognised as expense (Purchase of stock-in-trade)	a (i)	-	(84.37)	(84.37)
Total		**84.37**	**855.45**	**939.82**
Trade receivables:				
Revenue measured at fair value	b	-	(199.15)	(199.15)
Rectification of prior period error	a (ii)	11.15	273.14	284.29
Total		**11.15**	**73.99**	**85.14**
Other financial liabilities (Non current and current):				
Discounting of retention money	d	(169.92)	(1,383.04)	(1,552.96)
Unwinding of discounting of retention money	d	-	65.01	65.01
Rectification of prior period error	a (ii)	33.63	227.90	261.53
Total		**(136.29)**	**(1,090.13)**	**(1,226.42)**

₹ in Lakhs

Particulars	Footnote reference	31 March 2016
Revenue:		
LED-ESCO revenue recognised at fair value	a (i)	7,629.02
Adjustment of financing component under OBF model	b	(398.30)
Total		**7,230.72**
Other Income:		
Finance income on LED-ESCO projects	a (i)	1,653.66
Finance income on LED-OBF projects	b	199.15
Finance income on security deposits	c	4.73
Rectification of prior period error	a (ii)	284.28
Total		**2,141.82**
Depreciation, amortization and impairment expense:		
Decapitalisation of LED-ESCO expenditure	a (i)	(2,952.99)
Discounting of retention money	d	(48.10)
Total		**(3,001.09)**
Other expenses:		
Discounting of retention money	d	(86.72)
Amortisation of deferred rent	c	5.96
Transaction costs on issue of equity shares	e	(138.70)
Rectification of prior period error	a (ii)	290.73
Others		(7.73)
Total		**63.54**

(f) Deferred taxes

The above changes increased (decreased) the deferred tax liability as follows based on a tax rate of 34.608% (1 April 2015: 32.445%):

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 : Income Taxes requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temprorary differences which was not required under Indian GAAP.

The above changes increased (decreased) the deferred tax liability as follows:

₹ in Lakhs

Particulars	31 March 2016	31 March 2015
Difference in book depreciation and tax depreciation	**6,671.51**	**2,831.67**
Revenue measured at fair value	(6,204.68)	(2,734.31)
Financial assets and liabilities measured at amortised cost	(514.35)	(54.97)
Others	87.84	7.29
Total	**40.32**	**49.68**

(g) Proposed Dividend

Under Indian GAAP, the Company had accounted for proposed dividends relating to year ended 31 March 2015 in that year, though the approval of that dividend took place after the reporting date. Under Ind AS, proposed dividends do not meet the definition of liability until they have been approved by shareholders at the Annual General Meeting. Therefore, the Company has not recognized a liability for dividend that has been proposed but will not be approved until after the reporting date.

The effect of the adjustment is to increase the retained earnings by ₹ 328.65 Lakhs with corresponding decrease in provisions as at 1 April 2015 and ₹ 1,291.09 Lakhs as at 31 March 2016.

(h) Employee benefits :

Both under Indian GAAP and Ind-AS, the company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in Other Comprehensive Income.

As a result, profit for the year ended 31 March 2016 increased by ₹ 1.29 lakhs (net of tax) with corresponding decrease in Other compreshensive income during the year.

(i) Retained earnings :

Retained earnings as at 1 April 2015 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2016 and 1 April 2015' as given above for details.

(j) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other compreshensive income pertains to remeasurement of defined benefit plans. Hence, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(k) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

43. Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'

Interest in joint ventures

(i) Below are the details of a joint venture of the Company as at 31 March 2017 which, in the opinion of the directors, is material. The share capital of the entity consists solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ in Lakhs

Name of entity	Place of business	Ownership interest held by the group			Accounting method	Carrying amount		
		31 March 2017	31 March 2016	1 April 2015		31 March 2017	31 March 2016	1 April 2015
EESL EnergyPro Assets Limited (EESL-EPAL) *	United Kingdom	80.00	-	-	Equity method	180.63	-	-

* EESL EnergyPro Assets Limited (formerly known as EnergyPro Assets Limited. EESL-EPAL is an unlisted entity and therefore , no quoted price is available.

(ii) Summarised financial information for joint ventures

The tables below provide summarised financial information for the joint venture entity. The information disclosed reflects the amounts presented in the unaudited consolidated financial statements of the joint venture including its two subsidiaries and not the company's share of those amounts.

Summarised balance sheet

₹ in Lakhs

Particulars	31 March 2017	31 March 2016	1 April 2015
Current assets			
Cash and cash equivalents	5,241.13	-	-
Other assets	3,134.83	-	-
Total current assets	**8,375.96**	**-**	**-**
Total non-current assets	**1,122.26**	**-**	**-**
Current liabilities			
Financial liabilities (excluding provisions, trade and other payables)	4,431.52	-	-
Other liabilities	4,840.91	-	-
Total current liabilities	**9,272.44**	**-**	**-**
Non-current liabilities			
Financial liabilities (excluding provisions, trade and other payables)	-	-	-
Other liabilities	-	-	-
Total non-current liabilities	**-**	**-**	**-**
Net assets	**225.78**	**-**	**-**

Reconciliation to carrying amounts

₹ in Lakhs

Particulars	31 March 2017	31 March 2016
Opening net assets	236.29	-
Profit/(loss) for the year	(7.42)	-
Other comprehensive income for the year	(3.09)	-
Closing net assets	**225.78**	**-**
Group's share in %	80.00	-
Group's share in INR	180.63	-
Carrying amount	**180.63**	**-**

Summarised statement profit and loss

₹ in Lakhs

Particulars	31 March 2017	31 March 2016
Revenue	-	-
Interest income	-	-
Interest expense	-	-
Other expense	(7.42)	-
Income tax expense	-	-
Profit/(loss) for the year	**(7.42)**	**-**
Other comprehensive income	(3.09)	-
Total comprehensive income	**(10.51)**	**-**

(iii) Details of significant restrictions

₹ in Lakhs

(a) Period of restrictions for disposal of investments as per related agreements	31 March 2017	31 March 2016	1 April 2015
3 years from the date of the agreement	180.63	-	-

(b) In the event of default of loan repayments by joint venture to ICICI Bank, the bank may by notice stop it from making dividend payments to its stakeholders including EESL.

44. Corporate Social Responsibility Expenses (CSR)

As per Section 135 of the Companies Act, 2013, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. However, the Company has not spent the minimum amount on the CSR activities as per the provisions of Section 135 of the Companies Act, 2013 & its schedule VII read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The details of CSR expenses for the year are as under:

₹ in Lakhs

Particulars	31 March 2017	31 March 2016
A. Amount required to be spent during the year	45.72	18.53
B. Shortfall amount of previous year	NIL	NIL
C. Total (A+B)	45.72	18.53
D. Amount spent during the year on-		
- Construction/ acquisition of any asset	NIL	NIL
- On purposes other than (i) above	NIL	NIL
Total	NIL	NIL
Shortfall amount appropriated to CSR reserve	**NIL**	**NIL**

₹ in Lakhs

a) Amount spent during the year ended 31 March 2017:

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	NIL	NIL	NIL
On purposes other than (i) above	NIL	NIL	NIL

₹ in Lakhs

b) Amount spent during the year ended 31 March 2016:

Particulars	In cash	Yet to be paid in cash	Total
Construction/acquisition of any asset	NIL	NIL	NIL
On purposes other than (i) above	NIL	NIL	NIL

₹ in Lakhs

E. Break-up of the CSR expenses under major heads is as under:

Particulars	31-Mar-17	31-Mar-16
1. Swachh Vidyalaya Abhiyan	NIL	NIL
2. Healthcare and sanitation	NIL	NIL
3. Education and skill development	NIL	NIL
4. Rural development	NIL	NIL
5. Environment	NIL	NIL
6. Drinking water	NIL	NIL
7. Sports	NIL	NIL
8. Capacity building	NIL	NIL
9. Protection of national heritage, art and culture	NIL	NIL
10.Other CSR activities	NIL	NIL
Total	**NIL**	**NIL**

45. Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016:

During the year, the Company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBN's and other notes as per the notification are as follows:

₹ in Lakhs

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016 in the hands of Collecting/ Distributing Agencies	314.83	1,089.74	1,404.57
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in Banks*	314.83	1,089.74	1,404.57
Closing cash in hand as on 30.12.2016	-	-	-

*The distribution agents directly deposited specified bank notes during the specified period from 09-11-2016 to 30-12-2016 on account of sales of LED bulbs/ lights prior to 08/11/2016 in different states across India, but records of cash sales & cash deposit slips on the basis of denomination of bank notes have not been maintained & hence not available.

46. **Disclosure as per Schedule III to the Companies Act, 2013**

₹ in Lakhs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Energy Efficiency Services Limited								
31 March 2017	**99.67%**	**55,344.75**	**100.11%**	**5,185.64**	**63.77%**	**(4.35)**	**100.16%**	**5,181.29**
31 March 2016	100.00%	41,763.02	100.00%	3,708.13	100.00%	(1.29)	100.00%	3,706.84
1 April 2015	100.00%	11,173.99						
Joint ventures (Investment as per equity method)								
Foreign								
EESL EnergyPro Assets Limited								
31 March 2017	**0.33%**	**180.63**	**-0.11%**	**(5.94)**	**36.23%**	**(2.47)**	**-0.16%**	**(8.41)**
Total								
31 March 2017	**100.00%**	**55,525.38**	**100.00%**	**5,179.70**	**100.00%**	**(6.82)**	**100%**	**5,172.88**
31 March 2016	**100.00%**	**41,763.02**	**100.00%**	**3,708.13**	**100.00%**	**(1.29)**	**100%**	**3,706.84**
1 April 2015	**100.00%**	**11,173.99**						

47.

(a) The Company has issued Secured, Redeemable, Taxable, Non Cumulative, Non Convertible Bonds in the nature of debenture of the face value of ₹ 40,00,000/- each comprising of 2 STRPP of the value of ₹ 10,00,000/- each and 1 STRPP of the value of ₹ 20,00,000/- for cash at par having total issue size of ₹ 50,000 Lakhs (Series-1), have been issued during the year. The face value of Bonds alongwith interest are secured by way of first pari-passu charge over moveable fixed assets of the Company with minimum asset coverage of 1.00 times. Bonds have been allotted on 20.09.2016 and listed on the Bombay Stock Exchange (BSE).

(b) The Company is creating Debenture Redemption Reserve (DRR) for Bonds issued @ 25% (as required by Companies (Share Capital and Debentures) Rules, 2014).

(c) The Company raises funds through various sources including series of Non-Convertible Bond issue.

As regards non-convertible Rupee denominated bonds, the first due date for payment of annual interest is 20.09.2017 and principal shall be 20.03.2020, 20.09.2021 and 20.09.2023 amounting ₹ 12,500.00 Lakhs, ₹ 12,500.00 Lakhs and ₹ 50,000.00 Lakhs respectively.

48. Major Investments made during the year:

(i) The Company has made a purchase of Land in Jaipur Institutional Area, Jaipur having registered stamp value based on circle rate at ₹ 694.25 Lakhs during the year ended 31.03.2017.

(ii) The Company has made an advance for purchase of property at NBCC Center, Sahkar Marg, Jaipur for its Regional Office at Jaipur. Total cost of the area, admeasuring 4590 Sq. Ft. is, ₹ 460.77 Lakhs. The installement of the property is due on or before 26/04/2017.

(iii) The Company has also given an advance for purchase of Built up offices in NBCC Square, Action Area-III, Rajarhat, Kolkata. The possession of the said property shall be available from next Financial Year.

49. Central Board of Direct Taxes on 31 March 2015 notified 10 ICDS vide Notification no. 32/2015 [F. No. 134/48/2010 – TPL]/ SO 892(E), which is applicable to all taxpayers (corporate and non-corporate) following mercantile method of accounting including nonresident taxpayers. It applies to income computed under the head Profit and Gains of Business and Profession and Income from Other Sources. However, there is no impact on computation of Book Profits for the purposes of MAT (Minimum Alternate Tax), which will continue to be governed by the methodology according to the Companies Act, 2013

Accordingly, the Company has made the Current Tax and Provision for Taxes calculations as per the applicable Income Computation and Disclosure Standards.

50. While computing provision for income tax as per income Computaion and Disclosure Standards (ICDS), sum of ₹ 21 crore on account of unrealized gain on difference in foreign currency exchange fluctuations on receipt of loan in foreign currency as on March 31, 2017, which is utilized in the acquisition and construction of capital assets has been reduced from that capital assets, which is in contravention of the provisions of Ind AS 16 and ICDS, which states that the same should from part of the Income of the company and should have been routed through profit and loss account. But relying on various court cases of high court and Supreme Court, the same has been treated as capital receipt.

As per our audit report of
date annexed.

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar	**Avkash Saxena**	**Pooja Shukla**	**S Gopal**	**Gurkirpal Singh Bedi**
Managing Director	Director	Company Secretary	Chief Financial Officer	Partner
DIN : 06576793	DIN : 00529340			M. No. 090637

Place : Varanasi
Date : 4th August 2017

Place : New Delhi
Date : 4th August 2017

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule
5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1. SI. No. (NIL)
2. Name of the subsidiary/Joint venture (NIL)
3. The date since when subsidiary wasacquired (NIL)
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period. (NIL)
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. (NIL)
6. Share capital (NIL)
7. Reserves and surplus (NIL)
8. Total assets (NIL)
9. Total Liabilities (NIL)
10. Investments (NIL)
11. Turnover (NIL)
12. Profit before taxation (NIL)
13. Provision for taxation (NIL)
14. Profit after taxation (NIL)
15. Proposed Dividend (NIL)
16. Extent of shareholding (NIL)

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

S Gopal
Chief Financial Officer

Gurkirpal Singh Bedi
Partner
M. No. 090637

Part B Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	**Name of Associates or Joint Ventures**	**EESL Energy pro assets ltd**
1.	**Latest Balance Sheet Date**	31st march 2017
2.	**Date on which the Associate or Joint Venture was associated or acquired**	21st MARCH,2017
3.	**Shares of Associate or Joint Ventures held by the company on the year end**	80%
	No.	230680
	Amount of Investment in Associates or Joint Venture	INR 18903695
	Extent of Holding (in percentage)	80%
4.	**Description of how there is significant influence**	Equity holding of more than 80%
5.	**Reason why the associate/joint venture is not consolidated**	NA
6.	**Net worth attributable to shareholding as per latest audited Balance Sheet**	18062702
7.	**Profit or Loss for the year**	-1051242 INR
i.	Considered in Consolidation	-840994 INR
ii.	Not Considered in Consolidation	-210248 INR

For and on behalf of the Board of Directors

For VPGS & Co.
Chartered Accountants
FRN 507971C

Saurabh Kumar
Managing Director
DIN : 06576793

S Gopal
Chief Financial Officer

Gurkirpal Singh Bedi
Partner
M. No. 090637

Zonal Offices:-

SL. No.	Zone Wise Office	Location	Address	Contact Person & Phone No.
1.	Zonal Office (NORTH)	NOIDA	4th & 5th Floor, IWAI Building, A-13, Sector-1, Noida-201301 (U.P.)	Mr. Venkatesh Dwivedi, Zonal Manager. Contact No. 0120-4908000
2.	Zonal Office (SOUTH)	HYDERABAD	Plot No. 43 C,Road No. 71,Jubilee Hills,Hyderabad,A.P	Ms. Savitri Singh, Zonal Manager. Contact No. 9555040363
3.	Zonal Office (EAST)	RANCHI	4th Floor,Maple Plaza,Opp. Road No. 2, Ashok Nagar, Ranchi, Jharkhand-834002.	Mr. Prabhat Kumar, Zonal Manager (Jharkhand). Contact No. 0120-4908000
4.	Zonal Office (WEST)	MUMBAI	Block A1, 8th Floor, Chandramukhi, Ramnath Goenka Marg, Nariman Point,Mumbai-400021.	Mr.D.G. Salpekar, Zonal Manager (Mumbai). Contact No. 0120-4908000
5.	Zonal Office (CENTRAL)	LUCKNOW	TC/G-2 & TC/G-5/5, Vibhuti Khand, Gomti Nagar, Lucknow	Mr. Tarun Tayal, Zonal Manager. Contact No. 9811166779

Regional Offices:-

S. No.	Regions Wise	Address
1.	HYDERABAD	Plot No. 43 C, Road No. 71, Jubilee Hills, Hyderabad, Andhra Pradesh
2.	RAJASTHAN	605/606, Sixth floor, City Corporate, Malviya Marg, C Scheme, Jaipur. 302001
3.	VISAKHAPATNAM	Door No.7-8-22, Street R.K.Mission Road,Area Waltair Ward, Ward No. 18Visakhapatnam
4.	MUMBAI	Block A1, 8th Floor, Chandramukhi, Ramnath Goenka Marg, Nariman Point, Mumbai-400021.
5.	KOLKATA	Plot No. 53, Block: DN,Sector V, Salt Lake City, Kolkata 700 091
6.	SHIMLA	Thakur Niwas, Khalini,Shimla -171002
7.	VIJAYWADA	Door No. 10-56, Abdul Salam Towers,3rd floor, Ashok Nagar,M.G. Road, Vijaywada-520007

International Offices:-

S. No.	Location	Contact Person & E-mail
1.	London, UK	Ms. Neelima Jain Email : njain@eesl.co.in
2.	Bangkok, Thailand	Mr. Adesh Saxena Email : asaxena1@eesl.co.in
3.	Riyadh, Saudi Arabia	Mr. Ashish Kumar Sharma Email : asharma@eesl.co.in

Energy Efficiency Services Limited

Corporate Office:
A 13, IWAI Building, 4th & 5th Floor,
Sector 1, Noida 201 301
Phone : +91 120 490 8000
Fax : +91 120 490 8099

Registered Office:
4th Floor, Sewa Bhawan
R.K. Puram
New Delhi 110 066
Phone: +91 11 26 17 9699

E-mail: info@eesl.co.in
www.eesl.co.in